**Office of Climate Action and Resiliency Ballot Initiative Talking Points**

**Main Points**

* Addressing our changing climate and finding ways to reduce our carbon footprint is important. We must be thoughtful and not emotional in our search for a solution.
* Too many questions, too little time. Convene a stakeholder group and develop this important policy in a thoughtful and sustainable way.
* Everyone needs to be encouraged to want to “eagerly participate’ in this effort.
* The commercial real estate industry is a significant partner with the City and County of Denver through the Energy Efficiency in Commercial and Multifamily Buildings Ordinance; the Green Building Ordinance; and the Mayor’s 80x50 Program.
* This excise tax will be used to create a new government beurocracy.
* The tax proposed in the draft that the City Council will be reviewing applies only to commercial and industrial customers. Everyone should participate including residential users and all other energy users.
* The natural gas tax is going to be particularly concerning for small businesses such as restaurants who use a lot of natural gas to operate their business.
* What calculation has the City done regarding how much it would cost small businesses (restaurants) to retrofit everything from natural gas to electricity?
* There are too many unanswered questions to rush this onto the ballot. This would be like the Green Roofs initiative all over again.
* Xcel has committed to reducing carbon by 80% by 2030 and to have zero carbon by 2050.
* Why would you tax a commodity and an industry that is doing its part to reduce carbon?
* Xcel’s reductions meet the recommendations of the IPCC report, and actually go farther than some of the recommended reductions.
* By 2026, the electric grid in Colorado will be 55% renewable, which means in a few short years Denver would be taxing more renewable energy than carbon emitting energy on the grid.
* Does Xcel have enough capacity to absorb this increase in electrical demand?
* In 2018 only 38% of the Xcel electrical power grid was from carbon-free sources. If we dramatically increase electrical demand, what will that do to their ability to reach their 2030 and 2050 goals?

**Secondary Points**

**Process**

* In 2018, by a vote of 12/1, the City Council referred a measure to the ballot that increased the signature requirements for future ballot initiatives. That measure passed by the citizens of Denver by 58%.
* This initiative was the first one submitted that was subject to those new signature requirements. They fell short by over 2,000 signatures.
* Appealing now to City Council to refer the measure directly, seems to be taking advantage of a loop-hole to avoid the citizens requirement that they get more signatures.
* If City Council moves forward to consider referring this measure, should that not include an opportunity for wider stakeholder input and discussion?

**Affordability**

* The additional costs incurred will be passed on to commercial, retail, and industrial tenants which may drive them out of the city. More importantly, the consumer will be made to pay in the end.
* The city relies heavily on property taxes collected from the commercial real estate community. Those funds are used to support all types of city services. Basic economics shows that as costs increase and tenants can’t pay those costs, the value of the commercial real estate drops due to increase vacancy and value perceptions. As those commercial real estate values drop, so do the property taxes collected which are based on property values.

**Vague**

* Similar to the Green Roof Initiative, this proposed initiative is full of inconsistencies and vague references. We must not put this on the ballot in order to “fix” it. What worked with the Green Building Ordinance should not be used as a way to create good public policy. And it shouldn’t be assumed that it will work every time. Let’s fix it before we ask the public to vote on it. Examples:
  + Creates “appropriate staff” – who decides?
  + Powers and duties include: “Implementing new ordinances and passing rules.” Who oversees? What is the process for public input?
  + Section 11.5-4 says that “ALL” monies from the tax must be spent in certain ways. It does not include the cost of the staff and the office. How is that paid for?

**Tax Rates**

* Proposed electric tax rate is 12%
* Proposed natural gas rate is 34% until 2025 with 10% PER YEAR increases after that in perpetuity. 55% tax rate in 2030; 89% tax rate in 2035.
* Natural Gas is the most carbon efficient source of energy.
* Unless Xcel can significantly accelerate their move to renewables in the next 5-10 years, forcing more customers to heat pump heat and electrical cooling and off of natural gas, will require the use of dirtier carbon fuels to support the electrical grid requirement, which is the opposite of the desired effect.
* Natural Gas has been increasingly used as an alternative to carbon-based fuels. It is also helping Colorado and the Nation to become “energy independent.” Taxing that option and then having that tax increase 10% per year will negatively impact those advances.
* Taxing only buildings and not single-family residential property does not address the societal nature of the issue.
* The buildings that are proposed to be taxed do not have a say at the ballot box. Effectively they are facing taxation without representation. It is easy for a citizen to vote to tax another entity when they have no comparable skin in the game.