

Colorado Energy Office (CEO) SMART Act Hearing

Energy and Environment,
Transportation & Energy Committees
January 21, 2021



COLORADO
Energy Office



CEO Mission & Vision



Mission

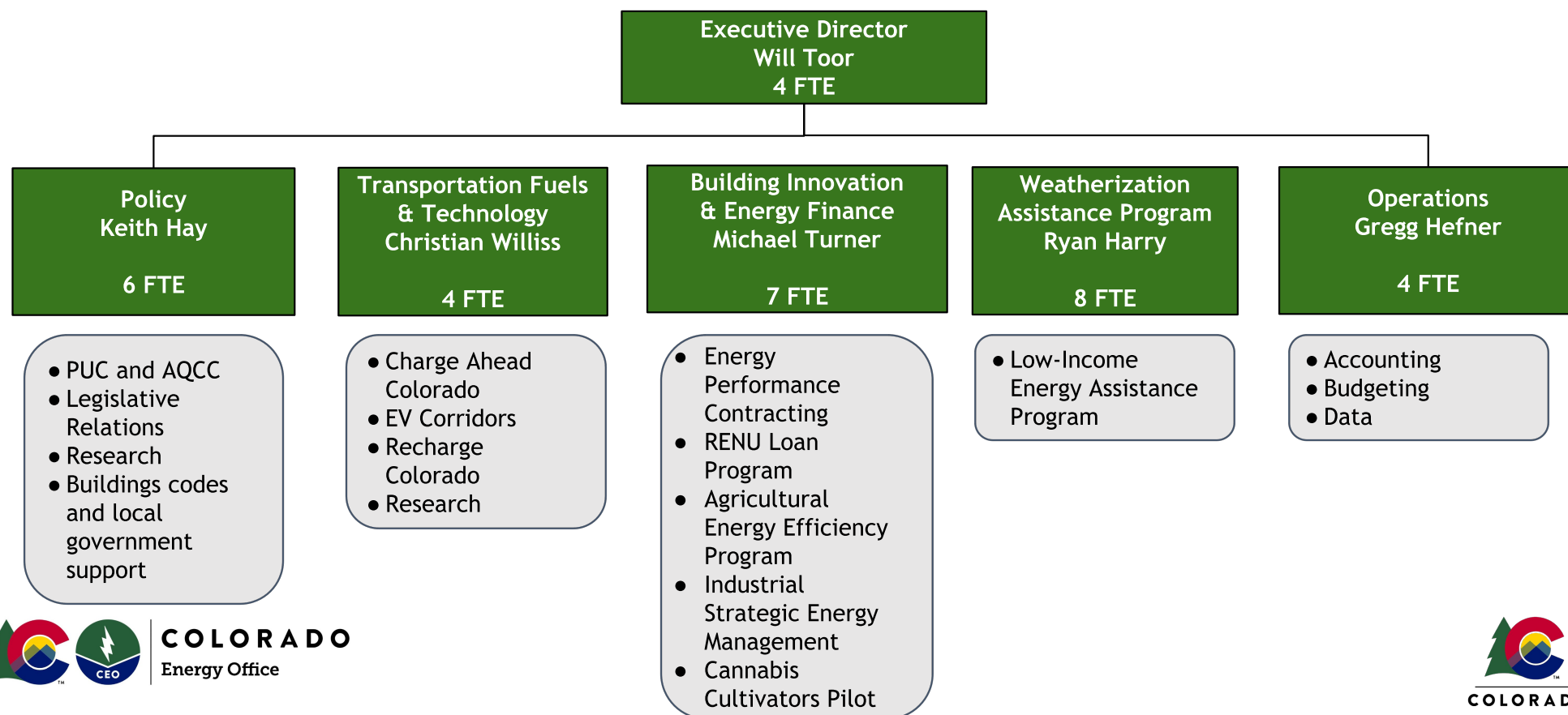
Reduce greenhouse gas emissions and consumer energy costs by advancing clean energy, energy efficiency and zero emission vehicles to benefit all Coloradans.



Vision

A prosperous, clean energy future for Colorado.

CEO Organizational Chart

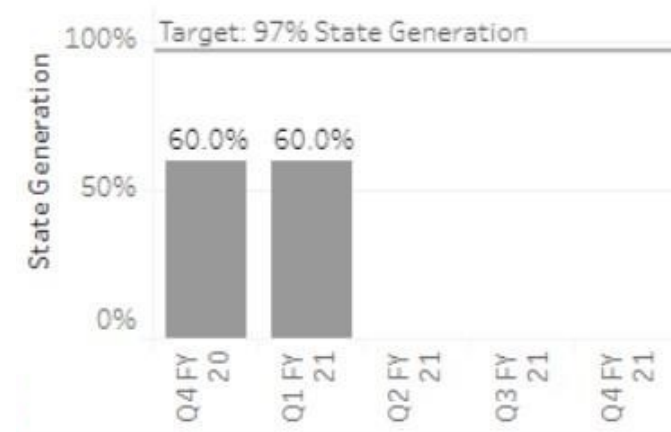


CEO FY 2020-21 Wildly Important Goals (WIGs)

WIG #1: Support the growth of renewable energy by increasing the number of utility plans to increase renewable energy generation and achieve at least an 80% reduction in GHG emissions from 2005 levels by 2030

Successful completion of this goal will achieve the largest near-term opportunity for emissions reductions, and will allow these to be leveraged by the ability to use this cleaner electricity for electrification of transportation and buildings

Completion of GHG Roadmap is a key step



Supporting Increase of Utility Plans for Renewable Energy Generation

The 6 utilities that operate 99% of the fossil power plants in Colorado have committed to reduce emissions by at least 80% by 2030

Xcel Energy

- Filing a Clean Energy Plan
- Reduce GHG 80% by 2030
- Retire Hayden 1 by 2027 and Hayden 2 by 2028 without layoffs

Holy Cross Energy

- 100% carbon free electricity by 2030
- Filing a Clean Energy Plan
- 100 MW new wind
- 35 MW new solar
- 25 Mw solar + storage
- 5 MW additional hydro

Black Hills Electric

- Filing a Clean Energy Plan
- Reduce GHG 80% by 2030
- 70% emission reduction by 2023 with 200 MW solar project.

Colorado Springs Utilities

- Filing a Clean Energy Plan
- Reduce GHG 80% by 2030
- 32% renewable energy by 2030
- Close all coal plants by 2030

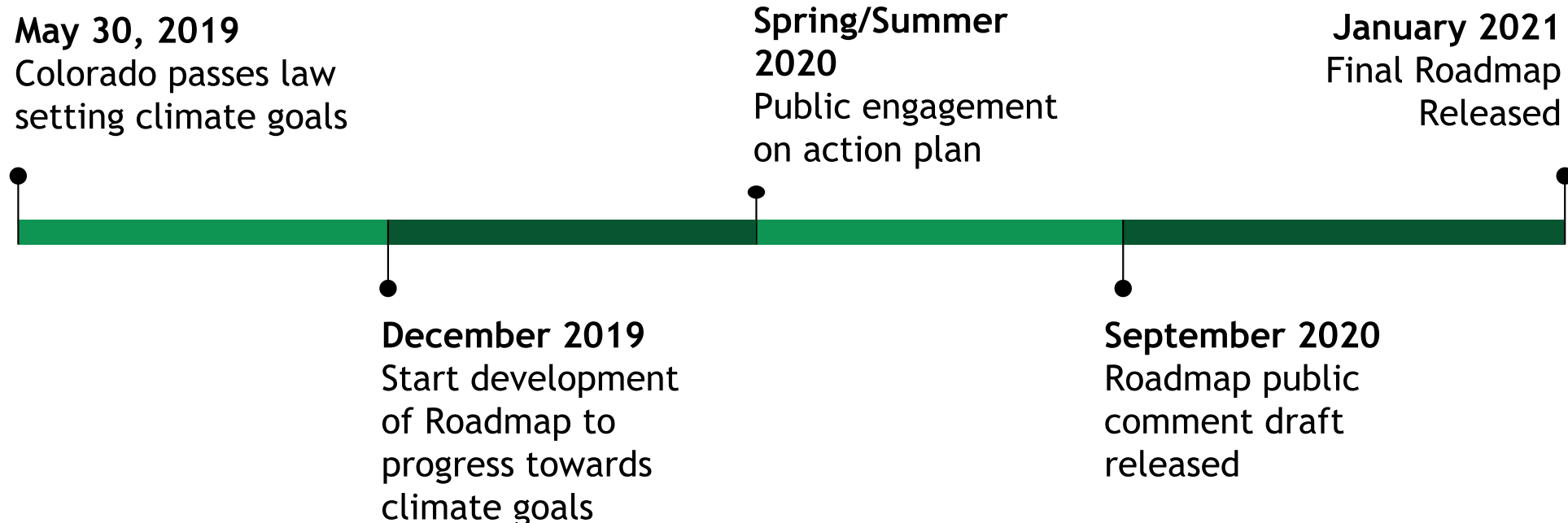
Platte River Power Authority

- Filing a Clean Energy Plan
- Reduce GHG 90% by 2030 levels
- Close Rawhide coal plant by 2030
- Add 400 MW of renewables

Tri-State G&T

- Reduce in-state GHG 90% by 2030. Reduce total GHG 80% by 2030
- Close Colorado plants by 2030
- Preferred plan adds 900 MW of wind, 900 MW of solar, 200 MW of battery storage

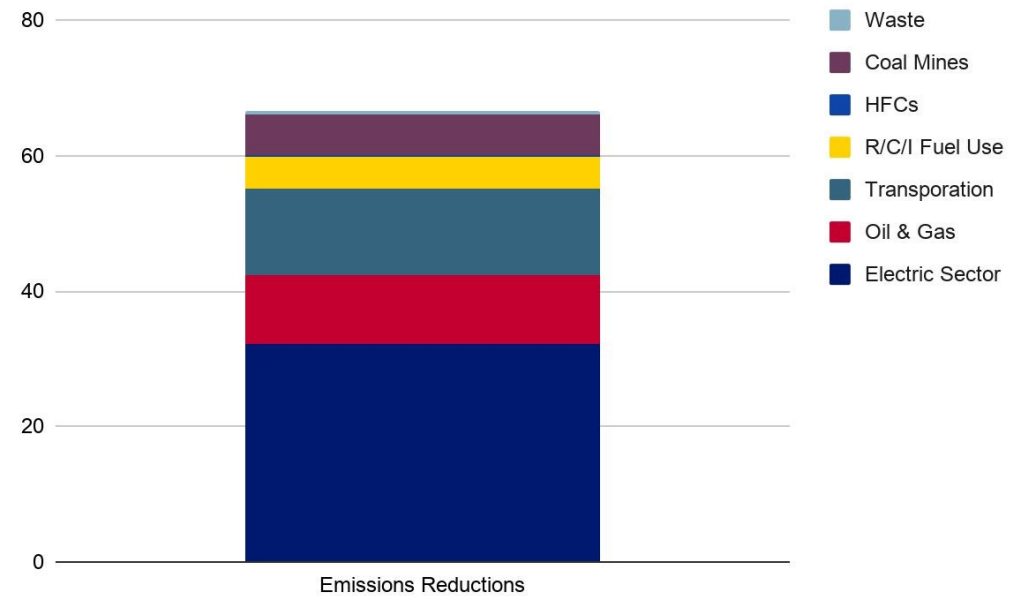
Colorado GHG Roadmap Completed January 2021



Key Findings Through 2030

ACHIEVING THE GOALS WILL RELY ON:

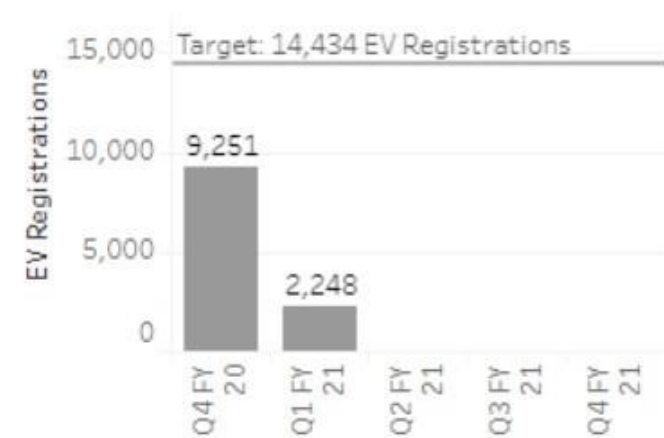
- Continuing the swift transition away from coal and towards renewables
- Achieving deep reductions in methane emissions from the oil and gas industry
- Accelerating the transition to electric cars, trucks and buses
- Changing transportation planning and infrastructure to reduce driving
- Increasing building and industrial efficiency and electrification
- Reducing methane emissions from coal mines, landfills, waste water, and agriculture
- Addressing equity issues in designing policy in each sector



CEO FY 2020-21 Wildly Important Goals (WIGs)

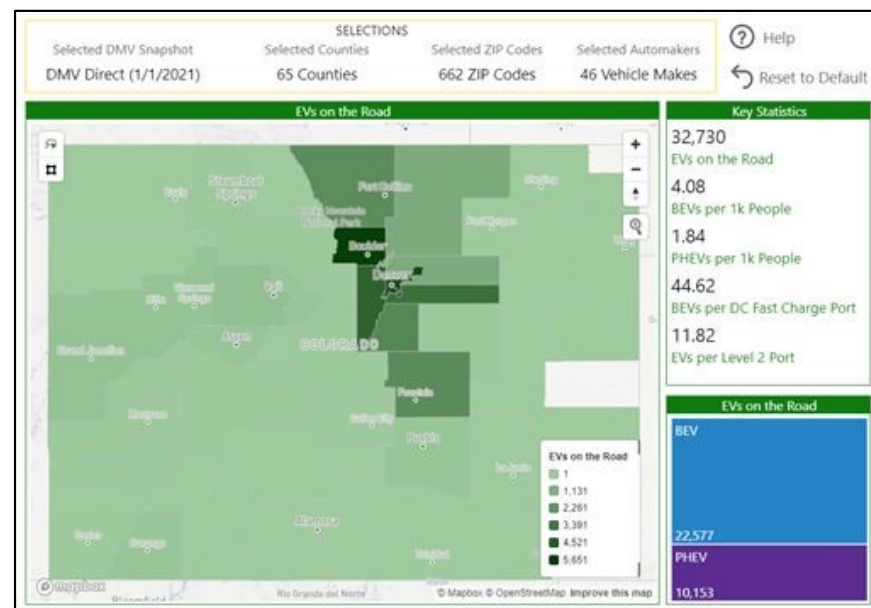
WIG #2: Increase the registration of electric vehicles (EVs) from 9,251 (the number in fiscal year 19-20) to 14,434 (the goal in fiscal year 20-21)

Successful completion of this goal ensures Colorado is on track to increasing the number of light duty EVs to 940,000 by 2030 and continues the large-scale transition of the transportation system to zero emissions vehicles



Increasing Registration of Electric Vehicles

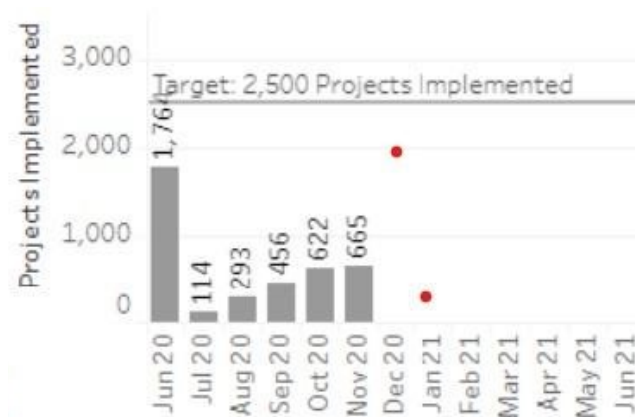
- FY 20 registration goal was on track through February 2020 - large decline in sales March - June 2020
- Auto sales still down though EV registrations were up in November and December vs 2019
- Q4 Chevy Bolt sales up significantly over Q4 2019
- 5,141 new EVs registered in FY 2021
- Anticipate robust sales in 2021 with introduction of electric SUVs and pickups



CEO FY 2020-21 Wildly Important Goals (WIGs)

WIG #3: Increase the number of energy retrofit projects implemented from CEO and partnered programs from 1,764 (the number in fiscal year 2019-2020) to 2,500 (the goal in fiscal year 2020-2021)

Successful completion of this goal will reduce costs for clients and demonstrate how making energy improvements can reduce operational costs and emissions



Increasing Number of Energy Retrofit Projects

- CEO completed 841 retrofits from in Q1 & Q2 FY20-21
- Projects were achieved through the Weatherization Assistance Program, Agricultural Energy Efficiency Program, RENU Loan Program, Energy Performance Contracting, C-PACE, ReNew Our Schools and Industrial Strategic Energy Management
- Continue to deploy strategic and innovative outreach and marketing efforts to combat effects of COVID, including over-producing in summer months to counteract winter slowdown - continued COVID impacts may impact meeting retrofit goals

More Information

To view monthly updates on Wildly Important Goals and corresponding lead measures, please visit the [Governor's Dashboard](#)

For more information on additional CEO goals, view our FY 2020-21 Performance Plan at: operations.colorado.gov/performance-management/departments-performance-plans

CEO Performance Management

- In addition to WIGs, CEO teams internally track progress on dozens of goals on a monthly basis
- Goals are reviewed each year and updated during Strategic Planning
- This year EDI goals will be incorporated into each team's internal tracking
- Goals are also incorporated into individual performance plans which are created annually and reviewed at mid-year and end of year

CEO FY 2021-22 Budget Request

FY 2021-22 Budget Snapshot

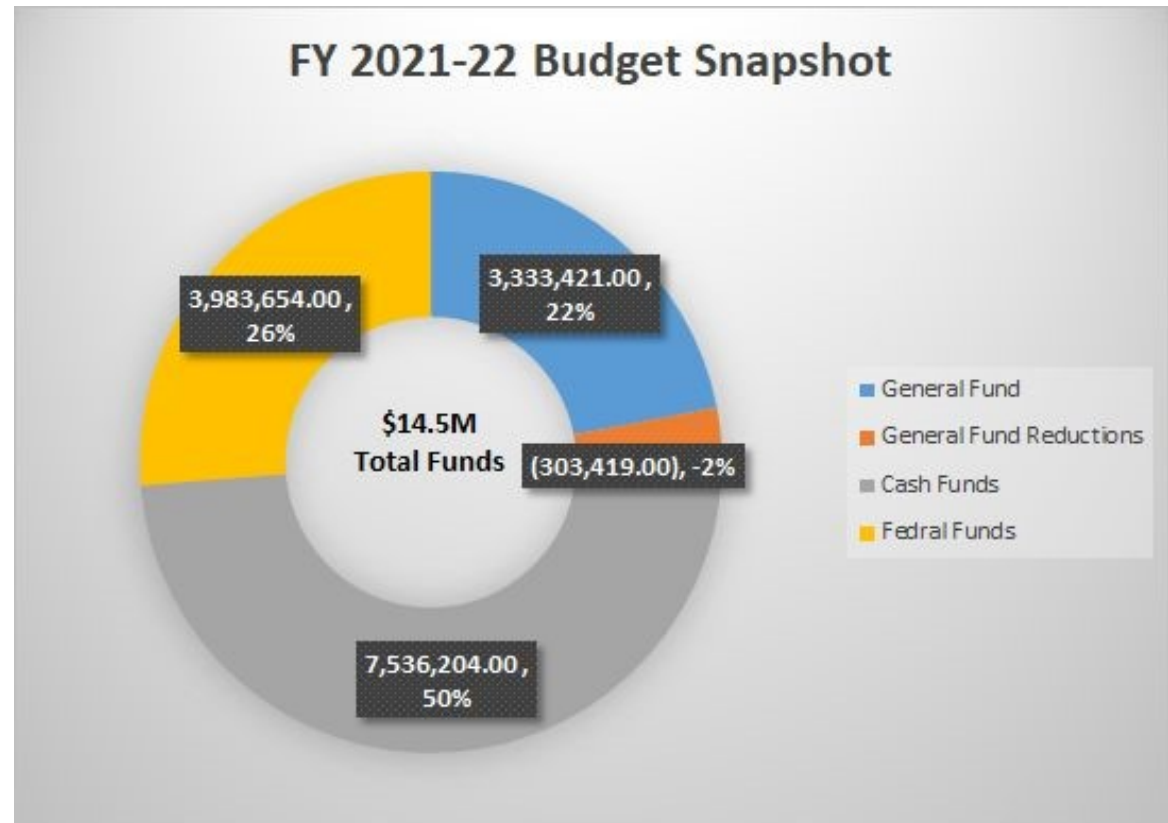
FY 2021-22 Total Funds: \$14,853,279

FY 2021-22 General Fund: \$3,333,421

FY 2021-22 General Fund Reductions: (\$303,419)

FY 2021-22 FTE: 33

FY 2020-2021 Stimulus Request: \$40,000,000



CEO Select FY 2021-22 Budget Requests

CEO's FY 2021-22 Budget Request includes the following:

- R-01 Wind Down ReNew Our Schools (\$173,000)
 - Includes a sunsetted cash fund sweep to sweep \$38,374 from Public Schools Energy Efficiency Cash Fund to partially fund Renew Our Schools for one year, allowing a “soft-landing”
- R-02 Redirect Funds from Colorado Cultivator's Energy Management (\$130,419)

CEO's request also includes the following fiscal stimulus items:

- S-01 Clean Energy Finance Stimulus (\$40M in FY20-21)

Legislative Agenda

Fuel use in buildings is a major source of GHG pollution, and one that be challenging to reduce without good policy support. CEO respectfully requests the General Assembly consider legislation on the following to help address those challenges:

- Improving Building Energy Benchmarking and Performance Improvements
- Modernizing Regulated Gas Utility Efficiency Programs
- Supporting Biogas Development
- Building Beneficial Electrification
- Low-Income Energy Assistance

Regulatory Work

CEO actively engages to support clean energy and pollution reduction at the PUC and AQCC.

Key PUC dockets in FY 20-21:

- Xcel and black Hills transportation electrification plans
- Xcel and Tri-State electric resource plans

Key AQCC rule development in 2020-21

- Transportation pollution rulemaking
- Industrial energy and emissions audits and implementation

Equity, Diversity and Inclusion

In accordance with the Governor's Executive Order [2020 175](#), CEO has prepared a plan to improve equity, diversity and inclusion including efforts to:

- Establish CEO EDI Working Group to create EDI plan, identify major goals and training needs, and help lead initial process change
- Develop EDI goals and metrics for each major program as part of FY21-22 Strategic Planning and Budgeting process
- Evaluate and revise outreach and hiring protocols to ensure more inclusive process and outcomes

Remote Work

In response to COVID-19, CEO has completed a comprehensive review of its programs and staff to identify where short-term remote work is appropriate, and is continuing to evaluate long-term opportunities for remote work. Currently, CEO has:

- 100% of employees working remotely with 2 staff making weekly visits to the office as needed for mail, check-deposit, etc.
- Developed comprehensive protocols to allow field staff to continue work on the Weatherization Assistance Program safely during COVID-19
- Developing plans for future work that meet work needs and employee preferences and maintain reduced trips/travel emissions