



COLORADO
Energy Office

FY 2021-22 Department Performance Plan





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Our Mission

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

Our Vision

A prosperous, clean energy future for Colorado.

Overview

Reducing greenhouse gas pollution and enabling a statewide transition to clean energy are essential to preserving and protecting Colorado's way of life. These actions defend the health of our communities and natural environment, provide access to lower cost clean energy resources for rural and urban areas, increase investment and economic growth opportunities, and expand clean energy jobs. To implement the Greenhouse Gas Pollution Reduction Roadmap, released in early 2021, the Colorado Energy Office (CEO) is working to transition to 100 percent clean electricity generation by 2040, rapidly expanding the adoption of zero emission vehicles and increasing consumer access to energy improvements for Colorado's homes and businesses. The transition to cleaner electricity creates an opportunity for reductions in emissions from transportation and building fuel use, and an opportunity to lower energy costs long term.

Transitioning to zero emission vehicles (ZEVs) including electrifying cars, buses and trucks will reduce pollution from one of our top emitting sectors — transportation. To meet the state's goal of 940,000 EVs on the road by 2030, CEO is working to remove market barriers to EV adoption, including increasing the number of publicly accessible charging stations. Convenient access to charging will help reduce Coloradans' concerns about driving distances from one station to another and increase the likelihood of EV purchases. CEO complements these efforts by working with utilities and intervening at the Public Utility Commission to increase utility investment in EV charging and providing education and technical assistance to fleets and the public that highlight the benefits associated with ZEVs and increase adoption rates. In 2021-22, CEO will also be working with state stimulus funds to invest in the State of Colorado's own transition to EVs by supporting charging infrastructure through state agencies. Lastly, CEO will begin the process of creating an equity focused electrification Community Access Enterprise authorized by new legislation in 2021.

In the buildings sector, CEO develops programs to help residential, commercial and industrial customers access energy efficiency and renewable energy improvements to reduce energy use and associated costs. CEO is also exploring ways to increase building and industrial



electrification. These programs include services such as energy audits for agricultural producers, technical and engineering assistance for public jurisdictions, financing products for commercial building owners, low-income home weatherization, and strategic energy management programs for industrial entities. In 2021-22 CEO will make key investments using state stimulus funding in weatherization assistance and clean energy finance programs. Lastly, CEO will convene a diverse task force of building and efficiency experts, industry stakeholders and local government representatives to develop and provide recommendations on building performance standards that achieve a 7 percent reduction in GHG emissions by 2025 and a 20 percent reduction by 2030 from a 2021 baseline in preparation for a statewide benchmarking program that will begin in 2022.

In all the work CEO does, it looks for opportunities for process improvements and cost reductions to be able to better serve Coloradans. Some examples of key innovations include an expansion of the services under the Weatherization Assistance Program to include on-site renewable energy (which can help low-income residents reduce their energy costs to zero), and the implementation of a customer survey to identify priorities and measure satisfaction for participating households. Another example is Colorado's work to offer a virtual delivery option for many of its services, including technical assistance in various programs including the Industrial Strategic Energy Management, Agricultural Energy Efficiency and other programs. Not only did this allow continued service during the COVID-19 pandemic, it is ultimately a faster, less expensive way to provide assistance. CEO continues to look for ways to improve its processes and save money, particularly with lessons learned from the COVID-19 stay at home period.

Statutory Authority

The Colorado Energy Office's statutory authority was amended during the 2021 Legislative session as follows:

24-38.5-101 C.R.S.

(1) There is hereby created within the Office of the Governor the Colorado Energy Office, the head of which is the Director of the Colorado Energy Office. The Director of the Office shall be assisted by a Deputy Director and a staff to fulfill the Office's Mission to:

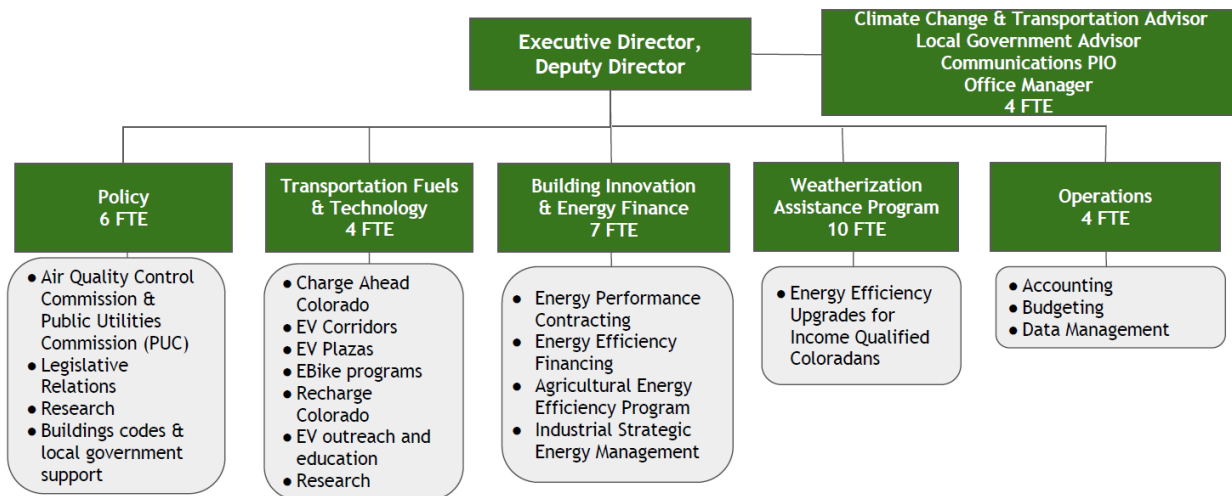
(a) Support Colorado's transition to a more equitable, low-carbon, and clean energy economy and promote resources that reduce air pollution and greenhouse gas emissions, including pollution and emissions from electricity generation, buildings, industry, agriculture, and transportation;

(b) promote economic development and high quality jobs in Colorado through advancing clean energy, transportation electrification, and other technologies that reduce air pollution and greenhouse gas emissions, including helping to finance those investments;



- (c) promote energy efficiency;
- (d) promote an equitable transition toward zero emission buildings;
- (e) promote an equitable transition to transportation electrification, zero emission vehicles, transportation systems, and land use patterns that reduce energy use and greenhouse gas emissions;
- (f) increase energy security;
- g) support lower long-term consumer costs and support reduced energy cost burden for lower-income Coloradans; and (h) protect the environment and public health.

Organizational Structure



The Policy team conducts research to identify opportunities and market barriers, intervenes in proceedings at the Public Utilities Commission and Air Quality Control Commission, and represents the office at the General Assembly.

The Transportation Fuels & Technology team works to reduce transportation-related emissions by accelerating the use of market-ready and emerging zero emission vehicles that can meet the needs of today’s fleets and the public but for which barriers exist. CEO works to increase the number of electric vehicles and other emerging zero emission transportation technologies through policy and planning, infrastructure grant funding and education and outreach to consumers.

The Building Innovation & Energy Finance team provides energy services aimed at reducing energy consumption and lowering energy costs for buildings and facilities across Colorado, including residences, agricultural operations, industrial facilities, schools and public buildings. They also work to increase access to energy efficiency and renewable energy through financing public-private-partnerships, and promote beneficial electrification.

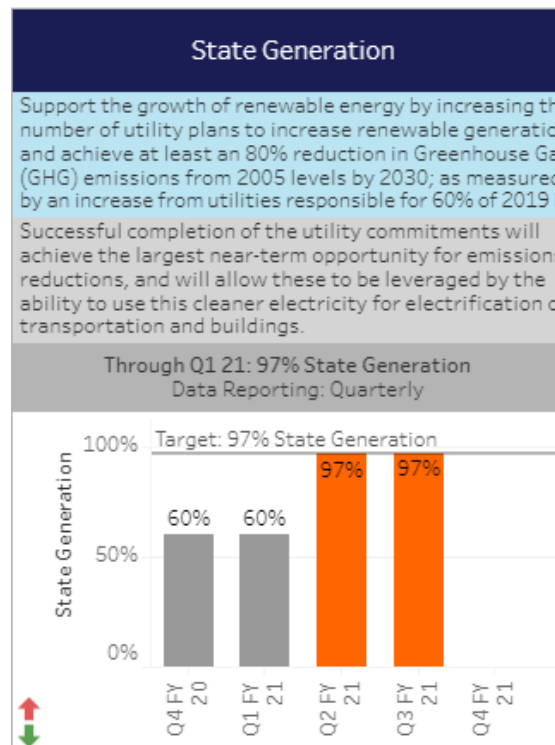


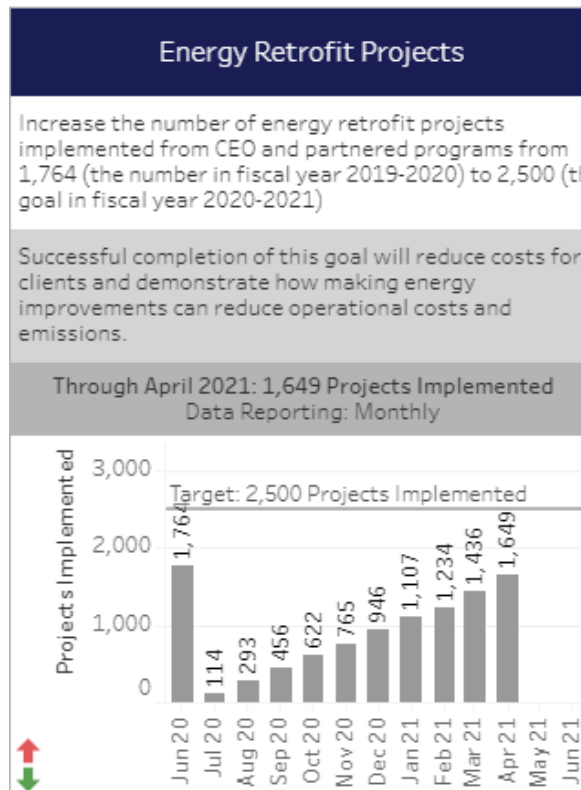
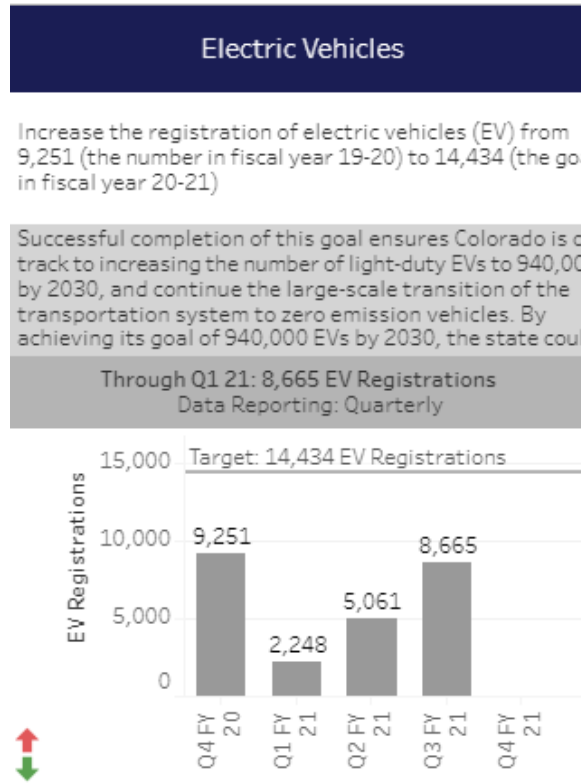
The Weatherization Assistance Program team provides direct energy retrofit services including energy efficiency, insulation, and renewable energy installation to households meeting an annual income requirement or 200% or less of the federal poverty level through contracts with statewide service providers. Nearly 30% of Colorado households experience energy burden, spending more than 4% of their household income on utility bills annually. This percentage increases dramatically for low-income households. CEO establishes performance standards, conducts technical and administrative training, and performs compliance reviews of the service providers.

The Operations team is responsible for the fiduciary integrity of the office and creating internal processes that ensure efficient, effective, and elegant operations. This team is responsible for overseeing the office’s accounting and budget functions in order to ensure that CEO continues to prudently manage taxpayer dollars. They are responsible for designing and facilitating CEO’s data-driven strategic planning process and refining the office’s policies and procedures. Current process improvement initiatives include the development of an operations database, and surveying CEO’s customers to inform program improvements.

Performance Evaluations

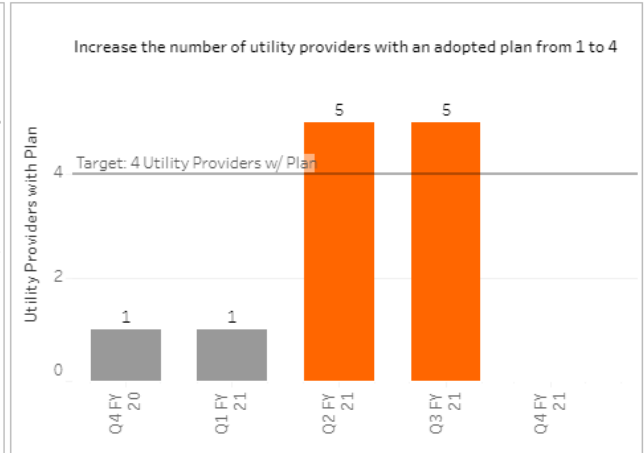
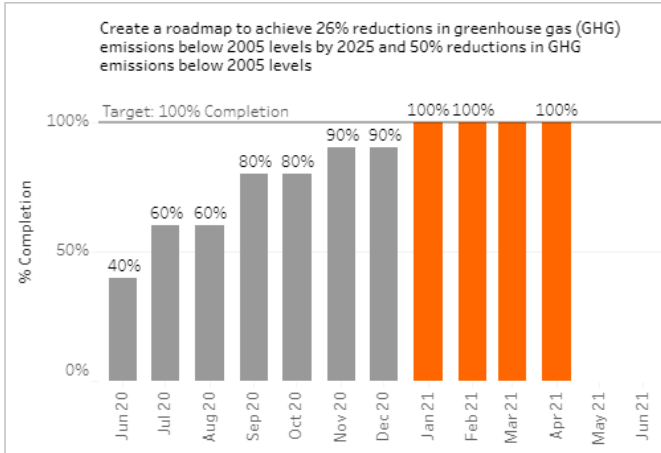
CEO tracks its performance on a monthly basis and quarterly basis and reports its metrics to be shared on the [Governor’s Dashboard](#). The most recent evaluation of our key goals includes:



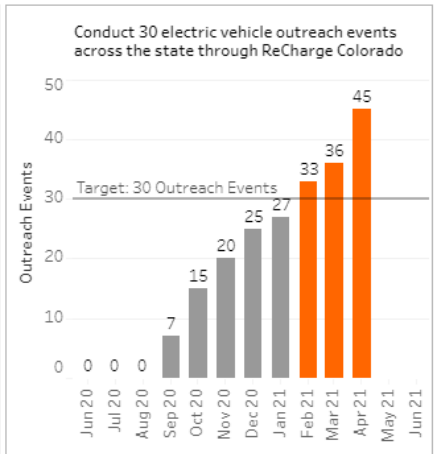
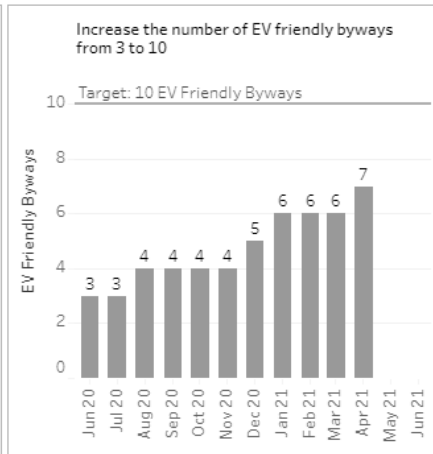
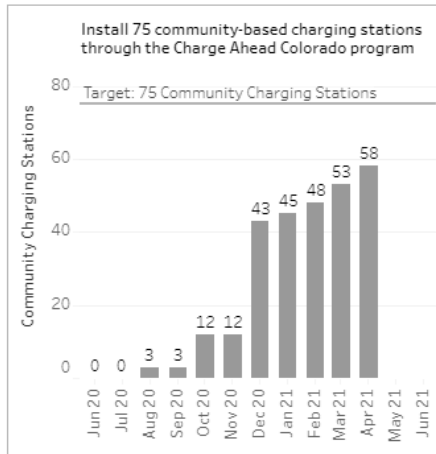




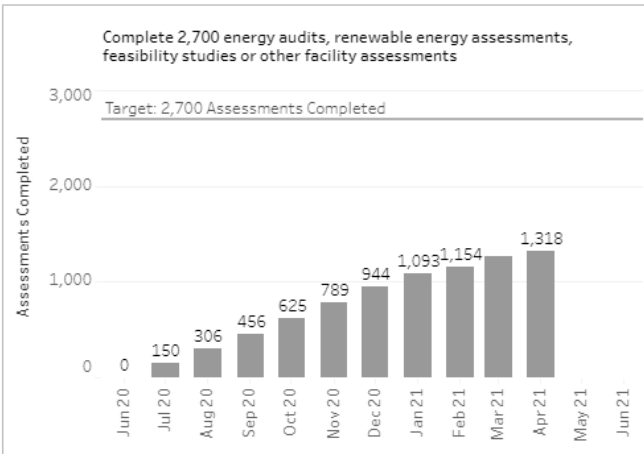
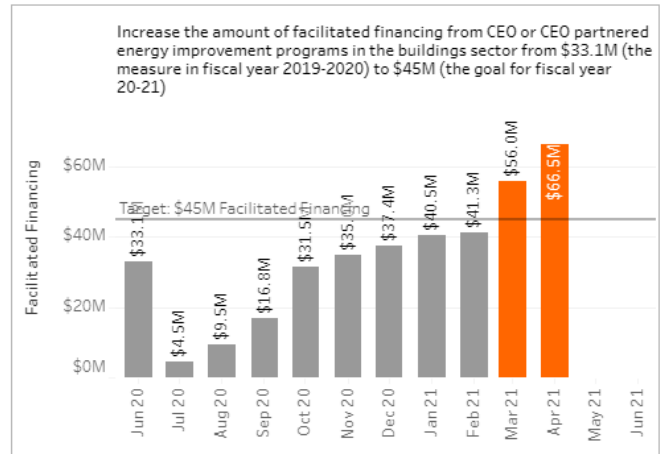
State Generation	Electric Vehicles	Energy Retrofit Projects
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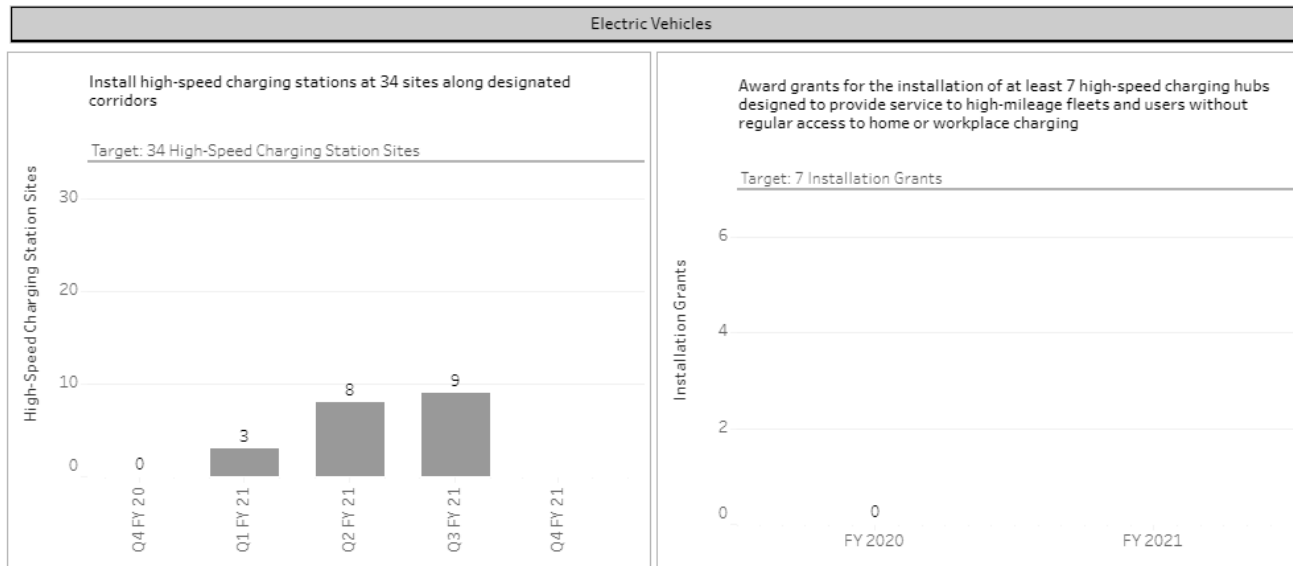


State Generation	Electric Vehicles	Energy Retrofit Projects
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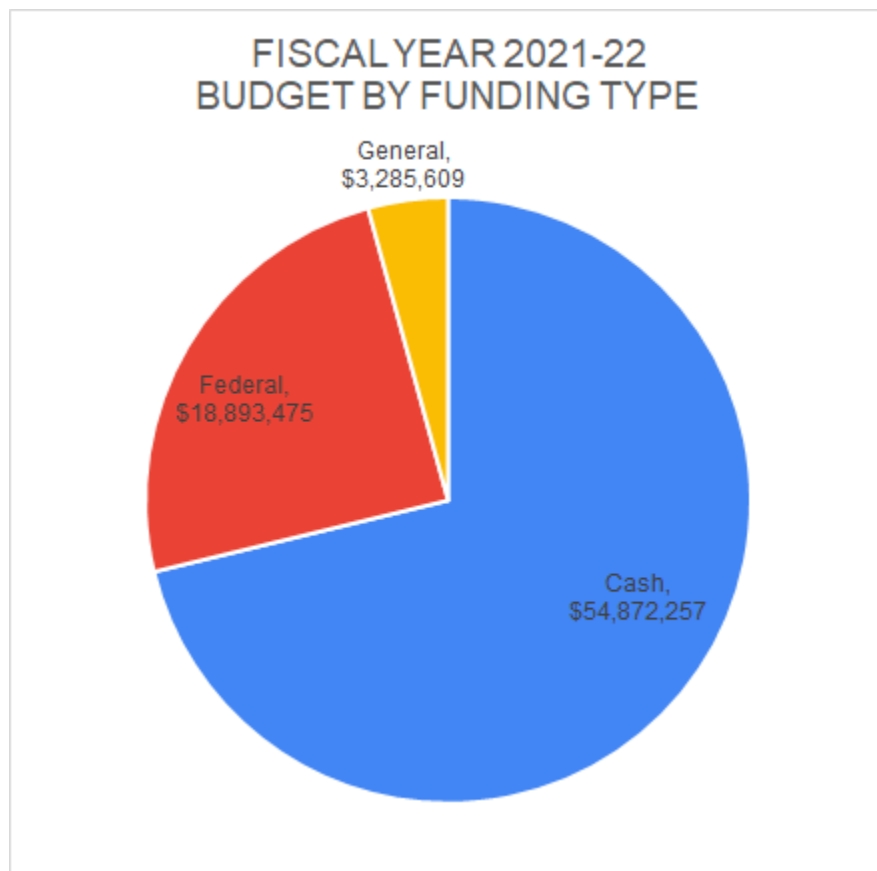


State Generation	Electric Vehicles	Energy Retrofit Projects
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FY 21-22 Budget





Strategic Goals

The state has gone through a comprehensive strategic planning process relying on the framework of the “Four Disciplines of Execution,” which emphasizes focusing on a few wildly important goals to effectively manage and achieve them in the midst of extensive daily responsibilities. One of [these goals](#) is to “Set Colorado on a path to 100% renewable energy for the grid by 2040 and position Colorado as a leader in the clean energy economy.” In support of this Bold Four goal, the Colorado Energy Office has set the following department goals, some of which are also goals for the [Environment & Renewables Cabinet Working Group](#).

Goal 1: Greenhouse Gas Roadmap Implementation

By June 30th, 2022, Colorado Energy Office will lead the state to take action on 90% of Near Term Actions articulated in the State’s Greenhouse Gas (GHG) Roadmap published January 14th 2021, including State Agency Actions, proposed Legislation, and participation in the Public Utility Commission, Air Quality Control Commission, Transportation Commission and Colorado Oil and Gas Conservation Commission rulemaking processes through Spring 2022.

FY 2021-22 Goal: By June 30th, 2022, Colorado Energy Office will lead the state to take action on 90% of Near Term Actions articulated in the State’s Greenhouse Gas (GHG) Roadmap for Fall 2020 through Spring 2022, including State Agency Actions, proposed Legislation, and participation in the Public Utilities Commission, Air Quality Control Commission and Colorado Oil and Gas Conservation Commission rulemaking processes.

Climate change is an existential threat to Colorado and its effects are already being felt across the state, particularly by vulnerable communities. The Greenhouse Gas Pollution Reduction Roadmap, released in January 2021, identifies near term actions including agency actions, legislation, and rulemaking, to meet our GHG pollution reduction targets. To achieve our goals we must ensure progress on these actions.

Key Strategies:

- Work to coordinate across key state agencies to track progress on actions identified in the Greenhouse Gas Pollution Reduction Roadmap
- Supporting the Environment & Renewable Cabinet Working Group
- Engage with outside stakeholders to ensure implementation of Roadmap is as equitable as possible, addressing community concerns and environmental justice priorities



Lead Measures

- Completion of 3 AQCC rulemakings (Transportation emission rules; Industrial energy and emissions audits; Rules, Oil and gas emission reduction rules) identified in Near Term Action Plan, and Transportation Commission GHG Pollution rulemaking by June 30, 2022.
- Conduct 5 listening tour "stops" by June 30th, 2022 across Colorado to better understand community concerns about climate change and share information about how the energy transition can benefit these communities by improving public health and creating jobs.
- Completion of 3 studies (Electric Vehicle Equity Plan, Clean Trucking Analysis, Natural and Working Lands Pathways Analysis) identified in Near Term Action Plan by June 30, 2022.
- Submit task force report on Carbon Capture, Utilization and Storage (CCUS) by June 30th, 2022.

Goal 2: Renewable Energy

FY 2021-22 Goal: The Colorado Energy Office will intervene in at least 5 Public Utility Commission (PUC) Electric Resource Plans or Clean Energy Plans by June 30, 2022 to advocate for the growth of renewable energy and maximize emissions reductions by at least 80%, while maintaining affordability and reliability.

To meet our science-based greenhouse gas reductions, our state will need to rapidly transition from fossil fuel based electricity to generation based on renewable energy. The state has already secured the voluntary commitment of utilities responsible for 97% of 2019 in state fossil fuel generation to achieve at least an 80% reduction in GHG emissions from 2005 levels by 2030, and Colorado now must work to make sure these commitments are met and, when possible while maintaining affordability and reliability, exceeded.

Key Strategies:

- Multiple Roadmap strategies require intervention at the PUC and AQCC
- Continue to work with utilities on voluntary action that maximizes renewable energy use, while focusing on equity and reliability

Lead Measures:



- By June 30, 2022, CEO will file testimony in at least 2 electric resource plan proceedings that advocate for (or model) earlier retirement of coal-fired power plants, minimize the use of natural gas, and maximize renewable energy to exceed the sector-wide emissions reduction goal of 80% by 2030.

Goal 3: Electric Vehicle Registrations

Increase the number registration of new light duty electric vehicles (EVs) from 9,251 in FY 2019-20 to 44,000 by June 30, 2023.

FY 2021-22 Goal: Increase the annual number of newly registered light duty electric vehicles (EVs) from 13,500 on June 30, 2021 to 16,243 by June 30, 2022.

Successful achievement of this goal helps ensure Colorado is on track to increase the number of light-duty EVs to 940,000 by 2030 and continue the large-scale transition of the transportation system to zero emission vehicles. By achieving this 2030 goal, the state could see significant environmental benefits that include emission reductions, as well as long term cost savings to both drivers and electric utility customers. As noted in the Colorado Electric Vehicle Plan 2020, Colorado could experience an annual reduction of ozone forming pollutants estimated at 800 tons of NO_x, 800 tons of volatile organic compounds (VOC), and up to 3 million tons of GHG.

Key Strategies:

- Complete installation of fast-charging stations at 34 locations along Colorado's major transportation corridors.
- Continue to provide grants for the installation of Level 2 (L2) and DC fast-charging (DCFC) stations in Colorado communities and along key transportation corridors.
- Regularly engage with utilities as they implement Public Utilities Commission-approved transportation electrification plans.
- Using funding from SB21-230, complete installation of charging stations at state agency facilities to support greater integration of EVs into the state fleet.
- Ensure public access to accurate, reliable EV market data through a website dashboard.
- Conduct an EV equity study to assist in identifying which areas to prioritize policies, programs, and outreach.
- Conduct a study to determine what is required to ensure 100% of light-duty vehicles are electric by 2050.



Lead Measures:

- Install 278 L2 and DCFC charging stations across the state through all of CEO's infrastructure grant programs by June 30, 2022.
- Conduct 60 electric vehicle outreach events across the state through ReCharge Colorado by end June 30, 2022.
- Increase the number of EVs across all state fleets from 225 on June 30, 2021 to 300 on June 30, 2022.
- The Community Access Enterprise will publicly share a 10 year plan that details how the enterprise will execute its business purpose during fiscal years 2022-2032, and estimates the funding needed to implement the plan by June 30, 2022.

Goal 4: Energy Retrofits Project Implementation

Increase the number of projects implemented from CEO and partnered programs from 2,035 in FY2017-18 to 2,750 by 2023.

FY2020-21 Goal: In an effort to reduce energy use in the built environment, which includes homes and buildings, the Colorado Energy Office will increase the number of projects implemented by the Colorado Energy Office and partnered programs from 2,156 completed in FY 2020-21 to 2,667 by June 30, 2022.

Building fuel use accounts for approximately 20% of the greenhouse gas emissions in the state. CEO develops programs to help residential, commercial and industrial customers access energy efficiency, renewable energy improvements to reduce energy use and associated costs. CEO is also exploring ways to increase building and industrial electrification. In addition, approximately 20-25% of households experience severe energy burden. This burden means that these households are spending a disproportionate amount of their income on home heating and electricity compared to other Coloradans. The Weatherization Assistance Program offers services to income-qualified households to reduce energy burden and associated energy expenditures. Successful completion of this goal will reduce costs for clients and demonstrate how making energy improvements can reduce operational costs and emissions.

Key Strategies:

- Manage a comprehensive suite of energy improvement programming including the Weatherization Assistance Program (WAP), Residential Energy Upgrade (RENU) loan program, Agricultural Energy Efficiency program, Energy Performance Contracting



program, Industrial Strategic Energy Management program, Commercial Property Assessed Clean Energy (C-PACE) program [*Partnered Program*] and the On-Bill Repayment (Fort Collins Utilities) [*Partnered Program*], clean energy finance products in coordination with the Colorado Clean Energy Fund [*Partnered Program*].

- Intervene in regulatory proceedings impacting utility programs for consumer energy improvements including utility demand side management plans and building electrification.
- Utilize the Cannabis Energy Utilization Advisory Committee of industry stakeholders to create a state plan that creates short and long term resource management recommendations for the sector, expands outreach and educational opportunities for growers, and increases voluntary reporting by June 30, 2022.
- Work to expand the number of communities with advanced building energy codes.
- Research and explore the development of a statewide voluntary building benchmarking program.
- Perform direct energy retrofits, deliver technical and administrative training, and conduct quality assurance activities by working with local service providers. All of these efforts lead to reducing home energy costs, creating greater comfort, and increasing safety for Colorado's most at-risk citizens.
- Target homes heating with high-priced propane and older, inefficient electric heating fuel sources to reduce energy costs. Target homes for installation of solar PV to reduce electricity costs.
- Improve data acquisition, analysis, and visualization to better target WAP clients, improve service delivery, and tell WAP's story.
- Increase client and stakeholder engagement throughout Colorado to target WAP efforts in the place that need services most.
- Provide deeper retrofits when possible, leveraging beneficial electrification technologies such as solar photovoltaics and air source heat pumps.

Lead Measures:

- Increase estimated energy savings for the Weatherization Assistance Program from 22MMBtu per home per year to 23.8MMBtu per home per year by June 30, 2022.
- Maintain average overall customer satisfaction rating of 4 or above for surveyed clients of the Weatherization Assistance Program.
- Complete 2 case studies; one study on beneficial electrification in the Weatherization Assistance Program and one study on beneficial electrification in the Energy Performance Contracting by June 30th, 2022.