



COLORADO
Energy Office

FY 2023-24 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 support 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 Colorado to 100 percent clean electricity generation by 2040, rapidly expand zero emission vehicle adoption and increase access to energy efficiency improvements and renewable energy for residential and commercial consumers. CEO will focus particularly on disproportionately impacted communities, including low income Coloradans and communities of color. The transition to cleaner electricity will reduce emissions from transportation and building fuel use, and create an opportunity for long-term reductions in energy costs.

Transitioning to zero emission vehicles (ZEVs), including electric cars, buses and trucks, will reduce pollution from our top emitting sector — 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 is also working to improve access to e-bikes which can be used in lieu of a vehicle for most short trips, and are a low-cost, convenient way to reduce emissions.

CEO complements these efforts by working with utilities, intervening at the Public Utilities Commission to increase utility investment in EV charging, providing education highlighting the benefits of ZEVs to increase adoption rates, and offering technical assistance to fleets and the public. CEO will also continue using state stimulus funds to invest in the State of Colorado's own transition to EVs by supporting charging infrastructure through state agencies. Lastly, CEO has begun implementation of the 10 year plan approved in Spring 2022



for equity focused electrification by the Community Access Enterprise authorized by SB21-260.

In the buildings sector, CEO develops programs to help residential, commercial and industrial customers access energy efficiency, renewable energy, and beneficial electrification improvements. These programs include technical and engineering assistance for public jurisdictions, financing products for commercial building owners, low-income home weatherization, supporting adoption of advanced building energy codes, building performance standards, and strategic energy management programs for industrial entities. In 2023-24 CEO will provide funding through a new program focused on reducing emissions from the cannabis industry, launch a program to encourage use of geothermal energy, and make new investments in beneficial electrification.

In all the work CEO does, it looks for opportunities for process improvements and cost reductions, as well as ways to better serve disproportionately impacted communities within Colorado. Some examples of key innovations include expanding 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 implementing a customer survey to identify priorities and measure satisfaction for participating households. In 2023-24, CEO will make new investments in outreach and environmental justice, including more outreach events using best practices, and website updates to make it more accessible (including Spanish translation of documents where appropriate).

Statutory Authority

24-38.5-101 C.R.S.

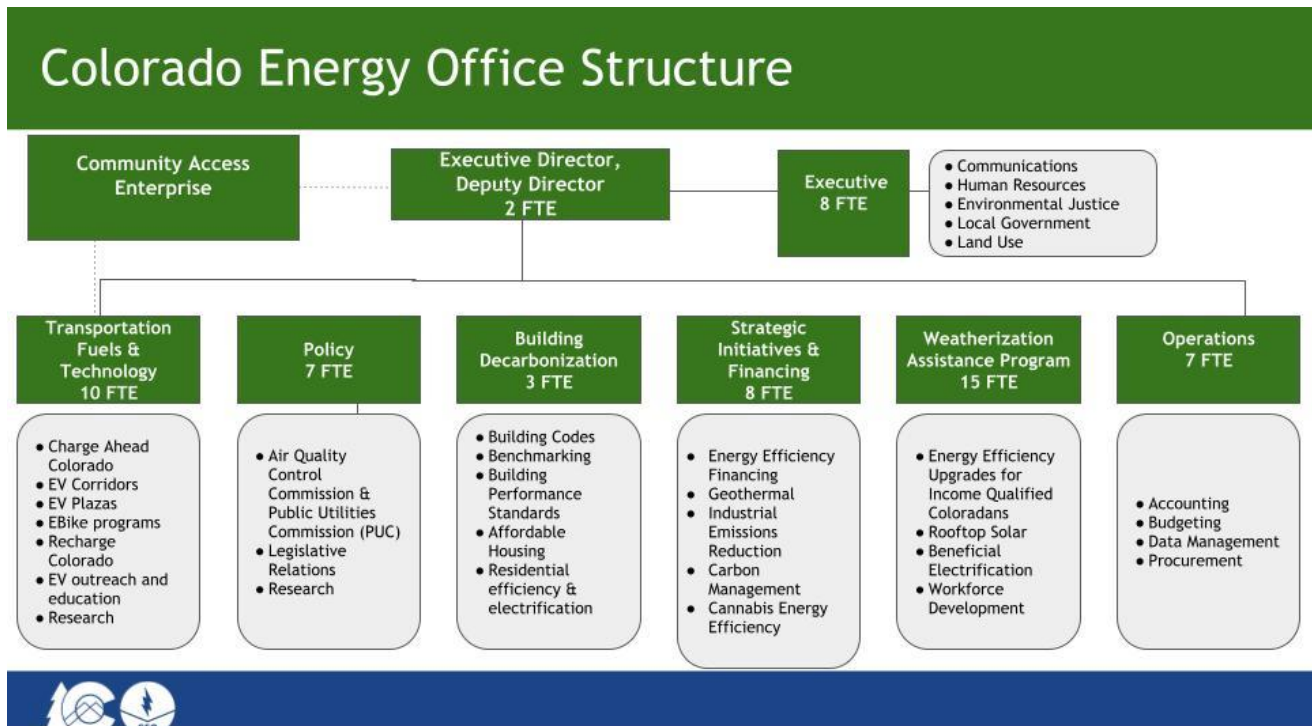
(1) There is hereby created within the Office of the Governor the Colorado Energy Office, the head of which is the Director of the Colorado Energy Office. The Director of the Office shall be assisted by a Deputy Director and a staff to fulfill the Office's Mission to:

- (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. It also leads work on modernizing and investment in transmission and resilience of the electric grid.

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, with a particular focus on low income and disproportionately impacted communities.

The Strategic Initiatives & Financing team provides energy services aimed at reducing energy consumption, increasing access to renewable energy, and promoting beneficial electrification for buildings and facilities across Colorado, including residences, cannabis operations, industrial facilities, and public buildings. It also leads strategic initiatives including investments in geothermal energy use, carbon capture and storage.

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. CEO is also focused particularly on workforce development to ensure it can meet its weatherization goals.

The Building Decarbonization team works to reduce emissions from building energy use through grants, education, technical assistance, energy codes, and performance requirements. Colorado buildings consume more than 650 trillion Btu and represent more than \$6M in energy costs for homes and businesses annually. While Colorado was in the top 10 states for new construction in 2022, the average cost of a home is more than \$600,000— too expensive for many residents. This team partners across a diverse group of building stakeholders to strategically develop and deploy investments that minimize greenhouse gas emissions, reduce energy costs and improve the health, safety, comfort and resilience of the built environment. The team targets programming in communities with the highest energy burden and is actively engaged in initiatives to develop a sustainable pipeline of building energy professionals across the state.

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 and quarterly basis and reports its metrics to be shared on the [Governor's Dashboard](#), including the most recent performance evaluation. Current progress of CEO's key goals includes:

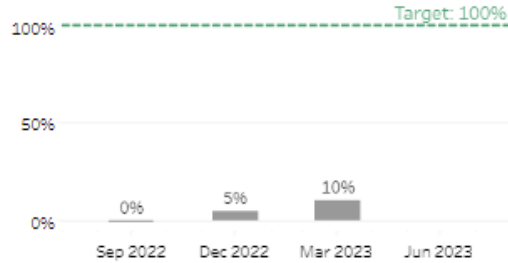


Update the Greenhouse Gas Roadmap

Update the Greenhouse Gas Roadmap	Electric Vehicle Adoption	Reduce Greenhouse Gas Emissions in the Built Environment	100% Clean Electricity by 2040
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Wildly Important Goal:

Update the Greenhouse Gas Roadmap to develop a new near-term action plan for 2023-2026, by June 30, 2023.



The Greenhouse Gas Pollution Reduction Roadmap, released in January 2021, laid out a clear action plan to meet the State's pollution reduction goals. Successful completion of this goal will identify additional near-term targets and actions needed to keep Colorado on track to meet its ultimate climate action goals.

The Colorado Energy Office will achieve this goal through the following leading indicators:

<p>Develop and finalize recommendations from the Building Performance Standards Task Force that will be presented to the Air Quality Control Division by June 30, 2023.</p>	<p>File comments and participate in clean trucks rulemakings (Advanced clean trucks and low NOX omnibus) at the Colorado Air Quality Control Commission by June 30, 2023.</p>
<p>File comments and participate in Greenhouse Gas Emissions and Energy Management for Manufacturing II rulemaking at the Colorado Air Quality Control Commission by June 30, 2023.</p>	<p>File comments and participate in rulemakings at the Colorado Public Utilities Commission for Clean Heat, Gas Demand Side Management, and Beneficial Electrification by June 30, 2023.</p>



Electric Vehicle Adoption

Update the Greenhouse Gas Roadmap	Electric Vehicle Adoption	Reduce Greenhouse Gas Emissions in the Built Environment	100% Clean Electricity by 2040
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Wildly Important Goal:
Increase the number of annual new light duty electric vehicle (EV) registrations to 27,925 by June 30, 2023.

Month	Registrations
Sep 2022	6,125
Dec 2022	13,331
Mar 2023	18,722
Comparison	23,582
Target	27,925

Successful completion of this goal will put Colorado on track to meet its ambitious greenhouse gas pollution reduction goals. The reduction goals rely heavily on electrification of the transportation sector, the largest source of emissions currently, representing 27% of total emissions in Colorado.

The Colorado Energy Office will achieve this goal through the following leading indicators:

Make awards for 1,000 L2 and DCFC electric vehicle charging stations across the state through all Colorado Energy Office infrastructure grant programs by June 30, 2023.

Month	Awards
Jul 22	0
Sep 22	178
Nov 22	178
Jan 23	178
Mar 23	450
May 23	695
Comparison	178
Target	1,000

Make awards for 100 high-emitting vehicle replacement applicants including incentives for new and/or used EVs through a new statewide program by June 30, 2023.

Month	Awards
Jul 22	0
Sep 22	0
Nov 22	0
Jan 23	0
Mar 23	0
May 23	0
Jul 23	0
Comparison	0
Target	100



Reduce Greenhouse Gas Emissions in the Built Environment

Update the Greenhouse Gas Roadmap

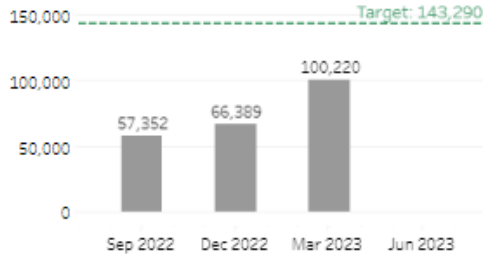
Electric Vehicle Adoption

Reduce Greenhouse Gas Emissions in the Built Environment

100% Clean Electricity by 2040

Wildly Important Goal:

Implement programs that achieve an estimated 143,290 MMBtu energy savings from energy efficiency, conservation and renewables in the built environment, which includes homes and buildings, by June 30, 2023.



Successful completion of this goal will reduce the energy burden on low-income Coloradans and reduce costs for other homeowners, building owners and businesses. It will also reduce total emissions related to building energy use which is a major source of emissions in our state.

The Colorado Energy Office will achieve this goal through the following leading indicators:

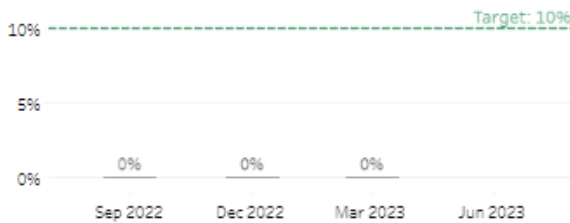
Maintain estimated energy savings for the Weatherization Assistance Program through a variety of services above 25.0 MMBtu per home per year by June 30, 2023.



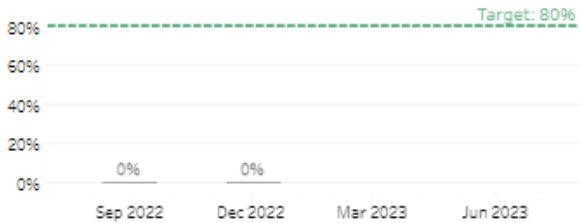
Maintain average overall customer satisfaction rating of at least 4 out of 5 for surveyed clients of the Weatherization Assistance Program through June 30, 2023.



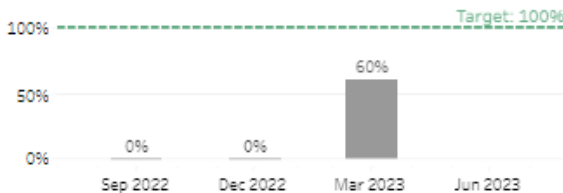
Launch the building electrification for public buildings grant program and allocate 10% of grant funding by June 30, 2023.



For the first & second program years, achieve at least 80% compliance rate with benchmarking reporting submissions and fee payments by June 30, 2023.



Complete 100% of a strategic plan by June 30, 2023 to distribute 30% of the building electrification for public buildings grant money to low income and disproportionately impacted communities over the duration of the program.





100% Clean Electricity by 2040

Update the Greenhouse Gas Roadmap

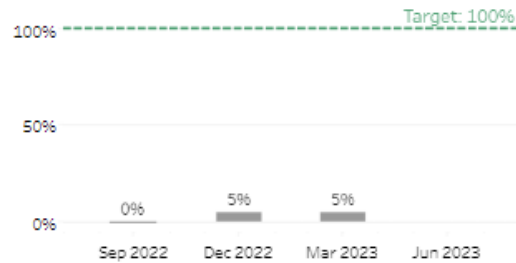
Electric Vehicle Adoption

Reduce Greenhouse Gas Emissions in the Built Environment

100% Clean Electricity by 2040

Wildly Important Goal:

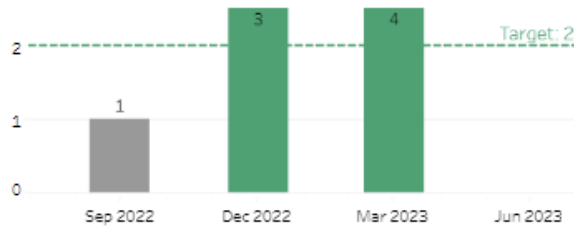
Initiate a study and complete scenario modeling by June 30, 2023 on what additional actions and technologies are needed to achieve 100% clean electricity for Colorado by 2040.



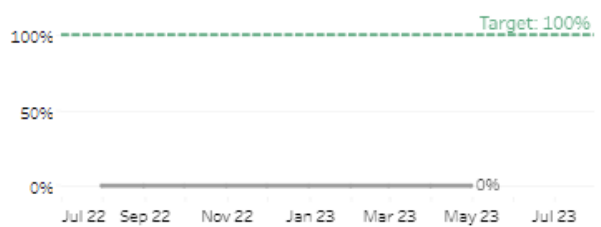
Successful completion of this goal will get the State closer to achieving the Governor's bold goal of 100% clean electricity by 2040 and provide concrete near term actions—policies, programs, and technology investments—to reach this ambitious goal.

The Colorado Energy Office will achieve this goal through the following leading indicators:

File testimony in at least two renewable energy plan filings at the Public Utility Commission by June 30, 2023.



Complete a study on the future of the natural gas system and its role in building decarbonization by June 30, 2023.





Strategic Goals

The state has gone through a comprehensive strategic planning process, relying on the framework of the “Four Disciplines of Execution,” which emphasizes a focus on a few wildly important goals to effectively manage and achieve 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 Five goal, the Colorado Energy Office has set the following department goals, some of which are also goals for the [Energy & Renewables Cabinet Working Group](#).

Goal 1: Update Greenhouse Gas Roadmap

Update the Greenhouse Gas Roadmap, including a new near-term action plan for 2023-2026, by June 30, 2024

The Greenhouse Gas Pollution Reduction Roadmap, released in January 2021, laid out a clear action plan to meet the State's pollution reduction goals. Successful completion of this goal will identify additional near-term targets and actions needed to keep Colorado on track to meet its ultimate climate action goals.

Three year goal: N/A

Key Strategies:

- Work across key state agencies (including CDPHE, CDOT, DNR, CDA, DOLA, DORA/PUC) to coordinate outreach, stakeholder processes, and modeling to update the Greenhouse Gas Roadmap
- Support the Environment & Renewable Cabinet Working Group
- Engage with outside stakeholders to ensure planning for and implementation of Roadmap is as equitable as possible, addressing community concerns and environmental justice priorities
- Work with a consultant to create an open model that can be used to estimate our emissions trajectory based on current commitments and new economic factors (including the impact of the IRA).

Goal 2: Zero Emission Vehicle Registration

Increase the number of annual new light duty electric vehicle (EV) registrations to 39,447 by June 30, 2024.



Successful completion of this goal will put Colorado on track to meet its ambitious greenhouse gas pollution reduction goals. The reduction goals rely heavily on electrification of the transportation sector, the largest source of emissions, currently representing 27% of total emissions in Colorado.

Three Year Goal:

FY2023-2024: Increase the number of annual new, light duty electric vehicle (EV) registrations to 39,447 by June 30, 2024.

FY2024-2025: Increase the number of annual new, light duty electric vehicle (EV) registrations to 55,669 by June 30, 2024.

Key Strategies:

- 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.
- Begin implementation of the 10 year plan approved by the Board of the Community Access Enterprise.
- Make EVs more affordable through carefully designed tax incentives (HB23-1272) which includes incentives for low cost EVs aimed at making EVs accessible to low income families.
- Invest heavily in charging infrastructure through federal, state, and enterprise funds.
- Conduct marketing and outreach campaigns to ensure that people are aware of the benefits of going electric and the incentives available.
- Offer in depth coaching and technical assistance to help individuals make the transition to EVs.

Goal 3: Building Emissions Reduction

Implement programs that achieve an estimated \$12.7M in cost savings resulting from energy efficiency, conservation and renewables in the built environment, which includes homes and buildings, by June 30, 2024.



Successful completion of this goal will reduce the energy burden on low-income Coloradans and reduce costs for other homeowners, building owners and businesses. It will also reduce total emissions related to building energy use which is a major source of emissions in our state.

Three Year Goal:

FY2023-2024: Implement programs that achieve an estimated 164,392 MMBtu energy savings by June 30, 2024.

FY2024-2025: Implement programs that achieve an estimated 187,407 MMBtu energy savings by June 30, 2025.

Key Strategies:

- Manage a comprehensive suite of energy improvement programming, including the Weatherization Assistance Program (WAP), Energy Performance Contracting program, Industrial Strategic Energy Management program, Commercial Property Assessed Clean Energy (C-PACE) program, and clean energy finance products in coordination with the Colorado Clean Energy Fund.
- Launch new efforts on reducing emissions from the industrial sector and cannabis industry, and through use of geothermal energy.
- Intervene in regulatory proceedings impacting utility programs for consumer energy improvements, including utility demand side management plans and building electrification.
- 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.
- Provide deeper retrofits when possible, leveraging beneficial electrification technologies such as solar photovoltaics and air source heat pumps.