

1 Be it Enacted by the People of the State of Colorado:
2

3 **Section 13.** Part 1 of article 75 of title 24, Colorado Revised Statutes, amended BY
4 THE ADDITION OF A NEW SECTION to read:
5

6 **24-75-1301. Clean energy progress fund.** (1) The people of the state of Colorado
7 recognize that it is in their interest to create the clean energy progress fund for the purpose
8 of advancing the new energy economy. The people recognize that efforts to advance the
9 new energy economy will lead to jobs creation, economic development, energy security,
10 energy ratepayer relief, and the reduction of global warming pollution. In furtherance of
11 these goals, a funding mechanism for the governor’s energy office, or any successor office,
12 shall be created to advance the development of jobs and economic development in the
13 areas of renewable energy, energy efficiency, global warming pollution reduction, and
14 carbon sequestration. The governor’s energy office, or any successor office, shall be
15 authorized to spend the revenues on programs targeted to reduce energy bills within
16 Colorado and to reduce global warming pollution within Colorado as set forth in
17 subsection (6) of this section. All provisions of this section are severable and supersede
18 conflicting state statutory, charter, or other state or local provisions.
19

20 (2) As used in this section:
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22 (a) “Carbon dioxide equivalent” means a measure to compare the emissions from
23 the six global warming pollution gases based upon their global warming potential. The
24 carbon dioxide equivalent of an emitted global warming gas shall be its total mass emitted
25 into the atmosphere multiplied by the global warming potential of that gas.
26

27 (b) “Carbon intensity” means the pounds of global warming pollution expressed in
28 carbon dioxide equivalent emitted per unit of energy used. In the case of electricity, the
29 global warming pollution measured for determining carbon intensity shall be those
30 emissions involved in generating the electricity, determined at the generating station. For
31 electricity, the energy unit shall be kilowatt-hours. In the case of natural gas, the global
32 warming pollution emissions measured are those generated when the end user of energy
33 burns the fuel. For natural gas, the energy unit shall be therms.
34

35 (c) “Carbon sequestration” means the removal of carbon dioxide from the
36 atmosphere. This term includes, but is not limited to, the use of natural carbon sinks such
37 as in soils or forests in the form of increasing plant biomass.
38

39 (d) “Clean energy progress fund” means a fund managed by the governor’s energy
40 office, or any successor office, for the purpose of maximizing the reduction of global
41 warming pollution.
42

43 (e) “End user of energy” means any person who or entity that obtains electricity or
44 natural gas and does not intend to sell it or give it away.
45

46 (f) “Energy efficiency” means products (f) or systems designed to use less energy for
47 the same or higher performance than currently or commonly used products or systems.
48

1 (g) “Geologic sequestration of carbon” means carbon storage for a period of at least
2 one thousand years at a depth of at least one thousand feet below the surface of the earth.

3
4 (h) “Global warming pollution” means the emission of the six heat-trapping gases:
5 carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur
6 hexafluoride.

7
8 (i) “Global warming potential” means how much a given global warming gas, on a
9 mass basis, contributes to global warming. The global warming potentials of the six global
10 warming gases shall be those defined in the fourth assessment report issued by the United
11 Nations intergovernmental panel on climate change.

12
13 (j) “Low income” means any household whose income does not exceed eighty
14 percent of the Colorado median income.

15
16 (k) “New energy economy” means creating an energy policy to create jobs,
17 revitalize the economy, protect the environment and help secure our nation's energy future.

18
19 (l) “Renewable energy” means energy obtained from sources that are essentially
20 inexhaustible. These sources include, but are not restricted to, wind, solar, biomass,
21 geothermal energy, and hydroelectricity with a nameplate rating of ten megawatts or less.
22 This term shall exclude nuclear energy.

23
24 (m) “Therm” means a unit of energy defined as one hundred thousand British
25 thermal units.

26
27 (3) A clean energy progress fee shall be imposed on the production of global
28 warming pollution from natural gas consumption and electricity production.

29
30 (a) The fee shall be computed at a rate of three dollars per metric ton of carbon
31 dioxide equivalent emitted to the atmosphere from electricity generation and natural gas
32 combustion.

33
34 (b) The entity providing the energy to the end user of energy shall be responsible
35 for collecting the revenues from the end user of energy and forwarding them quarterly to
36 the clean energy progress fund which is hereby created in the state treasury.

37
38 (c) The carbon intensity for electricity shall be computed by each electricity-
39 supplying entity in the state on an annual basis from January first to December thirty-first.
40 The carbon intensity shall be reported to the governor’s energy office, or any successor
41 office, on May first and shall be applied to calculating the fee effective July first of the
42 same year. The carbon intensity shall represent the total annual emissions of carbon
43 dioxide equivalent of global warming pollution created in order to supply the end users of
44 energy in Colorado, divided by the annual delivery of energy to the end users of energy in
45 Colorado. The carbon dioxide equivalent shall be measured at the generating station and
46 shall account for all energy losses due to transmission and distribution of the electricity.

47

1 (d) The carbon intensity for natural gas shall be set at twelve and eight tenths
2 pounds of carbon dioxide per therm.

3
4 (e) The carbon intensity reported by the energy supplying entities shall be subject
5 to audit by the governor's energy office, or any successor office.

6
7 (4) The fees imposed by this section shall be in addition to any other programs to
8 support jobs creation, economic development, energy security, energy ratepayer relief, and
9 global warming pollution reduction existing as of the effective date of this section. Such
10 existing programs shall not be repealed or reduced by the general assembly in
11 consideration of this statute.

12
13 (5) All revenues received by operation of subsection (3) of this section shall be
14 excluded from fiscal year spending, as that term is defined in section 20 of article X of this
15 constitution, and shall be excluded from the corresponding spending limits upon state
16 government and all local governments receiving such revenues.

17
18 (6) The revenues generated by the operation of subsection (3) of this section shall
19 be appropriated annually by the general assembly and shall be administered by the
20 governor's energy office, or any successor office. The governor's energy office shall
21 administer the clean energy progress fund to maximize the reduction of global warming
22 pollution in Colorado subject to the following restrictions:

23
24 (a) A minimum of twenty percent of the revenues shall be used annually for the
25 purposes of delivering energy efficiency programs to Colorado residences and businesses,
26 including energy audits and installation of energy efficiency measures. These funds may
27 not be used for research and development. A minimum of twenty-five percent of the
28 amount allocated in this category shall be used annually for low-income residential energy-
29 efficiency projects in Colorado.

30
31 (b) A minimum of fifteen percent of the revenues shall be used annually to
32 implement renewable energy in Colorado.

33
34 (c) A minimum of five percent of the revenues shall be used annually to implement
35 carbon sequestration in Colorado. No more than two percent of the revenues shall be used
36 for geologic sequestration of carbon. This provision shall be administered in cooperation
37 with the Colorado department of agriculture and the Colorado department of natural
38 resources.

39
40 (d) A minimum of five percent of the revenues shall be used annually for programs
41 to reduce the total emissions of global warming pollution from the transportation sector in
42 Colorado. This provision shall be administered in cooperation with the Colorado
43 department of transportation.

44
45 (e) A minimum of five percent of the revenues shall be used annually for workforce
46 training and development programs at Colorado higher education and vocational education
47 institutions for the purpose of creating and filling jobs in the renewable energy and energy

1 efficiency industries. This provision shall be administered in cooperation with the
2 Colorado department of labor and employment.

3
4 (f) A minimum of five percent of the revenues shall be used annually support
5 efforts to accelerate the commercialization of clean energy technology. This provision will
6 be administered in cooperation with the Colorado office of economic development.

7
8 (g) A minimum of five percent of the revenues shall be used annually for
9 communications, outreach, and education of Colorado citizens on methods of reducing
10 global warming pollution.

11
12 (h) Five percent of the revenues shall be used annually to hire new or support
13 existing faculty to develop programs and curricula in climate change and sustainable
14 energy at the University of Colorado, Colorado State University, and the Colorado School
15 of Mines. The University of Colorado shall receive forty percent of the moneys, Colorado
16 State University shall receive forty percent of the moneys, and the Colorado School of
17 Mines shall receive twenty percent of the moneys. This provision shall be administered in
18 cooperation with the Colorado commission on higher education.

19
20 (i) Two hundred thousand dollars shall be used annually for the establishment and
21 operation of a clean energy progress task force comprised of a balanced assembly of
22 representatives from the state's coal industry, renewable energy industry, the energy
23 efficiency industry, oil and gas industry, propane industry, biofuels industry, and utility
24 companies to develop strategies for a clean energy portfolio for Colorado. The clean
25 energy progress task force shall meet at least annually and shall produce written
26 recommendations to advise the director of the governor's energy office, or any successor
27 office. The members of the task force shall be balanced in representing the above-named
28 interest groups, and shall be nominated by the director of the governor's energy office and
29 approved by the senate agriculture, natural resources, and energy committee, with no more
30 than two thirds of the members from one political party.

31
32 (j) Two hundred and fifty thousand dollars shall be used annually to fund the
33 permanent staff position of the governor's senior advisor on climate change and to support
34 the activities of that position.

35
36 (7) End users of energy who enter into voluntary contracts to purchase some
37 portion of their energy from sources that do not create global warming pollution, such as
38 wind power, shall be exempted from paying the clean energy progress fee on that portion
39 of their energy consumption.

40
41 (8) Interest and income earned on the deposit and investment of moneys in the
42 clean energy progress fund shall be credited to the fund. Moneys in the fund at the end of
43 any state fiscal year shall remain in the fund and shall not be credited to the state general
44 fund or any other fund.

45
46 (9) The director of the governor's energy office, or any successor office, shall
47 deliver an annual report on the clean energy progress fund in person and accompanied by a
48 written report to a joint meeting of the house energy and transportation committee and the

1 senate agriculture committee of the Colorado general assembly. The report shall indicate
2 the total revenues collected and how the revenues were used. The report shall also
3 quantify the amount of global warming pollution that was avoided. The report shall be
4 delivered every year notwithstanding provisions of the information coordination act,
5 section 24-1-136 (11) (a) (I).

6
7 (10) Collection of fees shall begin on July 1, 2009.
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