

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
7 COLORADO RECOGNIZE THAT IT IS IN THEIR INTEREST TO CREATE THE CLEAN ENERGY
8 PROGRESS FUND FOR THE PURPOSE OF ADVANCING THE NEW ENERGY ECONOMY. THE PEOPLE
9 RECOGNIZE THAT EFFORTS TO ADVANCE THE NEW ENERGY ECONOMY WILL LEAD TO JOBS
10 CREATION, ECONOMIC DEVELOPMENT, ENERGY SECURITY, ENERGY RATEPAYER RELIEF, AND
11 THE REDUCTION OF GLOBAL WARMING POLLUTION. IN FURTHERANCE OF THESE GOALS, A
12 FUNDING MECHANISM FOR THE GOVERNOR’S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE,
13 SHALL BE CREATED TO ADVANCE THE DEVELOPMENT OF JOBS AND ECONOMIC DEVELOPMENT
14 IN THE AREAS OF RENEWABLE ENERGY, ENERGY EFFICIENCY, GLOBAL WARMING POLLUTION
15 REDUCTION, AND CARBON SEQUESTRATION. THE GOVERNOR’S ENERGY OFFICE, OR ANY
16 SUCCESSOR OFFICE, SHALL BE AUTHORIZED TO SPEND THE REVENUES ON PROGRAMS
17 TARGETED TO REDUCE ENERGY BILLS WITHIN COLORADO AND TO REDUCE GLOBAL WARMING
18 POLLUTION WITHIN COLORADO AS SET FORTH IN SUBSECTION (6) OF THIS SECTION. ALL
19 PROVISIONS OF THIS SECTION ARE SEVERABLE AND SUPERSEDE CONFLICTING STATE
20 STATUTORY, CHARTER, OR OTHER STATE OR LOCAL PROVISIONS.
21

22 (2) AS USED IN THIS SECTION:
23

24 (a) “CARBON DIOXIDE EQUIVALENT” MEANS A MEASURE TO COMPARE THE EMISSIONS
25 FROM THE SIX GLOBAL WARMING POLLUTION GASES BASED UPON THEIR GLOBAL WARMING
26 POTENTIAL. THE CARBON DIOXIDE EQUIVALENT OF AN EMITTED GLOBAL WARMING GAS
27 SHALL BE ITS TOTAL MASS EMITTED INTO THE ATMOSPHERE MULTIPLIED BY THE GLOBAL
28 WARMING POTENTIAL OF THAT GAS.
29

30 (b) “CARBON INTENSITY” MEANS THE POUNDS OF GLOBAL WARMING POLLUTION
31 EXPRESSED IN CARBON DIOXIDE EQUIVALENT EMITTED PER UNIT OF ENERGY USED. IN THE
32 CASE OF ELECTRICITY, THE GLOBAL WARMING POLLUTION MEASURED FOR DETERMINING
33 CARBON INTENSITY SHALL BE THOSE EMISSIONS INVOLVED IN GENERATING THE
34 ELECTRICITY, DETERMINED AT THE GENERATING STATION. FOR ELECTRICITY, THE ENERGY
35 UNIT SHALL BE KILOWATT-HOURS. IN THE CASE OF NATURAL GAS, THE GLOBAL WARMING
36 POLLUTION EMISSIONS MEASURED ARE THOSE GENERATED WHEN THE END USER OF ENERGY
37 BURNS THE FUEL. FOR NATURAL GAS, THE ENERGY UNIT SHALL BE THERMS.
38

39 (c) “CARBON SEQUESTRATION” MEANS THE REMOVAL OF CARBON DIOXIDE FROM
40 THE ATMOSPHERE. THIS TERM INCLUDES, BUT IS NOT LIMITED TO, THE USE OF NATURAL
41 CARBON SINKS SUCH AS IN SOILS OR FORESTS IN THE FORM OF INCREASING PLANT BIOMASS.
42

43 (d) “CLEAN ENERGY PROGRESS FUND” MEANS A FUND MANAGED BY THE
44 GOVERNOR’S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE, FOR THE PURPOSE OF MAXIMIZING
45 THE REDUCTION OF GLOBAL WARMING POLLUTION.
46

47 (e) “END USER OF ENERGY” MEANS ANY PERSON WHO OR ENTITY THAT OBTAINS
48 ELECTRICITY OR NATURAL GAS AND DOES NOT INTEND TO SELL IT OR GIVE IT AWAY.

1
2 (f) "ENERGY EFFICIENCY" MEANS PRODUCTS OR SYSTEMS DESIGNED TO USE LESS
3 ENERGY FOR THE SAME OR HIGHER PERFORMANCE THAN CURRENTLY OR COMMONLY USED
4 PRODUCTS OR SYSTEMS.
5

6 (g) "GEOLOGIC SEQUESTRATION OF CARBON" MEANS CARBON STORAGE FOR A
7 PERIOD OF AT LEAST ONE THOUSAND YEARS AT A DEPTH OF AT LEAST ONE THOUSAND FEET
8 BELOW THE SURFACE OF THE EARTH.
9

10 (h) "GLOBAL WARMING POLLUTION" MEANS THE EMISSION OF THE SIX HEAT-
11 TRAPPING GASES: CARBON DIOXIDE, METHANE, NITROUS OXIDE, HYDROFLUOROCARBONS,
12 PERFLUOROCARBONS, AND SULFUR HEXAFLUORIDE.
13

14 (i) "GLOBAL WARMING POTENTIAL" MEANS HOW MUCH A GIVEN GLOBAL WARMING
15 GAS, ON A MASS BASIS, CONTRIBUTES TO GLOBAL WARMING. THE GLOBAL WARMING
16 POTENTIALS OF THE SIX GLOBAL WARMING GASES SHALL BE THOSE DEFINED IN THE FOURTH
17 ASSESSMENT REPORT ISSUED BY THE UNITED NATIONS INTERGOVERNMENTAL PANEL ON
18 CLIMATE CHANGE.
19

20 (j) "LOW INCOME" MEANS ANY HOUSEHOLD WHOSE INCOME DOES NOT EXCEED
21 EIGHTY PERCENT OF THE COLORADO MEDIAN INCOME.
22

23 (k) "NEW ENERGY ECONOMY" MEANS CREATING AN ENERGY POLICY TO CREATE
24 JOBS, REVITALIZE THE ECONOMY, PROTECT THE ENVIRONMENT AND HELP SECURE OUR
25 NATION'S ENERGY FUTURE.
26

27 (l) "RENEWABLE ENERGY" MEANS ENERGY OBTAINED FROM SOURCES THAT ARE
28 ESSENTIALLY INEXHAUSTIBLE. THESE SOURCES INCLUDE, BUT ARE NOT RESTRICTED TO,
29 WIND, SOLAR, BIOMASS, GEOTHERMAL ENERGY, AND HYDROELECTRICITY WITH A
30 NAMEPLATE RATING OF TEN MEGAWATTS OR LESS. THIS TERM SHALL EXCLUDE NUCLEAR
31 ENERGY.
32

33 (m) "THERM" MEANS A UNIT OF ENERGY DEFINED AS ONE HUNDRED THOUSAND
34 BRITISH THERMAL UNITS.
35

36 (3) A CLEAN ENERGY PROGRESS FEE SHALL BE IMPOSED ON THE PRODUCTION OF
37 GLOBAL WARMING POLLUTION FROM NATURAL GAS CONSUMPTION AND ELECTRICITY
38 PRODUCTION.
39

40 (a) THE FEE SHALL BE COMPUTED AT A RATE OF THREE DOLLARS PER METRIC TON OF
41 CARBON DIOXIDE EQUIVALENT EMITTED TO THE ATMOSPHERE FROM ELECTRICITY
42 GENERATION AND NATURAL GAS COMBUSTION.
43

44 (b) THE ENTITY PROVIDING THE ENERGY TO THE END USER OF ENERGY SHALL BE
45 RESPONSIBLE FOR COLLECTING THE REVENUES FROM THE END USER OF ENERGY AND
46 FORWARDING THEM QUARTERLY TO THE CLEAN ENERGY PROGRESS FUND WHICH IS HEREBY
47 CREATED IN THE STATE TREASURY.
48

1 (c) THE CARBON INTENSITY FOR ELECTRICITY SHALL BE COMPUTED BY EACH
2 ELECTRICITY-SUPPLYING ENTITY IN THE STATE ON AN ANNUAL BASIS FROM JANUARY FIRST
3 TO DECEMBER THIRTY-FIRST. THE CARBON INTENSITY SHALL BE REPORTED TO THE
4 GOVERNOR'S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE, ON MAY FIRST AND SHALL BE
5 APPLIED TO CALCULATING THE FEE EFFECTIVE JULY FIRST OF THE SAME YEAR. THE CARBON
6 INTENSITY SHALL REPRESENT THE TOTAL ANNUAL EMISSIONS OF CARBON DIOXIDE
7 EQUIVALENT OF GLOBAL WARMING POLLUTION CREATED IN ORDER TO SUPPLY THE END
8 USERS OF ENERGY IN COLORADO, DIVIDED BY THE ANNUAL DELIVERY OF ENERGY TO THE
9 END USERS OF ENERGY IN COLORADO. THE CARBON DIOXIDE EQUIVALENT SHALL BE
10 MEASURED AT THE GENERATING STATION AND SHALL ACCOUNT FOR ALL ENERGY LOSSES
11 DUE TO TRANSMISSION AND DISTRIBUTION OF THE ELECTRICITY.
12

13 (d) THE CARBON INTENSITY FOR NATURAL GAS SHALL BE SET AT TWELVE AND EIGHT
14 TENTHS POUNDS OF CARBON DIOXIDE PER THERM.
15

16 (e) THE CARBON INTENSITY REPORTED BY THE ENERGY SUPPLYING ENTITIES SHALL
17 BE SUBJECT TO AUDIT BY THE GOVERNOR'S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE.
18

19 (4) THE FEES IMPOSED BY THIS SECTION SHALL BE IN ADDITION TO ANY OTHER
20 PROGRAMS TO SUPPORT JOBS CREATION, ECONOMIC DEVELOPMENT, ENERGY SECURITY,
21 ENERGY RATEPAYER RELIEF, AND GLOBAL WARMING POLLUTION REDUCTION EXISTING AS OF
22 THE EFFECTIVE DATE OF THIS SECTION. SUCH EXISTING PROGRAMS SHALL NOT BE REPEALED
23 OR REDUCED BY THE GENERAL ASSEMBLY IN CONSIDERATION OF THIS STATUTE.
24

25 (5) ALL REVENUES RECEIVED BY OPERATION OF SUBSECTION (3) OF THIS SECTION
26 SHALL BE EXCLUDED FROM FISCAL YEAR SPENDING, AS THAT TERM IS DEFINED IN SECTION 20
27 OF ARTICLE X OF THIS CONSTITUTION, AND SHALL BE EXCLUDED FROM THE CORRESPONDING
28 SPENDING LIMITS UPON STATE GOVERNMENT AND ALL LOCAL GOVERNMENTS RECEIVING
29 SUCH REVENUES.
30

31 (6) THE REVENUES GENERATED BY THE OPERATION OF SUBSECTION (3) OF THIS
32 SECTION SHALL BE APPROPRIATED ANNUALLY BY THE GENERAL ASSEMBLY AND SHALL BE
33 ADMINISTERED BY THE GOVERNOR'S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE. THE
34 GOVERNOR'S ENERGY OFFICE SHALL ADMINISTER THE CLEAN ENERGY PROGRESS FUND TO
35 MAXIMIZE THE REDUCTION OF GLOBAL WARMING POLLUTION IN COLORADO SUBJECT TO THE
36 FOLLOWING RESTRICTIONS:
37

38 (a) A MINIMUM OF TWENTY PERCENT OF THE REVENUES SHALL BE USED ANNUALLY
39 FOR THE PURPOSES OF DELIVERING ENERGY EFFICIENCY PROGRAMS TO COLORADO
40 RESIDENCES AND BUSINESSES, INCLUDING ENERGY AUDITS AND INSTALLATION OF ENERGY
41 EFFICIENCY MEASURES. THESE FUNDS MAY NOT BE USED FOR RESEARCH AND DEVELOPMENT.
42 A MINIMUM OF TWENTY-FIVE PERCENT OF THE AMOUNT ALLOCATED IN THIS CATEGORY
43 SHALL BE USED ANNUALLY FOR LOW-INCOME RESIDENTIAL ENERGY-EFFICIENCY PROJECTS IN
44 COLORADO.
45

46 (b) A MINIMUM OF FIFTEEN PERCENT OF THE REVENUES SHALL BE USED ANNUALLY
47 TO IMPLEMENT RENEWABLE ENERGY IN COLORADO.
48

1 (c) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY TO
2 IMPLEMENT CARBON SEQUESTRATION IN COLORADO. NO MORE THAN TWO PERCENT OF THE
3 REVENUES SHALL BE USED FOR GEOLOGIC SEQUESTRATION OF CARBON. THIS PROVISION
4 SHALL BE ADMINISTERED IN COOPERATION WITH THE COLORADO DEPARTMENT OF
5 AGRICULTURE AND THE COLORADO DEPARTMENT OF NATURAL RESOURCES.
6

7 (d) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR
8 PROGRAMS TO REDUCE THE TOTAL EMISSIONS OF GLOBAL WARMING POLLUTION FROM THE
9 TRANSPORTATION SECTOR IN COLORADO. THIS PROVISION SHALL BE ADMINISTERED IN
10 COOPERATION WITH THE COLORADO DEPARTMENT OF TRANSPORTATION.
11

12 (e) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR
13 WORKFORCE TRAINING AND DEVELOPMENT PROGRAMS AT COLORADO HIGHER EDUCATION
14 AND VOCATIONAL EDUCATION INSTITUTIONS FOR THE PURPOSE OF CREATING AND FILLING
15 JOBS IN THE RENEWABLE ENERGY AND ENERGY EFFICIENCY INDUSTRIES. THIS PROVISION
16 SHALL BE ADMINISTERED IN COOPERATION WITH THE COLORADO DEPARTMENT OF LABOR
17 AND EMPLOYMENT.
18

19 (f) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY
20 SUPPORT EFFORTS TO ACCELERATE THE COMMERCIALIZATION OF CLEAN ENERGY
21 TECHNOLOGY. THIS PROVISION WILL BE ADMINISTERED IN COOPERATION WITH THE
22 COLORADO OFFICE OF ECONOMIC DEVELOPMENT.
23

24 (g) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR
25 COMMUNICATIONS, OUTREACH, AND EDUCATION OF COLORADO CITIZENS ON METHODS OF
26 REDUCING GLOBAL WARMING POLLUTION.
27

28 (h) FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY TO HIRE NEW OR
29 SUPPORT EXISTING FACULTY TO DEVELOP PROGRAMS AND CURRICULA IN CLIMATE CHANGE
30 AND SUSTAINABLE ENERGY AT THE UNIVERSITY OF COLORADO, COLORADO STATE
31 UNIVERSITY, AND THE COLORADO SCHOOL OF MINES. THE UNIVERSITY OF COLORADO
32 SHALL RECEIVE FORTY PERCENT OF THE MONEYS, COLORADO STATE UNIVERSITY SHALL
33 RECEIVE FORTY PERCENT OF THE MONEYS, AND THE COLORADO SCHOOL OF MINES SHALL
34 RECEIVE TWENTY PERCENT OF THE MONEYS. THIS PROVISION SHALL BE ADMINISTERED IN
35 COOPERATION WITH THE COLORADO COMMISSION ON HIGHER EDUCATION.
36

37 (i) TWO HUNDRED THOUSAND DOLLARS SHALL BE USED ANNUALLY FOR THE
38 ESTABLISHMENT AND OPERATION OF A CLEAN ENERGY PROGRESS TASK FORCE COMPRISED OF
39 A BALANCED ASSEMBLY OF REPRESENTATIVES FROM THE STATE'S COAL INDUSTRY,
40 RENEWABLE ENERGY INDUSTRY, THE ENERGY EFFICIENCY INDUSTRY, OIL AND GAS
41 INDUSTRY, PROPANE INDUSTRY, BIOFUELS INDUSTRY, AND UTILITY COMPANIES TO DEVELOP
42 STRATEGIES FOR A CLEAN ENERGY PORTFOLIO FOR COLORADO. THE CLEAN ENERGY
43 PROGRESS TASK FORCE SHALL MEET AT LEAST ANNUALLY AND SHALL PRODUCE WRITTEN
44 RECOMMENDATIONS TO ADVISE THE DIRECTOR OF THE GOVERNOR'S ENERGY OFFICE, OR ANY
45 SUCCESSOR OFFICE. THE MEMBERS OF THE TASK FORCE SHALL BE BALANCED IN
46 REPRESENTING THE ABOVE-NAMED INTEREST GROUPS, AND SHALL BE NOMINATED BY THE
47 DIRECTOR OF THE GOVERNOR'S ENERGY OFFICE AND APPROVED BY THE SENATE

1 AGRICULTURE, NATURAL RESOURCES, AND ENERGY COMMITTEE, WITH NO MORE THAN TWO
2 THIRDS OF THE MEMBERS FROM ONE POLITICAL PARTY.

3
4 (j) TWO HUNDRED AND FIFTY THOUSAND DOLLARS SHALL BE USED ANNUALLY TO
5 FUND THE PERMANENT STAFF POSITION OF THE GOVERNOR'S SENIOR ADVISOR ON CLIMATE
6 CHANGE AND TO SUPPORT THE ACTIVITIES OF THAT POSITION.

7
8 (7) END USERS OF ENERGY WHO ENTER INTO VOLUNTARY CONTRACTS TO PURCHASE
9 SOME PORTION OF THEIR ENERGY FROM SOURCES THAT DO NOT CREATE GLOBAL WARMING
10 POLLUTION, SUCH AS WIND POWER, SHALL BE EXEMPTED FROM PAYING THE CLEAN ENERGY
11 PROGRESS FEE ON THAT PORTION OF THEIR ENERGY CONSUMPTION.

12
13 (8) INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN
14 THE CLEAN ENERGY PROGRESS FUND SHALL BE CREDITED TO THE FUND. MONEYS IN THE
15 FUND AT THE END OF ANY STATE FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT
16 BE CREDITED TO THE STATE GENERAL FUND OR ANY OTHER FUND.

17
18 (9) THE DIRECTOR OF THE GOVERNOR'S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE,
19 SHALL DELIVER AN ANNUAL REPORT ON THE CLEAN ENERGY PROGRESS FUND IN PERSON AND
20 ACCOMPANIED BY A WRITTEN REPORT TO A JOINT MEETING OF THE HOUSE ENERGY AND
21 TRANSPORTATION COMMITTEE AND THE SENATE AGRICULTURE COMMITTEE OF THE
22 COLORADO GENERAL ASSEMBLY. THE REPORT SHALL INDICATE THE TOTAL REVENUES
23 COLLECTED AND HOW THE REVENUES WERE USED. THE REPORT SHALL ALSO QUANTIFY THE
24 AMOUNT OF GLOBAL WARMING POLLUTION THAT WAS AVOIDED. THE REPORT SHALL BE
25 DELIVERED EVERY YEAR NOTWITHSTANDING PROVISIONS OF THE INFORMATION
26 COORDINATION ACT, SECTION 24-1-136 (11) (A) (I).

27
28 (10) COLLECTION OF FEES SHALL BEGIN ON JULY 1, 2009.

29
30 Proponents:

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