

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

2
3 **SECTION 1.** Article 75 of title 24, Colorado Revised Statutes, is amended BY
4 THE ADDITION OF A NEW PART to read:

5
6 **PART 13**
7 **CLEAN ENERGY PROGRESS FUND**
8

9 **24-75-1301. Clean energy progress fund.** (1) THE PEOPLE OF THE STATE OF
10 COLORADO RECOGNIZE THAT IT IS IN THEIR INTEREST TO CREATE THE CLEAN ENERGY
11 PROGRESS FUND FOR THE PURPOSE OF ADVANCING THE NEW ENERGY ECONOMY. THE PEOPLE
12 RECOGNIZE THAT EFFORTS TO ADVANCE THE NEW ENERGY ECONOMY WILL LEAD TO JOBS
13 CREATION, ECONOMIC DEVELOPMENT, ENERGY SECURITY, ENERGY RATEPAYER RELIEF, AND
14 THE REDUCTION OF GLOBAL WARMING POLLUTION. IN FURTHERANCE OF THESE GOALS, A
15 FUNDING MECHANISM FOR THE GOVERNOR’S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE,
16 SHALL BE CREATED TO ADVANCE THE DEVELOPMENT OF JOBS AND ECONOMIC DEVELOPMENT
17 IN THE AREAS OF RENEWABLE ENERGY, ENERGY EFFICIENCY, GLOBAL WARMING POLLUTION
18 REDUCTION, AND CARBON SEQUESTRATION. THE GOVERNOR’S ENERGY OFFICE, OR ANY
19 SUCCESSOR OFFICE, SHALL BE AUTHORIZED TO SPEND THE REVENUES ON PROGRAMS
20 TARGETED TO REDUCE ENERGY BILLS WITHIN COLORADO AND TO REDUCE GLOBAL WARMING
21 POLLUTION WITHIN COLORADO AS SET FORTH IN SUBSECTION (6) OF THIS SECTION. ALL
22 PROVISIONS OF THIS SECTION ARE SEVERABLE AND SUPERSEDE CONFLICTING STATE
23 STATUTORY, CHARTER, OR OTHER STATE OR LOCAL PROVISIONS.
24

25 (2) AS USED IN THIS SECTION:

26
27 (a) “CARBON DIOXIDE EQUIVALENT” MEANS A MEASURE TO COMPARE THE EMISSIONS
28 FROM THE SIX GLOBAL WARMING POLLUTION GASES BASED UPON THEIR GLOBAL WARMING
29 POTENTIAL. THE CARBON DIOXIDE EQUIVALENT OF AN EMITTED GLOBAL WARMING GAS
30 SHALL BE ITS TOTAL MASS EMITTED INTO THE ATMOSPHERE MULTIPLIED BY THE GLOBAL
31 WARMING POTENTIAL OF THAT GAS.
32

33 (b) “CARBON INTENSITY” MEANS THE POUNDS OF GLOBAL WARMING POLLUTION
34 EXPRESSED IN CARBON DIOXIDE EQUIVALENT EMITTED PER UNIT OF ENERGY USED. IN THE
35 CASE OF ELECTRICITY, THE GLOBAL WARMING POLLUTION MEASURED FOR DETERMINING
36 CARBON INTENSITY SHALL BE THOSE EMISSIONS INVOLVED IN GENERATING THE
37 ELECTRICITY, DETERMINED AT THE GENERATING STATION. FOR ELECTRICITY, THE ENERGY
38 UNIT SHALL BE KILOWATT-HOURS. IN THE CASE OF NATURAL GAS, THE GLOBAL WARMING
39 POLLUTION EMISSIONS MEASURED ARE THOSE GENERATED WHEN THE END USER OF ENERGY
40 BURNS THE FUEL. FOR NATURAL GAS, THE ENERGY UNIT SHALL BE THERMS.
41

42 (c) “CARBON SEQUESTRATION” MEANS THE REMOVAL OF CARBON DIOXIDE FROM
43 THE ATMOSPHERE. THIS TERM INCLUDES, BUT IS NOT LIMITED TO, THE USE OF NATURAL
44 CARBON SINKS, SUCH AS IN SOILS OR FORESTS, IN THE FORM OF INCREASING PLANT BIOMASS.
45

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

1
2 (e) "END USER OF ENERGY" MEANS ANY PERSON WHO OR ENTITY THAT OBTAINS
3 ELECTRICITY OR NATURAL GAS AND DOES NOT INTEND TO SELL IT OR GIVE IT AWAY.
4

5 (f) "ENERGY EFFICIENCY" MEANS PRODUCTS OR SYSTEMS DESIGNED TO USE LESS
6 ENERGY FOR THE SAME OR HIGHER PERFORMANCE THAN CURRENTLY OR COMMONLY USED
7 PRODUCTS OR SYSTEMS.
8

9 (g) "GEOLOGIC SEQUESTRATION OF CARBON" MEANS CARBON STORAGE FOR A
10 PERIOD OF AT LEAST ONE THOUSAND YEARS AT A DEPTH OF AT LEAST ONE THOUSAND FEET
11 BELOW THE SURFACE OF THE EARTH.
12

13 (h) "GLOBAL WARMING POLLUTION" MEANS THE EMISSION OF THE SIX HEAT-
14 TRAPPING GASES: CARBON DIOXIDE, METHANE, NITROUS OXIDE, HYDROFLUOROCARBONS,
15 PERFLUOROCARBONS, AND SULFUR HEXAFLUORIDE.
16

17 (i) "GLOBAL WARMING POTENTIAL" MEANS HOW MUCH A GIVEN GLOBAL WARMING
18 GAS, ON A MASS BASIS, CONTRIBUTES TO GLOBAL WARMING. THE GLOBAL WARMING
19 POTENTIALS OF THE SIX GLOBAL WARMING GASES SHALL BE THOSE DEFINED IN THE FOURTH
20 ASSESSMENT REPORT ISSUED BY THE UNITED NATIONS INTERGOVERNMENTAL PANEL ON
21 CLIMATE CHANGE.
22

23 (j) "LOW INCOME" MEANS ANY HOUSEHOLD WHOSE INCOME DOES NOT EXCEED
24 EIGHTY PERCENT OF THE COLORADO MEDIAN INCOME.
25

26 (k) "NEW ENERGY ECONOMY" MEANS CREATING AN ENERGY POLICY TO CREATE
27 JOBS, REVITALIZE THE ECONOMY, PROTECT THE ENVIRONMENT, AND HELP SECURE OUR
28 NATION'S ENERGY FUTURE.
29

30 (l) "RENEWABLE ENERGY" MEANS ENERGY OBTAINED FROM SOURCES THAT ARE
31 ESSENTIALLY INEXHAUSTIBLE. THESE SOURCES INCLUDE, BUT ARE NOT RESTRICTED TO,
32 WIND, SOLAR, BIOMASS, GEOTHERMAL ENERGY, AND HYDROELECTRICITY WITH A
33 NAMEPLATE RATING OF TEN MEGAWATTS OR LESS. THIS TERM SHALL EXCLUDE NUCLEAR
34 ENERGY.
35

36 (m) "THERM" MEANS A UNIT OF ENERGY DEFINED AS ONE HUNDRED THOUSAND
37 BRITISH THERMAL UNITS.
38

39 (3)(a) A CLEAN ENERGY PROGRESS FEE SHALL BE IMPOSED ON THE PRODUCTION OF
40 GLOBAL WARMING POLLUTION FROM NATURAL GAS CONSUMPTION AND ELECTRICITY
41 PRODUCTION. WHEN NATURAL GAS COMBUSTION IS USED TO GENERATE ELECTRICITY, THE
42 FEE SHALL BE IMPOSED ON THE ELECTRICITY GENERATED AND NOT THE NATURAL GAS
43 CONSUMPTION.
44

45 (b) THE FEE SHALL BE COMPUTED AT A RATE OF THREE DOLLARS PER METRIC TON OF
46 CARBON DIOXIDE EQUIVALENT EMITTED TO THE ATMOSPHERE FROM ELECTRICITY
47 GENERATION AND NATURAL GAS COMBUSTION.
48

1 (c) THE ENTITY PROVIDING THE ENERGY TO THE END USER OF ENERGY SHALL BE
2 RESPONSIBLE FOR COLLECTING THE REVENUES FROM THE END USER OF ENERGY AND
3 REMITTING THEM QUARTERLY TO THE PUBLIC UTILITIES COMMISSION, OR ANY SUCCESSOR
4 COMMISSION. THE PUBLIC UTILITIES COMMISSION SHALL REMIT THE REVENUES QUARTERLY
5 TO THE STATE TREASURER. THE STATE TREASURER SHALL CREDIT THE REVENUES IN THE
6 CLEAN ENERGY PROGRESS FUND, WHICH IS HEREBY CREATED IN THE STATE TREASURY.
7

8 (d) THE CARBON INTENSITY FOR ELECTRICITY SHALL BE COMPUTED BY EACH
9 ELECTRICITY-SUPPLYING ENTITY IN THE STATE ON AN ANNUAL BASIS FROM JANUARY 1 TO
10 DECEMBER 31. THE CARBON INTENSITY SHALL BE REPORTED TO THE GOVERNOR'S ENERGY
11 OFFICE, OR ANY SUCCESSOR OFFICE, ON MAY 1 AND SHALL BE APPLIED TO CALCULATING THE
12 FEE EFFECTIVE JULY 1 OF THE SAME YEAR. THE CARBON INTENSITY SHALL REPRESENT THE
13 TOTAL ANNUAL EMISSIONS OF CARBON DIOXIDE EQUIVALENT OF GLOBAL WARMING
14 POLLUTION CREATED IN ORDER TO SUPPLY THE END USERS OF ENERGY IN COLORADO,
15 DIVIDED BY THE ANNUAL DELIVERY OF ENERGY TO THE END USERS OF ENERGY IN
16 COLORADO. THE CARBON DIOXIDE EQUIVALENT SHALL BE MEASURED AT THE GENERATING
17 STATION AND SHALL ACCOUNT FOR ALL ENERGY LOSSES DUE TO TRANSMISSION AND
18 DISTRIBUTION OF THE ELECTRICITY.
19

20 (e) THE CARBON INTENSITY FOR NATURAL GAS SHALL BE SET AT TWELVE AND EIGHT-
21 TENTHS POUNDS OF CARBON DIOXIDE PER THERM.
22

23 (f) THE CARBON INTENSITY REPORTED BY THE ENERGY-SUPPLYING ENTITIES SHALL
24 BE SUBJECT TO AUDIT BY THE GOVERNOR'S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE.
25

26 (4) THE FEES IMPOSED BY THIS SECTION SHALL BE IN ADDITION TO ANY OTHER
27 PROGRAMS TO SUPPORT JOBS CREATION, ECONOMIC DEVELOPMENT, ENERGY SECURITY,
28 ENERGY RATEPAYER RELIEF, AND GLOBAL WARMING POLLUTION REDUCTION EXISTING AS OF
29 THE EFFECTIVE DATE OF THIS SECTION. SUCH EXISTING PROGRAMS SHALL NOT BE REPEALED
30 OR REDUCED BY THE GENERAL ASSEMBLY IN CONSIDERATION OF THIS SECTION.
31

32 (5) ALL REVENUES RECEIVED BY OPERATION OF SUBSECTION (3) OF THIS SECTION
33 SHALL BE EXCLUDED FROM FISCAL YEAR SPENDING, AS THAT TERM IS DEFINED IN SECTION 20
34 OF ARTICLE X OF THE STATE CONSTITUTION, AND SHALL BE EXCLUDED FROM THE
35 CORRESPONDING SPENDING LIMITS UPON STATE GOVERNMENT AND ALL LOCAL
36 GOVERNMENTS RECEIVING SUCH REVENUES.
37

38 (6) THE REVENUES GENERATED BY THE OPERATION OF SUBSECTION (3) OF THIS
39 SECTION SHALL BE APPROPRIATED ANNUALLY BY THE GENERAL ASSEMBLY AND SHALL BE
40 ADMINISTERED BY THE GOVERNOR'S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE. THE
41 GOVERNOR'S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE, SHALL ADMINISTER THE CLEAN
42 ENERGY PROGRESS FUND TO MAXIMIZE THE REDUCTION OF GLOBAL WARMING POLLUTION IN
43 COLORADO SUBJECT TO THE FOLLOWING RESTRICTIONS:
44

45 (a) A MINIMUM OF TWENTY PERCENT OF THE REVENUES SHALL BE USED ANNUALLY
46 FOR THE PURPOSES OF DELIVERING ENERGY EFFICIENCY PROGRAMS TO COLORADO
47 RESIDENCES AND BUSINESSES, INCLUDING ENERGY AUDITS AND INSTALLATION OF ENERGY
48 EFFICIENCY MEASURES. THESE FUNDS MAY NOT BE USED FOR RESEARCH AND DEVELOPMENT.

1 A MINIMUM OF TWENTY-FIVE PERCENT OF THE AMOUNT ALLOCATED IN THIS CATEGORY
2 SHALL BE USED ANNUALLY FOR LOW-INCOME RESIDENTIAL ENERGY-EFFICIENCY PROJECTS IN
3 COLORADO.

4
5 (b) A MINIMUM OF FIFTEEN PERCENT OF THE REVENUES SHALL BE USED ANNUALLY
6 TO IMPLEMENT RENEWABLE ENERGY IN COLORADO.

7
8 (c) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY TO
9 IMPLEMENT CARBON SEQUESTRATION IN COLORADO. NO MORE THAN TWO PERCENT OF THE
10 REVENUES SHALL BE USED FOR GEOLOGIC SEQUESTRATION OF CARBON. THIS PARAGRAPH (c)
11 SHALL BE ADMINISTERED AFTER CONSULTATION WITH THE COLORADO DEPARTMENT OF
12 AGRICULTURE AND THE COLORADO DEPARTMENT OF NATURAL RESOURCES.

13
14 (d) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR
15 PROGRAMS TO REDUCE THE TOTAL EMISSIONS OF GLOBAL WARMING POLLUTION FROM THE
16 TRANSPORTATION SECTOR IN COLORADO. THIS PARAGRAPH (d) SHALL BE ADMINISTERED
17 AFTER CONSULTATION WITH THE COLORADO DEPARTMENT OF TRANSPORTATION.

18
19 (e) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR
20 WORKFORCE TRAINING AND DEVELOPMENT PROGRAMS AT COLORADO HIGHER EDUCATION
21 AND VOCATIONAL EDUCATION INSTITUTIONS FOR THE PURPOSE OF CREATING AND FILLING
22 JOBS IN THE RENEWABLE ENERGY AND ENERGY EFFICIENCY INDUSTRIES. THIS PARAGRAPH
23 (e) SHALL BE ADMINISTERED AFTER CONSULTATION WITH THE COLORADO DEPARTMENT OF
24 LABOR AND EMPLOYMENT.

25
26 (f) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY TO
27 SUPPORT EFFORTS TO ACCELERATE THE COMMERCIALIZATION OF CLEAN ENERGY
28 TECHNOLOGY. THIS PARAGRAPH (f) SHALL BE ADMINISTERED AFTER CONSULTATION WITH
29 THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT.

30
31 (g) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR
32 COMMUNICATIONS, OUTREACH, AND EDUCATION OF COLORADO CITIZENS ON METHODS OF
33 REDUCING GLOBAL WARMING POLLUTION.

34
35 (h) FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY TO HIRE NEW OR
36 SUPPORT EXISTING FACULTY TO DEVELOP PROGRAMS AND CURRICULA IN CLIMATE CHANGE
37 AND SUSTAINABLE ENERGY AT THE UNIVERSITY OF COLORADO, COLORADO STATE
38 UNIVERSITY, AND THE COLORADO SCHOOL OF MINES. THE UNIVERSITY OF COLORADO SHALL
39 RECEIVE FORTY PERCENT OF THE MONEYS, COLORADO STATE UNIVERSITY SHALL RECEIVE
40 FORTY PERCENT OF THE MONEYS, AND THE COLORADO SCHOOL OF MINES SHALL RECEIVE
41 TWENTY PERCENT OF THE MONEYS. THIS PARAGRAPH (h) SHALL BE ADMINISTERED AFTER
42 CONSULTATION WITH THE COLORADO COMMISSION ON HIGHER EDUCATION.

43
44 (i) TWO HUNDRED THOUSAND DOLLARS SHALL BE USED ANNUALLY FOR THE
45 ESTABLISHMENT AND OPERATION OF A CLEAN ENERGY PROGRESS TASK FORCE COMPRISED OF
46 A BALANCED ASSEMBLY OF REPRESENTATIVES FROM THE STATE'S COAL INDUSTRY,
47 RENEWABLE ENERGY INDUSTRY, THE ENERGY EFFICIENCY INDUSTRY, OIL AND GAS
48 INDUSTRY, PROPANE INDUSTRY, BIOFUELS INDUSTRY, AND UTILITY COMPANIES TO DEVELOP

1 STRATEGIES FOR A CLEAN ENERGY PORTFOLIO FOR COLORADO. THE CLEAN ENERGY
2 PROGRESS TASK FORCE SHALL MEET AT LEAST ANNUALLY AND SHALL PRODUCE WRITTEN
3 RECOMMENDATIONS TO ADVISE THE DIRECTOR OF THE GOVERNOR'S ENERGY OFFICE, OR ANY
4 SUCCESSOR OFFICE. THE MEMBERS OF THE TASK FORCE SHALL BE BALANCED IN
5 REPRESENTING THE ABOVE-NAMED INTEREST GROUPS, WITH NO MORE THAN TWO-THIRDS OF
6 THE MEMBERS FROM ONE POLITICAL PARTY. THE MEMBERS SHALL BE NOMINATED BY THE
7 DIRECTOR OF THE GOVERNOR'S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE, AND CONFIRMED
8 BY THE COLORADO SENATE.

9
10 (j) TWO HUNDRED FIFTY THOUSAND DOLLARS SHALL BE USED ANNUALLY TO FUND
11 THE PERMANENT STAFF POSITION OF THE GOVERNOR'S SENIOR ADVISOR ON CLIMATE CHANGE
12 AND TO SUPPORT THE ACTIVITIES OF THAT POSITION.

13
14 (7) END USERS OF ENERGY WHO ENTER INTO VOLUNTARY CONTRACTS TO PURCHASE
15 SOME PORTION OF THEIR ENERGY FROM SOURCES THAT DO NOT CREATE GLOBAL WARMING
16 POLLUTION, SUCH AS WIND POWER, SHALL BE EXEMPTED FROM PAYING THE CLEAN ENERGY
17 PROGRESS FEE ON THAT PORTION OF THEIR ENERGY CONSUMPTION.

18
19 (8) INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN
20 THE CLEAN ENERGY PROGRESS FUND SHALL BE CREDITED TO THE FUND. MONEYS IN THE
21 FUND AT THE END OF ANY STATE FISCAL YEAR SHALL REMAIN IN THE FUND AND SHALL NOT
22 BE CREDITED TO THE STATE GENERAL FUND OR ANY OTHER FUND.

23
24 (9) THE DIRECTOR OF THE GOVERNOR'S ENERGY OFFICE, OR ANY SUCCESSOR OFFICE,
25 SHALL DELIVER AN ANNUAL REPORT ON THE CLEAN ENERGY PROGRESS FUND, IN PERSON AND
26 ACCOMPANIED BY A WRITTEN REPORT, TO A JOINT MEETING OF THE HOUSE TRANSPORTATION
27 AND ENERGY COMMITTEE AND THE SENATE AGRICULTURE, NATURAL RESOURCES, AND
28 ENERGY COMMITTEE, OR ANY SUCCESSOR COMMITTEES, OF THE COLORADO GENERAL
29 ASSEMBLY. THE REPORT SHALL INDICATE THE TOTAL REVENUES COLLECTED AND HOW THE
30 REVENUES WERE USED. THE REPORT SHALL ALSO QUANTIFY THE AMOUNT OF GLOBAL
31 WARMING POLLUTION THAT WAS AVOIDED. THE REPORT SHALL BE DELIVERED EVERY YEAR
32 NOTWITHSTANDING PROVISIONS OF THE "INFORMATION COORDINATION ACT", SECTION 24-
33 1-136 (11) (a) (I).

34
35 (10) COLLECTION OF FEES SHALL BEGIN ON JULY 1, 2009.

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37 Proponents:

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