

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

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3 Article X of the constitution of the state of Colorado is amended BY THE ADDITION OF
4 A NEW SECTION to read:

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6 **Section 22. Clean Energy Progress Fund**

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8 (1) THE PEOPLE OF THE STATE OF COLORADO RECOGNIZE THAT IT IS IN THE INTEREST OF THE
9 HEALTH, SAFETY AND WELFARE OF ITS CITIZENS TO SUPPORT THE FIVE INTER-RELATED
10 GOALS OF JOBS CREATION, ECONOMIC DEVELOPMENT, ENERGY SECURITY, ENERGY
11 RATEPAYER RELIEF, AND GLOBAL WARMING POLLUTION REDUCTION. IN FURTHERANCE OF
12 THESE GOALS, A FUNDING MECHANISM FOR THE GOVERNOR'S OFFICE SHALL BE CREATED TO
13 ADVANCE THE DEVELOPMENT OF JOBS AND ECONOMIC DEVELOPMENT IN THE AREAS OF
14 RENEWABLE ENERGY, ENERGY EFFICIENCY, AND THE SEQUESTRATION OF CARBON IN
15 AGRICULTURAL SOILS IN THE STATE OF COLORADO. THE GOVERNOR'S OFFICE WILL BE
16 AUTHORIZED TO SPEND THE REVENUES ON PROGRAMS TARGETED TO REDUCE ENERGY BILLS
17 WITHIN COLORADO AND TO REDUCE GLOBAL WARMING POLLUTION AS SET FORTH IN
18 SUBSECTION (5). ALL PROVISIONS ARE SELF-EXECUTING AND SEVERABLE AND SUPERSEDE
19 CONFLICTING STATE CONSTITUTIONAL, STATE STATUTORY, CHARTER, OR OTHER STATE OR
20 LOCAL PROVISIONS.

21
22 (2) TERM DEFINITIONS. WITHIN THIS SECTION:

23
24 (A) "GLOBAL WARMING POLLUTION" SHALL REFER TO THE HUMAN-INDUCED EMISSION OF
25 THE SIX HEAT-TRAPPING GASES DEFINED BY THE INTERGOVERNMENTAL PANEL ON CLIMATE
26 CHANGE, A BODY CREATED IN 1988 BY THE WORLD METEOROLOGICAL ORGANIZATION AND
27 BY THE UNITED NATIONS ENVIRONMENT PROGRAMME. THESE GASES ARE CARBON DIOXIDE,
28 METHANE, NITROUS OXIDE, HYDROFLUOROCARBONS, PERFLUOROCARBONS, AND SULFUR
29 HEXAFLUORIDE.

30
31 (B) "CARBON INTENSITY" SHALL REFER TO POUNDS OF GLOBAL WARMING POLLUTION
32 EXPRESSED IN CARBON DIOXIDE EQUIVALENT EMITTED PER UNIT OF ENERGY USED. IN THE
33 CASE OF ELECTRICITY, THE GLOBAL WARMING POLLUTION MEASURED FOR DETERMINING
34 CARBON INTENSITY SHALL BE THOSE EMISSIONS INVOLVED IN GENERATING THE
35 ELECTRICITY. FOR ELECTRICITY, THE ENERGY UNIT WILL BE KILOWATT-HOURS. IN THE CASE
36 OF NATURAL GAS, THE GLOBAL WARMING POLLUTION EMISSIONS MEASURED ARE THOSE
37 GENERATED WHEN THE END USER OF ENERGY BURNS THE FUEL. FOR NATURAL GAS, THE
38 ENERGY UNIT WILL BE THERMS. THE CARBON INTENSITY WILL BE COMPUTED BY EACH
39 ENERGY-SUPPLYING ENTITY IN THE STATE ON AN ANNUAL BASIS. THAT IS, IT WILL
40 REPRESENT THE ANNUAL EMISSIONS OF CARBON DIOXIDE EQUIVALENT OF GLOBAL WARMING
41 POLLUTION DIVIDED BY THE ANNUAL DELIVERY OF ENERGY TO THE END USER OF ENERGY.
42 THE CARBON INTENSITY COMPUTED FOR THE TRAILING YEAR WILL BE USED FOR
43 CALCULATIONS REGARDING THE DELIVERY OF ENERGY IN THE CURRENT YEAR.

44
45 (C) "END USER OF ENERGY" SHALL REFER TO ANY PERSON WHO OR ENTITY THAT OBTAINS
46 ELECTRICITY OR NATURAL GAS AND DOES NOT INTEND TO SELL IT OR GIVE IT AWAY.

47

1 (D) "THERM" SHALL REFER TO A UNIT OF ENERGY DEFINED AS ONE HUNDRED THOUSAND
2 BRITISH THERMAL UNITS.

3
4 (E) "ENERGY EFFICIENCY" SHALL REFER TO PRODUCTS OR SYSTEMS DESIGNED TO USE LESS
5 ENERGY FOR THE SAME OR HIGHER PERFORMANCE THAN CURRENTLY OR COMMONLY USED
6 PRODUCTS OR SYSTEMS.

7
8 (F) "RENEWABLE ENERGY" SHALL REFER TO ENERGY SOURCES OBTAINED FROM SOURCES
9 THAT ARE ESSENTIALLY INEXHAUSTIBLE. THESE SOURCES INCLUDE, BUT ARE NOT
10 RESTRICTED TO, WIND, SOLAR, BIOMASS, GEOTHERMAL ENERGY AND HYDROELECTRICITY
11 WITH A NAMEPLATE RATING OF TEN MEGAWATTS OR LESS. THIS TERM SHALL EXCLUDE
12 NUCLEAR ENERGY.

13
14 (G) "CLEAN ENERGY PROGRESS FUND" SHALL REFER TO A FUND MANAGED BY THE
15 GOVERNOR'S OFFICE FOR THE PURPOSE OF MAXIMIZING THE REDUCTION OF GLOBAL
16 WARMING POLLUTION.

17
18 (H) "CARBON DIOXIDE EQUIVALENT" SHALL REFER TO THE UNIVERSAL UNIT OF
19 MEASUREMENT FOR INDICATING THE GLOBAL WARMING POTENTIAL OF EACH OF THE SIX
20 GLOBAL WARMING POLLUTION GASES LISTED IN ANNEX A OF THE KYOTO PROTOCOL.

21
22 (I) "LOW INCOME" SHALL REFER TO ANY HOUSEHOLD WHOSE INCOME DOES NOT EXCEED
23 EIGHTY PERCENT OF THE COLORADO MEDIAN INCOME.

24
25 (3) A CLEAN ENERGY PROGRESS FEE WILL BE IMPOSED ON THE PRODUCTION OF GLOBAL
26 WARMING POLLUTION FROM NATURAL GAS CONSUMPTION AND ELECTRICITY PRODUCTION.
27 THE FEE WILL BE COMPUTED AT A RATE OF THREE DOLLARS PER METRIC TON OF CARBON
28 DIOXIDE EQUIVALENT EMITTED TO THE ATMOSPHERE FROM ELECTRICITY GENERATION AND
29 NATURAL GAS COMBUSTION. THE ENTITY PROVIDING THE ENERGY TO THE END USER OF
30 ENERGY WILL BE RESPONSIBLE FOR COMPUTING THE CARBON INTENSITY OF THE ENERGY
31 SUPPLIED, AND WILL ALSO BE RESPONSIBLE FOR COLLECTING THE REVENUES FROM THE END
32 USER OF ENERGY AND FORWARDING THEM QUARTERLY TO THE CLEAN ENERGY PROGRESS
33 FUND.

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

39
40 (5) THE REVENUES GENERATED BY THE OPERATION OF SUBSECTION (3) SHALL BE
41 APPROPRIATED ANNUALLY BY THE GENERAL ASSEMBLY AND SHALL BE ADMINISTERED BY
42 THE GOVERNOR'S OFFICE. THE GOVERNOR'S OFFICE SHALL ADMINISTER THE CLEAN ENERGY
43 PROGRESS FUND IN THE BEST MANNER IT SEES FIT TO MAXIMIZE THE REDUCTION IN GLOBAL
44 WARMING POLLUTION SUBJECT TO THE FOLLOWING RESTRICTIONS:

45
46 (A) A MINIMUM OF TWENTY PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR THE
47 PURPOSES OF ENERGY EFFICIENCY OF RESIDENCES AND BUSINESSES. A MINIMUM OF

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

3
4 (B) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR
5 WORKFORCE TRAINING AND DEVELOPMENT PROGRAMS AT COLORADO HIGHER EDUCATION
6 AND VOCATIONAL EDUCATION INSTITUTIONS FOR THE PURPOSE OF CREATING AND FILLING
7 JOBS IN THE RENEWABLE ENERGY AND ENERGY EFFICIENCY INDUSTRIES.

8
9 (C) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR
10 PROGRAMS TO SEQUESTER CARBON IN AGRICULTURAL SOILS IN COLORADO.

11
12 (D) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR
13 PROGRAMS TO REDUCE THE TOTAL EMISSIONS OF GLOBAL WARMING POLLUTION FROM THE
14 TRANSPORTATION SECTOR.

15
16 (E) A MINIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR
17 COMMUNICATIONS, OUTREACH, AND EDUCATION OF COLORADO CITIZENS ON METHODS OF
18 REDUCING GLOBAL WARMING POLLUTION.

19
20 (F) A MAXIMUM OF FIVE PERCENT OF THE REVENUES SHALL BE USED ANNUALLY FOR
21 RESEARCH AND DEVELOPMENT ON RENEWABLE ENERGY, ENERGY EFFICIENCY, AND
22 SEQUESTRATION OF CARBON IN AGRICULTURAL SOILS. ALL REVENUES USED FOR RESEARCH
23 AND DEVELOPMENT SHALL BE SPENT AT COLORADO INSTITUTIONS OF HIGHER EDUCATION.

24
25 (6) THE GENERAL ASSEMBLY MAY USE A MAXIMUM OF THIRTY PERCENT OF THE REVENUES
26 IN THE CLEAN ENERGY PROGRESS FUND FOR PURPOSES NOT STATED IN SUBSECTION (5) BY
27 DECLARING A STATEWIDE ECONOMIC EMERGENCY. THE DECLARATION OF SUCH AN
28 EMERGENCY SHALL REQUIRE A TWO-THIRDS VOTE OF BOTH THE COLORADO HOUSE OF
29 REPRESENTATIVES AND THE COLORADO SENATE. THE EMERGENCY MUST BE DECLARED
30 EVERY YEAR THAT THE GENERAL ASSEMBLY WOULD LIKE TO USE ANY PORTION OF THE
31 REVENUES FOR PURPOSES NOT STATED IN SUBSECTION (5).

32
33 (7) THE GOVERNOR SHALL DELIVER AN ANNUAL REPORT ON THE CLEAN ENERGY PROGRESS
34 FUND TO THE PEOPLE OF COLORADO. THE REPORT SHALL INDICATE THE TOTAL REVENUES
35 COLLECTED AND HOW THE REVENUES WERE USED. THE REPORT SHALL ALSO MAKE A BEST
36 EFFORT ESTIMATE OF THE AMOUNT OF GLOBAL WARMING POLLUTION THAT WAS AVOIDED.
37 THE REPORT SHALL BE DELIVERED ON THE FIRST ANNIVERSARY OF THE CREATION OF THE
38 CLEAN ENERGY PROGRESS FUND AND EVERY SUBSEQUENT YEAR ON THAT DATE.

39
40 THIS SECTION TAKES EFFECT JULY 1, 2009, OR AS STATED.

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42 Proponents:

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