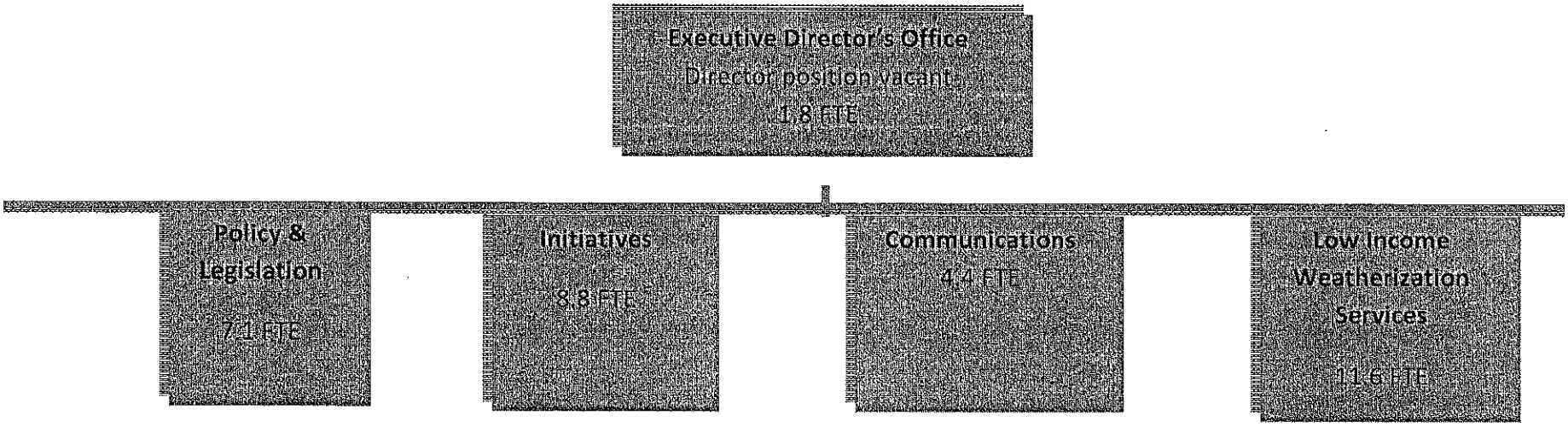
Colorado Energy Office

33.7 FTE (as of July 1, 2012)

Cash Fund: $3,059,151 / General Fund $ 0 / Federal Funds ~$3.5mm / Other $11mm (utility partner and LEAP)



HB12-1315 appropriated the CEO FTE count dividing it between the Innovative (10.3 FTE) and the Clean and Renewable (10.4 FTE) Funds.

Significant Issues

HB 12-1315: the reorganization of the Governor's Energy Office (now the Colorado Energy Office) is a key issue as we implement the changes required by this bill. This will include the implementation of two new funds: the Innovative Energy Fund and the Clean & Renewable Energy Fund.

HB 12-1028: Continue Low-income Energy-related Assistance

- Reauthorizes the Colorado Energy Office to receive 50% of the severance tax dollars allocated for low-income energy assistance.

Attachment A

3. Unlock the potential of **energy efficiency** in the residential, commercial, and governmental sectors by:
   a. Working with the Colorado appraisal community to complete three real estate valuation studies that will determine the market impact of energy efficiency in the home buying process. June 30, 2013.
   b. Transferring the successes from public Energy Performance Contracting to the private sector by launching a pilot project that results in at least two new performance contracts. June 30, 2013.
   c. Adopting a new statewide Greening Government Executive Order with detailed long-term goals. December 31, 2012.

4. Support **innovation** in the energy market and economic development through achievement of the objectives of the Colorado Blueprint by:
   a. Provide entrepreneurs, early- to late-stage companies, investors, and corporations exploring development in Colorado with resources and services to help bridge existing gaps in the energy economy. March 31, 2013.

5. Increase **energy information** in the state to provide accurate media relations, communication and messaging between state agencies , stakeholders, media and communities regarding the energy sector by:
   a. Developing standard outreach and presentation materials to be used by CEO staff, stakeholders and partners. November 31, 2012.
   b. Creating a monthly brief for statewide distribution to proactively promote and inform media outlets about the CEO and state-related energy issues. October 2012.
   c. Creating an online resource center including fact sheets, case studies and reports to continue to narrow the knowledge gaps across segments of the Colorado population. June

6. The **Low-Income Weatherization Assistance Program** will continue to provide energy efficiency services to qualifying Coloradans by:
   a. Achieving greater than 90% of the total targeted production of 2,927 weatherized units in the 2012-2013 program year by completing 612 targeted ARRA related weatherization production units by December 31, 2012.
   b. Managing the close-out activities of the ARRA Weatherization Grant that ensures that the $80 million grant is fully spent and utilized by December 31, 2012.
   c. Completing (2) administrative monitoring events at each weatherization subgrantee.
   d. Completing a minimum of 5% quality assurance inspections of the total number of weatherized units.
   e. Conducting the business development activities associated with achieving long-term sustainable funding sources that can provide the ability to weatherize more than 2,500 homes in Colorado annually.

funds, technical support and training and educational resources. In addition, the CEO has a highly skilled weatherization quality assurance team that conducts technical and administrative inspections/monitoring that audit the performance of the service providers to ensure quality of service is being delivered and goals of the program are being achieved.

The *Communications* area supports the CEO mission through strategic messaging and by removing barriers to finding information and by narrowing the energy knowledge gap through the timely management of web and social media outputs. Key deliverables include the development of topic-specific collateral material for distribution as an outreach tool, creation of consistent presentation materials in support of key program areas, development of fact sheets and case studies to support CEO programs and the Colorado Energy sector.

The CEO has identified the following top priorities:

1. To enhance the state's policies and legislative position to increase energy efficiency and incentivize discussions and decisions in the **electric power sector** by:
   a. Establishing a consistent stakeholder engagement process with participation from the environmental community, renewable energy industry, coal and mining industry, oil and gas industry, and the utilities to explore the potential for policy opportunities and legislation for this fiscal year and into the future. June 30, 2013.
   b. Establishing communication and tracking processes for the State's energy assurance plan in conjunction with other agencies. October 31, 2012.
   c. Delivering a benchmark report on the issue of fugitive emissions and how it is being incentivized in other states. November 30, 2012
   d. Working with the Administration to develop policy that will address the issue of biomass energy in high risk fire areas. December 31, 2012.

2. Promote the diversification, infrastructure and efficiency of the state's **transportation fuels sector** by increasing fleet adoption, availability, and knowledge of alternative fuels and innovative technologies by:
   a. Instituting a pilot energy performance contracting (EPC) vehicle program in the state fleet and using the framework of the contract and the expected energy savings to document a process for other fleets to follow. June 30, 2013.
   b. Leveraging funds in the state's existing electric vehicle infrastructure fund to install charging stations at high-impact locations. March 31, 2013.
   c. Facilitating a legislative and stakeholder working group seeking to balance fuel parity, sustainable road funding, and the promotion of alternative fuels in the state's motor fuels excise tax system. December 31, 2012.
   d. Publishing a transportation fuels data report for the state of Colorado, in cooperation with relevant state agencies and stakeholders. May 31, 2013.

as "existing, new, or emerging technology that enables the use of a local fuel source, establishes a more efficient or environmentally beneficial use of energy & helps to create energy independence & security for the state".

The Clean & Renewable Energy Fund: is funded from General Fund dollars and can be used for attracting renewable energy industry investment in the state, assisting technology transfer into the market place for newly developed energy efficiency and renewable energy technologies, providing market incentives for the purchase & distribution of energy efficient & renewable energy products, assisting in energy implementation of energy efficiency projects throughout the state, aid government agencies in energy efficiency initiatives, implementation of renewable energy technologies, overall advancement of energy efficiency & renewable energy throughout the state.

Under HB 12-1315, the CEO has 20.7 non-Weatherization employees, and 11.5 weatherization.

The office has been restructured into four areas: policy, initiatives, low income weatherization assistance and communications:
The *Policy* area team manages legislative analysis, regulatory improvement, and key initiatives in support of the CEO's mission to promote sustainable economic development in Colorado through advancing the state's energy market and industry to create jobs, increase energy security, lower long term consumer costs, and protect our environment.

Key initiatives include supporting CNG infrastructure and fleet conversion, advancing renewable energy and energy efficiency, fugitive emission capture, alternative fueling infrastructure and vehicles, energy assurance planning, implementing Colorado's Greening Government program, and innovative technologies.

The *Initiatives* area manages programs and contracts in support of the CEO's mission - supporting residential, commercial, industrial and agricultural energy, improving the efficiency of State government operations, promoting Energy Performance Contracting (EPC) in the public and private sectors, reducing market barriers to energy investment, and partnering with the Office of Economic Development and International Trade (OEDIT) to improve the vitality of Colorado's energy market. Key initiatives include commissioning market valuation studies to identify trends regarding the impact of energy efficiency on the residential real estate market, transitioning the EPC and school energy efficiency programs to reduce costs and improve service delivery, launching new tools to support the agricultural sector in reducing energy costs, and developing resources to support existing and future Colorado energy

The *Low Income Weatherization Assistance Program* provides comprehensive energy efficiency retrofits aimed at reducing energy consumption and lowering energy costs for low income individuals and families throughout all 64 counties of Colorado. The program utilizes a combination of Federal, State and utility funding to provide these no-cost retrofit services to households meeting an annual income requirement of 200% or less of the federal poverty level. The CEO delivers the program services through contracts with eleven regional weatherization service providers conduct the actual energy retrofits. The CEO administers the overall program by providing overall coordination and administrative of the program grant

CEO BUDGET REQUEST – FY13-14

Colorado Energy Office (CEO)

Department Vision

The vision of the Colorado Energy Office (CEO) is to promote sustainable economic development in Colorado through advancing the State's energy market and industry to create jobs, increase energy security, lower long-term consumer costs, and protect our environment.

Colorado has taken a national leadership position in advancing all types of energy sources, from wind and solar to natural gas and coal. While Colorado has an opportunity to grow and improve the energy market, there are a variety of factors that are preventing a natural expansion of this sector. These factors include market barriers, regulatory obstacles, and a lack of awareness of energy issues.

As Colorado's population grows from 5 million to an expected 8.1 million by 2040, demand and consumption of energy will continue to grow. More than ever, CEO will work with all segments of the energy industry to ensure the wise use of our resources. Ultimately, CEO's efforts will lead to job creation as business opportunities related to energy development grow, greater energy security as Colorado increases its reliance on domestic and in-state resources; consistent consumer costs over time as market barriers are reduced; and an improved environment as energy is generated and consumed more efficiently.

The CEO has made a significant shift from an agency funded by American Reinvestment and Recovery Act (ARRA) dollars focused on providing grants and administering programs, to an agency that is legislated to work equally on renewable and traditional energy sources. There have been two extensions to ARRA programs from the original end date of June 2012. The weatherization program will come to a close in December 2012, and all Energy Efficiency Conservation and Block Grant (EECBG) funded projects will end in September 2013.

Overview

In 2012, The CEO was restructured under HB 12-1315 to enable the State's energy office to build on Colorado's national reputation as a leader in clean energy and energy innovation, and enhance the ability to support private sector job creation not only in the renewable energy sector but also in some traditional sectors like natural gas. The legislation changed the office name to the Colorado Energy Office, secured funding for five years, requires the CEO to report to the Legislature annually via the SMART Act, and established two funds:

The Innovative Energy Fund: is funded from severance tax dollars and can be used for promoting, research, development, commercialization, education, attracting innovative industry investments to the state, providing market incentives for efficient innovative energy products, assisting in implementation of innovative efficiency
projects, aid government agencies in innovative energy efficiency initiatives, innovative energy policy development. Innovative energy is defined