

**COLORADO AIR QUALITY CONTROL COMMISSION**  
**AGENDA ITEM SUMMARY**

**Item Title:** Climate Change and Greenhouse Gases: Colorado Energy Office's Natural Gas Vehicle Initiative

**Meeting Date:** November 20, 2014

<b>TYPES OF ACTION</b>		
<i><b>NON-HEARING ACTIONS</b></i>	<i><b>REQUEST FOR HEARING</b></i>	<i><b>HEARING</b></i>
<input type="checkbox"/> Administrative	<input type="checkbox"/> Rulemaking	<input type="checkbox"/> Rulemaking
<input checked="" type="checkbox"/> Briefing	<input type="checkbox"/> Public	<input type="checkbox"/> Public
<input type="checkbox"/> Policy	<input type="checkbox"/> Adjudicatory	<input type="checkbox"/> Adjudicatory
<input type="checkbox"/> Other	<input type="checkbox"/> Informational	<input type="checkbox"/> Informational
Is this action a Rule Review?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
<b>RECOMMENDED ACTION</b>		
<input type="checkbox"/> Adoption	<input type="checkbox"/> Approval	<input type="checkbox"/> Denial
<b>MOTION</b>		
<input type="checkbox"/> Required	<input type="checkbox"/> Attached	<input type="checkbox"/> Not Applicable
<b>STATUTORY AUTHORITY</b>		
General <input type="checkbox"/>		Specific <input type="checkbox"/>
<b>EPA SUBMITTAL</b>		
Is this issue considered a SIP revision? [ ]		
Which SIP? [ ]		
EPA submission deadline: [ ]		
Is this a delegated program? [ ]		

**ISSUE STATEMENT:**

The transportation sector is the second largest sector for energy consumption in Colorado with approximately 92 percent of transportation fuels currently derived from petroleum. Alternative fuel vehicles (AFVs) further diversify this fuel mix, use fuels produced in Colorado, and reduce emissions. Through the State's compressed natural gas fueling station and electric vehicle charging station grant programs (ALT Fuels Colorado and Charge Ahead Colorado respectively), Colorado has committed to removing barriers to AFV adoption and expanding the alternative fuels market, in turn reducing greenhouse gasses, NO<sub>x</sub>, and other criteria pollutants while lowering transportation fuel costs for consumers.

**ATTACHMENTS:**

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**SIGNATURES:**



November 6, 2014

Preparer

Date

Supervisor or Program Manager

Date

Division Director

Date



## **ALT FUELS COLORADO FACT SHEET**

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### **WHAT IS THE PURPOSE OF THE ALT FUELS COLORADO GRANT PROGRAM?**

- Alt Fuels Colorado removes barriers to the adoption of alternative fuel vehicles (AFVs).
- The program addresses the lack of fueling infrastructure by providing funding for alternative fueling stations.
- It also addresses the initial costs of AFVs by providing incentives to offset incremental costs.
- Alt Fuels Colorado receives funding from the federal Congestion Mitigation and Air Quality (CMAQ) program, which is focused on providing air quality benefits.

### **HOW WILL ALT FUELS COLORADO FUNCTION?**

- Alt Fuels Colorado will distribute approximately \$30 million over four years, between 2014 and 2017, to incentivize adoption of alternative fuel vehicles.
  - Over the course of the program, half the funds will be devoted to alternative fueling infrastructure and half toward alternative fuel vehicles.
  - \$10 million is available in the first year, with \$7 million devoted to alternative fueling infrastructure to frontload station development and \$3 million devoted to vehicles.
- The infrastructure grants will prioritize fueling stations along major transportation corridors in Colorado in order to create a statewide system for AFV travel.
  - The Colorado Energy Office will administer the station grants.
- Up to \$500,000 may be awarded for public compressed natural gas (CNG) stations.
  - Station developers may apply for additional grants to co-locate fast charging electric vehicle stations and propane autogas stations alongside CNG stations.
- Natural gas vehicles, electric vehicles, and propane vehicles for public and private fleets will be eligible for funding.
  - The Regional Air Quality Council will administer the vehicle grants.
- Rules for federal funding currently limit grants for vehicles to those operating in nonattainment and maintenance areas for air quality.\*
- Grants for stations are available throughout the entire state.

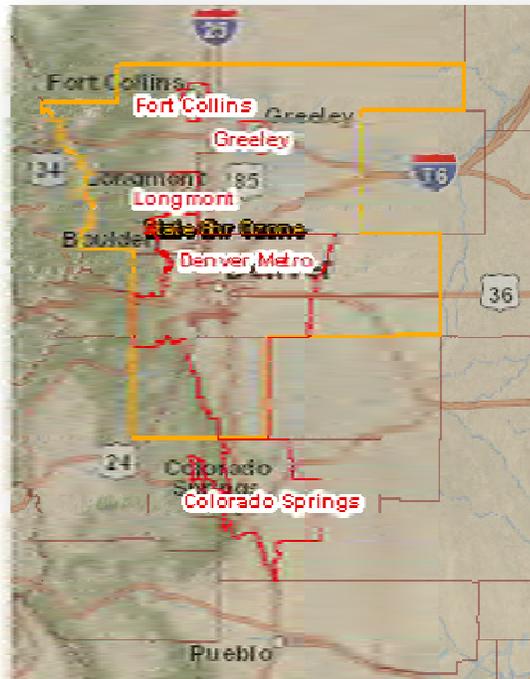
### **WHAT ARE THE BENEFITS OF ALTERNATIVE FUEL VEHICLES?**

- AFVs offer significant air quality benefits.
  - Studies show that CNG vehicles can reduce ozone-causing pollutants by 60 - 90%.
  - Vehicle emissions are the largest contributors to ground level ozone pollution.
- Alternative transportation fuels (natural gas, propane, and electricity) are produced almost entirely in North America.
  - The US imports 40% of its petroleum for gasoline and diesel from other countries.
  - Colorado is a net exporter of natural gas, producing three times as much as it consumes.
- Alternative fuels are relatively cheap, and their prices are more stable than gasoline.
  - Nationally, a gallon equivalent of CNG has averaged \$2.09 over the past five years, a gallon equivalent of electricity only costs approximately \$1.15, and a propane gallon equivalent is often less than \$2.00.
  - The price of gasoline and diesel is about \$3.50 and \$4.00 per gallon respectively.



\*The ozone nonattainment area is outlined below in yellow, and the carbon monoxide maintenance areas are outlined in red. Per federal rules, vehicles must operate within either the yellow or red boundaries to qualify for Alt Fuels Colorado grants.

Station incentives are available throughout the state.



### **Program Contacts**

#### **Alternative Fueling Station and General Alt Fuels Colorado Inquiries:**

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#### **Alternative Fuel Vehicle Inquiries:**

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## OVERVIEW

- The Colorado Energy Office (CEO) and the Regional Air Quality Council (RAQC) administer *Charge Ahead Colorado*, a program to expand the electric vehicle (EV) infrastructure in Colorado and help incentivize the EV market statewide. This effort comes with the support of the Colorado state legislature, which has established a fund to support CEO grants. Charge Ahead Colorado directly contributes to CEO's effort to continue the upward trend of innovation in the diversity of transportation fuels in Colorado.

## WHAT IS THE PURPOSE OF THE CHARGE AHEAD COLORADO GRANT PROGRAM?

- Charge Ahead Colorado is designed to alleviate “range anxiety” by expanding charging infrastructure, in many cases helping municipalities install their first public EV charging station.
- Charge Ahead Colorado allows consumers to take advantage of the benefits of EVs.
  - At \$1.15 per eGallon (electric gasoline gallon equivalent), charging a vehicle with electricity is much more affordable than fueling a vehicle with gasoline.
  - EVs have zero tailpipe emissions and can reduce lifecycle pollution.
  - EVs are charged by domestically produced electricity while the US imports 40% of its petroleum from other countries.
  - Increased access to EV charging will help diversify Colorado's transportation portfolio.

## HOW DOES CHARGE AHEAD COLORADO FUNCTION?

- The program funds EV charging stations, also known as electric vehicle supply equipment (EVSE), throughout Colorado.
- The program also funds the purchase of EVs in the Denver Metro Area.
- A partnership between Charge Ahead Colorado is administered jointly by the Regional Air Quality Council (RAQC) and the Colorado Energy Office (CEO).
  - RAQC provides funds for EVs and EVSE in the Denver Metro Area, and CEO provides funds for EV charging stations in the remainder of the state.
- Charge Ahead Colorado grants can fund up to 80% of the total project cost for Level 2 or Level 3 charging units, capped at \$6,260 per unit.
- In addition, RAQC has funding to pay 80% of the incremental cost differential between a gasoline vehicle and an EV, capped at \$8,260 per vehicle.
- Starting in 2014, EV vehicle registration fees began contributing to Charge Ahead Colorado grants, in turn supporting the development of infrastructure used by EV drivers.
  - EV owners pay \$20 in registration fees into the EVSE fund for Charge Ahead Colorado.

## WHAT HAS THIS PROGRAM ACCOMPLISHED?

- Prior to the commencement of this program in 2013, Colorado had only 79 publicly available EVSE units in the state.
- Since then, Charge Ahead Colorado has funded 92 stations, including 86 Level 2 chargers and 6 Level 3 fast chargers, across the State.
- Through these and other efforts, Colorado has over 170 publicly available charging stations today.



Criteria and eligibility differ between RAQC and CEO funding. Please find a summary of each agency's funding information in the chart below. See the [application](#) for detailed information.

	Regional Air Quality Council (RAQC)	Colorado Energy Office (CEO)
<b>Funding Items</b>	Electric Vehicles (EV) Electric Vehicle Supply Equipment (EVSE) – Level 2 and Level 3	Electric Vehicle Supply Equipment (EVSE) - Level 2 and Level 3
<b>Eligible Applicants</b>	<ul style="list-style-type: none"> <li>• Fleets located in seven-county Denver Metro Area (Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas or Jefferson Counties)</li> <li>• Priority is directed to those organizations that are excluded from existing state tax credits and incentives</li> </ul>	Local governments, state agencies, multi-family apartment buildings, HOAs, not-for-profit and for-profit organizations such as commercial businesses located in Colorado outside the seven-county Denver Metro Area
<b>Funding Available</b>	<ul style="list-style-type: none"> <li>• EV: RAQC will fund 80% of the incremental cost differential between an EV and the comparable gasoline vehicle up to \$8,260</li> <li>• EVSE: RAQC will fund 80% of the cost of an EVSE up to \$6,260 per EVSE installed</li> </ul>	<ul style="list-style-type: none"> <li>• EVSE: CEO will fund 80% of the cost of level II and level III EVSE up to \$6,260 per unit installed</li> </ul>

### ***Program Contact Information***

Regional Air Quality Council Funding	
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Colorado Energy Office Funding	
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**COLORADO**  
Energy Office

