

## Climate Action Plan Advisory Group Meeting Summary

**Meeting Date:** June 27, 2007

**Prepared by:** Beth Powell

**Members present:** Howard Geller, Gwen Farnsworth, Amy Ellsworth, Jim Hill, Blake Jones, Paul Norton, Henry Mueller, Paul Tabolt, Jim Wilson, Dan Powers, Carol Tombari, Joe McDonald, Francoise Poinsatte

**Members absent:** Pam Milmoie, Jeff Fiedler, Bill Gruen, Brian O'Neill, Adriana Raudzens Bailey, Ann Livingston, Michael Reid, Craig Eicher

**Staff present:** Sarah Van Pelt, Yael Gichon, Elizabeth Vasatka, and Beth Powell.

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### CAP Updates - Sarah

Bill Gruen has left Xcel and we are seeking a replacement representative.

**GHG inventory** preliminary numbers were discussed. Details on inventory included: CU data is subtracted from aggregate to shown campus contribution, solid waste is tracked by OEA, transportation data tracked by the transportation department, and renewables and biofuels data is provided by local companies. Last piece we're waiting for is from Xcel – we're updating the inventory and are almost ready to present it. Our overall emissions have gone up. Transportation is down, commercial sector is up (though electricity went down for commercial). The CAP team will provide more info next month.

**CAP tax update:** Revenue estimates were updated based on 2006 electricity use data received last week. Based on May electricity use CAP tax revenues are on track to generate \$860k in revenue annually for 2007 and 2008. Program analysis and rate adjustments are being considered by OEA, but we now know we can go to Council with tax rate adjustments any time of the year, not only during the budget process. Therefore, we will wait to submit potential increases to the current CAP tax levels. We'll spend this time doing more in depth analysis and program evaluation. Need to focus on voluntary action and present 2007 results before proposing rate increases.

Interpreting energy consumption data from last year relates to Xcel and PUC rate classification changes. Large electricity users in CO (Roche, NCAR, Ball) were industrial and now they're classified as commercial. In 2005, PUC rolled them into the commercial rate class. OEA's initial analysis estimated #s as it was before (with these users as industrial). CU is likely in the industrial rate class although the list provided to city staff by Xcel last fall did not include CU. We are still trying to clarify this issue with Xcel.

**Discussion:**

Jim Wilson: How will the CAP goals take into account state GHG inventory as the state refines GHG projections? Sarah: we'd look at the data and confirm what their goals are and update city goals and projections. Jim: Will the CAP goals take into account projected GHG reductions based on recent legislative bills, statewide initiatives, or Federal initiatives? Sarah: Yes, we will update the city inventory, forecast and review goals with Council as necessary. Jim (clarifying question after meeting): How will the city respond to new regulations and rules that attempt to control air emissions? For example, if Regional Haze, Best Available Retrofit Technology, renewable energy or vehicle emission standards will result in a predicted local decrease of GHG emissions, and these impact the CAP projected GHG emissions favorably, will this be counted as credit towards achieving the City of Boulder CAP GHG goals and take pressure off meeting the city of Boulder target of 1990 emission levels? Yes, staff will update the GHG inventory and program strategies in response to state and federal action. Staff will review information with City Council to determine if the city goals should be adjusted.

Howard requests a presentation or information on the mid-year progress of our CAP programs. Sarah agreed, and stated that our presentation will be tied to the analysis we'll do on the programs.

Sarah and other CAP team members will provide a CAP update on July 10 at City Council.

Beth reported on [bouldercarbontax.org](http://bouldercarbontax.org) and the ClimateSmart launch plan.

**Renewable Energy Credits presentation - Paul Norton (NREL)** – Paul offered to make a presentation on RECs to stimulate discussion about whether encouraging the purchase of RECs should be part of our recommendations to meet 2012 goals. This presentation is posted on the CAP-AG webpage. Some highlights:

- Consider RECs messaging in addition to larger commitments, not in place of other measures.
- Target REC owners for other energy efficiency improvements.

Side note: Xcel has to retire RECS in order to count them towards Amendment 37, but Windsource is separate from A37.

Joe M: Re: paybacks....what's the payback on a Hummer, a Suburban...can we associate these positive values to the planet with masculinity, sex appeal? Suggests [climatesmart.xxx](http://climatesmart.xxx).

Howard: Suggests exploring discussion with Xcel and being open to different possibilities – whether they'd be interested in a partnership with a trusted environmental group to give more credibility. Maybe not promoting RECs through a utility bill insert but with another promotion. Need to be high quality RECs to mitigate criticism. Or, issue an RFP specifying the quality the city wants; pre-negotiate the price per ton;

confirm what the offset benefits are. We need to decide if city wants to be a facilitator only, vs. dealing in the transfer of monies, etc. Suggest people sign up for 10-year commitment, rather than a one-year.

Sarah told the group about GEO's statewide offset program plans. We'd like a Boulder version of that, to create a REC fund that would fund Boulder-specific energy efficiency improvements.

Blake asks if we can put info in the city H2O bill. Yes, we could also do announcements on Channel 8.

### **Residential Regulatory options – Yael Gichon:**

Indoor Lighting (incandescent ban) – biggest impact would be at state level – these bills are moving towards a performance level vs. a technology focus. We'll wait and see if we can work with CML if doesn't happen at state level.

Two broad options to consider for regulatory (or voluntary) actions, for existing homes:

- 1) Energy use and/or performance disclosures. E-Source was a great resource for our research. Most regulatory options are happening at state level (see our agenda for details) – i.e. disclosures at time of sale. Training realtors and inspectors to be there at time of sale to recommend EE measures is an idea. We could explore energy disclosures for rental leases also. HERS ratings used in CA – scaled into 2010 disclosure regulation.
- 2) RECOs (Residential Energy Conservation Ordinance) – in place in many cities nationwide. Policy tool with prescriptive measures. In most places it applies only to rentals.

Questions to consider in smaller groups:

- Do either/both of these options warrant further investigation (e.g. cost to verify programs are effective, further study into GHG emissions reductions)?
- If so, for disclosures, voluntary vs regulatory? For RECOs – housing stock to target and rental vs. owner?
- Are there unintended consequences?
- Which sectors should they reach single, MFU – rental vs owner
- How should we consider regional/state wide efforts? Which options make sense for a city government to pursue?

Yael's group discussion:

- Disclosure is easy, should be the minimum – for rentals and at point of sale. Research needs to happen as how to make the information that is disclosed meaningful.
- Example of energy label on appliances label – rate it against other appliances – consider a similar concept with comparison with other homes.

- Use comfort (rather than energy savings) messaging to encourage investments
- RECO recommended on rentals (maybe owner occupied) – prescriptive may be more effective
- Consider cost of \$200 to do HERS rating. Inspectors can be trained as HERS raters
- Sectors: recommend covering all sectors (city might subsidize for low-income owners)
- Statewide initiatives preferred; with absence of those, take action at municipal level.
- Unintended consequences: possible rental increases, especially on lower-income housing. Market competition may mitigate that. Landlords may advertise their homes as more efficient – good consequence.
- Monitor and train Eco-Brokers or other realtors as a possible pilot program.

Elizabeth's group:

- Voluntary disclosure not effective. NV requires audits with ratings at time of sale; amended but passed with ability to have a waiver that allows the buyer to get a better price.
- RECO most preferred option; since 50% of housing stock is rental.
- Prescriptive approach – base level mandatory requirements by a certain time; or become ClimateSmart branded to market a house at a higher level. Looking at both, consider low interest loan to cover initial costs.
- Look at rental licenses and consider minimum sq footage – tie improvements to point of sale, or by a certain timeframe.
- Link RECO impacts to GHG goals; justify our accomplishment in reductions.
- Promote business and “club” factor to reach ClimateSmart level. “It’s time for a good investment”. Phase in, have a deadline date. Locally, train property managers about process and allow them to help create it.

Sarah's group:

- Make sure we involve local lenders & incorporate RECO into mortgages.
- Support for investigating all options further - need to demonstrate GHG reductions for different options and distinguish between different housing types if we don't do both.
- Demonstrate benefits to landlords
- If we go with a rating, ensure there is consistency with ratings.
- Should apply to all sectors
- A RECO that applies that applies to rental properties may benefit renters directly through lower energy bills, improved comfort and greater attention paid to maintenance.

Meeting adjourned at 5:00pm.

Next meeting August 1<sup>st</sup>.