



Colorado Counties Inc. Overview of Colorado Energy Office Resources and Funding

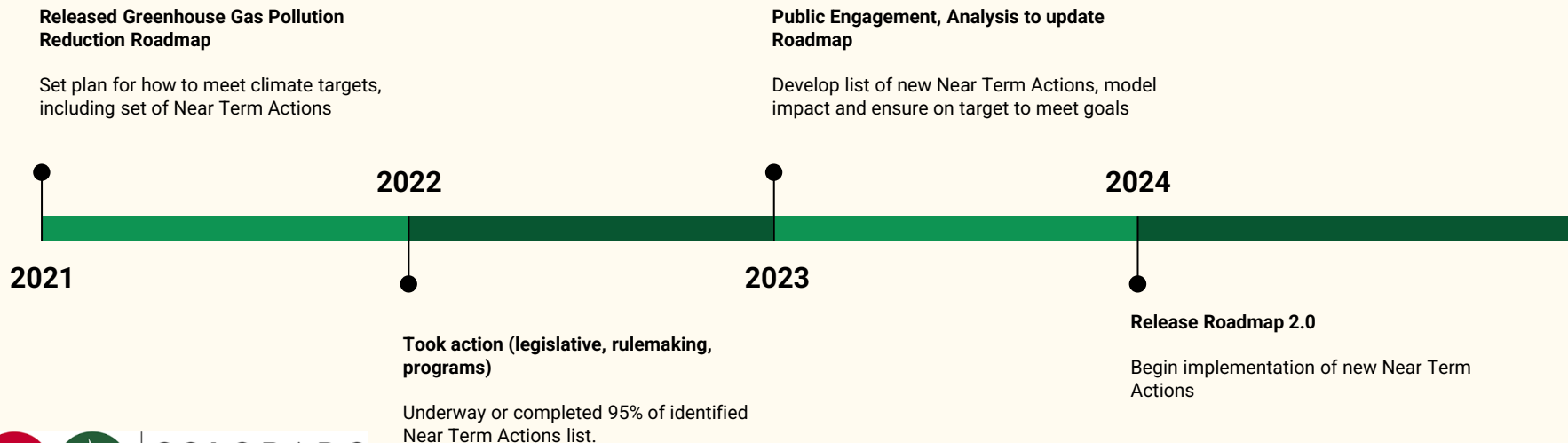
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Roadmap Timeline (1.0 and 2.0)

CEO has been working to update the GHG Roadmap this year, including a new local government section informed by extensive stakeholder engagement. The state's PCAP will include both state-level and local government measures from the GHG Roadmap.



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Federal Funding

EPA - Climate Pollution Reduction Grant

- EPA Climate Pollution Reduction Grant (CPRG) has two components:
 - Planning grants (\$3M per state / \$1M for large MSAs)
 - Implementation grants (total of ~\$5B nationally)
- CEO and DRCOG received separate planning grants in July 2023
- CEO and DRCOG must submit Priority Climate Action Plans (PCAPs) with GHG reduction measures by March 1, 2023
- PCAPs include measures that eligible entities, including local governments, can apply for through Implementation Grants

Implementation Grants

Implementation grant guidance just released. Key considerations:

- \$4.3 billion total, EPA intends to award all in one round
- Grant awards will be between \$2M and \$500M
- Up to 115 grants awarded nationally
- Likely not more than 2-3 awards per state, with emphasis on geographic diversity
- EPA will not award multiple grants for the same measure in the same location
- Applications can include multiple measures
- Awardees can make subawards to other entities
- No cost share required

Implementation Grant Funding Tiers

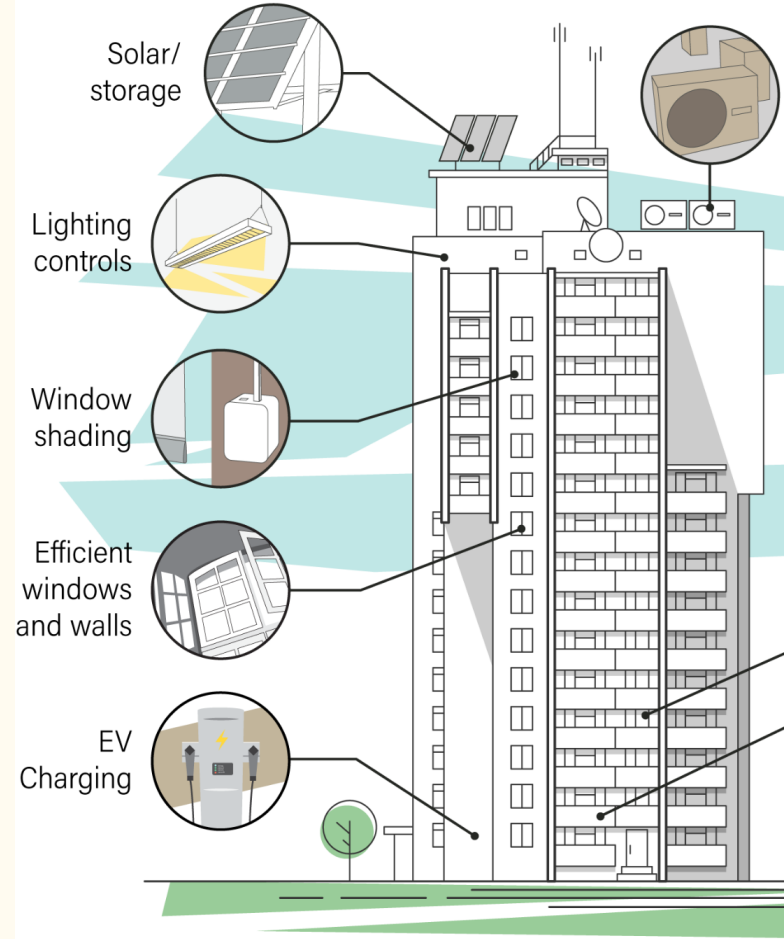
Tier	Grant Ranges	Funds Targeted for Each Tier	Anticipated Number of Grants to be Awarded
Tier A	\$200,000,000 - \$500,000,000	\$ 2 billion	4-10
Tier B	\$100,000,000- \$199,999,999	\$1.3 billion	6-13
Tier C	\$50,000,000 - \$99,999,999	\$0.6 billion	6-12
Tier D	\$10,000,000-\$49,999,999	\$0.3 billion	6-30
Tier E	\$2,000,000-\$9,999,999	\$0.1 billion	10-50



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Federal Direct/Elective Pay

- Tax-exempt and governmental entities for the first time will be able to receive payment equal to the full value of tax credits for building qualifying clean energy projects
- Applicable entities: tax exempt organizations (501a and 501c and 501d), local government, tribal governments, colleges/universities, rural electric coops, political subdivisions
- With elective pay, an eligible entity (such as a local government) that qualifies for a clean-energy investment tax credit can notify the IRS of their intent to claim the credit and file an annual tax return to claim elective pay for the full value of the credit
- Tax Credits of 30% (or more) on Energy Storage Facilities, Wind, Geothermal, Rooftop and Off-site Solar, EV Infrastructure and Vehicles *Does require prevailing wage to qualify for 30%*



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Direct Pay - Multiplier

Entities can combine grants and forgivable loans with their elective pay (entities would get same value of the eligible tax credit as if the investment were financed with taxable funds) Total amount cannot exceed the cost of the investment.

Only a 6% credit to start- 5x multiplier to achieve 30% rebate requires prevailing wages; there are multipliers for domestic content and projects located in energy communities up to 50%



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Example:

\$150K project total

\$30K in funds (money you spend)

\$80K DOLA grant

\$40K Federal Grant

Elective pay will provide a payment based upon a credit that is calculated upon the project total

Tax Exempt entities are special in that they are receiving a direct payment based upon a percentage of the project total, and not just the money they spend. In this example, it would be a % of 150K instead of 30K

Direct Pay - How to Claim - Began Tax Year Jan. 1, 2023

Please Note: The process to claim direct payment of an eligible tax credit under the IRA involves tax-exempt entities filing a tax return.

- Identify and pursue a qualifying project or activity ([IRS.gov/cleanenergy](https://www.irs.gov/cleanenergy))
- Complete project and place it into service (qualify for the underlying tax credit)
- Determine your tax year (will determine when tax return will be due)
- Complete pre-filing registration with the IRS (this will include credits you intend to earn, IRS will provide registration number for each applicable credit property, more info late 2023)
- File your tax return by due date or extended due date and make a valid elective pay election (provide registration number, a valid election allows you to receive payment as a refund for the amount of the credit)
- Receive payment after the return is processed



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Clean Vehicle Tax Credit - IRS

Businesses and tax-exempt organizations that buy a qualified commercial clean vehicle may qualify for a clean vehicle tax credit of up to \$40,000 under Internal Revenue Code (IRC) 45W. The credit equals the lesser of:

- 15% of your basis in the vehicle (30% if the vehicle is not powered by gas or diesel)
- The incremental cost of the vehicle

The maximum credit is \$7,500 for qualified vehicles with gross vehicle weight ratings (GVWRs) of under 14,000 pounds and \$40,000 for all other vehicles.

State Funding

Geothermal Energy Grant Program

Program just launched this week! Webinars for more info on Nov. 28th



Single-Structure Geothermal Grant:

- Intended for developers, corporations, and local governments
- Up to \$2k/ton capacity (\$3k/ton for nonprofit)
 - Up to 100 tons for multifamily or non-residential (\$200k/\$300k max)
 - Up to 5 tons for single-family (\$10k max)



Community District Heating Grant:

- Scoping study to determine GHG reduction potential and cost (up to \$100k)
- Detailed design study to evaluate issues, legal and financial responsibilities (up to \$500k)
- Installation of community district geothermal project (50% match up to \$1m of cost)



Geothermal Electricity Generation Grant:

- <\$1 million study to identify and explore suitable resources (50% match; 60% if hydrogen is included)
- >\$1 million study to identify and explore suitable resources (up to \$500k)
- Resource confirmation through drilling & testing (50% of first \$1M, plus up to \$500k additional)



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Geothermal Electricity Tax Credit Offering

Type: Tax credit (merit-based, refundable)

For: Private Entities, Local Governments, Public-Private Partnerships

ITC Amount: Up to 30% of investment cost; CEO may award up to a 50% tax credit for select projects (not to exceed \$5 million/project); \$35 million total

PTC Amount: \$0.003/kWh, up to \$1 million per entity per year

Match: Varies, amounts may be project and/or applicant-type specific

Program Length: Until funding is expended, or until December 31, 2032

RFA rounds: Semi-annual, closing on June 30 & December 31 of each year. First funding round expected in Spring 2024

Energy Codes - Background

Adopted at local level in Colorado (home rule)

Improving energy efficiency and sustainability of new buildings & preparing new buildings for electrification, EV charging, and renewable energy

Colorado law requires jurisdictions to adopt 2021 IECC and electric and solar ready code when updating any building code after July 1, 2023.



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CEO Energy Code Adoption & Enforcement Grants

- **Grants** - \$2 million in grants for local governments to adopt and enforce updated energy codes (2021 IECC + electric and solar ready code or better)
- **Eligibility** - Local governments, or entities applying on behalf of local governments (COGs, non-profits, etc.)
- **Partnerships** - Local government cohorts (called “partnerships” in the grant guidance) are highly encouraged
- **Grant amounts** - \$10k-\$125k for individual local governments, \$20k-\$250k for partnerships
- **Funding rounds** - Applications accepted on a quarterly basis - upcoming deadlines are Dec. 1, Mar. 1, and May 31



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Additional Energy Code Resources

Training - CEO currently contracts with NORESO to provide free energy code technical assistance and training to local governments and building industry partners on the latest energy codes.

Federal funding - CEO has been awarded \$2.5 million to provide support to local governments with code adoption, improved enforcement, and innovative energy code enforcement tools

Public Building Electrification Grant

Provide public buildings with funding to explore and building system electrification measures and infrastructure upgrades required to support these technologies.

Program Length: October 10, 2023 - June 30, 2027

RFA rounds: Rolling

Match: 15-20%

Amount:

\$10M Total

For the Purchase Of:

Eligible Applicants:

- Higher education institutions
- Municipalities
- Counties
- Public school districts
- State agencies
- Special districts

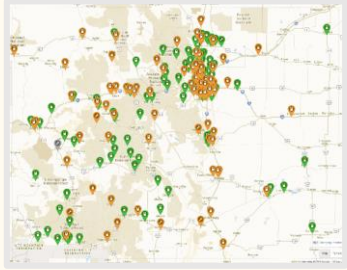
- HE Electric Equipment - heating, water heating, cooking
- Electrical Installations and Upgrades Needed to Install HE Equipment
- Other Innovative Building Heating Technologies

Public Building Electrification Grant (cont.)

- **Funding for planning phase energy audits:** 50% of total energy audit cost, up to \$8,000
 - **Disproportionately impacted, low-income, and just transition applicants:** 75% of the total energy audit cost, up to \$12,000
- **Funding for Implementation Phase:** 75% of total project costs to install high efficiency electric equipment or make electrical or other upgrades necessary to support the installation of high efficiency electric equipment.
 - **Disproportionately impacted, low-income, and just transition applicants:** additional cost coverage for up to 40 hours of administrative time

All grantees are eligible for a reduced match requirement after completion of an electrification training program hosted by the Colorado Energy Office. Available training dates will be shared directly with grantees.

EV Grant Programs



Charge Ahead Colorado

- Grants for L2 and DCFC Stations
- Covers equipment, permits, construction material & labor, utility upgrades, signage, networking/subscription
- Additional assistance for DI and other qualifying entities



Fleet - ZERO

- \$3M first round grants for fleet electrification
- 20% Match requirement/10% if "Qualifying Entity". \$50K max per applicant
- Rolling applications now open



DCFC Plazas Program

- Must install a minimum of 4x 150kW DCFCs.
- \$17M first round grants for large banks of DCFCs
- Great geographic spread statewide
- Current application round now open - Approximately \$15M available



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Charge Ahead Colorado

- Three funding rounds per year - January, May & October
- Has funded several thousand chargers statewide
- CEO will fund 80% of the cost of a charging station up to set maximums.
- 4X Funding Requests to Current Funding

EV Charging Station Power Level	CEO Maximum Funding	Maximum Incentive Per Charger
Level 2 (Under 19kW), Per Port	80%	\$4,500
19 - 49 kW, Per Port	80%	\$6,250
DCFC, Single-Port (50 - 99kW)	80%	\$35,000
DCFC, Dual-Port (50 - 99kW capable of simultaneous charging)	80%	\$50,000
DCFC, Single-Port (100kW+)	80%	\$50,000
DCFC, Dual-Port (100kW+ capable of simultaneous charging)	80%	\$70,000

Enhanced Incentives	CEO Maximum Funding	Maximum Incentive Per Charger
Level 2 (Income Qualified Enhanced Incentive) Per Port*	90%	\$5,750
Enhanced Incentive for Qualified Entities in Disproportionately Impacted Communities (Per Port)**	90%	+\$500



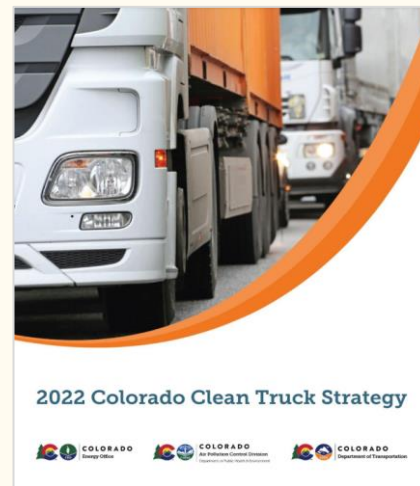
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Available statewide with enhanced incentives for qualifying entities and disproportionately impacted communities

Application Types:

- **Standard (*2x per calendar year*)**
 - Single Fleet
 - Shared Fleet
 - Charging-as-a-Service (CaaS)
 - Public / Semi-Public Fleet
- **Rolling (*available year-round for Qualifying Entities*)**
 - Up to \$50,000 maximum funding requests
 - Reviewed monthly
- **M/HD Charging Corridors (*Forthcoming - likely 1x per calendar year*)**
 - 4+ public / semi-public (e.g. reservation-based) fleet 350 kW+ DCFC configured for M/HD charging
 - Priority based on M/HD Charging Corridor Deployment Phases



Application Rounds: Standard application reopens October 16 and closes December 1, 2023, 5:00 PM MT. The Rolling application is currently open and will remain open year-round **only** for Qualifying Entities requesting \$50,000 or less



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Fleet ZERO

Incentive Table <i>(Eligible funding up to per charging port maximums, not to exceed 80%*)</i>					
Power Level	Incentive Per Single Port Charger	Incentive Per Dual Port Charger**	Vehicle Class Eligibility	Likely Max Funding (per applicant, per round)***	Enhanced Incentives (Per charging port for Qualifying Entities)
< 19 kW	\$3,000	\$6,000	—	\$250,000	+\$500
19-49 kW	\$5,000	\$10,000	<i>Confirm max onboard EV charging capability</i>	\$250,000	+\$500
50-99 kW	\$35,000	\$50,000	Class 4-8***	\$500,000	+\$2,000
100 kW+	\$50,000	\$70,000	Class 4-8***	\$500,000	+\$2,000

*Qualifying Entities (QEs) are eligible for funding up to 90%

**Dual port charger is defined as a charging station that can charge two electric vehicles simultaneously

***At the discretion of the Evaluation Committee (For Vehicle Class Eligibility, 50 kW+ DCFC can be shared amongst multiple lighter Class vehicles)

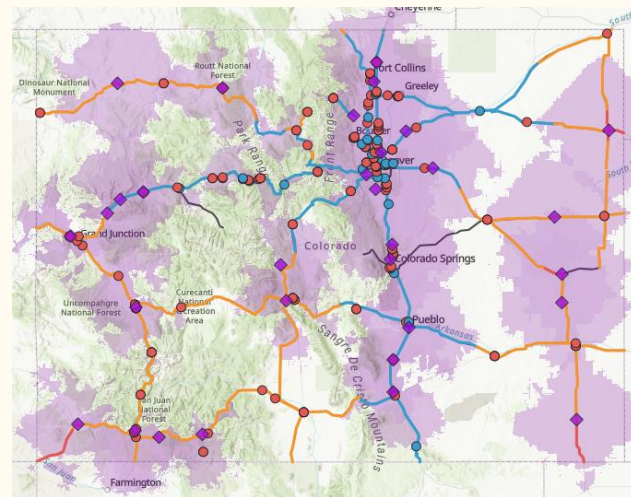


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DCFC Plazas

Location	DCFC Output	# DCFC	Incentive Per Charging Port	Maximum Funding Percentage
Seven County Denver Metro Area	150kW+	4+	\$90,000	50%
Front Range Urban	150kW+	4+	\$115,000	65%
Rural	150kW	4+	\$140,000	80%

- The DCFC Plazas program funds large banks of fast chargers statewide.
- Utilizing funding from the IIJA and CAE
- Current funding round open until December 15.



EV Readiness Grant Program

Funding to local, county, and Tribal governments and their regional partners to develop EV readiness plans that will allow communities to establish a shared vision for EV readiness, identify key partnerships and actionable strategies needed to achieve the vision, and prepare for and encourage community adoption of electric vehicles.

[RFA will be open until Dec. 15, 2023](#)

Potential applicants in Xcel Energy territory are strongly encouraged to explore Xcel Energy's Partners in Energy offering. More information can be learned about this program, which is at no cost to local governments, at their [website](#). Their email address is PartnersInEnergy@xcelenergy.com.

Other Resources

- <https://energyoffice.colorado.gov/>
- Colorado Department of Health and Environment
 - [Colorado Electric School Bus Grant Program](#)
 - [Clean Fleet Vehicle and Technology Grant Program](#)
- [Colorado Department of Transportation](#) - Grants
- [Rewiring America](#) - IRA, Building Electrification
- [Colorado Energy Office Summary of Direct Pay for Local Governments](#) - [Direct Pay Information for Tax Exempt Organizations](#) - [IRS Direct Pay Resources](#) - [FAQ](#)





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