

**AGENDA ITEM SUMMARY**  
**FORT COLLINS CITY COUNCIL****ITEM NUMBER: 32****DATE: December 2, 2008****STAFF: Lucinda Smith**

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**SUBJECT**

Resolution 2008-122 Adopting the 2008 Fort Collins Climate Action Plan. (Options A & B)

**RECOMMENDATION**

Staff recommends adoption of the Resolution.

The Air Quality Advisory Board, the Natural Resources Advisory Board and the Electric Board recommend adoption of the 2008 Climate Action Plan, including the Proposed Addendum.

The Transportation Board recommended adoption of the transportation-related elements of the Plan version presented to it on October 15, 2008.

**FINANCIAL IMPACT**

Adopting the Resolution incurs no financial impact. However, the Resolution directs the City Manager to consider greenhouse gas reducing activities in budget and staff work plan development. Council must take additional actions to implement many of the items in the Plan. Council can determine the timing and magnitude of the financial impacts (costs and savings) in the overall context of evolving City budget and policy priorities, and developing carbon markets. Many of the strategies identified in the Plan will come before Council to fulfill other City goals and objectives but are included in the Plan because of their important role in greenhouse gas reduction.

Comprehensive cost/benefit analyses will be developed for individual strategies using up-to-date information as Council considers the individual strategies.

**EXECUTIVE SUMMARY**

In May 2008, City Council adopted Resolution 2008-051, setting new goals to reduce Fort Collins greenhouse gas emissions 20% by 2020 and 80% by 2050, both when compared to 2005 emissions levels, and states the "intent" to reduce community-wide greenhouse gas emissions by the end of 2012 to a level not to exceed 2,466,000 tons CO<sub>2</sub>e. A Climate Action Plan has been developed that identified actions that will help the community meet these reduction objectives. The Plan is based largely on the recommendations of the Fort Collins Climate Task Force who worked for over a year to seek public input, evaluate and filtered ideas, and consider cost-effectiveness. The Plan is based on existing successes, focuses on actions within local control, engages all sectors of the community

and addresses all emission sources. Actions to reduce greenhouse gas emissions result in multiple other benefits for the community and support other priority policy objectives for the City of Fort Collins. The Resolution would accept the proposed Plan as a blueprint for achieving the 2020 reduction goal, without committing budget resources to any specific action at this time.

Two versions of the Resolution are presented: Option A approves the Plan as presented at the October City Council work session with the incorporation of additional measures as described in an Addendum prepared by staff in response to the work session discussion; Option B approves the Plan as presented at the October work session, without the additional measures prepared by staff in response to the work session discussion.

## **BACKGROUND**

By adopting the Resolution, Council would:

- Acknowledge the importance of reducing greenhouse gas emissions.
- Accept the Plan as a blueprint for achieving the 2020 reduction goal, without committing budget resources to any specific action at this time.
- Grant the City Manager flexibility to select specific actions from the Plan, to be advanced in budget recommendations and staff work plans.
- Require the City Manager to prepare an annual emissions inventory and progress report.
- Require the City Manager to prepare a biennial progress report, in advance of City budget preparation, evaluating progress and recommending future climate protection actions.
- Require the City Manager to examine evolving best practices and cost-effective strategies to achieve greenhouse gas reduction goals for inclusion in the biennial progress reports.

### **I. Fort Collins Greenhouse Gas Reduction Goals**

Resolution 2008-051 adopted by City Council in May 2008 establishes two greenhouse gas goals for the Fort Collins community and one near-term "intent" to reduce emissions. The two goals are identical to statewide goals set for Colorado.

#### **Goals**

- Reduce community-wide greenhouse gas emissions 20% below 2005 levels by 2020
- Reduce community-wide greenhouse gas emissions 80% below 2005 levels by 2050.

#### **2012 Intent**

- Reduce community-wide greenhouse gas emissions by the end of 2012 to a level not to exceed 2,466,000 tons CO<sub>2</sub>e.

The Fort Collins community could realize significant ancillary economic, environmental and social benefits by undertaking responsible steps to combat climate change, including:

- Support local businesses and stimulate economic development.
- Provide economic stimulation of research and development activities.

- Reduce home and business energy costs for heating, cooling and lighting.
- Reduce home and business motor vehicle fuel costs.
- Reduce dependence on foreign fuel sources.
- Reduce vulnerability to energy price increases and volatility.
- Reduce peak energy demand and improve utilization of the electricity system.
- Diversify energy supply and reduce loads on transmission system.
- Reduce air pollution emissions including ozone precursors and fine particles.
- Improve public health.
- Improve local visibility.
- Reduce waste and increase landfill diversion rates.
- Reduce vehicle miles of travel and road congestion.
- Reduce water consumption in the community.
- Increase Fort Collins' ability to adapt to a changing climate.
- Provide opportunities for regional, state and national leadership and recognition.

There are numerous reasons to take action to reduce emissions. The cost of inaction may exceed the cost of taking action by an order of magnitude. Sir Nicholas Stern, head of the UK Government Economic Service and former Chief Economist of the World Bank, stated in October 2006:

*There is still time to avoid the worst impacts of climate change, if we take action now... If we don't act, the overall costs and risks of climate change will be equivalent to losing at least 5% of global GDP per year, now and forever. If a wider range of risks and impacts is taken into account, the estimates of damage could rise to 20% of GDP or more.... In contrast, the cost of action -- reducing greenhouse gas emissions to avoid the worst impacts of climate change -- can be limited to around 1% of GDP per year.*

An increasing number of studies show that, in addition to being less costly overall, taking action to avert global warming can be immediately profitable. Urban regions can thrive while also reducing greenhouse gases, as demonstrated by Portland/Multnomah County. While net greenhouse gas emissions in Multnomah County are about at 1990 levels, and per capita CO<sub>2</sub> emissions have dropped over 12%, the inflation-adjusted payroll has increased 29% and employment has increased about 12%. To demonstrate local benefits we need look no further than Fort Collins' own Climate Wise Program. In 2007 Climate Wise reported a cumulative cost savings of over \$12 million from projects completed by partners through 2007, the same year the partners collectively reduced over 82,000 tons CO<sub>2</sub>e.

Local governments have strong financial incentives to address climate change. Reducing local carbon emissions means pursuing a variety of programs and practices that are energy prudent, and thus ultimately fiscally responsible.

## **II. Development of the 2008 Fort Collins Climate Action Plan**

In 1999, Fort Collins was among the first communities in the nation to adopt a community-wide greenhouse gas reduction goal and a plan to meet it. Good progress has been made over the past several years but Fort Collins was not on track to meet the 2010 goal. In 2007, the Fort Collins Climate Task Force was convened to develop an updated plan and recommend a future direction for climate protection. After a year of evaluating strategies and considering cost-effectiveness, the Climate Task Force completed its recommendations in June 2008. (See <http://fcgov.com/ctf>.) City

staff then evaluated the strategies, updated the assumptions and made adjustments to incorporate subsequent council and citizen input. The result is the 2008 Fort Collins Climate Action Plan (the Plan) and Proposed Addendum.

### III. 2008 Fort Collins Climate Action Plan

The 2008 Fort Collins Climate Action Plan builds upon existing successes and encompasses a range of strategies such as expanding the successful Climate Wise Program, increasing residential and business recycling, reducing vehicle miles traveled, and providing various incentives for reducing CO<sub>2</sub> and increasing energy efficiency. The majority of actions that reduce emissions also support other local community goals and contribute to sustaining Fort Collins as a vibrant, world class community.

The draft 2008 Fort Collins Climate Action Plan contains several quantified strategies and sixteen qualitative strategies to put Fort Collins on a path towards the 2020 reduction goal. The Plan presents a medium level of detail for the proposed strategies.

Table 1 provides the list of quantified reduction strategies in the Climate Action Plan.

**Table 1. Quantified Measures Climate Action Plan**

<b>Measure Name</b>	<b>2012 Estimated Benefit (Tons CO<sub>2</sub>e)</b>	<b>2020 Estimated Benefit (Tons CO<sub>2</sub>e)</b>
<b>Existing Measures</b>	104,000	104,000
<b>NEW MEASURES</b>		
<b>COMMUNITY LEADERSHIP</b>		
Expand Climate Wise	73,000-94,000	143,000
Government Organizations set GHG Goals	42,000	217,000
Community-wide Climate Challenge	28,000	34,000
Colorado Carbon Fund	5,000	8,000
<b>Community Leadership Subtotal</b>	<b>148,000-169,000</b>	<b>402,000</b>
<b>RECYCLING-Push toward 50% Diversion Goal</b>		
Ban cardboard from waste stream	46,000-58,000	93,000
Private paper/glass drop-off	5,000-6,000	8,000
Increase residential education	4,000-5,000	15,000
Larger residential recycling containers	3,000-4,000	5,000
Require haulers to provide residential yard waste collection for added cost	1,000	1,000

Measure Name	2012 Estimated Benefit (Tons CO2e)	2020 Estimated Benefit (Tons CO2e)
Enhance residential PAYT (2nd can costs more)	11,000-17,000	21,000
Commercial recycling co-ops	1,000-7,000	8,000
Residential yard waste drop-off and ban yard waste	0-4,000	5,000
Construction and demolition (C&D) drop-off	0-34,000	39,000
C&D contract preferences for City contracts	1,000	1,000
Commercial recycling fee embedded in rates (additional benefit above cardboard ban)		81,000
<b>Recycling Subtotal</b>	<b>73,000-137,000</b>	<b>253,000</b>
<b>ENERGY</b>		
<b>2008 Energy Policy</b> Efficiency programs	20,000-30,000	214,000
SmartGrid, Advanced metering infrastructure, pricing, conservation	10,000-20,000	246,000
Renewable energy (Colorado Renewable Portfolio Standard and voluntary programs)	0	190,000
Natural Gas Energy Conservation	5,000-10,000	52,000
<b>Energy Subtotal</b>	<b>35,000-60,000</b>	<b>703,000</b>
<b>GREEN BUILDING</b>		
Update Residential Building Code	1,000	4,000
<b>TRANSPORTATION</b>		
Reduce vehicle miles of travel	2,000-12,000	14,000
Modern roundabouts	1,000	2,000
<b>Transportation Subtotal</b>	<b>3,000-13,000</b>	<b>16,000</b>
<b>TOTAL (after double-counting removed*)</b>	<b>268,000-378,000</b>	<b>1,212,000</b>

If all strategies in the plan were implemented, they would achieve between 268,000 – 378,000 tons CO2e avoided by 2012 (approximately 55 to 80% of the 2012 stated reduction intent) and 1,212,000 tons CO2e avoided by 2020 (approximately 90% of the 2020 reduction goal).

Cost estimates of quantified measures are provided in Attachment 1.

Fort Collins' 2020 goal allows the opportunity to embrace strategies that have a long-term benefit yet take more time to develop and implement. The Climate Action Plan also includes measures that have not been quantified but that can play an important role in making progress towards the 2020 goal. These strategies are listed in Table 2 below and described in the draft Climate Action Plan. Table 2. Summary of Non-Quantified Measures

<p><b>Community Engagement</b></p> <ul style="list-style-type: none"> <li>• City of Fort Collins Government Leadership</li> </ul>
<p><b>Transportation</b></p> <ul style="list-style-type: none"> <li>• Seek adequate funding to implement transportation plans, with funding for transit as a priority to achieve best practices.</li> <li>• Develop partnerships to reduce vehicle travel</li> <li>• Parking management.</li> </ul>
<p><b>Land Use</b></p> <ul style="list-style-type: none"> <li>• Implement Land Use Code changes that support greenhouse gas emissions reductions.</li> <li>• Promote and pursue infill and refill development.</li> <li>• Promote transit-oriented development.</li> <li>• Consider requirements for new developments to have less travel demand than comparable existing developments.</li> </ul>
<p><b>Green Building</b></p> <ul style="list-style-type: none"> <li>• Regular updates of Building Energy Codes.</li> <li>• Continued support for above Code green building initiatives.</li> <li>• Time of sale Energy Conservation Ordinance</li> <li>• Require Green Building as a prerequisite for public financing</li> <li>• Explore Net Zero Ready homes.</li> <li>• Explore LEED for neighborhoods.</li> </ul>
<p><b>Urban Forestry</b></p> <ul style="list-style-type: none"> <li>• Promote tree planting.</li> </ul>
<p><b>Support state and federal climate protection actions.</b></p>

#### IV. Proposed Addendum

At the October 28, 2008 work session Council reviewed the draft Climate Action Plan, provided a number of comments and asked staff to prepare an alternate plan that would fully meet the 2012 and 2020 greenhouse gas reduction objectives adopted in May 2008. The Proposed Addendum attached to the Resolution (Option A) as Exhibit B was prepared in response to Council comments and it provides additional strategies to meet the 2012 and 2020 reduction objectives.

The greenhouse gas reduction measures contained in the original draft plan, plus the additional strategies in the Proposed Addendum, if fully implemented, would meet the 2012 and 2020 reduction objectives. If the Proposed Addendum is adopted, it will be incorporated into the draft

Climate Action Plan in the manner described in the Addendum, in order to create the final Fort Collins Climate Action Plan.

#### A. Proposed New Quantified Strategies

The following quantified strategies are recommended as an addendum to the 2008 Climate Action Plan in order to close the gap to meet the 2012 and 2020 reduction objectives, without being over-reaching. They are discussed in more detail in the Addendum and summarized in Table 3 below.

- Purchase certified carbon offsets
- Construction and Demolition Debris Deposit
- Long-term VMT Reduction
- Increase Per Capita Reduction Goal in the Community Climate Challenge
- Increase participation goals in Colorado Carbon Fund

Table 3. Quantified Strategies in the Proposed Addendum

<b>ADDITIONAL BENEFIT of Potential Additional Strategies</b>	<b>2012 Tons CO<sub>2</sub>e</b>	<b>2020 Tons CO<sub>2</sub>e</b>
Purchase Carbon Offsets	77,000	81,000
Additional VMT Reduction by 2020		28,000
Add recycling strategy – Construction and Demolition Deposit	20,000	44,000
Increase participation targets for Community Climate Challenge	3,000	3,000
Increase participation targets Colorado Carbon Fund	7,000	7,000
<b>Subtotal of Additional Strategies</b>	<b>107,000</b>	<b>163,000</b>
<b>Measures in Climate Action Plan</b>	<b>268,000-378,000</b>	<b>1,212,000</b>
<b>TOTAL measures in Climate Action Plan plus Addendum (After double-counting)</b>	<b>375,000-485,000</b>	<b>1,375,000</b>
<b>Reductions Needed to meet Objectives</b>	<b>485,000</b>	<b>1,375,000</b>

Cost estimates are provided in Attachment 1.

#### B. Proposed Changes to Qualitative long-term strategies

- Replace: “Time of Sale Energy Ordinance” with “Explore Additional Opportunities to Increase Efficiency of Existing Buildings”

Instead of calling for long-term consideration of a Time of Sale Energy Conservation ordinance, the Plan now identifies a range of incentive-based and regulatory approaches that could be considered

to increase the efficiency of existing buildings after other strategies in the Plan have been implemented.

- Add: Integrated Waste Optimization

The strategy incorporates whole systems-thinking by recognizing that there is embodied energy in “waste” materials that are buried in the landfill that could be put to a higher use. A new, non-quantified long-term strategy has been proposed that would reduce the direct methane emissions of the landfill by converting the embodied energy in the residual waste stream (materials not already diverted for reuse or recycling) into useable energy through non-combustion clean “conversion technologies”.

- Modify: City of Fort Collins Leadership to add promotion of Fort Collins as a “Green” Community

Further progress on carbon reduction activities will provide additional opportunities for Fort Collins to promote itself as a “Green” community. This strategy was recommended by the Economic Advisory Commission.

- Expand: Promote Action at State, Regional, and Federal Levels

In addition to recognizing the importance of supporting state and federal programs aimed at reducing emissions, it adds text estimating the GHG benefit Fort Collins would receive if Colorado adopts clean fuel requirements and the California Clean Car emissions standards.

### **C. Other Proposed Modifications to Climate Action Plan**

- Add brief discussion of climate change science to the Climate Action Plan.
- Expand the Acknowledgments section to include an explicit recognition of the Climate Task Force members, boards and commissions and the Fort Collins Sustainability Group for their roles in advancing this plan.

### **V. Public Input**

Public comment was gathered on the 2008 Fort Collins Climate Action Plan from stakeholder groups, interested citizens via the Web, and at a public Open House on November 12, 2008. This outreach included:

#### Stakeholder Groups

Fort Collins Area Chamber of Commerce – November 14, 2008

Fort Collins Board of Realtors – November 20, 2008

The Public

Comments were invited via the on-line Web comment form

City Council Advisory Boards

Air Quality Advisory Board – October 20 and November 17, 2008

Economic Advisory Commission – October 23, 2008

Electric Board – October 15 and November 19, 2008

Natural Resources Advisory Board – October 15 and November 19, 2008

Transportation Board – October 15, 2008

All written comments received by the Natural Resources Department on the Plan since October 2008 are provided in Attachment 2.

**VI. Implementation Schedule**

The 2008 Fort Collins Climate Action Plan and Proposed Addendum provide a list of strategies that, if fully implemented, would achieve the 2012 reduction intent and the 2020 reduction goal. Table 4 below outlines the anticipated first steps in implementing the Climate Action Plan.

Table 4. Anticipated Climate Action Plan Implementation Schedule for 2009

<b>Action</b>	<b>Timing</b>	<b>Council Action Required?</b>
Budget request to expand Climate Wise resources	2009 exceptions request or request in 2010/2011 BFO	Yes
Community Climate Challenge	Pilot challenge in 2009	No
Colorado Carbon Fund	Formalize relationship via small outreach grant	No
Council work session to review alternative trash services strategies	December 9, 2008	No
Potential trash services strategies to be implemented: <ul style="list-style-type: none"> <li>• Increase education and outreach</li> <li>• Larger recycling containers</li> <li>• Revise the Pay-as-you-throw Ordinance</li> <li>• Curbside yard waste/compost options</li> <li>• Ban cardboard from waste stream</li> </ul>	2009	Yes
Develop Implementation Plan for 2008 Energy Policy	First Quarter 2009	Council review

Action	Timing	Council Action Required?
Begin implementing strategies in Energy Policy Implementation Plan	2009	No
Update Residential Building Code	2009	Yes
Transit Strategic Plan	2009	Yes
BFO Requests to implement action in Climate Action Plan i.e., consideration of Natural Gas Franchise Fee to be effective in 2010, resources to monitor and track progress, etc.	November 2009	Yes

## VI. Reporting Process

Annual progress reports and the biennial review process called for by City Council Resolution 2008-051 will provide a critical opportunity to maintain accountability to the goals and to update and adjust the Plan in the future. Details on the reporting schedule for 2009, 2010 and 2011 are identified in Table 5 below.

Table 5. Climate Action Plan Reporting Schedule for 2009 - 2011

Action	Timeline
<b>2009</b>	
Review Community Emissions Inventory Protocol and update as needed	First quarter 2009
Climate Wise partner reporting for 2008	By April 2009
Energy Policy Report for 2008	By May 2009
Community Emissions Status Report for 2008 (including inventory, quantified reductions, and progress towards goals for the community and municipal government)	By June 2009
Develop and submit BFO budget recommendations associated with Climate Action Plan	May or June 2009
<b>2010</b>	
Community Emissions Status Report for 2009 (including inventory, quantified reductions and progress towards goals for the community and municipal government)	By June 2010

Action	Timeline
<b>2011</b>	
Community Emissions Status Report for 2010 (including inventory, quantified reductions and progress towards goal for the community and the municipal government)	By April 15, 2011
Involved relevant Council advisory boards in process to review progress and develop recommended climate protection actions for 2012/2013	April and May 2011
Develop and submit BFO budget recommendations	May 2011

## ATTACHMENTS

1. Cost/Savings Estimate.
2. Public Input.
3. Summary Memo from October 28, 2008 Council Work Session.
4. Board Recommendations.
5. Colorado Carbon Fund.
6. Natural Gas Franchise Fee.
7. PowerPoint Presentation.

**Attachment 1 - Estimated Costs/Savings** *(as of November 24, 2008)*

The tables below provide cost and savings estimates that are available for measures in the draft Climate Action Plan and for measures in the Proposed Addendum. Because numerous initiatives are in development right now that are integral to the Climate Plan (Energy Policy, Trash Services Study, Transit Strategic Plan), it is not possible to provide final estimates of costs and savings in some instances. For strategies without complete cost estimates, the costs impact will be fully developed before Council considers action on them, using the most up-to-date information at that time.

Implementing some of the strategies will not be easy; nor will it be cost free. However, the future payback is expected to be large. A number of other plans have been developed that show net savings in the future. The 55 quantified recommendations of the Colorado Climate Action Panel are anticipated to save a net \$2.6 billion dollars for Coloradoans by 2020. The Boulder County Sustainable Energy Plan is estimated to lead to \$445M in annual cost savings by the year 2020. Furthermore, numerous studies have shown that the cost of inaction is much higher than the cost of taking responsible action now.

It is important to note that the adoption of the Plan does not implement any of the proposed measures in the Plan. The Plan represents a menu of options that may be considered by Council in the future as it weighs carbon reduction strategies against other City needs. As technology evolves and opportunities emerge throughout the course of implementation, the City will be updating implementation plans and utilizing the most appropriate approaches to reach our goals.

EXHIBIT EE

Table 1. Cost Estimates for Quantified Strategies in Climate Action Plan (November 24, 2008)

Measure name	2012 Estimated Ton CO2	Estimated Annual Cost to City	Estimated Annual Cost to the Users/Public
<b>STRATEGIES IN CLIMATE ACTION PLAN</b>			
Expand Climate Wise	73,000 - 94,000	\$100,000/yr (1 FTE plus \$30,000)	Net savings of \$2+/ton CO2 avoided
Government Organizations Set GHG Goals	42,000	Currently Undetermined	No direct costs
Community Climate Challenge	28,000	\$30,000/ year for pilot program	Voluntary lifestyle changes (no cost) or voluntary investments in efficiency improvements; both lead to long-term net savings
Colorado Carbon Fund	5,000	Marketing (existing budgets?)	Voluntary acquisition of carbon offsets at \$20/tons CO2
<b>Push to Meet 50% Waste Diversion Goal</b>			
Larger residential recycling containers	13,000 - 17,000	\$106,000 - \$133,000 plus possible additional FTE for enforcement	Estimated at \$7.25 - \$9.12 per household
Private paper/glass drop-off			
Increase residential education			
Require haulers to provide residential yard waste collection for added cost			
Prohibit disposal of cardboard in waste stream	46,000 - 58,000	Existing staff resources	No extra cost for households. Impacts on businesses not yet estimated.
Enhance residential PAYT(2nd can costs more)	13,000 - 63,000	\$164,000 - \$391,000	\$15.81 - \$16.81/home if all strategies were implemented by 2012
Commercial recycling cop-ops			
Offer residential yard waste drop-off			
Prohibit disposal of yard waste			
Construction and Demolition (C&D) drop-off			
C&D preference for City contracts			
<b>2008 Energy Policy</b>			
Efficiency Programs; SmartGrid, AML, Pricing Conservation Renewable Energy (to meet Colo. RSD and voluntary programs)	30,000 - 50,000	Costs and savings estimates will be developed as part of the implementation plans for the new Energy Policy, once adopted.	
Natural Gas Energy Conservation	5,000 - 10,000	Existing staff resources	Fee increase would be passed through to customers. A 1.5% increase is estimated to raise residential customer bills \$12-18/year.
Update Residential Building Code	1,000	No anticipated additional costs	Not calculated for 2008 update yet. The 2004 residential energy code update was estimated to save home owners 7-10% on monthly energy bills.
Reduce Vehicle Miles of Travel	2,000 - 12,000	An increase in capital and operation funding is anticipated. Not quantified yet.	Fuel and vehicle maintenance savings to program participants.
Modern Roundabouts	1,000	Roundabout construction costs are variable; typically considered to be lower than traditional intersections. Maintenance is less than traditional intersections.	Fuel savings to roundabouts users.
<b>TOTAL (after double-counting removed)</b>	<b>268,000 - 378,000</b>		

EXHIBIT EE

Table 2. Cost Estimates for Quantified Strategies in Proposed Addendum

Measure name	2012 Estimated Ton CO2	Estimated Annual Cost to City	Estimated Annual Cost/Savings to the Public
<b>STRATEGIES IN PROPOSED ADDENDUM</b>			
Purchase Certified Carbon Offsets	77,000	\$770,000 @ \$10/ton CO2 offsets; \$1.5M if \$20/ton offsets; \$1.1M for RECs at \$10/MWh	
Construction & Demolition Debris Deposit system	20,000	\$9,000	\$282,000/year cost
Increase Community Climate Challenge Goal to 2% per capita reduction	3,000	No additional cost	No additional cost
Increase Colo. Carbon Fund Participation goal	7,000	No additional cost	No additional cost
Subtotal of Additional Strategies	107,000		

**Public Input****I. Public Comments/Questions from the November 12, 2008 Open House**

The City of Fort Collins held a public open house on November 12, 2008 from 5:00 – 7:00 p.m. at the Northside Aztlan Center. Approximately 63 citizens attended. A presentation was made about the Climate Action Plan and a Q&A session was held. The comments below were received from written comment cards collected at the open house.

**ENERGY**

Reduce energy needs = get rid of “no more than 3 unrelated people living together”. Larger homes now have less people, using same amount of energy to heat; just spreading people out thins but doesn't save \$ (water, lawn, etc.)

I was glad to have the opportunity to talk to people about insulating crawl space. (from 11/17/08 Energy Open House)

I love having the City own the production of electricity. (from 11/17/08 Energy Open House)

**WASTE REDUCTION**

We need to start trash-districting. City Council is too protective of the trash hauling businesses. The trash haulers led a huge lobbying campaign to frighten their customers regarding districting. Too bad! Why is trash hauling such an important business in Fort Collins that the City must protect the status quo?

We need to implement an act requiring garbage/trash companies to provide free recycling to apartment complexes that use their service just like they are required to do for homeowners/renters.

Require trash haulers to provide for apartment complexes.

For the trash plan to coordinate with the overall goal of climate protection, we must reduce the number of trash trucks on individual streets – either by licensing a single haulers or using a ‘districting’ process. We also must better publicize the “Pay as You Throw” cost/benefit. Many residents do not realize the cost benefit of reducing their waste and increasing recycling/waste reduction, etc. Suggest that trash haulers contribute \$ to public recycling education, administered by the City or a private contractor, not the trash hauler.

I would love to see the City move aggressively on incorporating trash districting, increasing recycling and conversion rates, especially in the commercial sector. The benefits of improving trash hauling will greatly improve the whole approach to carbon reduction, sustainability and overall “quality of life” in Fort Collins.

Implement commercial/industrial office recycling.

I would love to see our local trash haulers voluntarily come forth with a plan to divide the city into hauling districts and optimal routes.

Street maintenance, noise pollution, air pollution would all see improvement with trash districting.

**TRANSPORTATION**

To better access Transfort routes, citizens could ride their bikes to the bus stop. When will Transfort add more bike capacity to the busses? Two bikes per bus is not enough, especially on the FoxTrot route.

When promoting/expanding the bike program, there will be more bikes sharing the road with cars. Bikes and smaller vehicles are hard to see in traffic situations, i.e. there will be a greater public safety challenge.

## EXHIBIT EE

I suggest that you seriously consider creating alternate bike routes that are located where there will be viable commuting routes, so that bikes (and skateboards and pedestrians) will have their own paths (and stay safe). Also, where these new (and any existing) bike routes cross roadways, clear tall foliage/trees for 20' in either side of the crossroad so bikes, etc. can more readily be seen by unsuspecting drivers before the bike crosses in front of cars.

### **GENERAL / OTHER**

CSU is a very large facility and community on their own. How are they going to help? They state a 'green' university but the report card for sustainability for 2008 getting a B-; not good. Example: recycling poor, compostable plant and silverware in dorms but throw in trash.

It may be helpful to chose one of the measures and promote within Fort Collins. Funding a measure, working it successfully and then advertising to the community would tend to pull others through the process.

Felt the plan is good but without compliance no good.

I would like to know the equivalent of Coe reduction in kWh, gallons of gas or therms to better assess my personal contribution or reduction. Per person reduction needed in terms of percent, i.e. kWh 105 or 20% to meet the 2012 goal.

If the goal is a 20% reduction from 2005, should we all try to personally reduce 20%?

What is the role of education in achieving the Fort Collins Climate Plan goals and objectives. Beyond public and higher education, is there a plan for education/ messaging to increase awareness and participation from our community?

Is there a way to achieve higher than a 40% investment return from the purchase of carbon offsets from the Colorado Carbon Fund? Is there a way to use carbon offsetting to achieve 100% community investment, 100% additionality, transparency, and importantly not to miss the opportunity to 'tell a story' within our community on the benefit and inspiration of local carbon offset projects?

### **QUESTIONS**

What does it mean to be carbon neutral?

Why do you want to reduce carbon dioxide?

How does reducing CO2 protect our climate?

What other factors impact global warming besides CO2 (i.e. other Earth changes such as volcanoes effect on CO2)?

Why is CO2 considered a pollutant?

How do you measure the amount of CO2 in the air?

Is there a difference between reducing carbon and reducing CO2?

CSU is a very large facility and community on their own. How are they going to help?

Roads, homes, man-made things increase the temperature in the environment vs. nature decreases temperature in the environment. More natural surfaces maybe stabilize our climate better.

Before we get smart meters, what hours would you recommend we try to cut back on consumption? We are retired and our schedule is somewhat flexible.

EXHIBIT EE

What happens if we don't need reduction guidelines?

Where will the money come from to buy carbon offsets? From tax revenue? Would you consider buying more affordable carbon offsets from local organizers like Trees, Water, people if you encountered a budget shortfall?

**II. Web-Based Comments**

Comments have been sought via the on-line comment form at <http://fcgov.com/climateprotection>. Those comments are outlined below.

<b>WEB COMMENTS FOR CLIMATE TASK FORCE</b> <b>In reverse chronological order; First Comment received 11/12/08</b>
<p>Date: 11/24/08 Name: Eric Sutherland E-mail: <a href="mailto:sutherix@yahoo.com">sutherix@yahoo.com</a></p> <p>Comments: Just some random contents of emails.</p> <p>Don't forget about the \$1100/day Fort Collins Utilities/PRPA is wasting on micro-subsidies to distant renewable energy generation sources. If it had not been for Andra Coberly/The Weekly this incredible waste of money and opportunity would never have been brought to light. She won a prestigious award for her investigative reporting.</p> <p>When I explained to the General Manager of PRPA and the head of Light and Power that the Climate Action folks were counting this as a massive GHG reduction, they denied it. I had to run down the evidence twice for them. But for heaven's sake, if not for GHG reductions, what the hell are we micro-subsidizing somebody else's energy for!! Everybody in town pays 1% of their electric bill towards this waste.</p> <p>I couldn't make this up. Fort Collins Utilities is coming forward with this "policy" which is extremely GHG-centric, yet no one in City Government can logically account for GHG emissions. Noone can demonstrate that the millions\$ that ratepayers have and will spend on junk REC's will keep an ounce of CO2 out of the atmosphere.</p> <p>To make things even more absurd, when the Climate Task Force originally put their minds to what could be done to incentivize LOCAL energy development, they came up with some cockamamy freebie program as some sort of token gesture. This recommendation was ultimately dropped. Incentivizing LOCAL RE is where REC's would have been beneficial. The City could then use these RECs, purchased from local company's that were powering our economy financially and electrically to comply with the Colorado State mandate for renewable energy.</p> <p>Councilmen Ohlson, Roy, Poppaw, Manvel and Brown questioned and even opposed this ridiculousness. Folks like the Mayor and Councilman Troxell have defended current practices and the people responsible for them. Kelly and David pushed to sell contracts. Even at 50 cents on the dollar, Fort Collins would have had a couple nickels to rub together for local programs. Once again, Hutchinson and Troxell were the ones who argued to stay the course.</p> <p>We are still on the hook for millions. How can we trust City Government to pursue any new GHG reduction initiative when we can't get them to stop wasting money on the ones that aren't working?</p>
<p>11/21/08 Name: Charles Potter E-mail: <a href="mailto:cpotter485@aol.com">cpotter485@aol.com</a></p> <p>Comments: I am disappointed. With the exception of reliability, most of the plans and objectives are far too nebulous. That is management 101. And it is insufficiently aggressive. Those which are more concrete are simply restatements of state level minimum directives. Neither this area, nor the state will meet the objectives if its most capable regions attempt only the minimums.</p>

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<p>11/21/08 Name: benicar E-mail: <a href="mailto:5xen3ut@mail.com">5xen3ut@mail.com</a> Comments: Thank you for the good work.</p>
<p>Date: 11/14/08 Name: Joe Rowan E-mail: <a href="mailto:qlelauren@comcast.net">qlelauren@comcast.net</a>  Comments: Staff and citizen participants are to be commended for the considerable effort put into this report. Clearly, passion surrounding the issue is in no short supply. Critical analysis, however, has not been demonstrated.  Somewhat familiar with public policy process, once again we have an example of well-intentioned desire to create a model community to the detriment of open, honest dialogue of the trade-offs every decision encompasses. Each recommendation and assumption within the report is presumed to be virtuous, where disclosure of costs, qualitative impacts, reliability of data and outcomes are unnecessary. How are we to make such profound impact without understanding how and why these recommendations were derived?  It remains beyond my comprehension how "Cost Effectiveness" estimations are derived within the tables if the report is thus far unable to show absolute costs. Moreover, the 2012 effectiveness impacts are further complicated by the notation that 2020 goals are used for the calculation. Perhaps unintentional, this methodology strongly discourages any layman attempt to derive a financial estimation of each strategy.  While admirable in its secondary intents - preservation of scarce resources and ultimate reduction in financial burdens of status quo - the report solidifies an impression held by more than just a few citizens that efforts to reduce emissions is little more than repackaging the old saw on 'closing the door on everyone behind me'.  Carbon credits and RECs are little more than a parlour trick to make folks feel better - checkbook environmentalism - while the goals outlined for 2020 and 2050 rely on the introduction of technologies not currently available. I agree that shooting high is a worthy endeavor, but public policy should never be formed based upon unrealistic expectations.  Please engage a more constructive process than the echo chamber this plan has been built upon.</p>
<p>Date: 11/12/08 Name: Richard Schroeder E-mail: <a href="mailto:rickschroe@gmail.com">rickschroe@gmail.com</a>  Comments: I am in strong support of the efforts of the City to develop and implement the Climate Action Plan. These kinds of actions require government involvement at all levels, and Fort Collins has the opportunity to be a real leader in this work.</p>
<p>Date: November 6, 2008 Telephone comment from a citizen regarding the Planned open house on November 12: Expressed concerns over the government resources being used to put on an open house with a speaker on the need for climate action ( Stephen Saunders) while not providing the opposite perspective on the issue that climate change is not an important issue for communities to address.)</p>

**III. Written comments submitted by the Fort Collins Sustainability Group at the 11/12/08 open house are on the following pages.**

**Comments on the Draft Climate Plan**  
**By the Fort Collins Sustainability Group**  
**November 12, 2008**

The Fort Collins Sustainability Group (FCSG) has reviewed the draft Climate Plan discussed at the City Council Work Session on October 28<sup>th</sup>. We have also reviewed a summary of the differences between that document and the Climate Task Force recommendations prepared by Lucinda Smith on November 6<sup>th</sup>.

We are disappointed that the draft Climate Plan would only achieve 55 – 80% of the 2012 greenhouse gas emissions reduction intent adopted by City Council in Resolution 2008-051, even if all recommended strategies were to be implemented. We believe that several of the proposed strategies in the draft Climate Plan need to be strengthened, and that several strategies need to be added. We offer the following list of changes and additions that we believe will enable the City to reach the 2012 intent:

1. **Fort Collins Utilities should implement energy efficiency and conservation programs resulting in a 1.75% annual decrease in electric energy use for 2010 through 2020. Electric energy used to charge electric vehicles should be exempted from this requirement.**
  - a. The draft plan only calls for a 1.0% annual electric energy decrease through 2020. This goal should be contrasted with the goal set by the Sacramento Municipal Utility District of a 1.5% annual decrease in electric energy use for ten years, and with the goal set by Efficiency Vermont of a 1.75% decrease in electric energy use for two years. The goal we propose would establish Fort Collins Utilities as a (if not THE) national leader in reducing customer energy consumption. It would also help realize City Council's goal of stimulating the local economy, expressed in Resolution 2007-015, by promoting business activity focused on delivering energy efficient products and services.
  - b. The FCSG recognizes the desirability of shifting from gasoline powered vehicles to hybrid or electric vehicles, and therefore believes that electricity used to charge electric vehicles should be exempted from the annual reduction goal. The benefit in lower overall greenhouse gas emissions associated with the use of electric vehicles should be quantified in the annual progress reports to be prepared for Council.
  - c. The FCSG acknowledges that it will take some time to put public and private programs in place to realize this aggressive reduction goal. We therefore believe that the 2009 electric energy decrease goal should be 1.0% to allow public and private programs to ramp up to meet the goal for 2010 through 2020.
  
2. **The city's recycling program should be enhanced to include commercial customers in the Ft. Collins "Pay as You Throw" ordinance by the end of 2009.**

- a. This strategy was included in the set of recycling strategies proposed by the Climate Task Force, but removed by City Staff from the 2012 estimate. It was replaced by a less impactful “cardboard ban” that is described as “a simpler, more cost effective way to achieve a major increase in diversion.” Currently, the set of strategies included under the heading “Recycling – Push Towards 50% Diversion Goal” will only achieve 30% to 60% of the greenhouse gas emissions reductions identified under this heading by the Climate Task Force. We need to do better than this, and can do so by reinstating the “Pay as You Throw” recommendation for commercial customers.
3. **The city should provide an enhanced combination of utility incentives and Zilch loans to people whose houses fail to meet minimum energy performance standards, in order to upgrade home energy performance. This program should be put in place by the end of 2009.**
    - a. This strategy should replace the “Time of Sale Energy Conservation Ordinance” proposed by the Climate Task Force. The FCSG recognizes the burden that would be placed on homeowners by forcing them to implement energy efficiency upgrades paid for out-of-pocket prior to selling their homes. We believe that this proposed strategy offers an alternative path to upgrading the energy performance of less efficient homes. Funds for accomplishing these upgrades could be provided through a combination of an electric rate increase for the highest usage tier, the natural gas franchise fee, and the existing ZILCH revolving fund loan program.
    - b. Substandard home energy performance should be determined by voluntary low cost home energy assessments provided through Fort Collins Utilities. These assessments were part of the original set of recommendations set forth by the Climate Task Force.
4. **Fort Collins Utilities should provide incentives for individual renewable energy projects, such as roof-mounted photovoltaic systems.**
    - a. This strategy was recommended by the Climate Task Force, but is not included in the draft Climate Plan. Since the Climate Task Force completed its study, Congress has enhanced the residential federal income tax credit for renewable energy systems. A small Fort Collins Utilities program could help promote and leverage the federal income tax credit.
5. **As a last resort, Fort Collins should purchase carbon offsets through the Colorado Carbon Fund to meet the 2012 emissions reduction goal.**
    - a. The FCSG strongly believes that city resources should be used to enhance the local economy and quality of life while reducing greenhouse gas emissions to the fullest extent possible. However, we recognize that it may be necessary to purchase carbon offsets or renewable energy credits (RECs) in order to meet the 2012 reduction intent. Carbon offsets offered by the Colorado Carbon Fund are significantly cheaper than RECs, and

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will result in some funds being returned to the community. However, we believe that no carbon offsets should be purchased prior to the first biennial performance review in the spring of 2011.

- b. It may be possible to fund the purchase of carbon offsets through an electric rate increase for the highest usage tier.

Achieving the 2012 greenhouse gas emissions reduction intent would require reducing emissions by 485,000 tons of CO2(e) per year. The gap between reductions that can be delivered by the Climate Plan in its current form and this figure is 107,000 - 217,000 tons/year. Based on city documents, we estimate that adopting the first four changes and additions to the current package listed above would result in the following approximate net additional reductions:

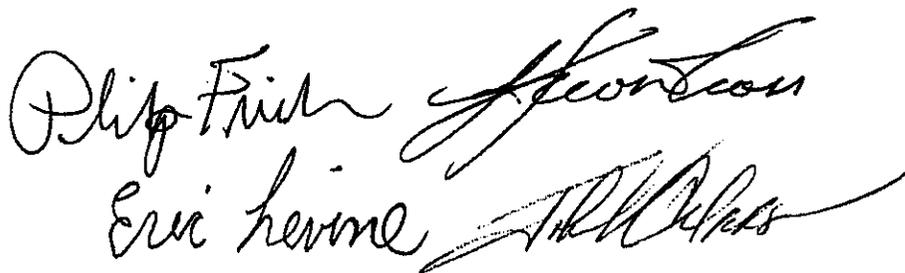
Strategy	Additional reduction, tons CO2(e)
Increase energy efficiency and conservation program goals	35,000
Commercial "Pay as You Throw" ordinance	129,500
Energy performance upgrades for substandard homes	5,500
Incentives for individual renewable energy projects	2,000
<b>Subtotal:</b>	<b>172,000</b>

Comparing the subtotal in the table above to the gap, it appears that the City would have to purchase 0 - 45,000 tons worth of carbon offsets in order to achieve the 2012 reduction intent, depending on the performance of all other strategies. At \$20/ton, the 2012 cost to the city of these offsets would be \$0 - \$900,000.

We urge the City of Fort Collins to include the strengthened and additional strategies outlined above in the final version of the Climate Plan.

Respectfully submitted by:  
**The Fort Collins Sustainability Group**

John Anderson  
 Kevin Cross  
 Phil Friedman  
 Deanna Kowal  
 Eric Levine  
 Reiner Lomb





Natural Resources Department  
 215 North Mason  
 PO Box 580  
 Fort Collins, CO 80522  
 970.221.6600  
 970.2214.6177 Fax

**Attachment 3**

[fcgov.com/naturalresources](http://fcgov.com/naturalresources)

## MEMORANDUM

TO: Mayor Hutchinson and City Councilmembers

THRU: Darin Atteberry, City Manager  
 Diane Jones, Deputy City Manager

FROM: Lucinda Smith, Sr. Environmental Planner

CC: Marty Heffernan, CPRE Director  
 John Stokes, NRD Director  
 Brian Janonis, Utilities Executive Director  
 Patty Bigner, Utilities Customer/Electrical Relations Manager

DATE: October 31, 2008

SUBJECT: October 28, 2008 Work Session Summary – Climate Action Plan

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On October 28, 2008, City Council held a work session to discuss the draft Fort Collins Climate Action Plan. All Councilmembers were present except Councilman Diggs Brown. In addition to Lucinda Smith, Brian Janonis, John Phelan, Susie Gordon and several other staff members were present in the audience in case questions arose.

Because of its focus on local action and removal of RECs as a carbon reduction strategy, the draft plan presented to Council did not contain enough strategies to fully meet the 2012 reduction intent or the 2020 goal. A majority of Council expressed interest in seeing an alternative plan that contains enough strategies to meet the 2012 and 2020 reduction objectives, without including over-reaching strategies.

Specific Council comments on the draft plan included:

- A request for staff to revisit the assumptions in the “Community Climate Challenge” to see if they were overly conservative.
- Concerns about the “Time of Sale Energy Ordinance” that appears in the plan as a qualitative strategy.
- An interest in proactively addressing low income concerns (which the new Energy Policy implementation plans will address).
- Interest in having a waste stream diversion study.
- Concern about the possibility of increased truck traffic associated with potential curbside yard waste recycling (which could be addressed by an alternative truck scheduling).



- Request that the climate plan and the City integrate plans for electricity and natural gas strategies into a more integrated focus on energy.
- Questions about the carbon reduction calculations for the natural gas franchise fee.
- To the extent possible, the climate plan should incorporate systems-approach thinking.
- Support for tree planting, recycling initiatives; infill and refill development.
- Provide further information about the Colorado Carbon Fund and how that would compare to a local carbon offset program.
- Question about the appropriateness of a carbon neutral goal.
- Question about how funding that was used for REC contracts will be reinvested as these REC contracts expire.
- Request that the plan explicitly acknowledge the Climate Task Force, citizens, boards and commissions and the Fort Collins Sustainability Group for their roles in the plan.

Many Council members expressed interest in taking actions to begin implementing the plan, once adopted, and looking forward to successes.

Some Council members asked more broadly that the City endeavor to incorporate sustainability and carbon reduction objectives in all planning processes and that these processes are as integrated as possible.

#### **Next Steps**

- Complete three short white papers on the Colorado Carbon Fund, the natural gas franchise fee concept, and the pros and cons of becoming carbon neutral.
- Prepare a response to the question about how the revenue from expiring REC contracts will be reinvested.
- Prepare a climate action plan alternative that provides a pathway to attain the 2012 reduction intent and the 2020 goal for Council consideration on December 2, 2008.

**Attachment 4 – Council Advisory Board Review of Climate Action Plan**

Several council advisory boards reviewed the draft Climate Action Plan this Fall.

City Council Advisory Boards

Air Quality Advisory Board – October 20 and November 17, 2008

Economic Advisory Commission – October 23, 2008

Electric Board – October 15 and November 19, 2008

Natural Resources Advisory Board – October 15 and November 19, 2008

Transportation Board – October 15, 2008

Air Quality Advisor Board

On November 17, 2008, the Air Quality Advisory Board unanimously passed the following motion:

**The Air Quality Advisory Board reaffirms its support for the draft Climate Action Plan, including the proposed additional strategies, and we urge City Council to adopt them. Secondly, we recommend that, in 2009/10, the Council plan to study and develop further incremental and alternative strategies to attain both near and longer-term goals, including alternatives to purchasing carbon offsets and enhancements to transportation and energy efficiency. Thirdly, we recommend that the Council direct the City Manager to provide resources and direction to continue the process. And finally, we point out that, although successful implementation of the Climate Action Plan would meet its stated goal, the goal itself falls short of the need for carbon emission reduction.**

Staff summary of discussion points from the November 17 meeting are given below, since the draft minutes are not available yet.

- Could the Community Climate Challenge include promotion of hybrid and electric vehicles?
- The plan projections should build in the reality of significant fleet changeover as vehicle of the future become more economical.
- What about more aggressive recycling, although that relies on a market for recycled good.
- The Plan should acknowledge the role that state and federal actions will play in reducing emissions.
- The existing climate change goals may not be adequate as climate change scenario projections become more dire. The plan should at minimum meet the stated reduction targets, and be more proactive.
- There should be more community outreach about the climate goals and tips to reduce emissions. People need to know what to do.
- Can we promote the installation of scales at the landfill to aid in better data collection and ability to measure accomplishments.
- Direct carbon reduction adds more value to the community than indirect reduction.
- It's important for the Plan to be bold; this is not a bold plan.

Pages 4 - 10 provide the excerpt of the AQAB minutes from the October 20, 2008 discussion about the Climate Action Plan.

**Economic Advisory Commission**

The Economic Advisory Commission reviewed the draft Climate Action Plan on October 23, 2008 and prepared a recommendation for City Council.

- **The EAC sees great potential for these ideas to assist in the marketing of our community values to the community, nation, and world, as our community has consistently prided itself and marketed itself as a community that acts progressively when it comes to the issues of sustainability.**
- **By in large most of the recommendations do not directly affect businesses and the economy. The main areas where the EAC sees direct effect are in the Energy Supply Policy and the Natural Gas Franchise Fee recommendations. These issues should not be handled in a vacuum, but rather looked at in conjunction with each other.**
- **Consider adding the Importance of a marketing/education component especially for items that involve the most impact to businesses and/or citizens.**

Pages 11 – 13 of this attachment provide the complete EAC memo to Council on the Climate Plan.

**Electric Board**

On November 19, 2008, the Electric Board passed the following motion regarding the Climate Action Plan and Proposed Addendum; 5 in favor, 0 against, 1 abstain.

**Moved to accept the Climate Action Plan as presented (including the Addendum)**

Staff summary of discussion points from that meeting are given below, since the draft minutes are not available yet.

- Use the carbon offsets and the Colorado Carbon Fund as a last resort to meet goals.
- Public lands, including natural areas, should be open to considering installation of renewable energy projects.
- We can learn from the ecological studies that will be occurring at Maxwell Ranch.

An excerpt of the October 15, 2008 Electric Board discussion regarding the Climate Action Plan is provided on pages 14 – 15 of this attachment.

**Natural Resources Advisory Board**

On November 19, 2008, the Natural Resources Advisory Board passed the following motion regarding the Climate Action Plan and Proposed Addendum. They passed the following motion 5 in favor-1 opposed.

**The Natural Resources Advisory Board recommends City Council adopt the Draft 2008 Climate Action Plan, including addendum to meet the 2012 intent and 2020 goal. Priority items for NRAB, include:**

- **Expanding the Climate Wise program**
- **Banning cardboard from community waste stream**
- **Energy efficiency**
- **Smart grid and smart meters**

- **Upgrading residential building codes**
- **Community Climate Challenge**
- **Implementing customer-based renewable energy solutions by 2012**
- **Embedding commercial recycling fee in trash rates by 2012**

**Before purchasing carbon offsets, consider accelerating all priority items.**

Staff has listed some of the discussion points from the meeting below, since the draft minutes are not available yet.

- Why isn't the City willing to support (individual scale) renewable energy projects in the Plan? Incentives are necessary to make significant advancements in individual-scale renewable energy
- It is hard to achieve VMT reduction.
- If developing an implementation proposal for the proposed C&D deposit system, maybe it should not automatically exclude the smallest 25% of projects, as these small impacts can add up.
- What are the risks of partnering with others on implementing non-combustion waste-conversion technologies? Distributed generation powered by non-combustion waste conversion technologies is more scalable.

An excerpt of the October 15, 2008 Natural Resources Advisory Board discussion regarding the Climate Action Plan is provided on pages 16 – 17 of this attachment. The NRAB memo to Council is included on page 18 of this attachment.

#### **Transportation Board**

On October 15, 2008, the Transportation Board unanimously passed the following motion regarding the Climate Action Plan. Their schedule precluded their having a presentation on and considering a recommendation in November that included the Proposed Addendum.

**Based on the Climate Action Plan presented, the board finds the Transportation elements of the plan consistent with our overall mission and we recommend their adoption.**

The Transportation Board memo to City Council is provided on Page 19 of this attachment.

AQAB – October 20, 2008 Minutes

**AIR QUALITY ADVISORY BOARD  
REGULAR MEETING MINUTES  
October 20, 2008**

**DATE:** Monday, October 20, 2008  
**LOCATION:** 215 N. Mason Conference room 1-A  
**TIME:** 5:30 -8:00 P.M.  
Dinner is served starting at 5:15

**For Reference:** Eric Levine, Chair - 493-6341  
David Roy, Council Liaison - 407-7393  
Brian Woodruff, Staff Liaison - 221-6604

**Board Members Present:** Nancy York, Eric Levine, Dennis Georg, Dale Adamy, Katrina Winborn

**Board Members absent:** Dave Dietrich, Kip Carrico, Greg McMaster

**Staff Present:** Alexis Hmielak, Brian Woodruff

Eric Levine called the meeting to order at 5:35

**Introduction of Guests**

John Schroeer – guest

**Public input**

None

**Climate Action Plan**

Lucinda Smith presented an update on the progress of the Draft Climate Action Plan. This Draft Plan is based largely on the recommendations of the Climate Task Force and will be presented to City Council for a work session on October 28, 2008. The draft plan addresses the new goals set by City Council in May, 2008, for 20% emission reduction below 2005 levels by 2020, and 80% reduction below 2005 levels, by 2050.

- Lucinda showed a graph that tracks community-wide emissions from 1990 to 2007 and then projects, in a business as usual scenario, the 2012 intent and 2020 goal.
  - She pointed out the 2050 goal is a huge goal and very difficult to project.
  - Dennis Georg interjected a quote by Tom Friedman: “The difference between a vision and a hallucination is investment.” In order to make this happen we must invest.
  - In answer to a question by Katrina Winborn, Lucinda stated community-wide emissions are composed of carbon dioxide and methane from residential, commercial and industrial, natural gas and electricity, transportation fuels and the amount of waste we generate. Electricity is almost half of our community emissions = 48%.
- According to the Plan, the amount of reduction we need to have to close the gaps is 485,000 tons/year in 2012, 1,375,000/tons/yr in 2020 and 1,524,000 tons/year below 2020 goal level in 2050.

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- Katrina suggested, for clarity, this could also be expressed in layman's terms such as "what would be the average person's contribution." Lucinda stated the Community Climate Challenge is seeking 1% per capita reduction or about 28,000tons/yr.
- Eric stated it was 15.5 tons originally when CTF began, but it has gone up. Lucinda added it is also not just population growth that is increasing emissions. We are also using more energy per capita. Fort Collins Utilities Department statistics state only 20% of FC homes from 1980-90 had air conditioners. Now 60% of FC homes have air conditioners. This is a large increase in energy use.
- Eric Levine asked if per capita usage has started to go down yet. Lucinda stated per capita use had a tiny reduction in 2006-7.
- Features of the Draft Climate Plan:
  - Largely based on Climate Task Force Recommendations
  - Builds on existing successes
  - Contains cost-effective strategies
  - Involves long-term thinking
  - Supports the local economy
  - Brings multiple other benefits
  - Flexible implementation schedule
    - Dennis pointed out there are two flexibilities: one of businesses and one of rates of implementation via Council and via the public.
- The Plan is largely based on the Climate Task Force's Recommendations
  - CTF recommended 16 short-term strategies
  - Draft Climate Action Plan retains most strategies but is a little more generic regarding energy
  - Incorporates the draft Energy Policy
  - Adds more green building measures
    - Planned update to residential building code
    - Some long term green building measures
  - Removes "Incentives for Individual Renewable Energy Projects"
    - Cost was too high
  - Removes "Incentives for Low Emission Vehicles" since the high cost of gas could, alone, be a good incentive to drive less.
  - Considers "Time of Sale Ordinance" to upgrade buildings to higher energy efficiency when sold as a long-term strategy
  - Removes the goal to achieve "15% Renewable Energy by 2011"
    - Moves away from a rapid ramp-up of renewable energy and focusing on achieving a carbon reduction goal via energy efficiency and directs funding to local projects

## Discussion:

- Dennis Georg stated his opinion that utilities do not have an incentive for efficiency. They are in the business to sell energy, not encourage energy efficiencies. He encourages Council to think about incentives are we going to provide the utilities to get out and aggressively promote savings.
- Eric felt the mandate must go higher up than the City Utilities.
- Lucinda interjected Governor Ritter set the state goal for utilities to reduce their emissions 20% below 2005 by 2020 that may involve rate increases.

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- Katrina added that getting permits to build or expand coal fired plants is very difficult and that may be an incentive for utilities to be more efficient.
- Brian Woodruff stated Fort Collins is fortunate to own its own utilities so the City Council can establish parameters for them. Council is scheduled to adopt the revised Energy Policy on December 2, 2008. Utilities will be coming back to Council in the spring with their implementation plan.
- Eric Levine expressed his opinion that there is a difference of opinion between several Council members and staff on the Climate Protection Project and the Trash Policy. He asked what kind of money is behind the recommendation to purchase less green energy, where it was budgeted and could it go somewhere else. Lucinda stated it couldn't be determined right now since Utilities still has to develop the implementation plan.
- In answer to a question from Dennis Georg who wanted to know what measures were added to the Plan, Lucinda stated items added were: residential energy code update and long term green building updates.
- Lucinda pointed out the new Plan does not add up to meet the 2012 intent. One option is to purchase carbon offsets.
- Dennis wondered if all buildings on Mason Corridor could be required to be green buildings. Lucinda stated there is a measure in the Green Building Roadmap to require green building as a prerequisite to public financing through the City that was identified as a 3-year strategy.
  - Nancy York suggested homes and businesses on Mason Street Corridor should pay a transit access fee, also.

Lucinda continued the presentation.

- The Draft Plan builds on existing measures such as energy efficiency, ClimateWise, single stream recycling, mandated natural gas efficiency, 2005 residential energy code and the FortZed jumpstart program.
- It incorporates the following energy policy strategies:
  - Regarding efficiency:
    - Reduce electricity emissions 20%.
    - Reduce electricity use 1% per year through efficiency and conservation programs.
    - Develop a smart grid road map by end of 2009.
    - Manage 10% of peak load demand through load management, smart grid, and distributed generation.
  - Regarding renewable energy
    - We must comply with state-mandated renewable portfolio standard (10% renewable energy by 2020).
    - Increase the contribution of renewable energy enough to reach 20% reduction by 2020, after accounting for the contributions of energy efficiency, conservation, minimum renewable energy requirements and voluntary renewable energy programs.
- It contains cost-effective strategies
  - Climate Wise - average net savings for reducing carbon (\$2/ton)
  - Reduce electricity use 1% per year through energy efficiency and conservation programs - (Efficiency Programs – lowest cost utility resource)
  - Update building energy codes
  - Advanced Meter Infrastructure

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- It contains long-term thinking which is important, even though they are not quantified for carbon reduction.
  - Regular updates on building energy codes
  - Continued support for “above code” green building initiatives
  - Time of Sale Energy Conservation Ordinance
  - Require Green Building as a Prerequisite for Public Financing
  - Promote Net Zero Ready Homes
  - Promote LEED for Neighborhoods
- Supports the local economy
  - ClimateWise improves bottom lines of local businesses
  - Colorado Carbon Fund
  - It identifies 10%-40% investment back to the community. Also have projects have carbon benefit
    - The program identifies between 10% to 40% of reinvestment of the carbon offset revenue that came from the community back to the community. So if we can get our businesses and citizens to buy carbon offsets through the Colorado Carbon Fund instead of elsewhere, some of it will come back to us.
  - Energy efficiency and green building would provide green-collar job opportunities in Fort Collins. Currently there are not enough green job service providers.
- Other benefits
  - Reduce energy costs for heating, cooling and lighting
  - Reduce motor vehicle fuel costs
  - Support local businesses and the economy
  - Redirect investments back into local economy
  - Reduce dependence on foreign fuel sources
  - Reduce vulnerability to energy price increases and volatility – important for organizations with a budget that is trying to plan.
  - Reduce peak demand and need for new base load capacity
  - Diversify energy supply
  - Reduce air pollution emissions (including ozone precursors)
  - Improve public health
  - Improve local visibility
  - Reduce waste and increase landfill diversion rates.
  - Reduce road congestion
  - Increase Fort Collins’ ability to adapt to a changing climate
  - Provide opportunities for leadership
- Dennis Georg commented that this Plan not only addresses a changing climate but also a changing economy.
- Lucinda pointed out the Plan also estimated the benefits of each strategy if they were implemented all the way out to 2020.
- The Plan as it stands now falls short and only meets 55%-80% of the 2012 reduction objective and 90% of the 2020 intent. Purchasing carbon offsets could help meet those goals.
- It is important the Plan stays active and alive by having monitoring and annual progress report/biannual review.
  - The review happens in spring of the year and the budget recommendations would be adopted in the fall of that year.
  - There are three milestones during the period: 2012, 2020, and 2050.
- Implementation flexibility

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- Council can determine implementation priorities in context of evolving City budget and policy priorities, carbon markets and technology opportunities.
- Possible fall 2008 decisions:
  - 2009 budget exception requests to support Utilities' programs?
  - Pursue a franchise fee agreement with Xcel for natural gas?
  - Adopt new Energy Policy?
  - Adopt Climate Action Plan?
  - Decisions regarding Trash Services Study and Recycling programs
- Possible 2009 Decisions
  - Electric rate changes?
  - Adopt Transit Strategic Plan?
  - Implement new waste reduction initiatives such as commercial recycling, curbside yard waste, or changes to haulers' licensing requirements?
- Possible 2010/2011 budget requests
  - Capital and operations funding for transportation?
  - Capital and operations requests for municipal carbon reduction projects?
  - Budget requests for any new solid waste reduction initiatives?

**Discussion:**

- In answer to a question by Katrina Winborn, Lucinda stated as years go on it is incumbent on staff to remind City departments and City Council that future measures are part of the Climate Plan. Eric Levine emphasized every service sector in the City should keep the Climate Plan in mind because their activities could make or break the Plan.
- Nancy York suggested there should be a monitoring agency to keep track of the Plan's implementation.
- Dennis Georg stated Fort Collins is one of the few cities without a natural gas franchise fee and wondered why we don't move in that direction. Lucinda stated cost is a factor because if we implement a franchise fee most of it would get passed along to the consumer.

**In summary:**

- Lucinda stated the targets are aggressive and will be challenging.
- Responsible measurement, verification, and reporting are critical and we need to come up with comprehensive guidelines for community-wide emissions reporting. A major question is whether community emissions should include the energy used to make the materials used in our community and the transportation used to bring those materials to us.
- Next steps
  - Council work session October 28 – presentation of Draft Plan to determine if Council has any comments or directions before it comes back for Council adoption.
  - Nov 12, public open house
  - Dec 2, Council considers adoption
  - 2009 – ongoing implementation.
- Challenges
  - Targets are aggressive
  - More funding and outreach will be required
  - Immature EE infrastructure and slow ramp up

(AQAB- 5)

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*AQAB – October 20, 2008 Minutes*

- Responsible measurement, verification and reporting
- Opportunities
  - Energy efficiency and conservation
  - Manage risk: energy prices, carbon regulation, environmental impact
  - Plug-in hybrids, smart grid, connecting transportation and electric distribution infrastructures

**Discussion:**

- Dennis Georg was disappointed renewable energy programs that would close the gaps had been deleted from the Plan. He suggested Council address plans that can reduce the gaps as a part of the regular review cycle and commit to them.
- Eric reminded the group much of the Plan is a guestimate and some of these things are outside of our control. Having enough strategies in the package is important to its success.
- Dennis pointed out the American Wind Energy Association's (AWEA) latest comparative report of power generation systems regarding costs and benefits shows that by 2012 there will be several modes of renewable energy generation where the cost of megawatt generation will be very close to coal. He felt this is a solvable engineering problem and the City needs to be more open-minded how the carbon reductions can be achieved with alternative energy and should be well positioned to take advantage of them. Investing in renewable energies is a wise business decision because it may ultimately provide citizens with the lowest cost of electricity.
- Lucinda stated, if the Council would adopt the Plan, it would be by resolution, which expresses their willingness to implement these programs but doesn't say when. However, it is important that they support the Plan.
- Dale Adamy suggested, in order to keep it on track, language be added to the Plan such as: "in order to succeed, the Plan expects the timeline be met, regulatory measures be taken, and the proposed measures be completed," plus a timeline. This would be necessary because, in government, officials change with term limits and this would allow the Plan to be passed on from person to person.
  - Lucinda felt these expectations are a reasonable addition to the implementation schedule
- Dennis suggested this be a branded Plan, similar to ClimateWise to help with the community challenge buy-in.
- Eric Levine stated it would be most productive for the AQAB to discuss the Plan with Council members individually before the October 28, work session. The group discussed and crafted a recommendation that Eric Levine will incorporate into a letter to the City Council on behalf of the Air Quality Advisory Board.

Dennis Georg moved and Nancy York seconded the following motion:

The Air Quality Advisory Board recommends that the City Council adopt the Revised Climate Action Plan. As part of that adoption, Council will recognize there is a gap in meeting the goal of 2012 and 2020 of 107,000 tons. Also, as part of that recognition, Council will commit to evaluation of incremental programs to close those gaps and adopt a timeline for the implementation of the individual aspects of the plan.

Motion approved unanimously

(AQAB-6)  
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*AQAB – October 20, 2008 Minutes*

- In response to a request from Dale Adamy, Lucinda explained that Utilities hired a consulting firm, R.W. Beck, to analyze the utility-related measures in the Plan. R. W. Beck has a model they use to quantify the costs and benefits of the programs and they are going to use to develop the implementation plan. R.W. Beck has completed their analysis that included the carbon benefit of the costs and strategies of 2012 and 2020 recommended by the Climate Task Force. Utilities supported the concept but didn't agree with all the cost estimates. Also, R.W. Beck's determined "no benefit" from the Colorado Carbon Fund because it depends on the market and we can't be sure about it. Utilities didn't agree with this analysis.

**7:00 Review and approve minutes of September meeting**

Nancy York moved and Dale Adamy seconded a motion to approve the September 15, 2008, minutes.

Motion approved unanimously

The September minutes stated there was some erroneous information at an August City Council meeting regarding the Climate Action Plan. Eric Levine will review the video of the Council meeting and if there is erroneous information, he suggested the AQAB should give Council corrections.

Regarding the presentation by Jeff Scheick at last month's AQAB meeting, Dennis Georg is trying to communicate with Jeff's office to find out the exact per-passenger cost for Transfort. He was impressed with a study done in San Francisco and wondered if Transfort would be able to calculate cost of transportation in Fort Collins. Eric encouraged the Board to follow through on any questions they may still have.

**AQAB 2009 Work Plan**

The Board's annual work plan is due at the end of November. At this meeting the Board discussed the previous work plan and considered changes for 2009. Final adoption could take place at the November meeting.

- Dennis Georg submitted the following revisions to the work plan as a result of this discussion:
  1. Review progress on the city's implementation of the climate action plan and make recommendations for adjustments required to meet the city's objectives.
  2. Track progress on the city's implementation plan to reduce the air quality impact of residential and commercial diversion and trash hauling. Make recommendations for adjustments.
  3. Review the revised EPA standards on airborne lead and make recommendations to city council on required actions the city must take to be in compliance.
  4. Understand policy and code changes mechanisms in the city and adopt a protocol for the board to use in affecting policy and code changes.

(AQAB-7)  
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Financial Services  
300 LaPorte Ave  
PO Box 580  
Fort Collins, CO 80522  
970.221.6505  
970.224.6107 - fax  
fcgov.com

**Memorandum**

To: Mayor Hutchinson and City Council Members

From: Christophe Febvre, Chair and Economic Advisory Commission

CC: Darin Atteberry, City Manager  
Mike Freeman, Chief Financial Officer  
Lucinda Smith, Senior Environmental Planner

Date: October 23, 2008

Subject: Recommendation on City of Fort Collins Climate Action Plan

The Economic Advisory Commission met October 23, 2008 and discussed the subject of the Climate Action Plan. All members unanimously agreed to make the following recommendation to City Council, in advance of the October 28, 2008 work session.

**EAC Recommendations:**

- *The EAC sees great potential for these ideas to assist in the marketing of our community's values to the community, nation, and the world, as our community has consistently prided itself and marketed itself as a community that acts progressively when it comes to issues of sustainability.*
- *By in large most of the recommendations do not directly affect businesses and the economy. The main areas where the EAC sees direct effect are in the Energy Supply Policy and Natural Gas Franchise Fee recommendations. These issues should not be handled in a vacuum, but rather looked at in conjunction with each other.*
- *Consider adding the importance of a marketing/education component especially for items that involve the most impact to business and/or citizens.*

Thank you for considering this recommendation

**EAC Presentation Documentation and Analysis Form**

Organization and/or person presenting to the EAC:  
*Lucinda Smith, City of Fort Collins Natural Resources Department, Climate Action Plan.*

*Econ. Commission - 1*





Date

10/23/2008

Does the city fund the organization, or will city funds be required for the proposed project, and if so how much?

*The presentation was focused on the Climate Action Plan being recommended to the City Council. While estimates of costs have been given, the exact cost of implementation will be based on the measures that are chosen for implementation.*

What other funding does the organization receive? *N/A*

Is the organization requesting funding from the City?

*Funding will be based on strategies that are chosen for implementation, and will be looked into in greater detail at that time.*

Purpose of the presentation

*Inform the Economic Advisory Commission (EAC) on recommendations that will go to City Council from the Climate Action Plan.*

Desired outcome for presenter

*Feedback and Questions that the EAC have on the Climate Action Plan.*

Impact of presented material to the city's economy:

[Rate from 0 to 10 where 0 means no relevance]

Rank of 7

Comments:

- *Many of the recommendations will require some type of financial support to be effective.*
- *Many of the recommendations result in savings, mostly through efficiencies.*
- *It has significant potential positive effects for the long-term economy. The ideas discussed also have some potential costs to the city, citizens, and businesses. The EAC has identified some possible risks for businesses that at least need to be carefully managed and or marketed.*
- *The EAC feels fairly strongly that there is strong potential for the plan to interact positively with the City's current long-term economic vision.*
- *The EAC noted that there are risks that need to be assessed and managed for some of the potential items relative to impact to local business.*

What area(s) of the economy are impacted by the presenting organization?

[rate impact from 0 to 10]

Primary Employment ...

7 - new costs may effect current and future employers

Local economic generation ...

*Econ Commission ..2*

*(12)*



- 7 – has potential to create new jobs and industry
- Lower Income assistance ...
- 8 – offers assistance to low income
- High-technology generation ...
- 8 – support Clean Energy Cluster and CSU developments.
- Cluster activity
- 9 - Clean Energy
- Other Electric Supply Policy/Air Quality ...
- 9

Comments:

- *Depending upon the recommendations that the Council chooses to move forward with will effect how much this plan will affect positively/negatively on the local economy.*

Is there a quantifiable or potential Return-on-Investment for the City and if so explain?  
*Yes, through efficiencies, possible natural gas franchise fee. Cost of doing nothing, knowing that a Federal level cap & trade system is likely in the future.*

Are there any issues that the EAC feels should be addressed by the presenter, or are there any additional documents or data that the EAC requests from the presenter?  
*How does it support local business and economy? What will this cost local business? Who oversees the process? How does City market the benefits? Who saves and who benefits?*

Econ Commission-3

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**Fort Collins Utilities Electric Board Minutes  
Wednesday, October 15, 2008**

**Electric Board Chairperson**

John Morris, 377-8221

**Electric Board Vice Chairperson**

Dan Bihn, 218-1962

**City Council Liaison**

Wade Troxell, 219-8940

**Staff Liaison**

Robin Pierce, 221-6702

**Roll Call**

*Board Present*

Chairperson John Morris, Vice Chairperson Dan Bihn, Board Members Tom Barnish and Steve Wolley

*Board Absent*

Board Members John Graham, John Harris and Jeff Lebesch

*Staff Present*

Brian Janonis, Steve Catanach, Tom Rock, Kraig Bader, John Phelan, Patty Bigner, Bob Hover, Lucinda Smith, Robin Pierce and Meagan Peil

*Guests*

Rick Coen, Bevan Noack, Eric Sutherland and Stephen Yurash

**Meeting Convened**

Chairperson John Morris called the meeting to order at 5:33 p.m.

**Approval of September 17, 2008. Minutes**

Vice Chairperson Bihn motioned to approve the minutes from the September 17, 2008, meeting. Board Member Wolley seconded the motion, and it passed unanimously.

**Public Comment**

Eric Sutherland requested the Board give consideration to the importance of providing City Council with financial framework and planning data for approval items. Mr. Sutherland cited two recent examples of such items, the draft Energy Policy and 2009 rate increase request.

**Climate Action Plan Update**

Senior Environmental Planner Lucinda Smith provided an update on the development of the Climate Action Plan. It will be brought to Council at the October 28 work session.

The Climate Task Force recommended 16 short-term strategies, and the draft Climate Action Plan retains most of the strategies. It also incorporates concepts from the draft Energy Policy, such as advanced metering infrastructure. The goal to achieve 15% renewable energy by 2011 was removed from the Plan in response to input from various Boards for more emphasis on carbon reduction and energy efficiency, and the focus has changed from the 2012 to the 2020 goal. The Plan will achieve 268,000-378,000 tons/year reduction in 2012, 1.2 million tons/year in 2020 and complies with the State's Renewable Portfolio Standard.

Council expressed interest in focusing more efforts on green building. Support continues for pursuing "above (building) code" initiatives and assessing the Time of Sale Energy Conservation Ordinance. The green building roadmap requires green building as a prerequisite in order for projects to receive public financing.

The Plan supports the local economy through growth of the existing Climate Wise Program. It aligns with the Governor's Energy Office (GEO) on the Colorado Carbon Fund in lieu of a local carbon offset program. The GEO program will enable the reinvestment of some offset revenues to return to our community and be used to implement projects. Diversifying energy supply, and reducing vulnerability to energy price increases and volatility were noted as other important Plan benefits.

Monitoring and reporting will occur annually through emissions inventory and biennially through budget cycle reviews with planned milestones. The Plan provides a framework for moving forward on climate protection activities, while providing flexibility for Council to make decisions at incremental points and determine implementation priorities within the context of evolving City budget and policy priorities, carbon markets and technology opportunities.

Public outreach will be conducted through November, including a public open house on November 12. Council considers adoption of the Climate Action Plan on December 2.

*Questions from the Board:*

*Where would progress be by 2012 without the proposed rate increases?*

The Plan does not contain this information, but if Council adopts the new Energy Policy, it would be followed by the development of an implementation plan which would contain estimated results of different rate options. Utilities staff expects to have an implementation plan ready for Council to study in the January to February, 2009, time frame. Council will be asked to pass a resolution approving the intent and general direction rather than an ordinance to adopt the Plan. There is no budget associated with the Plan at this time. However, some modeled costs per year are in the Plan.

*Is it unusual for both the Energy Policy and Climate Action Plan to evolve at the same time?*

It presents a challenge for the Climate Action Plan as it is preceding more detailed strategy development on many fronts. With the mid-level approach of the Plan, it affords the opportunity to fold in plans from other areas around the City and the Energy Policy when those become available.

Board Member Wolley served on the Climate Task Force and stated the task force recommendations included costs per ton and, if a specific recommendation required funding from a rate increase, estimates were provided for Council. Ms. Smith noted estimated impacts to customers will be included in the agenda item materials.

Board Member Barnish noted the positive effect lifestyle changes and education may have on the carbon emission goals. Ms. Smith noted a community climate challenge is incorporated in the Climate Action Plan. Economic conditions also provide motivation for consumers to reduce energy use.

NRAB – October 15, 2008 Minutes

**NATURAL RESOURCES ADVISORY BOARD  
MINUTES - EXCEPRT  
Regular Meeting  
October 15, 2008**

**DATE:** Wednesday, October 15, 2008  
**LOCATION:** 215 N. Mason - Conference Room 1-A  
**TIME:** 6:00pm

**For Reference:** Alan Apt, NRAB Chair 221-9875  
Ben Manvel, Council Liaison 217-1932  
John Armstrong, Staff Liaison 416-2230

**Board Members Present:** Alan Apt, Clint Skutchan, Joe Piesman, Phil Friedman, Heather Manier, Liz Pruessner, Glen Colton

**Board Members Absent:** Linda Knowlton

++++++

**Climate Action Plan Update**

Lucinda Smith and Ana Arias presented an overview of the status of the Draft Climate Action Plan and recognized that the NRAB has been closely following this process. The Draft Plan will be presented to Council October 28, 2008.

+++++

*NRAB comments below were extracted from the minutes text that summarized the presentation content.*

- Phil Friedman stated the IRS is considering a \$7500 tax incentive for plug-in hybrid cars when they are available.
- In answer to a question from Alan Apt, Lucinda stated the City looks at alternative and high fuel efficiency vehicles for every vehicle purchase.
- Alan Apt stated he would rather see subsidizing insulating low income homes than for hybrid vehicles. It's important for incentives to be transparent. We should support the low income people first.
- In answer to a question from Alan Apt, Lucinda stated it is critical that the plan have periodic reporting and re-evaluation and this plan needs to evolve as circumstances evolve.
- In answer to a question from Joe Piesman, Lucinda stated Fort Collins' reduction is currently at approximately 6%.
- Joe Piesman mentioned the nature of the low bid structure does not promote building great buildings. Lucinda stated that a mandate for state agencies requires them to consider environmentally referable products and to not necessarily or automatically go with the lowest bid.
- Clint Skutchan stressed people need to arrive at decisions themselves and not be forced to accept becoming sustainable and practical. Lucinda stated the Plan has both voluntary and regulatory approaches.
- Glen Colton felt conservation makes sense, but suggested keeping everyone involved, even those who are already doing a lot – be sure to offer them programs and options too.

(NRAB-1)

(16)

## EXHIBIT EE

- Clint suggested the Plan needs to have a funding stream identified and the City should have a strategy on how offsets will be purchased and define that early on.
- Alan questioned why we are looking outside the community instead of subsidizing local businesses such as Climate Wise partners. Focus on Fort Collins first. Then spend money elsewhere.
- Glen Colton suggested the community needs to decide if it wants to pay higher electric rates to help meet these goals, plus reduce usage to reduce bills.
- Alan suggested better insulated homes or smart meters would help avoid volatility of electric rates.
- Some felt a pilot program for smart meters soon would be a good way to start.
- Lucinda stated any electric rate change is also an opportunity for other funding mechanisms. For example, Boulder is considering a ballot initiative for creative ways to fund energy efficiency.
- Rosemarie Russo stated the Governor's Committee wants to come to Fort Collins to talk to Utilities and may want to partner with us. If so, there may be some money available there.

### Questions and discussion

- Lucinda stated the Council will be discussing the draft plan in their October 28, work session. She has been asked to work on costs/benefits as it relates to a household in dollars per year but that information is not included in the Draft Plan. It is to give Council a better sense of the impact on the community.
- Clint thanked Lucinda for taking notes when board members had suggestions.
- Liz Pruessner commented she liked the way it's evolving, especially tying things together to do big things in as coordinated way as possible. It's also very challenging and exciting.
- In answer to a question by Heather Manier regarding how you know when carbon is reduced, Lucinda stated that carbon dioxide concentrations are measured in the air. It is calculated by creating a carbon inventory, based on things like electricity use, fuel consumed and trash generated
- Alan Apt applauded the Draft Plan and asked if Lucinda wanted a recommendation from the Natural Resources Advisory Board. After discussion, the NRAB agreed to wait until after the October 28, Council work session. Lucinda will convey the NRAB discussion points to Council so they know what the board is thinking.
- Joe Piesman suggested Council keep in mind how quickly the U.S. economy and energy prices are changing and suggested Council focus on the long term, keep focused on reducing our carbon footprint and that be aware that actual budget initiatives will make this Plan a reality.
- Glen Colton questioned whether Fort Collins should do things based on population growth.
- Lucinda pointed out that the 1% reduction in electricity usage may not be a true reduction because the population is still growing – The goals are not based on per capita. Actually, there is an effort to develop a statewide network of communities working on climate. Sometimes things can be done more effectively if regional. Transportation might be one. Larimer County is already moving in this direction.
- Glen Colton stated people need to realize when Governor Ritter sets a goal they should take into consideration the population could triple.

(NRAB-2)

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**MEMORANDUM  
FROM THE CITY OF FORT COLLINS  
NATURAL RESOURCES ADVISORY BOARD**

**Date:** November 19, 2008  
**To:** Mayor and Council Members  
**From:** Alan Apt on behalf of the Natural Resources Advisory Board  
**Subject:** Draft Climate Action Plan recommendations

The Natural Resources Advisory Board recommends City Council adopt the Draft 2008 Climate Action Plan, including addendum to meet the 2012 intent and 2020 goal. Priority items for NRAB, include:

- Expanding the Climate Wise program
- Banning cardboard from community waste stream
- Energy efficiency
- Smart grid and smart meters
- Upgrading residential building codes
- Community Climate Challenge
- Implementing customer-based renewable energy solutions by 2012
- Embedding commercial recycling fee in trash rates by 2012

Before purchasing carbon offsets, consider accelerating all priority items.

NRAB voted 5-1 in favor of this resolution.

Please feel free to contact me regarding the NRAB's recommendation on this issue.

Respectfully Submitted,

Alan Apt, Chair  
Natural Resources Advisory Board

cc: Darin Atteberry, City Manager  
John Armstrong, Staff Liaison

NRAB memo

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**Transportation Board**  
Gary Thomas, Chair

October 27, 2008

To: Mayor Hutchinson and Members of City Council  
From: Transportation Board  
RE: Climate Action Plan

On Wednesday, October 15, 2008, the Transportation Board heard a presentation by Lucinda Smith of the Fort Collins City Natural Resources Staff regarding the Climate Action Plan. At this time, the plan is still in the development process so the Transportation Board's recommendation is based on the current version.

In reviewing the elements of the Climate Action Plan that speak to transportation issues, the Board finds that all are consistent with our overall mission and goals and by unanimous vote of members present we recommend their adoption.

The Board is very appreciative of the effort that has gone into this plan. We note that one of our members, Garry Steen, served on the Climate Task Force and kept the Board apprised of the work.

Although not currently referenced in the Climate Action Plan, a comment was noted that maintaining the road infrastructure, in particular keeping up with pavement management was another way to contribute to better air quality: Potholes are an impediment to mode shifts away from automobiles and major street reconstruction involves more fuel consumption and carbon releases than timely smaller repairs.

I would be pleased to further discuss this recommendation at your convenience.

Sincerely yours,

Gary D. Thomas

Transportation Board  
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## Colorado Carbon Fund

### *What is the Colorado Carbon Fund?*

The Colorado Carbon Fund (CCF) is a voluntary program designed to provide high quality carbon offsets to consumers to support new energy efficiency and renewable energy projects in Colorado. The donations are tax-deductible and offsets are retired on behalf of consumers. Carbon offsets projects will support the economy and climate goals.

The Colorado Carbon Fund is different from other offset programs because:

- Donations to CO Carbon Fund are tax-deductible
- Carbon offsets support Colorado projects
- Supports local clean energy and climate goals
- Provides funds for local re-investment in small community clean energy projects
- Provides funds for local community groups for educational outreach

One of the distinguishing elements of the CCF is that it provides “verifiable” offsets for individuals, businesses and government agencies. Some other carbon programs do not offer “verifiable” offsets which makes them less attractive to businesses. Any entity that anticipates having its carbon emissions regulated in the future may prefer to acquire “verifiable” offsets.

The Governor’s Energy Office has partnered with the Climate Trust, a national non-profit, to administer the program. CCF covers all administrative and marketing costs including:

- Partnering with an established 501 ( c ) 3 non-profit to retire credits on behalf of consumers
- carbon footprint calculators for individuals, businesses and events, developed specifically for Colorado,
- ColoradoCarbonFund.org website - including promotion of local community partners, programs and services,
- credit card/check processing,
- fiscal management of donations received,
- verification/certification and offset project management,
- customer service,
- marketing materials, and
- paid advertisements in local media outlets, such as radio and newspaper.

As a partner to the CCF, the City of Fort Collins would be eligible for local re-investment funds, anticipated to range from 10 – 40% of our community investment in offsets. These funds can be used to support new or existing clean energy projects and educational outreach activities. CCF community partners will have the responsibility and authority to choose which local projects receive funding. Educational outreach will be critical to the success of the Climate Action Plan.

Other communities that have expressed interest in supporting the CCF include Aspen, Boulder, Denver, Durango, Steamboat Springs, Telluride and Vail. The CCF has raised over \$70,000 from interested individuals and business owners since launching the program in August 2008.

The CCF will broaden the base of people addressing climate change because it allows citizens to:

- Measure their emissions from energy use and travel;
- Reduce their emissions through energy efficiency and renewable energy; and
- Offset unavoidable emissions through the CCF.

### ***Benefits of Participating in A State Carbon Offset Program***

Significant capital and other resources are needed to start and maintain a high quality carbon offset program. Activities range from developing protocols for certifiable offsets, hiring a third party to verify offset programs, arranging for all the financial transactions and providing sound fiscal management of all donations received, and marketing and outreach. The state has invested significant resources into development of the CCF. If Fort Collins were to develop its own carbon offset program, significant resources would need to be identified to do these same tasks. There are very few municipally-managed carbon offsets programs in the county. Aspen has the Canary Tags program and Austin, TX is still in the process of developing their own program.

By partnering with the CCF, Fort Collins will be able to promote consumer participation in a program that is up and running now. Over time, Fort Collins will gain experience with developing and implementing local carbon-reduction projects funded through the re-investment piece, and may be able to expand a local program.

### ***What is a “Carbon Offset”?***

Actions such as driving, flying, and heating buildings directly emit carbon dioxide. Carbon offsets counteract these activities by investing in projects that reduce emission at another source to compensate for these direct emissions. Carbon offsets help to fund projects that reduce the amount of carbon dioxide in the atmosphere. Offsets should be sought after efforts to reduce emission right at their source have been implemented.

Quality control is an important issue for carbon offsets. In order to be sure the offset is providing a true benefit to the environment, every offset project must be held to the highest quality standards.

High quality offset projects:

Provide new or additional benefits: A high quality offset project is one that would not have happened without the specific funding provided by the purchase of carbon offsets.

Are rigorously measured and verified: The benefits of the offset project must be measured and verified by an independent third party over the entire length of the project.

Have lasting benefits: The effects of the offset project must be long-lasting, not temporary.