**Summary of Proposed 2021 Colorado Energy Efficiency and Electrification Legislation**

**For EEBC Policy Action Committee [PAC] Members**

**CHAMPION THE BILLS**

**Commercial Building Benchmarking and Performance Standards**

This bill requires most commercial, multifamily, and public buildings greater than 50,000 sq ft to measure and report their energy use annually through ENERGY STAR Portfolio Manager, and then makes that data public in an online resource similar to [www.energizedenver.org](http://www.energizedenver.org) so that the market can recognize, reward, and drive efficient, high-performing properties. Then, it requires lower-performing buildings to demonstrate performance upgrades every five years. Options for meeting the initial performance standards include reaching an ENERGY STAR score of 75 or higher, improving their ENERGY STAR score by 15 points, reaching a sector-specific target EUI, reducing EUI by 15%, or others. There are exemptions, waivers, or time extensions for buildings that have special circumstances including affordable housing, historical buildings, condos, or financial hardship situations (including COVID-related losses). After the first round of performance standards that are specified in the bill, the state’s Air Quality Control Commission will establish future performance standards.

**Beneficial Electrification in Buildings (BEB)**

This bill facilitates Xcel Energy and Black Hills Energy helping their customers acquire high efficiency heat pumps, heat pump water heaters and other electrification measures. The bill directs the PUC to set electrification targets for utility BEB programs, followed by the utilities developing plans to meet the electrification targets. The PUC will approve a utility’s BEB plan if it reduces net greenhouse gas emissions and is cost-effective including valuation of avoided carbon dioxide and other greenhouse gas emissions. A utility’s BEB plan must include one or more programs targeted to low-income households. Utility BEB programs are expected to include incentives, education and training and other activities to increase the adoption of high efficiency heat pumps and other electrification measures. Utilities will report annually on the impacts of their BEB programs. The bill also encourages, but does not require, non-regulated electric utilities to implement BEB programs for their customers.

**Natural Gas DSM**

This bill revises some of the basic policies guiding gas utility energy efficiency programs in Colorado. It directs the PUC to set energy savings targets for gas utility program based on the maximum cost-effective and achievable energy savings potential. It reforms the cost effectiveness analysis of gas energy efficiency programs by requiring valuation of avoided carbon dioxide and other greenhouse gas emissions. And it calls for use of a relatively low social discount rate for determining lifecycle costs and benefits of energy efficiency investments made by consumers. The objective of these policies is to expand energy efficiency programs implemented by gas utilities.

* **Howard Geller and Christine Brinker**

**Southwest Energy Efficiency Project [SWEEP]**

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