

Climate Protection Fund

Background Information

Climate Protection Fund

On November 3, 2020, the people of the City and County of Denver voted in favor of Ballot Initiative 2A, raising the local sales and use tax by 0.25% to create the [Climate Protection Fund](#) (CPF). The CPF, which is expected to raise up to \$40M per year, is dedicated to eliminating greenhouse gas emissions and air pollution, supporting climate adaptation, and creating new jobs to improve the lives of Denverites, with efforts focused on the communities most harmed by climate change: low-income households, communities of color and Indigenous people, babies, children, pregnant women, the elderly, people with disabilities, and people with chronic health conditions. The CPF is managed by the Office of Climate Action, Sustainability & Resiliency (CASR).

Allowable Uses

The Climate Protection Fund was created by [City Council Bill 20-6084](#), and lists six categories of allowable uses, as follows:

- Job creation through local workforce training and new careers for under-resourced individuals in clean energy technology and management of natural resources.
- Increased investments in solar power, battery storage, and other renewable energy technology.
- Neighborhood-based environmental and climate justice programs.
- Adaptation and resiliency programs that help vulnerable communities prepare for a changing climate.
- Programs and services that provide affordable, clean, safe and reliable transportation choices, like walking, biking, transit, electric vehicles, and neighborhood-scale transit.
- Upgrade the energy efficiency of homes, offices and industry to reduce their carbon footprint, utility bills, and indoor air pollution.

Questions & Answers

**These questions were collected during an online Climate Protection Fund (CPF) Info Session hosted by the Office of Climate Action, Sustainability & Resiliency (CASR) in April 2021. The Info Session was open to the public and tailored to non-profits and community-based organizations. Questions were submitted by participants via the chat.*

Common Acronyms

- CASR = Office of Climate Action, Sustainability & Resiliency
- CPF = Climate Protection Fund
- SAC = Sustainability Advisory Council

General

What are the largest sources of greenhouse gas (GHG) emissions in Denver?

You can find Denver's annual [Greenhouse Gas Inventory](#) data on our website. Buildings and homes generate just over 60% of emissions in Denver, and transportation accounts for 30%.

What advice would you give to other municipalities who want to pursue an excise tax instead of a sales tax and how could we navigate that with Xcel?

The Climate Action Task Force devoted a significant amount of time and study to potential sources of revenue. Please review the revenue section in their final [Recommendations Report](#) for more information about the excise tax. We would recommend a resident-led, staff-informed collaborative decision-making process to make that determination for your municipality.

How do you foresee coordinating local projects and programs with initiatives at the utility, state, or national level?

We are keeping a close and hopeful eye on the federal government's plans to infuse new dollars into energy efficiency, electric vehicles, and workforce development, and it is our hope that CPF dollars can amplify any federal funding in these areas. With regard to Xcel Energy, it is possible that the CPF's energy and renewables-focused funding areas will compliment Xcel's programs, but those details are still in development.

Funding & Contracting

CASR's Bidding Opportunities can be found here:

<https://www.denvergov.org/Government/Departments/Climate-Action-Sustainability-Resiliency/About/Bidding-Opportunities>

Can the Climate Protection Fund support City-led projects?

Yes, the Climate Protection Fund can support City-led projects. However, dollars in the Climate Protection Fund can't be used to "supplant" other dollars that have already been budgeted, such as money from the City's General Fund.

Can the fund provide grants for electrification or infrastructure investments for nonprofits or businesses?

Yes and no. Yes, the Climate Protection Fund can fund electrification and infrastructure investments for properties owned by non-profits and private businesses, however, funding cannot be provided in the form of a grant. Agreements between CASR and the entity receiving the funding will be in the form of a contract for service, which is not the same as a grant.

How will decisions about Climate Protection Fund spending be made?

The ordinance which created the Climate Protection Fund authorizes the CASR Executive Director to make funding decisions. As such, and because the funding will be provided through a contract in exchange for a service, CASR staff will make the decisions on which proposals to fund. However, the [Sustainability Advisory Council](#) (SAC) and other stakeholders will advise CASR on the types of projects that should be funded, and the criteria with which proposals should be evaluated.

Ordinance language dictates that the fund “should, over the long term, endeavor to invest fifty percent (50%) of the dedicated funds directly in the community with a strong lens toward equity, race, and social justice.” Please define what this means and provide some examples.

Projects that can be counted as contributing to the 50% equity-focused minimum are those that are physically located in communities that are low-income, under-resourced, and/or majority people of color, and projects or programs that provide opportunities specifically for those groups. Other priority communities may include people living with chronic respiratory conditions, people experiencing homelessness, seniors, and children. Project and program examples could include energy efficiency projects in affordable housing, job training opportunities on solar panel projects located anywhere in the city, and community-based environmental justice programs that focus on youth.

Can the fund offer down payment assistance? Could a portion of the funds be used as a local cost-share for grant applications with federal grant programs?

All contract types and payment options are on the table for further exploration.

What is the process by which an organization applies for funding?

CASR will issue Requests for Proposals (RFPs), we hope to begin by mid-summer. Organizations will reply to these RFPs, the proposals will be evaluated by CASR staff, and selected for funding. CASR will host non-mandatory pre-bid meetings for each RFP so that organizations can learn about the specific requests for each one.

Where can we go to see the list of funding opportunities already available so that we can have a full understanding of what is in and out of scope?

CASR has not yet issued any RFPs for the Climate Protection Fund. As we refine the allowable uses and the evaluation criteria for each, we will post to our website examples that clarify the activities that can and cannot be funded.

Impacts & Project Ideas

Will the city be conducting and/or consulting research to evaluate which projects have the largest impact(s)?

Yes. In some cases, like solar, it is relatively easy to calculate the GHG reduction. In other cases, modeling or direct measurement may be needed. Additionally, doing research scans on high-impact practices will help us scope projects.

Will you pursue additional funding ideas, such as the fees proposed in the Climate Action Task Force Recommendations Report?

The city is not pursuing additional fees at this time. In the short term, it is important to focus on the economic recovery from the pandemic, and there is not broad-based support from stakeholders or City Council to increase fees while this is in process, regardless of the value of the proposed uses of the

revenue. Infrastructure investments can also be made using federal recovery act dollars, which are likely to have a strong emphasis on climate. Denver is getting ready for these large-scale federal funding opportunities.

Can salaries or labor expenses go to residents of an area that might want to participate as a neighborhood project? If not, what is a qualified labor expense?

Yes, labor expenses for all type of projects and programs will be allowed. Specific details or restrictions will be outlined in every RFP.

Can any of these funds be used for programs that would make recycling easier?

The GHG and equity impacts would have to be analyzed and compared to other projects to determine if they are high-impact enough to qualify.

Is CASR already planning anything for expanding the Sustainable Neighborhood program, or something similar with faith communities, schools, or other communities?

This year CASR will be taking a hard look at the [Sustainable Neighborhoods program](#) to understand who is involved, who are we serving, and how can we build out the program to provide more opportunities, help incentivize participation, and provide additional resources. We want to build upon the momentum that is already there and expand the program equitably throughout the city.

How will CASR ensure that this funding will reach and support historically under-represented and under-resourced communities?

This RFP process will require us to be diligent in our outreach and relationship building in those communities that have not had equitable access to resources. We will have work to do to build trust with those communities, listen to their needs, work creatively and in partnership to find the overlap in their needs and our work so that we are sure to craft RFPs that would serve them. We have to make sure that groups that could serve them through the RFPs also have equitable access to the RFP process itself. We will have to try first and iterate to improve.

Renewables & Energy

What is a Renewable Energy District?

A “district energy system” considers innovative approaches to integrate thermal or other types of energy. A prime example of this is the district energy system that is being implemented at the [National Western Center](#). The National Western Center is developing the largest sewer-heat recovery system in North America by sourcing nearly 90 percent of its heating and cooling from a recycled source of thermal energy — a sewer pipeline that runs through the site — rather than burning fossil fuels. Using this system, the 250-acre campus will avoid emitting an estimated 2,600 metric tons of carbon (CO₂) per year.

In the future, other city campuses, private developments, or entire neighborhoods may be connected to better share and balance the many forms of energy available to them. This can include electricity from solar panels, battery storage systems, managed electric vehicle charging, sewer heat recovery, and more. Successful implementation of these complicated projects requires close coordination with our utility, Xcel Energy, as well as the homes and facilities that would be connected to the district energy system.

Are distributed power generation/smart grid projects too big for the Climate Protection Fund?

It depends. The City is actively pursuing opportunities to use CPF resources to maximize investments in clean energy infrastructure that benefit the community. Denver's community solar program is one example of this, with 3.6 MW-ac of projects already identified and a goal to develop 15 MW in the next few years. In some cases, the City is able to leverage additional funding from state and federal grant programs to help offset the up-front costs of the investment. Due to the relatively larger scale and increased complexity of distributed power generation and smart grid projects, such projects will generally be evaluated on a case-by-case basis and should be submitted directly to CASR for discussion.

Are you open to all renewable energy solutions instead of the usual suspects?

Denver is prioritizing the use of technically proven and economically viable renewable electricity options in pursuit of its 100RE objectives as originally stated in the 80x50 Climate Action Plan and described in its [100% Renewable Electricity Action Plan](#). However, the City is open to considering and evaluating the potential of contributions of non-renewable carbon-free technologies that demonstrate the ability to provide reliable and affordable electricity for Denver and the Colorado electric grid. The City expects that non-renewable carbon-free options will be introduced through relevant proceedings at the Colorado Public Utilities Commission (PUC). Such proceedings will allow for analysis and comparisons of carbon free electricity options by Denver, the PUC Commissioners and Staff, Xcel Energy, and other organizations. Denver may update or expand its 100RE objective to include a broader suite of resources if it is determined to be in the interest of the City's facilities, residents, and businesses.

If Xcel is committing to 85% carbon free electricity by 2030 and 100% by 2050, why do we need to install our own solar arrays? What role do these CSG's play?

Denver believes that distributed generation will complement Xcel's efforts and play a critical part of achieving an affordable, reliable, and carbon free electric system. Prioritizing the installation of local solar arrays creates jobs, helps to keep bills low for residents and businesses, and increases the resiliency of Denver's homes and facilities. Additionally, local energy resources reduce the need for investments in electricity transmission infrastructure and helps to avoid the efficiency losses that occur when transmitting electricity long distances across power lines.

Is Denver planning on making it easier for residents of historic districts to add solar?

We will be working closely with the City's Department of Planning and Development to evaluate opportunities to increase solar access for all members of the community.

- Information on Landmark Preservation guidelines for solar panels is available here: <https://www.denvergov.org/content/denvergov/en/community-planning-and-development/landmark-preservation/design-review/landmark-solar-panels.html>
- Denver's current policy for installing solar panels on a historic property is to minimize visibility from the street as well as potential impacts on the historic character of the property. The guidelines encourage locating solar panels in an unobtrusive location on the property such as an addition, garage or secondary structure. If solar panels are installed on a historic primary structure, they must be located on the rear 2/3 of the roof length, behind the front façade.
- Denver's guidelines are among the most generous for accommodating solar on historic properties in the country. The City will continue to evaluate how and whether its policies should be changed, while balancing the objectives of preserving the character of historically significant properties with its clean energy ambitions.

Transportation

What is CASR's stance on reducing transportation emissions by increasing housing density?

To achieve our climate goals, especially in transportation, multiple strategies must be implemented. CASR agrees that increasing density is a smart sustainability strategy that addresses many priorities. It is unclear what role the CPF can play on this issue, but we will keep it in mind, especially for the adaptation and resilience allowable use category.

Resource Management

Any updates on "Pay As You Throw" policy?

Pay as You Throw (PAYT) policy is still under development. PAYT is a system where compost and recycling are provided at no-cost and a fee for trash is charged based on the size of the trash cart chosen by the customer. CASR is assisting the Department of Transportation & Infrastructure with this effort, including examining affordability considerations.

While planting trees are important in terms of heat mitigation and likely carbon capture, how do we balance that with the increased need for water in a semi-arid environment that will be facing more water stress in the future? Not to mention the GHG emissions for treating the water and transport of water to where it is needed.

Future water scarcity is a concern not only for trees, but also for people, as household uses consume far more water than trees in an urban setting. This issue is under consideration as we work to refine the adaptation and resilience goals for the fund.

How is the SAC and CPF thinking about addressing water management and conservation?

Water issues will likely be examined most closely by the Resource Management committee of the SAC. The committee just had its first meeting in April and its 2021 work plan has not yet been defined. As for the CPF, it is likely that projects addressing water conservation, green infrastructure, and future water scarcity will be explored in the adaptation and resilience allowable use, and possibly in the environmental justice allowable use category as well.