

## **Harnessing energy alternatives** **Colorado has opportunity to take lead on renewable energy**

*By Jared Polis And Elise Jones*  
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Colorado has a historic opportunity to become a national leader in protecting and preserving our environment. In November, voters sent a clear message that investing in clean energy sources, protecting air and water quality, and safeguarding wildlife and its habitat should be at the front and center of public policy. Both major political parties now prominently feature renewable-energy policies, and even the traditional oil and gas interests are beginning to take notice.

As our governor-elect repeatedly stressed, in addition to reducing greenhouse-gas emissions and helping address global climate change, investments in a renewable energy strategy would provide enormous economic benefits, especially for rural communities. The creation of a new energy one-stop center would be a tremendous step forward for the state and would help coordinate new clean energy initiatives, attract and facilitate investments, and overcome bureaucratic hurdles at the local, state and federal level.

### **Solar, wind, biofuels are key**

Amendment 37 made us the first state to require (via a vote of the people) its largest utilities to generate power from renewable energy sources - 10 percent by 2015. This was a reasonable target, which is expected to be met by 2008, largely due to wind power production on the eastern plains. While initially dragging its feet, Xcel has become a renewable-energy leader, and is the top purchaser of wind power in the nation. We should capitalize on this momentum by doubling the standard to 20 percent by 2015. It's an achievable goal that would give the industry something to work toward.

In addition to wind and solar power, biofuels represent a great hope for a sustainable future. Cellulose ethanol fuel, produced from plant fiber and other crops and waste materials, is cheaper than gasoline at projected prices of oil, and will help clean the air and boost rural economies. Incentives for its development should be implemented.

A progressive energy policy also includes environmentally sound fossil-fuel development, since even under the most optimistic renewable energy scenarios, traditional energy sources - oil, natural gas and coal - will provide the majority of energy for at least another 25 years (absent major technological leaps). As a result, we must employ the best new technologies for extracting and producing these fossil fuels, including cleaner coal processes.

### **Begin with energy efficiency**

For immediate results, energy efficiency is the key. Reducing power usage is the low-hanging fruit of any comprehensive path to a sustainable energy future. The Western Governors' Association recently called for a 20 percent improvement in electricity efficiency by 2020 and Colorado should adopt this goal. Several meaningful efficiency proposals merit serious consideration by the legislature, such as requiring new state buildings to meet green standards, improving building energy codes, encouraging tiered electricity pricing based on consumption, and increasing both natural gas and electricity efficiency programs.

Market-based approaches are invaluable in promoting efficiency, but the success of rebates and tax credits depend on consumers being aware of and having access to energy-efficient products.

Incentives for retailers could enhance both the supply and marketing of efficient products. The state should establish criteria for products with the highest energy efficiency impact, from light-emitting diode lights and photovoltaic power systems to low-energy "green" appliances and equipment for home weatherizing, and

give retailers rebates for purchasing them. This "first-sale rebate" (on the sale from the manufacturer to the retailer) would affect the stocking and merchandising decisions of retailers and ensure that consumers have access to the most efficient low-energy products. Increasing profit margins would cause retailers to market energy-efficient products more aggressively, and such rebates are easier to administer than consumer rebates since there are fewer retailers.

### **Expand efficiency incentives**

Expanding incentives for fuel-efficient cars is imperative as well. While federal and state tax credits for gasoline-electric hybrids are important, their impact is limited and has been largely offset by sales of trucks and sport utility vehicles. Hybrids accounted for only about 1 percent of auto sales in North America in 2005. Clean-diesel vehicles have 20 percent to 40 percent better fuel economy than those running on gasoline and their gas mileage is comparable to many hybrids. And there are many gas-efficient cars, as a result of both improved technology and their smaller size. By offering tax credits for new cars with the highest fuel efficiency, we can lower carbon dioxide emissions.

Due to population growth and booming energy development, Colorado is at a critical crossroads. Wildlife habitat is being lost to oil and gas drilling at alarming rates, and we need to protect it by codifying the industry's best management practices. We are at risk of violating federal clean-air standards by next year. The EPA has warned that our water quality is at risk because it's not being adequately monitored. Allowing the state to set its own, more-stringent-than-federal air-quality standards, and increasing funding for water-quality enforcement are critical.

As we look forward to 2007, let's seize these practical and important opportunities to protect our environment and public health.

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