

YOUR

CAP TAX DOLLARS AT WORK

THE TAX-AT-A-GLANCE

WHAT IS CAP?

Boulder's Climate Action Plan, usually referred to as the CAP, is a set of aggressive, city-funded programs, services and focus areas aimed at reducing local greenhouse gas emissions. Boulder City Council passed a resolution in 2002, encouraging our community to reduce its greenhouse gas emissions to the target established by the Kyoto Protocol. In 2006, City of Boulder voters became the first in the country to pass a tax (the CAP tax) to reduce greenhouse gas emissions and address the impact of human activity on climate change.

HOW HAS THE CAP TAX SUPPORTED THE CAP?

Since it was passed, the CAP tax has provided between \$600,000 and \$1.8 million a year to fund energy efficiency and conservation programs for Boulder homes and businesses. In November 2012, voters will determine whether or not to extend the tax, which expires in March 2013.

The CAP tax funds a majority of Boulder's greenhouse gas reduction efforts, including significant energy and transportation initiatives. Since more than 97 percent of our GHG emissions can be attributed to energy and transportation, the CAP tax helps address these major areas for improvement, as

well as waste reduction and urban forestry. There are currently six program focus areas that address our community's greenhouse gas reduction goals:

**REDUCE USE
BUILD BETTER
RAMP UP RENEWABLES
TRAVEL WISE
WASTE NOT
GROW GREEN**

HOW MUCH DO I PAY FOR THE CAP TAX?

The average residential account pays approximately **\$21/year** towards the CAP tax. However, since the CAP tax is based on carbon consumption, payment depends on how much electricity each customer uses. The table below indicates the tax rate and average annual CAP tax per sector:

RESIDENTIAL

Tax Rate: \$0.0049/kWh
Average Annual Tax: \$21

COMMERCIAL

Tax Rate: \$0.0009/kWh
Average Annual Tax: \$94

INDUSTRIAL

Tax Rate: \$0.0003/hWh
Average Annual Tax: \$9,600

HOW HAS MY CAP TAX BEEN SPENT?

Business programs offered include:

LED Exit Sign Exchange / 2007
ClimateSmart at Work Audits / 2007-2009
Small-Building Tune-Ups / 2010
10 for Change / 2008-present
Commercial EnergySmart / 2011-present

Residential programs offered include:

Weatherization / 2007
LED holiday light exchange / 2007-2008
Efficient Lighting Coupons / 2007-2008
Multifamily Performance Program / 2007-2009
Neighborhood Sweeps / 2007-2010
Solar Thermal and Insulation rebates / 2008
CU's Energy Green Teams and Greek Sustainability Program / 2010-present
ReNew Our Schools PTO Fundraiser / 2011
Residential Energy Action Program / 2008-2010
Residential EnergySmart, including support for SmartRegs compliance / 2011-present

WHAT HAS CAP ACCOMPLISHED?

CAP-tax funded programs have (over):

Programs funded by CAP have helped stop the growth of greenhouse gas emissions in Boulder.

- ▶ Stopped the growth of greenhouse gas emissions and achieved real reductions;
- ▶ Helped thousands of residents and businesses implement energy efficiency improvements at home and work;
- ▶ Earned Boulder one of the highest rates of installed solar capacity per capita in the United States;
- ▶ Diverted over 40 percent of waste to composting and recycling facilities instead of landfills;
- ▶ Reduced vehicle miles traveled.

WHAT IF THE TAX IS NOT RENEWED?

If the CAP tax is not extended, programs that offer incentives, energy advisor services and other efficiency support will be discontinued. However, three policy initiatives will continue to some extent, with limited funding. These are considered the “base level” services, which include:

1. SmartRegs: Even without support from EnergySmart’s Energy Advisor services, or rebates to help reach compliance, the ordinance will still be administered.
2. A Commercial Energy Efficiency Ordinance that includes a benchmark and disclosure requirement, which was requested by City Council.
3. An enhanced program management function that includes data management, tracking and reporting, and an annual

planning function to ensure continuous program improvement.

To continue these priority policy initiatives without a CAP tax extension, the city would target the first-quarter revenues from the existing CAP tax (before its final expiration date of March 31, 2013) to ensure these policy priorities are accomplished for the year. During the 2014 budget process, City Council would need to decide whether to discontinue these policies; look for trade-offs through priority-based budgeting to fund these or other energy efficiency policy or program initiatives; or consider fees to achieve cost recovery for administration of SmartRegs, as well as new commercial ordinances that may be developed.