



YOUR

# CAP TAX DOLLARS AT WORK

## HOW SHOULD FUTURE MONEY BE SPENT?

In 2006, Boulder voters became the first in the country to pass a tax on their own energy use in order to raise money for programs that aim to reduce harmful greenhouse gas (GHG) emissions. Since then, the city has collected between \$600,000 and \$1.8 million a year from this Climate Action Plan tax (CAP tax). The money has been used to fund energy efficiency and conservation programs for homes and businesses. The CAP tax expires in March 2013.

As voters consider whether to extend the tax, the City of Boulder has been working with The Brendle Group, an external consultant, to determine the best strategies for how future funding should be used. The goal was to evaluate gaps in existing CAP programs and to collect ideas from community stakeholders to enhance existing and create new programs and ways to achieve the best possible results.

In short, the Brendle Group is recommending a package of CAP tax-funded programs that would help Boulder reach its GHG reduction goals. Some components of this strategy build on programs that already exist and are yielding successful participation and results, like commercial and residential EnergySmart. Other components are new, such as reserving funds for an open request-for-proposal program that would be used to encourage innovative energy and emissions saving programs each year.

Funds would also be used in a new way to motivate industrial customers to use more renewable energy—and maybe even create their own—in their production processes.

### KEY ELEMENTS OF THE RECOMMENDATION

The report recommends an extension of the existing CAP tax, plus a new and enhanced strategy that:

- ▶ Consolidates existing commercial programs and makes these the cornerstone of the community's efforts;
- ▶ Includes both voluntary and mandatory approaches for programs;
- ▶ Allocates significant funding for creative thinking and innovation around ways to address our energy needs;
- ▶ Includes renewable energy programs for residential, commercial and industrial customers.

### HOW MUCH WOULD THIS COST?

The recommended package would be funded through the \$1.8 million that would continue to be collected each year, assuming that voters renew the CAP tax. Residential electric customers would continue to pay an average of \$21 per year, while commercial customers would contribute about

\$94. Industrial customers, the largest users of electricity in the city, would pay about \$9,600 in taxes annually.

### WHY DOES THE BRENDLE GROUP THINK THIS APPROACH WILL WORK WHEN PREVIOUS EFFORTS HAVE NOT RESULTED IN THE COMMUNITY MEETING ITS GOALS? AND HOW LONG WOULD IT TAKE TO SEE RESULTS?

According to recent reports, CAP programs and services are seeing positive results, just not yet at the levels needed to meet community GHG reduction goals. The Brendle Group believes that the community can succeed in meeting its targets by continuing and enhancing the programs that work and adding new, innovative approaches that could include changing the source of our power supply.

An important part of the recommendation is the creation of a detailed tracking system to measure each program's success. This will ensure that we all know how things are going and where adjustments need to be made along the way.

New programs could begin to see positive results soon after they're implemented and the community begins using them. The new tracking system will closely follow their progress.

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## WHAT WENT INTO THIS ANALYSIS?

After receiving over 80 ideas for programs, the Brendle Group narrowed the field to 15 viable programs.

A complete list of the data used and a program evaluation matrix developed by the Brendle Group is included in the final report, which is available at [www.BoulderEnergyFuture.com](http://www.BoulderEnergyFuture.com).

In addition, the Brendle Group prioritized and optimized the 15 recommended programs using five additional criteria:

### **Efficiency:**

Getting the most for the money spent

### **Effectiveness:**

Ensuring programmatic success

### **Equity:**

Ensuring that those paying more toward the tax receive a proportionate share of the benefits

### **Externalities:**

Factors outside of the city's control like enhanced technology and regulations

### **Certainty:**

Confidence in program performance

## WHO IS THE BRENDLE GROUP?

The Brendle Group is an environmentally focused engineering consulting firm that helps people make thoughtful choices

about the resources they use. Their purpose is to apply their skills to create lasting impacts that sustain and inspire communities and the world. Their five-year mission is to identify, lead, and catalyze with clients and partners the next significant innovations in sustainability, and to share these successes with an international audience. Learn more at [www.brendlegroup.com](http://www.brendlegroup.com).

Read the complete Brendle report at [www.BoulderEnergyFuture.com](http://www.BoulderEnergyFuture.com).