

## **FCSG Statement on Proposed Funding Delay for Energy Efficiency Programs**

*Statement updated on June 24, 2016*

On June 7<sup>th</sup>, we learned that the Fort Collins Climate Action Plan (CAP) Executive Team planned to recommend against providing the additional funding needed to continue the City's business and residential energy efficiency programs through the end of 2016. This recommendation is formalized in the Agenda Item Summary for Ordinance 081, 2016, which City Council will consider at its meeting on June 21<sup>st</sup>. The Fort Collins Sustainability Group (FCSG) is firmly opposed to the ordinance in its current form, and believes that the \$1.46 Million gap in funding for the efficiency programs should be backfilled immediately.

According to the summary for Agenda Item 10 (available [here](#)), nearly half of the greenhouse gas (GHG) emissions reductions needed to meet Fort Collins' 2020 goal will come from business and residential energy efficiency programs. The summary further states that due to increased uptake, all funding for the business efficiency program has already been committed for 2016, and that funding for residential programs may run out before the end of the year as well.

The Agenda Item Summary notes that failing to fully fund both efficiency programs will "slow the implementation of increased efficiency investment for up to six months, losing immediate energy efficiency gains, creating an uncertain environment for customer and efficiency service providers with regards to business planning by pausing programs mid-year, and limiting Utilities' ability to meet customer expectations."

The justifications given for the indefinite funding delay are:

1. Staff recently determined that the Utilities Light and Power reserve fund dropped from \$18.4 Million to \$16.4 Million (which is of course much greater than the efficiency program funding gap), and
2. Unspecified "priority infrastructure needs" may result in a funding shortfall each year in the future of "up to \$10 Million."

Our response is this:

1. The "priority infrastructure needs" are evidently unrelated to the business and residential energy efficiency programs. Those needs can and should be paid for by increasing utility rates in future years. The City should make clear that those rate increases have nothing to do with CAP implementation.
2. The City of Fort Collins has garnered world-wide attention for its ambitious Climate Action Plan. Its business and residential energy efficiency programs are the linchpins to achieving its 2020 GHG emissions reduction goal, and offer significant financial benefits to business people and residents alike. Failing to fully fund these programs would send the wrong message about the City's commitment to meeting its climate goals.

We urge council to amend Ordinance 081, 2016 to include the \$1.46 Million necessary to fund business and residential energy efficiency programs through the end of the year. Solar program funding should not be used to help fill the gap, as that program is also important to meeting the 2020 emissions reduction goal. If the City is serious about meeting its climate goals, it needs to fully fund the programs required to achieve them.

June 24 update: During its meeting on June 21<sup>st</sup>, Council voted unanimously (5-0, with Gino Campana and Ray Martinez absent) to amend Ordinance 081 by devoting an additional \$1.46 Million to the City's energy efficiency programs using money from the General Fund. There will be a second reading of this ordinance on July 5<sup>th</sup>.