



**September 29, 2022**

Investing in infrastructure is an opportunity to imagine and build a better future for everyone. The influx of federal dollars from the recently-adopted Inflation Reduction Act and the Bipartisan Infrastructure Law is a once-in-a-generation chance to imagine what a better future for Colorado looks like, and then to make it real.

New federal funds have enormous potential to save residents and businesses money on energy and transportation, create new jobs, and expand prosperity – while also improving our health and protecting our climate. However, **how states and local governments choose to implement new policies will have a large effect on their overall impact.** We, a coalition of nine clean energy, energy efficiency, community health, and environmental justice groups, write to ask you to maximize the benefits of this unprecedented opportunity and to steer our region toward a better future.

Specifically, we urge you to identify, direct federal funding towards, and maximize public participation in projects and programs that will:

1. **Save people money** by reducing consumption of electricity, gas, and liquid fuel; while increasing penetration of renewable electricity and expanding access to regional electricity markets.
2. **Create green jobs and grow the workforce**, with a particular focus on training new workers for forward-looking careers, and helping workers in legacy fields – such as natural gas and petroleum supply and distribution and combustion vehicle maintenance – to transition to new economically sustainable work opportunities.
3. **Reduce climate-changing pollution** in line with Colorado's science-based greenhouse gas emission reduction targets, as set in statute as part of House Bill 19-1261.
4. **Improve public health** by investing in opportunities to cut smog and soot pollution, and by promoting active transportation options including biking and walking.

5. **Advance equity** by targeting programs and investments toward communities that have historically been left behind, or that have been disproportionately burdened with the negative impacts of legacy pollution from industry or highways; and
6. **Do no harm.** Finally, the state and local governments should avoid spending money on projects that actively increase pollution, increase or extend reliance on fossil fuels including methane gas, waste money, deepen inequities, or impede a just transition for workers – such as widening a highway through a low-income community.

Opportunities to deliver these kinds of benefits to the region and state are plentiful within the Inflation Reduction Act and the Bipartisan Infrastructure Law. For example, states and local governments can:

- ***Improve building energy efficiency to increase occupant comfort, save money, and conserve resources.*** New federal laws include a range of incentives for residential and commercial building owners to invest in building performance upgrades, with a significant portion of the funding going to lower-income households and disadvantaged communities. For example, the Colorado Energy Office will be responsible for setting up our share of the \$4.3 billion HOMES Rebate program, and for allocating new funding for worker training. Local governments can increase the value of this effort by encouraging property owners to plan and carry out building efficiency upgrades and by using new federal funds to support the adoption of modern, high-efficiency building codes.
- ***Accelerate the deployment of efficient, electric appliances to help residents and businesses lower their energy bills while also reducing pollution.*** New federal laws include a variety of incentives and programs for consumers to buy energy-efficient, electric appliances, such as heat pumps for heating and cooling buildings and to supply hot water, and induction stoves for cooking. For example, the Colorado Energy Office will be responsible for setting up our share of the \$4.5 billion High-Efficiency Electric Home Rebate Program, and for allocating new funding to train installers. Local governments can increase the value of this effort by encouraging residents and businesses to choose efficient electric appliances – and discourage inefficient combustion appliances – through marketing, policy, and/or complementary incentive programs.
- ***Electrify vehicles to save money while also protecting the climate and improving public health.*** New federal laws contain provisions that will help accelerate electrification of all types of vehicles, including light-duty passenger cars; medium- and heavy-duty trucks; and off-road equipment. State and local governments should take advantage of new incentives and funding sources to electrify their fleets, while expanding convenient networks of public and private charging stations, in partnership with electric utilities.

Local governments should also pursue funding to electrify transit and school buses, garbage trucks and other service vehicles; while also encouraging and assisting local fleets to acquire and deploy electric vehicles (EVs) using the new 30 percent tax credit for commercial EVs and charging equipment. A variety of programs can help fund this work, including existing highway funds such as the Congestion Mitigation and Air Quality and the Surface Transportation Block Grant programs, as well as new dedicated funding sources like the National Electric Vehicle Infrastructure program.

- ***Reduce the need to drive by investing in public transit, biking, and walking.*** Whether the transportation infrastructure funds in the Bipartisan Infrastructure Law will reduce – or increase – pollution is dependent on what states and local governments choose to do with the money. Leaders should prioritize projects that reduce the need to drive, increase safety and maintain a state of good repair. For example, the Georgetown Climate Center estimates that limiting investment in roadway capacity expansion – which increases driving – could cut transportation pollution by 1.6 percent over the next five years.<sup>1</sup> Because vehicle electrification alone will likely not be sufficient to reach our national, state, and local climate goals, regional planning organizations and city transportation planners should incorporate pollution and vehicle miles traveled reduction targets into their infrastructure investment plans.<sup>2</sup> Additionally, local leaders should invest in opportunities to improve access to clean transportation infrastructure and service for low-income and disproportionately impacted communities.
- ***Build compact, location-efficient cities and towns designed around mixed-use, transit-oriented development, with attention to equity and affordability.*** Residents of location-efficient neighborhoods can accomplish their daily tasks with less time, money, and pollution. Local governments can enhance the value of new investments in sustainable transportation infrastructure by promoting compact, infill development that enables more people to live close to jobs and services, with convenient access to a variety of transportation choices. Local governments with transportation-efficient land-use plans will have an edge when applying for funding from the new Rebuilding American Infrastructure with Sustainability and Equity and Safe Streets for All programs.<sup>3</sup> States and local governments can also access assistance with planning for

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<sup>1</sup> Georgetown Climate Center, *Issue Brief: Estimating the Greenhouse Gas Impact of Federal Infrastructure Investments in the IIA*, December 2021.

<sup>2</sup> For example, see the Colorado Department of Transportation's Greenhouse Gas Transportation Planning Standard at <https://www.codot.gov/programs/environmental/greenhousegas>

<sup>3</sup> Yonah Freemark, "Aligning Federal Investments in Transportation with Land-Use Planning Could Create More Equitable and Sustainable Communities," *Urban Wire*, 3 February 2022.

transit-oriented development through a pilot program at the Federal Transit Administration.<sup>4</sup>

- ***Increase the supply of clean electricity and energy storage to power our lives without pollution and improve the resiliency of the electric grid to increasing threats from climate change.*** States and local governments should ensure that utilities are incorporating the upgraded tax credits in the Inflation Reduction Act into their least-cost resource planning – because clean energy is now even cheaper. Further, state and local leaders should promote distributed energy resources such as rooftop and community solar and stationary battery storage – both residential and commercial – taking advantage of newly enhanced federal support.<sup>5</sup> In particular, communities should aim for local clean energy projects that benefit income-qualified customers, or that include storage to support [community resilience hubs](#) or help reduce curtailment of renewable energy on the grid. Opportunities are available everywhere across the region. In particular, new federal policy targets funding specifically for rural cooperative electric utilities, agricultural producers and rural small businesses for investments in clean energy and energy efficiency. State and local leaders should encourage and assist their constituents in taking advantage of these opportunities.
- ***Improve the flexibility and efficiency of the power grid to save consumers money and integrate higher levels of clean, renewable power on the grid.*** New federal laws contain a variety of funds that can help states, cities, electric utilities, and others expand demand response programs and actively manage new, flexible sources of power demand. States and local governments should work with utilities to expand demand response programs and minimize electric system costs. Further, government leaders should work with utilities and business partners to pilot new technologies, such as bi-directional EV charging, to unlock new revenue streams and magnify the benefits of new clean energy investments.
- ***Identify and invest in grid expansion to support a regional market and to transmit and distribute cheaper electricity throughout the West.*** New federal policy contains billions of dollars for upgrading our electricity system to carry more clean energy across a larger geography. States and local governments should work with utilities to invest in an electricity grid built for a clean energy future, beyond simply investing in basic

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<sup>4</sup> Federal Transit Administration, Pilot Program for Transit-Oriented Development Planning, Bipartisan Infrastructure Law Section 30009.

<sup>5</sup> For details, see: Solar Energy Industries Association, *Inflation Reduction Act: Solar Energy and Energy Storage Provisions Summary*, 24 August 2022, available at [www.seia.org/resources](http://www.seia.org/resources).

maintenance of our current system. New funds can help convene stakeholders for conversations about setting up a regional electricity market, which Advanced Energy Economy estimates would create up to 650,000 jobs and save 11 Western states as much as \$2 billion a year on electricity.<sup>6</sup> And new federal policy makes billions available for transmission upgrades to help unlock that potential.

- ***Improve industrial operations to use more clean electricity and less polluting fuels while getting more work done with less energy.*** New federal laws offer multiple pools of money for factories to upgrade their facilities and equipment, including funding for new technology demonstration projects, technical assistance, clean hydrogen production, low-carbon aviation fuel production, low-carbon cement and building material manufacturing, battery manufacturing and recycling, and carbon capture and storage. State and local leaders should work with industrial businesses to help them take advantage of new funding and expanded markets.
- ***Facilitate a Just Transition to help workers and communities successfully navigate and benefit from progress toward a clean energy future.*** New federal laws offer billions in funding targeted specifically toward communities experiencing the energy transition first-hand, such as communities that host a coal-fired power plant scheduled to close. For example, the Inflation Reduction Act offers new loan guarantees to help utilities refinance coal assets and re-invest in clean energy technologies. State and local governments should actively work to support workers facing change by facilitating the development of new, accessible economic and job training opportunities.
- ***Implement Justice40 to ensure at least 40 percent of the overall benefits from federal climate and clean energy investments go directly to disproportionately impacted communities.*** This would be similar to the set-asides of grant funding for disproportionately impacted communities in the recently passed legislation [HB22-1362](#) "Building Greenhouse Gas Emissions" and [HB22-1381](#) "Geothermal Grants Energy Grant Program." 40 percent of the state population qualifies as "disproportionately impacted," and paying special attention to these communities can ensure that people with the least resources have an opportunity to benefit from an equitable share of new federal funds.

Successfully implementing the Inflation Reduction Act and the Bipartisan Infrastructure Law will require coordination and cooperation across all levels of government. Our organizations stand ready to assist with the task at hand. We look forward to meeting with you and your staff to help identify opportunities to increase benefits, connect your staff with grant-writing assistance, support your applications for funding, or discuss your investment or synergistic policy plans. Additionally, please take a look at the resources and assistance available through the [Local](#)

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<sup>6</sup> Advanced Energy Economy, *Western RTO Economic Impact Study*, 26 July 2022; available at [www.aee.net/western-rto](http://www.aee.net/western-rto).

[Infrastructure Hub](#), including a [grant application bootcamp](#) for small- to medium-sized cities.  
([localinfrastructure.org](#))

We look forward to working with you to maximize the benefits of this unprecedented investment in the future of our region.

Sincerely,

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