



COLORADO

Gov. Jared Polis

B 2019 002

EXECUTIVE ORDER

Supporting a Transition to Zero Emission Vehicles

Pursuant to the authority vested in me by Article IV, Section 2 of the Colorado Constitution, I, Jared S. Polis, Governor of the State of Colorado, hereby issue this Executive Order supporting a transition to zero emission vehicles.

I. Background and Purpose

There are compelling reasons to make a large-scale transition toward zero emission vehicles (ZEVs), including electric vehicles, in Colorado. Transportation is a major contributor to air pollution and one of the two primary sources of ozone precursors, which combine under the influence of sunlight to create harmful ozone pollution, contributing to continuing violations of health-based federal pollution standards in much of the Front Range. Children and adults with asthma and other chronic health conditions like heart disease and lung disease are particularly sensitive to ozone pollution. Transportation is also now the nation's largest single source of climate-altering greenhouse gas emissions (and it is expected the same will soon be true in Colorado where the electricity sector is becoming cleaner while transportation emissions continue to rise).

In addition to the public health and climate benefits of ZEV adoption, the market and associated economic opportunity for electric vehicles is advancing at an accelerating rate. We want the future of transportation to be available to more Coloradans at a lower cost. While there are some sectors such as agriculture that have unique needs and a different timeline for electrification, nothing in this Executive Order will impact tractors or farming equipment. Costs continue to drop, technology continues to improve, and an increasing number of automakers are marketing and designing a wide range of vehicles that support the Colorado lifestyle. This Executive Order will empower more Coloradans to choose a cleaner future.



Colorado is in the middle of a dramatic transition to clean energy in the electricity sector. Our administration has set a goal of 100% renewable electricity by 2040. Because adding electric vehicles makes the operations of the electric grid more efficient and benefits ratepayers, we encourage electric utilities and the Public Utilities Commission to work towards implementing policy and programming to support widespread transportation electrification. For the State of Colorado, driving an electric vehicle today is already much cleaner than an internal combustion engine, and as we continue to move towards a cleaner grid, the public health and environmental benefits will grow. Indeed, our state's largest utility, Xcel Energy, has approved plans to be 55% renewable by 2026, has adopted goals of 80% greenhouse gas pollution reduction by 2030, and has set an aspirational goal to be 100% carbon free by 2050. Platte River Power Authority has set a goal of zero carbon emissions by 2030. Holy Cross Energy has set a goal of 70% emissions reduction by 2030. And cities across the state have adopted 100% renewable energy goals.

Given this dramatic shift to clean up our electricity sector, it has never been more important to focus on making progress across other sectors. Electrifying our cars, buses, trucks, and other vehicles will have enormous benefits in cleaner air, improved public health, and less greenhouse gas pollution. There will also be broad economic benefits. Consumers will save money on operations by avoiding fuel costs. Moreover, accelerating the deployment of new, clean technology will encourage industry, throughout the supply chain, to further innovate and support cutting-edge jobs for Coloradans, doing everything from manufacturing batteries to building the infrastructure that supports electrification.

In 2017, a national consulting firm studied Colorado and concluded that a large-scale transition to electric vehicles by 2050 would have cumulative net savings to Coloradans of \$43 billion:¹

- \$4.1 billion in savings would accrue to electric utility customers in the form of reduced electric bills;
- \$29.1 billion in savings would accrue directly to Colorado drivers in the form of reduced annual vehicle operating costs, including fuel and maintenance costs; and
- \$9.7 billion in savings, including health savings, would accrue to society at large as the monetized value of reduced greenhouse gas emissions.

Colorado has taken significant steps forward on the transition to electrified transportation, for both passenger cars and heavy-duty vehicles such as buses. The state

¹ See *Electric Vehicle Cost-Benefit Analysis*, April 2017:
https://mjbradley.com/sites/default/files/CO_PEV_CB_Analysis_FINAL_13apr17.pdf.

offers a \$5,000 tax credit for passenger ZEVs; partners with the private sector to build fast charging stations along Colorado's major highways; allocates a portion of Volkswagen settlement funds to support vehicle electrification; and has adopted a goal of 940,000 electric vehicles on the road by 2030. The state is also a current signatory to, and reaffirms its support for, the Regional Electric Vehicles for the West (REV West) Memorandum of Understanding, which creates a framework for collaboration in developing an Intermountain West Electric Corridor. Major cities such as Denver have also adopted ambitious electric vehicle targets in their plan to reduce emissions. The Colorado Air Quality Control Commission recently adopted Low Emission Vehicle (LEV) standards.

These steps have led Colorado to have the fifth-highest electric vehicle market share of any state in the country, with annual growth rates of over 50% per year – but there is far more to be done. In order to achieve the goals set by the state, achieve our climate targets, and reap the billions of dollars in economic benefits, we will need to accelerate transportation electrification.

II. Directives

In order to accelerate widespread electrification of cars, buses, trucks, and other vehicles, I hereby issue the following directives:

- A. I am creating a transportation electrification workgroup (the Workgroup) to develop, coordinate, and implement state programs and strategies to support widespread transportation electrification across the state. This group will be convened and managed by the Governor's Office and report to the Governor on an annual basis beginning July 1, 2019, on progress made towards the state's transportation electrification goals.
- B. The Colorado Department of Public Health and Environment (CDPHE) shall develop a rule to establish a Colorado Zero Emission Vehicle program, pursuant to Colorado's authority under section 177 of the Clean Air Act, 42 U.S.C. § 7507, and shall propose that rule to the Air Quality Control Commission no later than May 2019 for possible adoption into the Code of Colorado Regulations before October 30, 2019.
- C. CDPHE, in coordination with other members of the Workgroup, shall revise the state Beneficiary Mitigation Plan, which describes how the state will allocate nearly \$70 million received in trust funds due to the settlement of the federal Volkswagen emissions case. The revised plan will focus all remaining,

eligible investments on supporting electrification of transportation, including transit buses, school buses, and trucks. If any additional funds are received due to settlement of other similar emissions lawsuits, CDPHE shall propose that these funds be allocated to help consumers take advantage of ZEVs in Colorado.

- D. The Colorado Department of Transportation, in coordination with other members of the Workgroup and consistent with its goals, shall develop a department zero emission vehicle and clean transportation plan designed to align transportation investments and programs with strategies that support widespread deployment of ZEVs and expand mobility options in ways that save energy, reduce congestion, and improve the safety of Colorado's transportation network.

III. Membership

- A. The Workgroup shall consist of up to seventeen members appointed by and serving at the pleasure of the Governor.
- B. The Workgroup shall have a chair, to be appointed by the Governor, and who shall serve on the Workgroup until replaced by the Governor.
- C. The Workgroup may consist of the following members:
- i. Up to two representatives from the Colorado Energy Office;
 - ii. Up to two representatives from the Department of Transportation;
 - iii. Up to two representatives from the Department of Public Health and Environment;
 - iv. Up to two representatives from the Office of Economic Development and International Trade;
 - v. One representative from the Department of Revenue;
 - vi. One representative from the Department of Personnel and Administration;
 - vii. One representative from the Department of Regulatory Agencies;

- viii. One representative from the Department of Labor and Employment;
- ix. One representative from the Department of Agriculture;
- x. One representative from the Department of Public Safety;
- xi. One representative from the Department of Local Affairs;
- xii. One representative from the Public Utilities Commission;
- xiii. One representative from the Regional Air Quality Council.

IV. Duration

This Executive Order shall remain in effect until modified or rescinded by future Executive Order of the Governor.



GIVEN under my hand and
Executive Seal of the State of
Colorado this seventeenth day of
January, 2019.

A handwritten signature in black ink that reads "Jared Polis". The signature is fluid and cursive, with the first name "Jared" and last name "Polis" clearly distinguishable.

Jared S. Polis
Governor