



**CLEAN TRANSIT ENTERPRISE BOARD MEETING - MAY 25, 2022
SCHEDULE & AGENDA**

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| I. Welcome, Roll Call, Agenda Review (5 minutes)
<i>Matt Frommer, Chair</i> | 1:00 - 1:05 p.m. |
| II. Action Agenda (5 min)
<i>Matt Frommer, Chair</i> <ul style="list-style-type: none">• Approval of Minutes 4/12 CTE Board Meeting• Approval of Minutes 5/11 CTE 10 Year Plan Work Session | 1:05 - 1:10 p.m. |
| III. Working with Utilities on ZEV Planning (20 min)
<i>Brodie Ayers, Xcel Energy</i> | 1:10 - 1:30 p.m. |
| IV. Update on Americans for Prosperity Lawsuit (10 min)
<i>Kathy Young (COAG)</i> | 1:30 - 1:40 p.m. |
| V. FY23 CTE Budget Proposal (20 min)
<i>Kay Kelly, Chief, Innovative Mobility (CDOT)</i> | 1:40 - 2:00 p.m. |
| VI. 10 Year Plan Discussion (20 min)
<i>Kay Kelly, Chief, Innovative Mobility (CDOT)</i>
<i>Michael King, Asst Director, Electrification & Energy (CDOT)</i> | 2:00 - 2:20 p.m. |
| VII. 10 Year Plan Public Comments (20 min)
<i>Michael King, Asst Director, Electrification & Energy (CDOT)</i> | 2:20 - 2:40 p.m. |
| VIII. 10 Year Plan Finalization (10 min)
<i>Kay Kelly, Chief, Innovative Mobility (CDOT)</i>
<i>Michael King, Asst Director, Electrification & Energy (CDOT)</i> | 2:40 - 2:50 p.m. |
| IX. Future Meeting Cadence and Topics (10 min)
<i>Kay Kelly, Chief, Innovative Mobility (CDOT)</i> | 2:50 - 3:00 p.m. |
| X. Adjournment
<i>Matt Frommer, Chair</i> | |

Clean Transit Enterprise

April 12, 2022

Regular Board Meeting – Tuesday, April 12, 2022, 1:30pm – 3:30pm, Virtual via Zoom Meeting

Video Recording:

https://cdot.zoom.us/rec/play/Zb6loBobWuT45c0mu-4QYQ84Mo_VXIQTaQymua0F7vQN3RQcNTqqsL4i6-tPbQS56S4MBL7byLkm7bfv._nZDOu5ZsQ5TPtep?continueMode=true

1. Call to Order, Roll Call - Time 1:35

Board Members present: Chair Matt Frommer, Director Bonnie Trowbridge, Director Mark Garcia, Director Cris Jones, Director David Averill, Director Teresa Takushi, Director Richard Coffin.

2. Rulemaking Hearing: 2 CCR 607-1 Rules Governing the Clean Transit Enterprise Processes and Fees (Chair Frommer, Sari Weichbrodt, Kay Kelly) - Time 1:35

● Presentation on the rulemaking process and proposed rules. Steps CDOT has taken to meet the Administrative Procedures Act:

- February 22nd: the CTE board authorized CDOT to begin the rulemaking process
- February 25th: CDOT filed the proposed rules, including the hearing date, time, and registration link on the Secretary of State's website and with the Department of Regulatory Agencies (DORA) triggering notification emails to the public who have signed up on DORA's website to be notified of any transportation rulemaking
- February 25th and March 7th: CDOT staff sent outreach emails to our stakeholder group and interested parties, which consists of anyone who has notified us directly that they want to be notified of all CDOT rulemakings.
- March 4th: CDOT updated the filing on the Secretary of State's website, notified DORA of today's board meeting hearing date on zoom, and extended the period for written comments to April 7. Stakeholders and interested parties were sent updated notices by CDOT and DORA on March 7th.
- March 10th: public notice of the rules was published in the Colorado Register. Proposed rules and hearing information has been continuously published on the CDOT rules websites since February 25th.
- March 30th: updated definition of rule 2.3 published on website.
- April 8th: written comments submitted during the previous six weeks were provided to the board.

● Overview of proposed rules and updates:

- Two parts to the CTE Rule: to promulgate the rule that sets the amount of the Clean Transit retail delivery fee, and to govern the process by which the enterprise accepts applications for awards and oversees grants, loans, and rebates. The maximum retail delivery fee of three cents is reflected in the rule we are proposing.
- Section 2.0 Definitions update: the definition of DI Communities in Rule 2.3 has been changed to: "the proportion of households that identify as minority is greater than forty percent", to align with statute.
- Section 4.0 Process for Awarding and Overseeing Grants, Loans, and Rebates update: has been changed from "annual call" to "process will be part of regular calls for transit grants at CDOT".

● Testimony:

Tom Easley (Colorado Communities for Climate Action): speaking in support of the proposed rules including maximum fee collection. Regarding implementation, grants should go out as quickly as possible and we support special attention to DI communities. We would recommend fund allocation coordination between the various enterprises.

- No further public comment.
- Motion by Director Jones to adopt the proposed rules as amended, seconded by Director Coffin. Opportunity for discussion, discussion closed. Motion passes unanimously.

3. Action Agenda (Chair Frommer) - Time: 1:53

- A motion by Chair Frommer to approve the meeting minutes from the March 29, 2022 CTE board meeting. Seconded by Director Garcia. Motion passes unanimously.

4. CTE Bylaw Updates (Kathy Young) - Time: 1:54

- Summary of Bylaw changes: Added ability for the Program Administrator to sign documents on behalf of the CTE.

The Board has decided not to adopt formal resolutions. Added in a provision to create a Registry of Actions to keep clear records of the actions that the Board has taken.

- Motion to approve CTE bylaw updates as presented by Director Jones, seconded by Chair Frommer. Opportunity for discussion, discussion closed. Motion passes unanimously.

CTE 10-Year Plan (Michael King) – Time 1:58

- Focus of Clean Transit Enterprise Board & Stakeholder Conversations has been on policy and strategy questions
Section 4, Clean Transit Enterprise Funding Strategy
 - a. Funding Mechanisms (discussed March 29)
 - b. Funding Category Prioritization (discussed March 29)
 - c. Project Prioritization (discussed March 29)
 - d. Planning Requirements (discussed March 29)
 - e. Match Levels
 - f. Scrapping Requirements
 - g. Replacement Ratios
 - h. Other Policy Decisions
- Match Levels

Michael King: Many existing state and federal grant programs require matching funds, typically a 20% match by the grantee. Some programs have used a more generous match (i.e. 10% by the grantee) to make a program more attractive or accessible; other programs (typically at the federal level) have offered a less generous match (i.e. 50%) to spread limited grant dollars across more projects and ensure greater applicant commitment. Tiered match levels based on applicant need or other factors can also be established.

Director Coffin: Can you give examples of tiered match levels?

Michael King: The Multimodal Options Fund (MMOF) used a tiered match based on geographic equity considerations. Some communities have a higher level of cash on hand and, therefore, are more competitive for projects; whereas others do not, and so they had a multi variable metric to determine which communities are more financially stressed. The Department of Local Affairs and CDOT have examples of scoring tiered match levels.

Director Garcia: What is the process to change the match level in the future?

Michael King: If the 10-Year plan specifically defines the match level, a change would require an update to the 10-Year Plan. If the 10-Year Plan delegates the match level decisions to staff as part of the program design and call for projects, then small year to year adjustments would be simpler – not requiring a reopening of the 10-Year Plan.

Kay Kelly: It's up to the Board's pleasure. If we want to revisit match on a regular basis, or if we want to defer to staff. I think staff would do that in consultation with you when we present any calls for projects to the board.

Director Garcia: So, we could decide to match annually when we look at the request for projects that are going out.

Director Jones: If we are not required by legislation to include a match in the 10-year plan, my inclination is to defer to staff in the program design stage to provide us with more flexibility in the future. Match might not be appropriate for a smaller grant for a planning component, especially if a planning component is a barrier to entry to the larger pools of money for rolling stock replacement or other types of infrastructure. Larger requests, such as replacing buses, should already have money programmed to replace a diesel vehicle with a diesel vehicle. Since there are a lot of different match possibilities and levels, I don't know that we want to commit to that right now in the 10-Year Plan. We should acknowledge that staff is going to be thinking about those nuances and can bring us some proposals to consider in the future.

Director Trowbridge: I agree with Director Jones. In addition to the tiered match levels, are there program design match considerations you are seeing right now that are successful?

Michael King: I don't know of any particularly innovative approaches to match other than the tiered levels I described.

Director Takushi: I agree to keep it open. Accessibility is important and allows for more flexibility and deferring to staff.

Michael King: Should applicants be encouraged to use CTE funding as a match for other state or federal grant programs? Alternatively, would other state or federal grant programs be acceptable as a match for CTE funding?

Director Jones: Given the specific source of funding, I don't have major concerns about using these dollars as leverage for other dollars. It's not like it's double dipping because of how these dollars are being funded. As long as it fits the criteria for the types of projects we would like to see realized.

Director Averill: Regarding variable match, I feel like being able to leverage one source of funding towards another ought to be some sort of demonstrated need. There's a precedent with using CDOT's current grant funding and FASTER

programs to match FTA programs where agencies can make a good case for it. I would be open minded about that kind of thing, but I don't think it should be a free-for-all.

Chair Frommer: I agree in the early days we should be trying to cover as much of the incremental cost as possible. I think about our four project categories. For bus replacement, the match is inherent, I'm not going to cover the full cost of an electric bus. Planning or facility upgrades is such a nebulous category we might want to consider a cap, so we are not funding the construction of a giant depot that takes up a high percentage of the total fund. For EV charging infrastructure we should try leveraging utility programs as much as possible. Regarding factors used to define match level, we should be supporting equity here by helping transit agencies that are serving disproportionately impacted communities.

Director Garcia: We could set a minimum match with the caveat that an applicant could request a reduced match based on project strengths or criteria. Instead of it being totally wide open with 100% grant potential out there, consider the applicant's request to reduce match.

Michael King: I believe that there is precedent for that in the Division of Transit and Rail, that there is a mechanism for requesting match relief on certain grant programs, I would have to defer to Amber and her staff to clarify how that currently works. That might reduce the burden of developing a tiered formula up front, but rather, leaving it on a case-by-case basis. However, I do think you would want to have some clear criteria so that the applicants feel that there's a transparent process for determining if their request is approved.

- **Scraping Requirements**

Michael King: Some zero-emission vehicle grant programs (including those funded by the Volkswagen Settlement) have required grantees to scrap vehicles in exchange for new vehicle funding. The existing gasoline or diesel vehicle comes off the road permanently, rather than continuing to operate in another fleet. This can also present a barrier for agencies that are looking to expand their fleets while they are electrifying or shifting to a zero emission or low emission fuel by locking them in at the current number of vehicles that they can transition. It can also be considered wasteful, because if the vehicle that is scrapped is not at the end of its usable life, then it is being destroyed and taken off the road. Some states use a hand-me-down program, where there is still a scrapping requirement, but there is a system where the fleet that receives the new zero emission vehicle delivers the used vehicle to another fleet that can use it for the remainder of its useful life. The recipient fleet of that used vehicle scraps an older dirtier vehicle that they currently have.

Director Coffin: I like the hand-me-down program. Replacement can be a gray area regarding where the existing ICE vehicle goes. At the end of the day, we are trying to reduce emissions, which typically involves scrapping. I am supportive of looking into the hand-me-down program.

Director Averill: I am a no on scrapping in general. I don't think it makes sense for transit agencies to scrap vehicles early in their useful life. The hand-me-down option could be a heavy lift on the reporting and tracking side for staff, but it is worth exploring. I think the CTE should be flexible. The FTA "Spare Ratio" has a 20% requirement - 20% of your fleet can be tagged for spares, if you start getting 100's of used buses the FTA is going to wonder why you need more. If agencies start bumping into that spare ratio, they're going to have issues and have to get rid of buses anyway, so in a way it kind of takes care of itself. I don't know that the legislation says to replace dirty buses as much as it makes a push to get clean buses out there, I guess there's probably a debatable point there.

Chair Frommer: Can you expand on the FTA 20% requirement.

Director Averill: They have an upper limit of 20% of your fleet that can be tagged for spares. It depends on the size of the agency, there is some wiggle room, so it's not a hard line in the sand. Small agencies can get away with having 25% because they've only got six buses. If you start getting hundreds of extra buses, then the FTA is going to wonder why you need more.

Michael King: If service is expanding at the same time that the fleet is transitioning, or if the vehicles are all being used on a regular basis, would the FTA consider that a spare? Or is that more in the case of you're holding on to a vehicle that is not regularly run on a daily basis.

Director Averill: It is calculated based on your maximum roll out, how many buses do you need on your busiest day of the year.

Director Takushi: I like the hand-me-down program. I feel like it proposes a double benefit to air quality. I have heard feedback from members of the public and a disproportionately impacted community that said that they have the dirtiest vehicles in their neighborhood. That resonates with me in that you'd have a benefit to that neighborhood by getting a cleaner vehicle. I would like to understand the workload implication of that better.

Director Jones: No on scrapping, I find it to be very wasteful. A dirty polluting bus full of people is still more efficient than most modes of transportation available to us. Having ridden and seen RTD buses, well beyond their useful life, operating in developing countries, there is a whole economy in developing countries that relies on used vehicles. It is a place of

great privilege to suggest that we can take something away that is fully operational, that while it might be dirty compared to what we're trying to incentivize, it's not necessarily dirtier than what other options folks have available to them. We are not affecting the demand for diesel vehicles. By keeping used diesel buses in the market, we can reduce the demand on that economy, which could help agencies transition to clean, new vehicles.

Director Trowbridge: I don't think scrappage is the way to go, it is a burden for small agencies. Hand-me-downs might be a strain to program staff. Vehicle upfitting or repowers can take an old bus and replace the drive train, bringing up questions on how you can scrap a bus.

Michael King: The VW Settlement required destruction of the engine, hypothetically there could have been a repower, although I don't think any of those were funded.

Director Garcia: Scrapping or repurposing could be part of that match reduction option I mentioned earlier.

Chair Frommer: In the application, ask applicants to quantify the greenhouse gas reduction from their project. The criteria include the electric bus, taking diesel buses off the road, hand-me-down, or the VMT reduction from expanded service. This could also be used to reduce the match requirements.

Director Coffin: The EPA Diesel Emission Reduction Act (DERA) has scrappage requirements, it's a major barrier to getting projects done in addition to match requirements. For SB 260, does the legislation require a 1:1 replacement?

Chair Frommer: CDOT has some experience with repowering the diesel Boulder HOP bus with an electric engine. This predated the VW funds. What is the current thinking on repowering diesel buses with electric drive trains?

Michael King: Repower entails having a vehicle that has been running on one fuel, such as diesel; the engine is removed and then it's electrified or uses some other alternative fuel. A conversion occurs right off the line. For example: Lightning E-Motors in Loveland and some other companies nationwide will take delivery of a newly manufactured vehicle to do the conversion. With a repower the vehicle might be 6, 7, or 10 years old. The state is more open to conversions because the vehicle is still essentially a new vehicle. Repowering has caused some concern in terms of safety and having an older vehicle that continues operating. SB 260 does not make any distinction, it talks about electric motor vehicles that were originally powered by fossil fuels, implying conversions and repowering. We recognize that for some vehicle types, particularly cutaways and vans, there are not many OEM-produced versions that you can buy. The only avenue is a company that does a conversion, oftentimes with some explicit endorsement from the original manufacturer. The OEM has programs that certify who is allowed to do conversions, and they vouch for the quality of it.

- Replacement Ratio

Michael King: Other state and federal grant programs often require a 1:1 ratio between new vehicles being funded and old vehicles being replaced. However, early-adopter transit agencies in Colorado have sometimes found that, given range limitations, a single battery electric bus cannot always effectively replace an existing diesel or gasoline vehicle for its entire duty cycle. Some agencies will target a specific route or vehicle for electrification because it can do that 1:1, but other agencies have found that not all their services can be replicated that way. A higher replacement ratio, of 1.5:1 for example, could allow for smoother transition from an operational standpoint, since the agency would probably not have to adjust as many of its schedules. But in that case the CTE would be funding more than one vehicle per award and then, of course, there would be less funding overall to go around. In addition to other issues such as parking, charging, staffing of drivers, and maintenance personnel associated with more vehicles.

Director Averill: I would not assume a 1:1 vehicle or charger ratio. It is all going to boil down to operational considerations at the agency level.

Director Trowbridge: I agree, flexibility is key, let's allow agencies to do what's best for them and really to listen to what they need. A 1:1 charger ratio is not necessary.

Chair Frommer: There is a tendency to overbuild on charging, we are seeing that with home charging. Similarly, if I was a transit agency ordering my first electric bus, I would want to overdo it on the charging, just to make sure that I wasn't left with a partial charge in the morning. One role for this enterprise should be to offer guidance for transit agencies on the charging side, so that we're really optimizing the charging infrastructure. It's very unlikely we're going to overbuild on the charging at such a low level of EV adoption, they will use the chargers in the future.

Michael King: Installing all chargers at the same time is often more cost effective. Is the CTE willing to fund charging without specific buses in mind?

Chair Frommer: Some funding should be allowed for future proofing buildings. I am curious to hear how Charge Ahead Colorado is doing that with fast chargers. Utilities have a key role to play here. If Xcel wants to install a transformer to service a higher number of buses in the future they should be at the table, and we should leverage that opportunity with their Transportation Electrification Plan.

Michael King: The DCFC Corridor program managed by the CEO requires sites to be expandable in the future (space for more vehicles and charging units and existing wiring). A similar approach can be adopted for agencies that are in the initial stages of EV adoption and expect to expand in the future.

Director Averill: It's a balance. I'm all for conduit, just not the charging hardware. I don't think there is a common charging standard between bus manufacturers. I would hate to see infrastructure wasted.

Michael King: This recalls our discussion last month of the potential role of rebates in the CTE Program. If an agency has already upgraded their facility from a conduit, power, and design standpoint, then future charging units might be a good fit for rebates when it comes time to purchase a unit that fits their framework. They can do that with minimal additional review; it would be pre-approved in the sense that they've already completed the planning and just need to buy a charging unit and get it installed.

Director Coffin: I support allowing greater flexibility regarding vehicle replacement ratios. I am also open to a higher charger-to-vehicle ratio to account for operational considerations.

Chair Frommer: It would be helpful to create a catalog of existing EV bus chargers and hardware, and to try to answer the question of which is more efficient: cycling the buses through one 350 kW charging station or build multiple 125 kW units and plug all the vehicles in at once for four hours at a time.

Director Trowbridge: Could the enterprise require a plan to be in place, or we see how this is going to play out which allows us to keep this part flexible.

Michael King: To preemptively address many of these issues, the best practice for any transit electrification transition plan would describe the long-term vision and how this project will scale up.

- Data Reporting Requirement

Michael King: SB21-260 requires the CTE to establish a Public Accountability Dashboard to track projects funded through its programs. It does not explicitly define what data points must be collected and shared via the Dashboard beyond overall expenditures, funding status, and project completion updates. CDOT's Division of Transit & Rail also requires transit agencies to report annual usage data (mileage, condition of vehicle, age of vehicle) for vehicles funded with state or federal grants.

Director Garcia: I like Teresa's comment in the chat about quantifying greenhouse gas measures. That type of requirement would help in this reporting also. Maybe we put it back on the project or applicant to provide that information for us, which then can be uploaded to a dashboard or something to that effect.

Director Takushi: Having the applicant look at the transit emissions dashboard would help integrate these metrics in reporting standards.

Chair Frommer: Transparency, letting the public know how this enterprise is benefiting them, is important. Report GHG emissions and local pollution, especially in the non-attainment area. I want to be careful not to be too onerous on transit agencies and hopefully use as much of the data they are already reporting to the National Transit Database and FTA as possible. We should collect data to inform program design (charging ratios, how is the program working) going forward.

David Averill: Way better to ask for this at the beginning of the program rather than come back later and say we should have been asking for this three years ago.

Michael King: Is there type of data that should be excluded from data collection? (no comments)

Chair Frommer: How do we measure the equity implications of this enterprise? How do we quantify the air quality benefits or ridership for DI communities? Maybe this is a question we pose to the Environmental Justice (EJ) Taskforce at CDPHE.

Michael King: We can investigate this question with the EJ Task Force and with the EV Equity Study from the CEO. We are hoping to have some new tools near the end of this month to support a data driven process.

- Upcoming Stakeholder Engagement Opportunities will be shared with the board on an ongoing basis. This schedule will be sent out to the board.
 - April 20, 2022 - CEVC Transit Subgroup Meeting
 - May 5, 2022 - Transit Monthly Meeting
 - May 13, 2022 - Transit & Rail Advisory Committee (TRAC) Meeting
 - May 18, 2022 - CEVC Transit Subgroup Meeting
 - May 23-27, 2022 - CASTA Spring Conference
 - May 25, 2022 - Clean Transit Enterprise Board Meeting
 - June 1, 2022 - 10-Year Plan Completion Deadline

Director Garcia: have we given enough feedback on the 10-Year Plan topics to move forward?

Michael King: From my perspective, I think that we've heard some consensus on some questions and a general sense of leaving it flexible on others. Between now and the next meeting on May 25th we will develop a draft of the 10-Year Plan that addresses the topics that we've discussed here and the feedback we've gotten from stakeholders for the board's consideration and review. Yes, we have a good amount of feedback, and can schedule an ad hoc meeting, if necessary to discuss this further.

Kay Kelly: We could have an interim check-in early to mid-May for the board to provide any additional input on the 10-Year Plan and hear the consensus of comments that we got from stakeholders.

Chair Frommer: I'd be happy to set up an ad hoc meeting. It seems like we just have a lot to get through. If you can relay the feedback you're hearing from stakeholders on our key questions when you're ready it'd be great to have that information in advance.

Additional Comment on Rulemaking:

- **Public comment on the rulemaking – Time 1:42**

RJ Harrington (National Car Charging): From a rulemaking perspective I am not in a position to say to the board which direction you should take. I've been able to participate in the Clean Fleet Enterprise and Community Access Enterprise stakeholder engagement efforts. The one thing I keep trying to echo is the intersectionality of these three enterprises. On the ground, the challenges that entities such as national car charging run into and full transparency. I've said this in the past and made this transparent statement a little bit too late. Now I'm too late again because I didn't say it on the front end. National car charging does in fact provide electric vehicle charging infrastructure, be they buses, be they light duty, medium duty, heavy duty, etc., and so there is a chance that our organization may in fact benefit financially. I do want to make certain that, as many of these different efforts are happening, as many projects are actually being integrated on the ground, yesterday, today and tomorrow. To board member Averill's comment, having that flexibility is key, as the technology continues to evolve, and standards develop. One of the biggest mistakes Chair Frommer, that you already touched on, is over deployment. Yeah, ok, broad EV adoption is happening faster [referring to over building for charging infrastructure]. We need to be able to keep up with that. By the same token, so is the technology advancing quite rapidly and the last thing any of us want to do is invest dollars in this instance, especially those being collected through fees and then have those assets that are deployed become stranded. We know this 10-Year Plan is a 10-Year Plan. If we remain flexible, we will be able to roll with punches over the years. Most importantly these efforts should be done with as much collaboration as possible. There should be some entity as the focal point to do data sharing after awards are granted. We don't want to be onerous with data reporting requirements, but we don't want to miss anything as well.

- **CTE Lawsuit (Kathryn Young) – Time 1:47:** A lawsuit against the CTE and other enterprises was filed Friday April 8th. It has not been served yet. I will send the complaint to the board via email. Plaintiffs: Americans for Prosperity, Michael Fields, Richard Orman, and Jerry Sonnenberg. They have sued a whole host of state actors including the Governor and State Controller. The board members have not been sued, but the CTE has been sued. It's a TABOR Lawsuit and the complaint can be summarized into two buckets. First, that the creation of the enterprises violates Proposition 117, certain Enterprises must be established by a vote of the people. The other allegation is that SB21-260 violated provisions that legislation needs to be a single subject. The Legislature should have adjusted the TABOR Cap downward, instead the TABOR Cap was moved upward. Plaintiff asked for a permanent injunction to nullify the CTE and enterprises and to toss out SB 260. The Attorney General's office is putting together a defense. I expect to go into executive session to have a candid conversation with the board and explain our defense.

5. **Wrap Up and Next Step (Kay Kelly) – Time 1:52**

- Next CTE board meeting is May 25th. We will likely schedule a meeting before that to review the 10-Year Plan. We anticipated monthly meetings leading up to the 10-Year Plan publication, then plan to settle into more of a every other month or every quarter cadence. We would like the board to think about the meeting cadence for FY23 starting on July 1, 2022.

Director Jones: Will these meetings ever move to in-person, or will they remain virtual moving forward?

Kay Kelly: I think that's at the board's pleasure. We do have members from across the state. However, we have funds in our budget that would allow us to do in person meetings. If we want to establish an in-person meeting once a year, so

that we can have some face-to-face interaction, or if we want to do that more frequently, I think it's at the board's pleasure.

Chair Frommer: Is CDOT planning to do any press around the CTE?

Kay Kelly: I am also excited about the 10-Year Plan, but the communications team at CDOT has advised that project awards or new funding opportunities are more newsworthy events than plans.

Meeting Adjourned: 3:28 pm

Clean Transit Enterprise

May 11, 2022

10 Year Plan Working Session – Wednesday, May 11, 2022, 11:30 a.m. – 1:00 p.m., Virtual via Zoom Meeting

Video Recording: <https://www.youtube.com/watch?v=A7Cgg3ZdcaE>

1. Call to Order – 11:31 a.m.

- Board Members Present: Bonnie Trowbridge, Cris Jones, David Averill, Dawn Block, Kathy Young, Mark Garcia, Matt Frommer, Richard Coffin, Theresa Takushi
- Also Attending: George Hypolite, Kay Kelly, Deseri Scott, Michael King, Jana McKinny, Peter Hadley, Kay Hruska, Sari Weichbrodt

2. Purpose of Working Session

- Review the stakeholder feedback we have received to date including results from online surveys provided to the Transit Monthly, CEVC Transit Subgroup and DTR Staff.

- Receive input from the board on Funding Strategies to finalize the Clean Transit Enterprise (CTE) 10 Year Plan.

Chair Frommer: Are the projected fees for the next 10 years indexed for inflation?

Kay Kelly: Fees were projected with some inflation.

Michael King: Most of CDOT's existing grants are expressed as a percentage of the project cost and have a built-in ability to adjust for inflation.

3. Policy questions related to applying CTE resources to the business purpose of the enterprise

- Funding Mechanisms: The 10 Year Plan will include all three funding mechanisms with an emphasis on grants in the early years. Loans and rebates can be used in the future as appropriate.

Vice-Chair Averill: How are loans affected by TABOR borrowing limits?

Michael King: Additional recommendations on when and how loans are allowable will be shared with the board after June 1st.

- Funding Categories: No funding cap by category will be established in the 10 Year Plan. Planning and facility modifications will be prioritized in the early years. Charging and infrastructure and vehicle replacement will be emphasized in the latter years.

Chair Frommer: What is the ballpark cost of planning grants for Transit agencies?

Vice-Chair Averill: That depends on the size of the fleet and routes being analyzed. SMART's feasibility study/transition plan was \$47,000; it included four routes, plus fleet and identifying infrastructure needs.

Michael King: CDOT's previous 2021 planning grant was approximately \$50,000 per plan. For a larger agency \$50,000-\$100,000 would be a reasonable assumption.

Kay Kelly: There are approximately 80 transit agencies in the state. \$50K each would be around \$4 million. Over the course of the first few years it would be great to get all agencies into a transition plan. Planning could also include updates to transition plans.

Chair Frommer: How many of the 80 agencies have transition plans in place?

Michael King: Between 10 and 15 have a comprehensive plan. Early adopters might want to do a planning assessment or follow-up analysis to decide on the future direction.

Chair Frommer: I don't want to deny vehicle replacement applications for agencies with no planning documents.

Director Blynn: I agree with not having strict caps, but we should strive to have a balance of projects in each round.

Vice-Chair Averill: Can we consider a risk-based approach? If the agency does not have planning documents but does have experience or can bring in someone with expertise can there be a mechanism to allow funding?

Michael King: Should the 10 Year Plan express an expectation (rather than a prioritization) that funding for planning and facility modifications will be more requested beginning and grants for vehicles and charging will predominate at the end, but that staff would apply a risk-based application-by-application approach for making that judgment. There will not be a specific cap or requirement per funding category, but we will have a process for making application-by-application decisions that maintain the project balance. We would have time after June 1st to talk about the board's preferred way of managing that.

Chair Frommer: I agree, as long as we include that language in the 10 Year Plan. I think the risk is lower than 4 or 5 years ago. How big is the risk of failed projects?

Vice-Chair Averill: It might be a small likelihood and getting better each year. But what is the impact of a project failure? Wasted resources and political blowback.

- **Project Prioritization**: We will develop a weighted, multi factor, formula for scoring projects. Estimated emission reduction, service to disproportionately impacted (DI) communities, and agency readiness are the most heavily weighted factors. Match level, frequency of service and geographic diversity will also be considered.

Chair Frommer: Please expand on the frequency of service.

Michael King: It is more important to fund a bus that is running more frequently due to the emission reduction benefit.

Chair Frommer: Isn't that also included in the estimated emission reductions?

Michael King: I will check to see if any transit agencies identified a different logic behind including frequency of service.

Kay Kelly: I do think that is double weighting the emissions reduction criteria.

Director Jones: Are we looking at new service versus replacement? A new service might not be replacing emissions from operating vehicles - it is replacing emissions from people that are driving.

Chair Frommer: What goes into the estimated emission reduction calculation? Avoided VMT or reduced diesel emissions from a vehicle replacement?

Michael King: We can include factors for emissions reduction in the 10 Year Plan or we can keep it high level and discuss specifics in the future.

Chair Frommer: CDOT is developing some GHG calculators for projects like this. The transportation commission will be reviewing them in the next few weeks.

Director Takushi: We can keep this high level for the purpose of the 10 Year Plan. CDOT is establishing a tool for quantifying greenhouse gas (GHG) emissions from transit vehicles, factors include, but are not limited to, the type of ridership numbers and types of vehicles.

Michael King: [from the chat] Another director suggests using CMAQ emission calculations. We want to be consistent across applicants and other state and federal programs.

Director Coffin: Are scrapping requirements included in this portion of the presentation?

Michael King: Scrapping or not scrapping could be factored into the emissions reduction calculation. Whether or not scrapping is required for the grantee is included later in the presentation.

- **Applicant Planning Requirements**: CTE planning requirements should meet the standards of FTA and consider ways to encourage agencies to go above and beyond that. Allowing agencies to apply for more (federal) funding sources in addition to CTE funds.

Vice-Chair Averill: State funds could be used to match federal, Low-No and 5339 grants making our state money go even further. Every federal dime makes our state money go even further.

Director Blynn: What are the federal requirements? Do they present a barrier for smaller agencies? We should have more flexibility for agencies that will never apply for a federal grant.

Michael King: FTA requirements are a long-term fleet management plan, analysis of current and future financial resources, relevant policy and regulation impacting adoption, existing facility analysis, coordination with utility or fuel provider, and impacts on agency workforce.

Chair Frommer: Aligning the CTE requirement with the FTA makes the most sense to me.

Michael King: FTA requirement could be a minimum. Anything above and beyond would be a point in favor of the applicant.

Kay Kelly: [from chat] Both CTE representatives from transit agencies, Vice-Chair Averill (SMART) and Director Block (La Junta), indicate everything on the FTA requirements is something that agencies should already be doing and likely are not a burden.

- **Match Levels**: First level match will be defined by geographic MMOF. Waivers will need board approval.

Vice-Chair Averill: We should mimic the Multi-Modal Options Fund (MMOF). For agencies like us that have created our own Regional Transportation Authority, we tax ourselves and are an affluent community, but we are not eligible for a lower match even though we tax ourselves.

Michael King: MMOF match levels are defined by the geography of the local government, correct?

Director Garcia: MMOF percentages is a lengthy process to establish the grant limits through a subcommittee. Can we

waive match requirements in their entirety under certain conditions?

Michael King: Does MMOF have a process for addressing transit agencies that don't line up with the geography of the MMOF formula?

Director Garcia: Counties often mirror the municipalities in percentage levels.

Michael King: We could have a geographic MMOF standard match defined as the first level, there would also be an option to lower or waive the match entirely for agencies. The board would make the assessment on those cases needing a waiver.

Director Coffin: I support Director Garcia's idea. Can we provide a base percentage of funding for projects? Then applicants can receive additional funds through incentives (meeting utilization and increased ridership metrics). This would increase transit use as well as electrifying vehicles.

Michael King: VW grants were paid in two separate disbursements, allowing the agency to scrap the vehicle at a time that was convenient to them. A variable grant level based on utilization may be a contracting challenge. I would be happy to investigate that further.

Director Block: [from chat] Agree that the waiver would need board approval.

- **Scrapping Requirement:** Scrapping is not proposed as a requirement, but we will consider a hand-me-down system to encourage scrapping of the oldest vehicles and continued use of cleaner vehicles that haven't met their useful service life at the time of replacement.

No discussion

- **Replacement Ratios:** Avoid funding extra charging before vehicles arrive. A rebate-style program for additional chargers on previously funded projects to quickly expand capacity when agencies need it is possible.

No discussion

- **Data Reporting Requirements:** Data will be collected on funded projects and used to inform and improve program design. Reporting requirements will align with national transit database requirements.

No Discussion

- **Additional items from stakeholder conversations:**

- Should the 10 Year Plan include approximate early dollar or percentage ranges for project categories?

- Board members suggest keeping it open

- Should the 10 Year Plan include a reserve Level?

- Board members request a staff recommendation.

- Should there be a process or funding pool for project cost increases (without requiring full re-application)?

- Board members are open to concept, but have questions. How did we estimate the revenue forecast? Deliveries spiked during COVID, will levels maintain or increase over time?

- Should the CTE fund a staff member statewide on-call planning support?

- Board members indicate yes, for smaller agencies - but there should be a cap. Do we have the staff capacity already?

- Will the CTE provide endorsements or letters of support from transit agencies?

- Board members suggest that applicants be encouraged to go through the state DOT (letter should come from CDOT Director or DTR) rather than the CTE.

Director Garcia: Yes, to all. What is your recommendation for an appropriate reserve level? Any support we can lend to agencies meeting our mission and goals we should support.

Vice-Chair Averill: I concur. On-call planning support would be great for small agencies that don't have the capacity to manage a project in-house. Could there be a threshold related to the match requirements for project support? Letters of support might be best coming through CDOT and carry more weight coming from the CDOT Director or DTR.

Chair Frommer: Letters of support would mean more coming from the state DOT but I am open to that possibility. I would rather not put any ranges or percentages on project categories. I'd like to know how we estimated the 10-year funding forecast. Will levels maintain or increase, this will affect the funding pool? Is there a staff member in CDOT or

DTR that can provide project support?

4. Wrap Up and Next Steps

Kay Kelly: We expect the draft copy of the 10 Year Plan will be available to the board by Friday, May 20th. The final plan needs to be finished by June 1st.

Director Garcia: How are the other enterprises doing on their 10 Year Plans?

Kay Kelly: The CEO and CDPHE both engaged with contractors to write their 10 Year Plan. The reserve idea came from one of the other enterprises. For the most part, we have been pursuing the issues that have been brought to us by the CTE stakeholders.

Director Coffin: SB260 does not call out scrapping requirements specifically; but it says that grants, loans, and rebates should fund the electrification of transit as a remediation service. Most of the board was not supportive of scrapping. Director Blynn made a comment about incentivizing scrapping and how they are doing that in New Jersey. The Transit ZEV Roadmap indicates CDOT had 486 diesel and gas-powered transit vehicles that exceeded their remaining service life. In the next five years that number goes up to 884. We should talk about getting those older buses out of service.

Kay Kelly: We can follow up with you offline before June 25th.

Chari Frommer: How are we defining the scope of facility upgrades, can this be included in the application guidance? Is it just electrification or square footage of bus depots? Could we have more information on the MMOF, how does the geographic distribution work? The CTE should have tight requirements regarding RNG vehicles since there is a risk they become CNG vehicles.

Director Garcia: Are the other enterprises using MMOF for grant match?

Kay Kelly: Our next meeting is on May 25th.

Meeting Adjourned: 1:00 pm



COLORADO

Department of Transportation

Clean Transit Enterprise Board

May 25, 2022



Members of the Clean Transit Enterprise Board

For terms expiring 9/28/2024

Matt Frommer **CHAIR** (Denver): Member with an expertise in zero-emissions transportation, motor vehicle fleets or utilities

Bonnie Trowbridge (Berthoud): Member representing a public advocacy group that has transit or comprehensive transit expertise

Dawn Block (La Junta): Member representing a transportation-focused organization that services an environmental justice community

For terms expiring 9/28/2025

Mark Garcia (Pagosa Springs): Member of the Transportation Commission and have statewide transportation expertise

Cris Jones (Boulder): Member representing an urban area, having transit expertise

David Averill **CO-CHAIR** (Telluride): Member representing a rural area having transit expertise

Agency Appointments

Theresa Takushi: Colorado Department of Transportation designee

Kelly Blynn: Colorado Energy Office designee

Richard Coffin: Colorado Department of Public Health & Environment designee



AGENDA

Topic	Presenter
Welcome, Roll Call, Agenda Review (5 min)	Matt Frommer, Chair
Action Agenda (5 min) <ul style="list-style-type: none">Approval of Minutes - 4/12/22 CTE Board MeetingApproval of Minutes - 5/11/22 CTE 10YP Work Session	Matt Frommer, Chair
Working with Utilities on ZEV Planning (20 min)	Brodie Ayers, Xcel Energy
Update on Americans for Prosperity Lawsuit (10 min)	Kathy Young and George Hypolite, COAG
FY23 CTE Budget Proposal (20 min)	Kay Kelly, CDOT
10 Year Plan Discussion, Public Comment and Finalization Plan (50 min)	Kay Kelly and Mike King, CDOT
Future Meeting Cadence and Topics (10 min)	Kay Kelly, CDOT

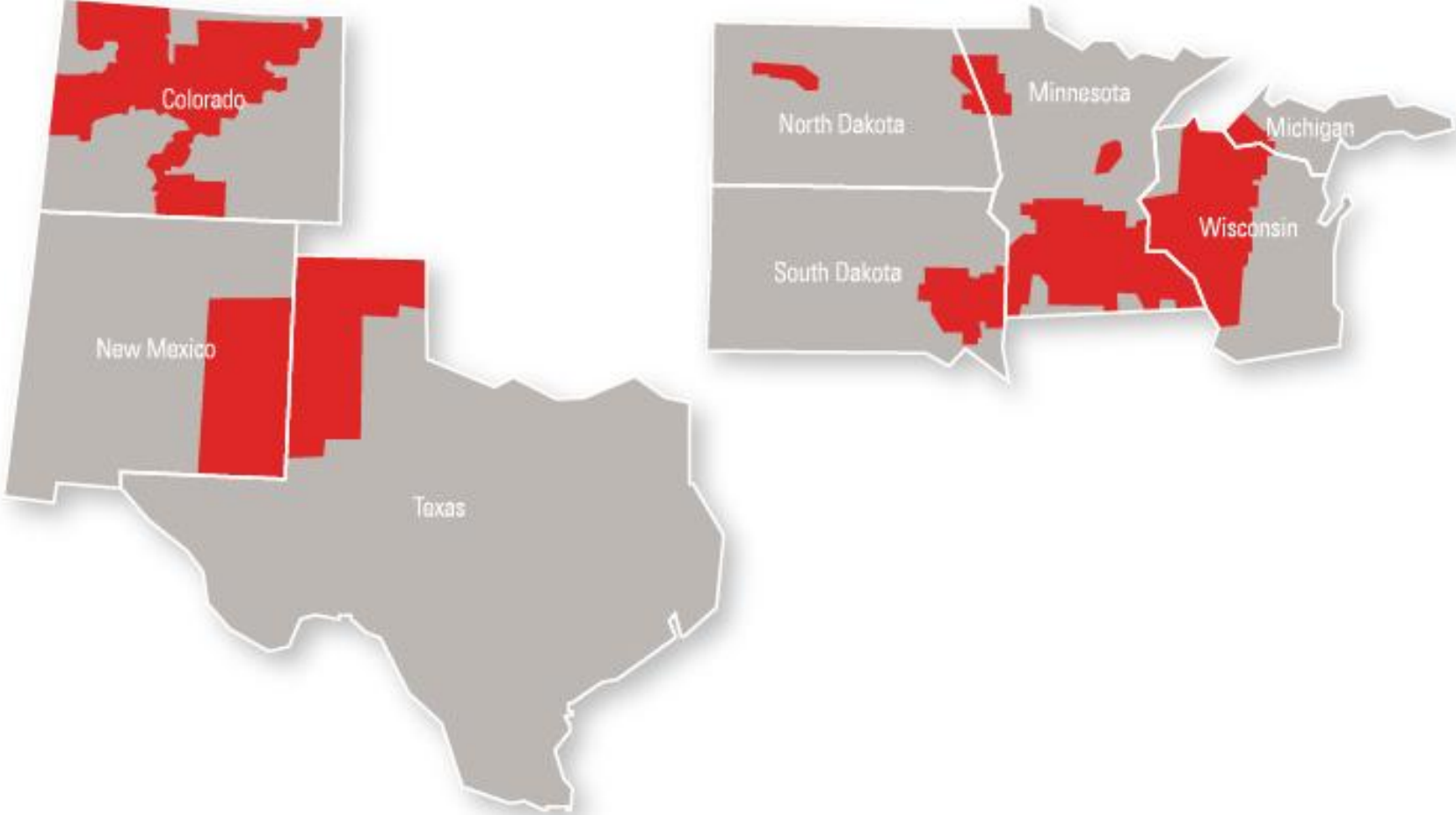


Working with Utilities on ZEV Planning

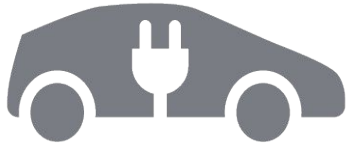
Brodie Ayers, Product Portfolio Manager
Xcel Energy

May 25th, 2022

Our Service Area



Our Electric Vehicle Vision



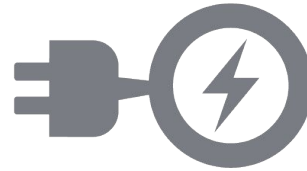
1.5 MILLION EVs

On the road in the areas we serve by 2030



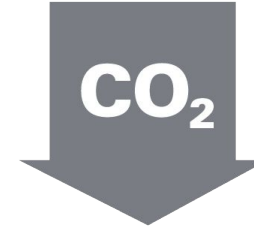
\$1 BILLION

In customer fuel savings annually by 2030



\$1 OR LESS PER GALLON

To drive an EV with Xcel Energy's low, off-peak electricity prices



5 MILLION TONS OF CARBON EMISSIONS

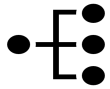
Eliminated annually by 2030 with our clean energy

Commercial EV Programs

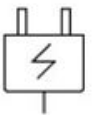
Suite of programs for **Fleet**, **Workplace**, **Public Charging**, **Community Charging**, and **Multifamily Buildings**. **Xcel Energy Owned Fast charging coming soon in CO, NM and MN.** Our **End-to-End White Glove Service** will provide a dedicated Xcel Energy EV concierge to support customers in selecting and applying for programs. xcelenergy.com/CommercialEVs.



Fleet Electrification Advisory Program (FEAP) provides fleets with suitability assessment, data analysis, and advisory services for free as the first step to fleet electrification. [CO](#), [MN](#), [WI](#), [NM](#)



Electric Vehicle Supply Infrastructure Program (EVSI) provides no-cost advisory and turnkey services for fleet, workplace, community charging hubs, and multifamily buildings. This includes the design and construction of EV supply infrastructure (but does not include chargers). [CO](#), [MN](#), [NM](#) (offered only for public charging in WI)



Charger Service gives our multifamily, fleet, and workplace customers the option to pay a monthly fee for Xcel Energy owned Level 2 chargers. [CO](#)

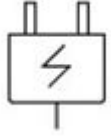


New Construction Rebate provides \$2,000 per charging port in order to support new multifamily construction for EV-ready parking spaces. [CO](#)



Rebates for Income Qualified & High Emissions Communities (HEC/IQ) are broken down as follows: Fleets and workplaces can get a rebate of \$2,200 per Level 2 port and \$45,000 per DCFC. Community Hubs can get a rebate of \$8,800 for 4 Level 2 charging ports and \$31,200 for DCFC. Multifamily buildings can get a rebate of \$2,200 per port. [CO](#)

Residential EV Programs



EV Accelerate At Home (EVAAH) provides customers with a Level 2 charger that we install and maintain as long as they're in the program. Monthly fee of \$12-\$16 (varies by state) on their existing Xcel Energy electric bill with no upfront cost.

- [Live in MN, WI, CO, NM](#)
- Electrician partners installation included
- Level 2 chargers eligible: ChargePoint, Enel X



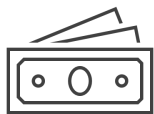
Optimize Your Charge (OYC) rewards customers for charging at times that are good for the grid and allow us to use more renewable energy. Customers get a \$50 annual credit on their bill for charging on an off-peak charging schedule.

- [Live in CO and NM; coming to MN 2022](#)
- Participation via EVAAH chargers
- Bring your own charger option for drivers of certain OEMs using API call to receive charging data begins rolling out spring 2022
- 3 off-peak charging windows



Home Wiring Rebate helps customers save on home wiring necessary to support a Level 2 charger; eligible chargers also qualify.

- [Live in CO, NM](#)
- Market rate = \$500; income-qualified customers can receive an expanded \$1,500 - \$2,500 rebate (varies by state)
- Our electricians can provide the rebate up front for customers participating in EV Accelerate At Home

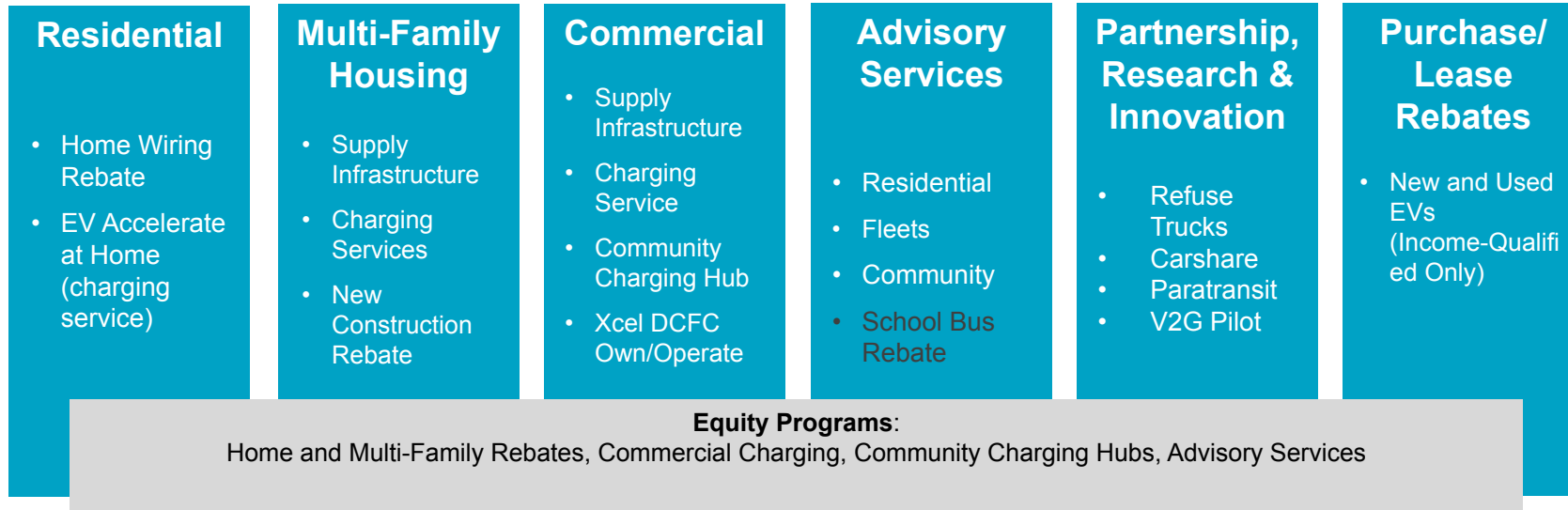


Electric Vehicle Rebate helps reduce the cost of an EV for income qualified customers

- [Live in CO](#)
- New EVs \$5,500, pre-owned EVs \$3,000
- Dealers in our EV Network can provide the rebate up front at point of sale

Colorado Transportation Electrification Plan (TEP) Programs

2021-2023 TEP Portfolios, Budgets + 2021 Launch Schedule



Workplace

•**Income Qualified ***: Receive up to \$2,200 when installing a Level 2 port or \$45,000 when installing a DC fast charger port to help cover the cost of chargers

Community

•**Income Qualified and HEC Rebate***: Receive up to \$8,800 when you install four Level 2 chargers (minimum is 4 ports), and up to \$31,200 when you install a DC fast charger port. Helps to cover the cost of chargers

Multifamily

•**Income Qualified and HEC Rebate***: Receive up to \$800 per port when participating in the Assigned Parking program or \$2,200 per port when participating in the Shared Parking program to help cover the cost of chargers
•**New Construction Rebate**: Receive up to \$2,000 per port for all costs to install EV charging above and beyond code requirement to help cover the cost of wiring and chargers

Small Business

•**Standard Rebate**: Receive up to \$2500 per port for sites with 3 or fewer ports and a meter with less than 50 kW of existing demand to help cover the cost of wiring
•**Income Qualified and HEC Rebate**: Receive up to \$2000 per port on top of the standard rebate to help cover the cost of chargers

Fleet

•**Income Qualified***: Receive up to \$2,200 when installing a Level 2 port or \$45,000 when installing a DC fast charger port.
•**Fleet Electrification Advisory Program***: No cost Data-driven assessments of EV fleet opportunities and charging infrastructure options.

*Can be combined with EVSI



Workplace

•**Income Qualified** *: Receive up to \$2,200 when installing a Level 2 port or \$45,000 when installing a DC fast charger port to help cover the cost of chargers

Best For:

Business/organizations looking to install EV charging for employees or customers.

Eligibility:

Commercial Electrical service from Xcel Energy, receive electric service at secondary voltage, minimum of four ports per site or 50 kW of charging capacity

Charging Equipment Options:

Xcel Energy-provided charging station (includes installation and maintenance) for a monthly fee, or

Procure your own charging equipment that meets program requirements

*Can be combined with EVSI



Fleet

- Income Qualified** *: Receive up to \$2,200 when installing a Level 2 port or \$45,000 when installing a DC fast charger port.

- Fleet Electrification Advisory Program***: No cost Data-driven assessments of EV fleet opportunities and charging infrastructure options.

Fleet Electrification Advisory Program (FEAP) –

Best For:

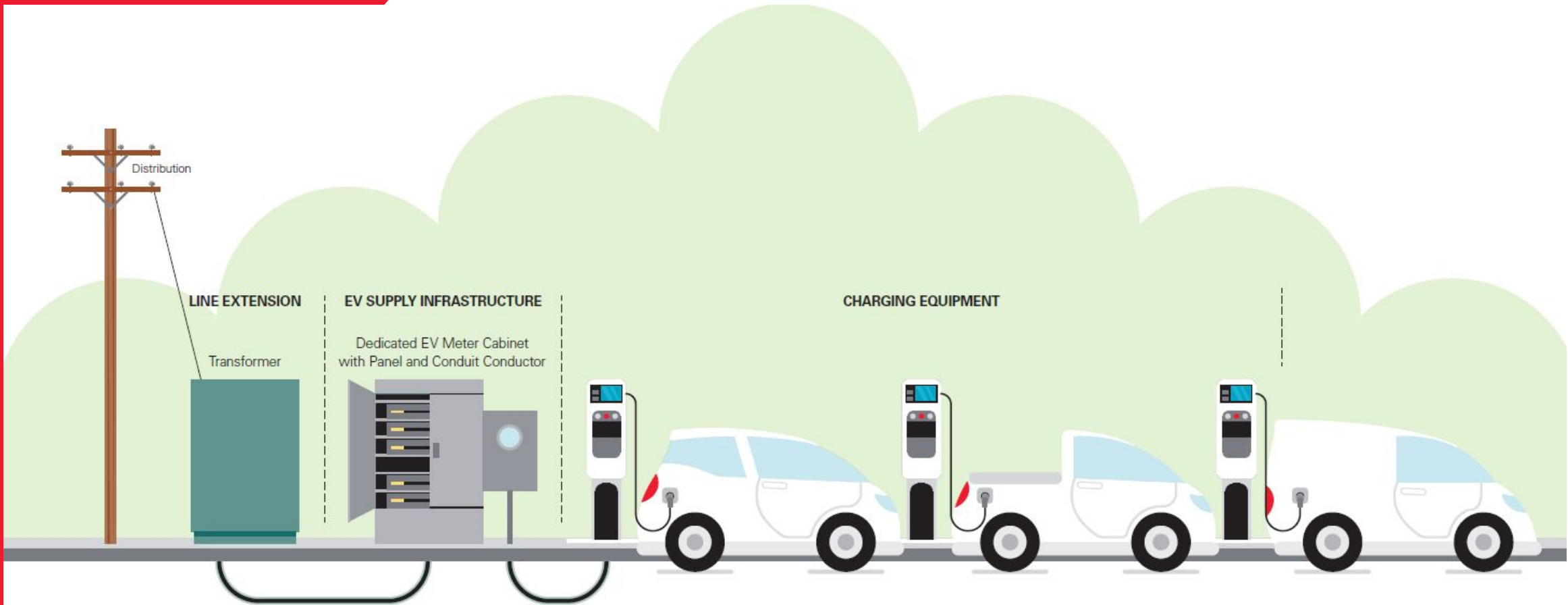
Any business or organization ready to develop an electrification plan for their fleets, including EV procurement, infrastructure needs and project optimization.

Eligibility:

Commercial Electrical service from Xcel Energy,
Existing fleet includes five or more light duty vehicles and used for commercial work or for distributing services or products,
Agree to install telematics equipment and share assessment data for collaboration with Xcel Energy's team to find a customized solution.

*Can be combined with EVSI





EV Advisors

- A dedicated Xcel Energy EV Team member to help guide customers through each step of their electrification journey.

BUSINESS SERVICES

EV Solutions

Receive end-to-end EV planning and charging services for your business, organization or community.

Ready to Get Started?

You've done the research, and we're ready to power where you want to go. Set up a meeting with our EV experts.

[Let's Connect →](#)

COMMERCIAL CUSTOMER JOURNEY

Intake form
Submitted

Initial
Discussion with
EV Advisor

Preliminary
Design

Program
Application

Sign Agreement

Detailed
Infrastructure
Design

Construction

Commissioning

Contact Info

Brodie Ayers

Product Portfolio Manager

Clean Transportation Commercial Solutions

Brodie.Ayers@xcelenergy.com

www.xcelenergy.com/commercialEVs





Update on Americans for Prosperity Lawsuit

Kathy Young & George Hypolite, CO Attorney General's Office



FY23 CTE Budget Proposal

Kay Kelly, CDOT



CTE Annual Budget Overview

- The CTE Board is required to set an annual budget
- Annual budgets contain:
 - Projected Revenue
 - Clean Transit Retail Delivery Fee
 - Projected Expenses
 - Administrative and Operating Expenses (Staff salaries, Legal services, Audit services, Professional services, Travel, Meeting expenses, etc.)
 - FY23 ONLY - Repayment of TC Startup Loan
 - Program Expenses (Grants, Loans, Rebates to Transit Agencies for Planning, Facility Mods, Vehicles and Infrastructure)
 - Contingency Reserve (unexpected expenses, project cost escalation, etc.)
- CDOT's Division of Accounting and Finance (DAF) will provide budget support and fiscal oversight
 - DAF staff assigned to CTE charge their time spent working on CTE efforts to CTE





FY23 CTE Budget Proposal

LINE ITEM	FY 2022-23
TOTAL REVENUES	\$ 8,280,329
Clean Transit Retail Delivery Fee	\$ 8,280,329
ADMINISTRATION & AGENCY OPERATIONS	\$ 626,628
Staff Salaries	\$ 411,900
Attorney General's Office Fees	\$ 5,000
Office of State Audit - Annual Financial Audit	\$ 2,000
Professional Services	\$ 100,000
Language Translation Services	\$ 25,000
Administrative Expenses	\$ 6,600
Board/Staff Travel	\$ 5,000
Board Meeting Expenses	\$ 600
Miscellaneous	\$ 1,000
Loan Payments	\$ 76,128
CONTINGENCY RESERVE	\$ 828,033
Board Reserve Fund (10.00%)	\$ 828,033
PROGRAMMED FUNDS	\$ 6,825,668
Programmed Funds	\$ 6,825,668
TOTAL - CTE	\$ 8,280,329



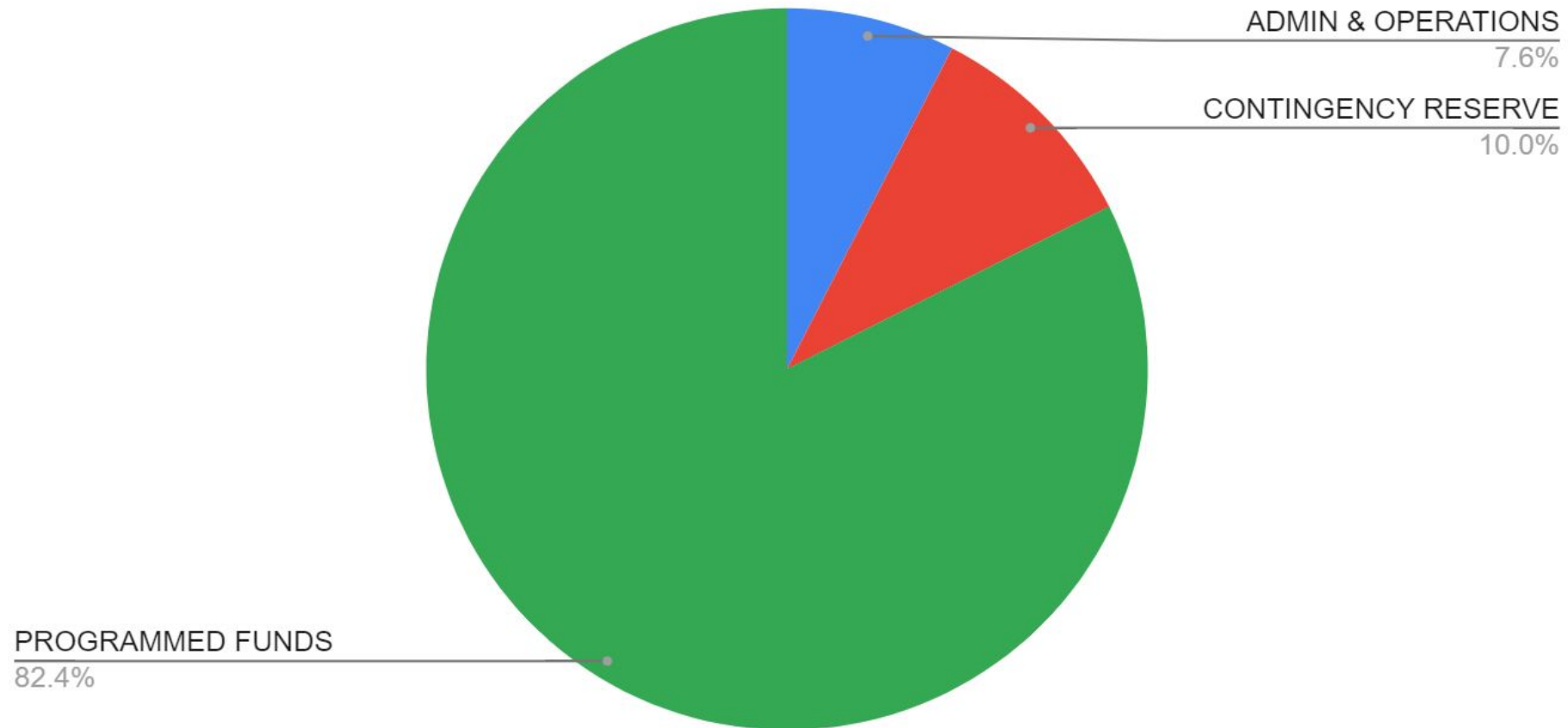
Staff Salaries	\$ 411,900
Program Administrator	\$ 15,000
Board Secretary	\$ 5,500
DTR Director	\$ 6,500
DTR Staff	\$ 300,000
OIM Staff	\$ 37,500
Enterprise Controller/Accountant	\$ 15,000
DAF Budget Analyst	\$ 10,000
DAF Procurement Staff	\$ 20,000
OPGR Rules Coordinator	\$ 2,400

Staff salaries are based on level of effort for:
 ~50 Awards/yr
 ~6 Board meetings/yr



CTE Budget by Category

CTE Budget Categories (FY23)





Policy Directive 703.0 “Annual Budget, Project Budgeting and Cash Management Principles”

- Policy Directive 703.0 establishes clear guidance on how staff must handle all types of transactions, including budget and project transactions, and what levels of review are required
- During the upcoming annual review of Policy Directive 703.0, CDOT is planning to create a new section within the PD pertaining to CTE's required levels of review



Board Discussion and Next Steps

- Questions/Discussion
- Next Steps:
 - **Option 1:** If the Board is comfortable with the FY23 budget as presented, the Board may entertain a motion to accept the budget proposal reflected on Slide 21
 - **Option 2:** If the Board would like additional time/information on the FY23 budget, the Board may choose to defer approval until the June 22, 2022 CTE Board meeting



10 Year Plan Discussion, Public Comment & Finalization

Kay Kelly and Mike King, CDOT



Clean Transit Enterprise 10-Year Plan

Requirements

(10)(a) TO ENSURE TRANSPARENCY AND ACCOUNTABILITY, THE ENTERPRISE SHALL:

(I) NO LATER THAN JUNE 1, 2022, PUBLISH AND POST ON ITS WEBSITE A TEN-YEAR PLAN THAT DETAILS HOW THE ENTERPRISE WILL EXECUTE ITS BUSINESS PURPOSE DURING STATE FISCAL YEARS 2022-23 THROUGH 2031-32 AND ESTIMATES THE AMOUNT OF FUNDING NEEDED TO IMPLEMENT THE PLAN. NO LATER THAN JANUARY 1, 2032, THE ENTERPRISE SHALL PUBLISH AND POST ON ITS WEBSITE A NEW TEN-YEAR PLAN FOR STATE FISCAL YEARS 2032-33 THROUGH 2041-42;

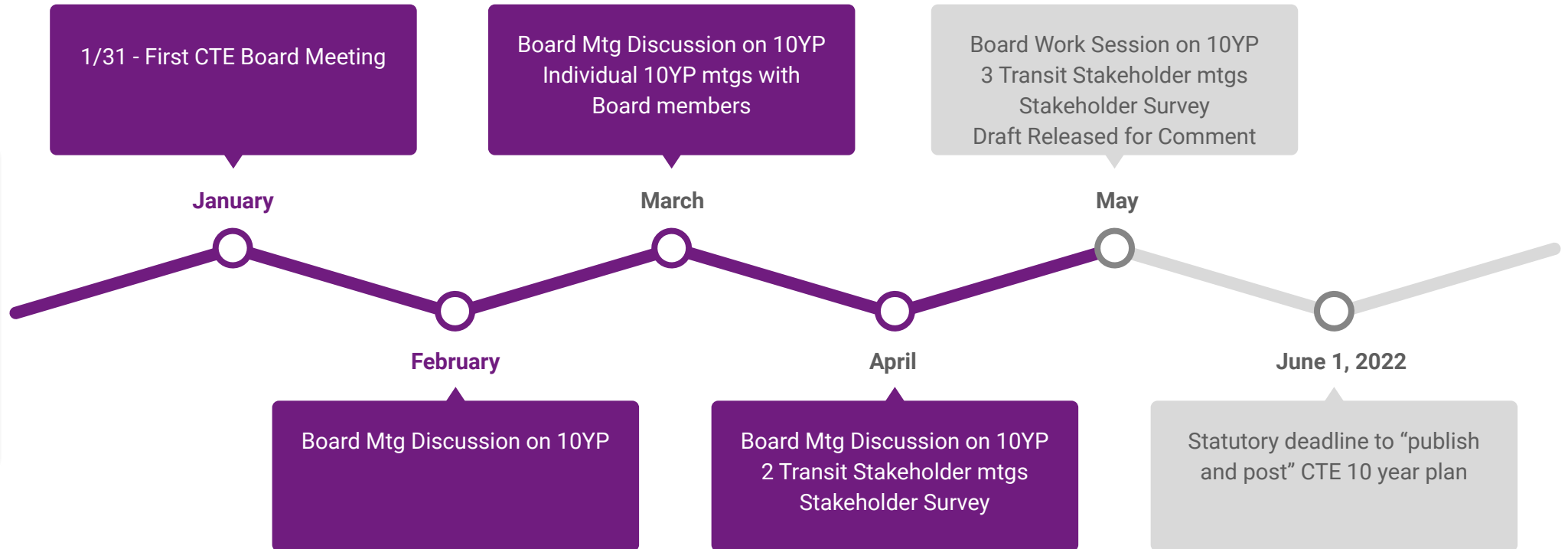
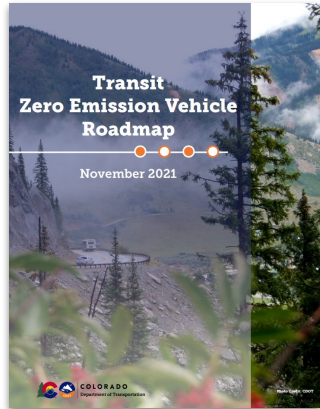
(II) CREATE, MAINTAIN, AND REGULARLY UPDATE ON ITS WEBSITE A PUBLIC ACCOUNTABILITY DASHBOARD THAT PROVIDES, AT A MINIMUM, ACCESSIBLE AND TRANSPARENT SUMMARY INFORMATION REGARDING THE IMPLEMENTATION OF ITS TEN-YEAR PLAN, THE FUNDING STATUS AND PROGRESS TOWARD COMPLETION OF EACH PROJECT THAT IT WHOLLY OR PARTLY FUNDS, AND ITS PER PROJECT AND TOTAL FUNDING AND EXPENDITURES;

(III) ENGAGE REGULARLY REGARDING ITS PROJECTS AND ACTIVITIES WITH THE PUBLIC, SPECIFICALLY REACHING OUT TO AND SEEKING INPUT FROM COMMUNITIES, INCLUDING BUT NOT LIMITED TO DISPROPORTIONATELY IMPACTED COMMUNITIES, AND INTEREST GROUPS THAT ARE LIKELY TO BE INTERESTED IN THE PROJECTS AND ACTIVITIES; AND

(IV) PREPARE AN ANNUAL REPORT REGARDING ITS ACTIVITIES AND FUNDING AND PRESENT THE REPORT TO THE TRANSPORTATION COMMISSION CREATED IN SECTION 42-1-106 (1) AND TO THE TRANSPORTATION AND LOCAL GOVERNMENT AND ENERGY AND ENVIRONMENT COMMITTEES OF THE HOUSE OF REPRESENTATIVES AND THE TRANSPORTATION AND ENERGY COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES. THE ENTERPRISE SHALL ALSO POST THE ANNUAL REPORT ON ITS WEBSITE. NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136 (11)(a)(I), THE REQUIREMENT TO SUBMIT THE REPORT REQUIRED IN THIS SUBSECTION (10)(a)(IV) TO THE SPECIFIED LEGISLATIVE COMMITTEES CONTINUES INDEFINITELY.



CTE 10 Year Plan Development Process



As of 5/23/22: Staff have held in-depth discussions on the CTE 10YP with 140 Transit Stakeholders, presented to 6 community meetings and have received 37 survey responses and 2 written/emailed comments



CTE 10-Year Plan Outline

1. Introduction
 - a. SB21-260 Language
 - b. State of Colorado ZEV Goals
2. Transit Electrification Background, Barriers & Opportunities
 - a. Current State Transit Fleet Inventory
 - b. Technology Availability
 - c. Barriers to Implementation
 - d. Anticipated Costs & Timelines
 - e. Supporting Policies & Actions
3. Anticipated Fee Revenues and Expenditures
 - a. Fee Levels
 - b. Anticipated Revenues/Expenses by Year
 - c. Potential Matching Funds
4. Clean Transit Enterprise Funding Strategy
 - a. Funding Mechanisms
 - b. Funding Category Prioritization
 - c. Project Prioritization
 - d. Planning Requirements by Applicants
 - e. Match Levels
 - f. Scrapping Requirements
 - g. Replacement Ratios
 - h. Data Reporting Requirements
5. Funding Program Descriptions
6. Implementation & Update Schedule
7. Conclusions

Legislation and 2020 Colorado EV Plan

Colorado Transit Zero Emission Vehicle Roadmap

CDOT Division of Accounting & Finance (CDOT DAF) and Colorado Department of Revenue (DOR)

Focus of Clean Transit Enterprise Board & Stakeholder Conversations





- Establishment of the Clean Transit Enterprise (CTE) via SB21-260
- Primary Business Purpose:
 - “Reduce and mitigate the adverse environmental and health impacts of air pollution and greenhouse gas emissions produced by motor vehicles used to make retail deliveries by supporting the replacement of existing gasoline and diesel transit vehicles with electric motor vehicles, including motor vehicles that originally were powered exclusively by internal combustion engines but have been converted into electric motor vehicles, providing the associated charging infrastructure for electric transit fleet motor vehicles, supporting facility modifications that allow for the safe operation and maintenance of electric transit motor vehicles, and funding planning studies that enable transit agencies to plan for transit vehicle electrification” (CRS 43-4-1203)
- Colorado Transit Zero Emission Vehicle Goals
 - 1,000 zero-emission transit vehicles on Colorado roads by 2030
 - 100% zero-emission transit fleet by 2050



Background (from the Transit ZEV Roadmap)

National Transit ZEV Market

- At the start of 2020, ~180 transit agencies were operating 850 electric transit buses through the U.S. with an additional 1,000 on order for delivery by 2022
- Decreasing battery and electricity costs
- Increasing vehicle range, capabilities and model availability
- Concerns about vehicle range, cost, performance and model availability along with driver training
- Important for agencies to plan ahead in order to be successful

Colorado Transit ZEV Market

- 62 zero emission transit buses in operation representing 12 transit agencies (as of May 2022)
- Clear pattern of early adoption and planning by larger and better resourced agencies in the Front Range metro areas and along the I-70 mountain corridor



Barriers to ZEV Transition

Technology Limitations

- Currently available models unable to meet agency needs (range, model availability, recharging time, etc.)

Infrastructure Limitations

- Availability of charging infrastructure
- Necessary grid/electrical upgrades to accommodate charging

Facility Limitations

- Space requirements, site infrastructure and expansion in electrical grid capacity

Planning/Knowledge Limitations

- Operational characteristics, maintenance requirements, driver training, utility coordination

Cost of Transition

- Initial purchase price for Transit ZEVs can be significantly more expensive than their gasoline or diesel equivalents, but with lower operation and maintenance costs
- Transit ZEV Roadmap assumes price parity occurs in 2027



Opportunities - Supporting Policies & Actions

Policy: The state will identify and prioritize policies to reduce barriers to ZEV transition and implementation and incentivize projects that align with the state's climate, environmental and social equity goals.

Planning and Technical Support: Increasing access to technical resources and expertise to support the planning, design and implementation of zero emission fleet transition. This includes coordination with transit agencies to better understand their needs and fund programs that contribute to technical capacity building for agencies.

Education and Training: Training to promote workforce readiness and educational programs for riders and policymakers should be provided. Sharing best practices among transit agencies and enhancing electric fleet knowledge is key in increasing ZEV adoption.

Information Sharing and Research: The state should work together with local agencies to define data collection, research and analysis methods to facilitate statewide information sharing. Collaboration with diverse stakeholders in identifying potential pilot projects and discussing barriers to widespread fleet adoption is critical in supporting a successful ZEV transition.

Funding: Transit agencies will need a significant amount of funding in order to support the implementation and scale-up of transit ZEVs. As such, the flexible funding programs to support planning, vehicle purchasing and ongoing maintenance and operations costs of transit ZEVs will be developed.



Anticipated Fee Revenues

On April 12, 2022, the CTE Board adopted **2 CCR 607-1, Rules Governing Clean Transit Enterprise Processes and Fees**

- Established the Clean Transit Retail Delivery Fee
 - \$0.03 per retail delivery (max allowed by statute)
 - Will be adjusted for inflation in future years

As part of SB21-260, CDOT and DOR Staff estimated revenue for the Enterprise

- \$134,891,225 in first 10 years

SB21-260 requires CTE to include in our 10YP how the Enterprise will execute its business purpose during state fiscal years 2022-23 thru 2031-32 & estimate the amount of funding needed to implement the plan

Clean Transit Retail Delivery Fee FY 2022-23 to FY 2031-32

Fiscal Year	Estimated Rate	
	Per Trip	Total
FY 2021-22	\$0.000	\$0
FY 2022-23	\$0.030	\$8,280,329
FY 2023-24	\$0.031	\$9,132,872
FY 2024-25	\$0.031	\$9,834,347
FY 2025-26	\$0.032	\$11,134,125
FY 2026-27	\$0.033	\$12,308,104
FY 2027-28	\$0.034	\$13,617,560
FY 2028-29	\$0.034	\$14,712,367
FY 2029-30	\$0.036	\$16,716,268
FY 2030-31	\$0.037	\$18,549,225
FY 2031-32	\$0.037	\$20,606,029
10-Year Total		\$134,891,225



Proposed CTE 10 Year Spending Plan

LINE ITEM	FY2022-23	FY2023-24	FY2024-25	FY2025-26	FY2026-27	FY2027-28	FY2028-29	FY2029-30	FY2030-31	FY2031-32
TOTAL REVENUES	\$ 8,280,329	\$ 9,132,872	\$ 9,834,347	\$ 11,134,125	\$ 12,308,104	\$ 13,617,560	\$ 14,712,367	\$ 16,716,268	\$ 18,549,225	\$ 20,606,029
Clean Transit Retail Delivery Fee*	\$ 8,280,329	\$ 9,132,872	\$ 9,834,347	\$ 11,134,125	\$ 12,308,104	\$ 13,617,560	\$ 14,712,367	\$ 16,716,268	\$ 18,549,225	\$ 20,606,029
ADMINISTRATION & AGENCY OPERATIONS	\$ 626,628	\$ 560,917	\$ 575,838	\$ 591,281	\$ 607,265	\$ 623,808	\$ 640,930	\$ 658,652	\$ 676,994	\$ 695,977
Staff Salaries**	\$ 411,900	\$ 426,317	\$ 441,238	\$ 456,681	\$ 472,665	\$ 489,208	\$ 506,330	\$ 524,052	\$ 542,394	\$ 561,377
Attorney General's Office Fees	\$ 5,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Office of State Audit - Annual Financial Audit	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000	\$ 2,000
Professional Services	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Language Translation Services	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000	\$ 25,000
Administrative Expenses	\$ 6,600	\$ 6,600	\$ 6,600	\$ 6,600	\$ 6,600	\$ 6,600	\$ 6,600	\$ 6,600	\$ 6,600	\$ 6,600
Board/Staff Travel	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000
Board Meeting Expenses	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600	\$ 600
Miscellaneous	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Loan Payments	\$ 76,128	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
CONTINGENCY RESERVE	\$ 828,033	\$ 913,287	\$ 983,435	\$ 1,113,413	\$ 1,230,810	\$ 1,361,756	\$ 1,471,237	\$ 1,671,627	\$ 1,854,923	\$ 2,060,603
Board Reserve Fund (10.00%)	\$ 828,033	\$ 913,287	\$ 983,435	\$ 1,113,413	\$ 1,230,810	\$ 1,361,756	\$ 1,471,237	\$ 1,671,627	\$ 1,854,923	\$ 2,060,603
PROGRAMMED FUNDS	\$ 6,825,668	\$ 7,658,668	\$ 8,275,075	\$ 9,429,432	\$ 10,470,029	\$ 11,631,996	\$ 12,600,200	\$ 14,385,989	\$ 16,017,309	\$ 17,849,449
Programmed Funds	\$ 6,825,668	\$ 7,658,668	\$ 8,275,075	\$ 9,429,432	\$ 10,470,029	\$ 11,631,996	\$ 12,600,200	\$ 14,385,989	\$ 16,017,309	\$ 17,849,449
TOTAL - CTE	\$ 8,280,329	\$ 9,132,872	\$ 9,834,347	\$ 11,134,125	\$ 12,308,104	\$ 13,617,560	\$ 14,712,367	\$ 16,716,268	\$ 18,549,225	\$ 20,606,029

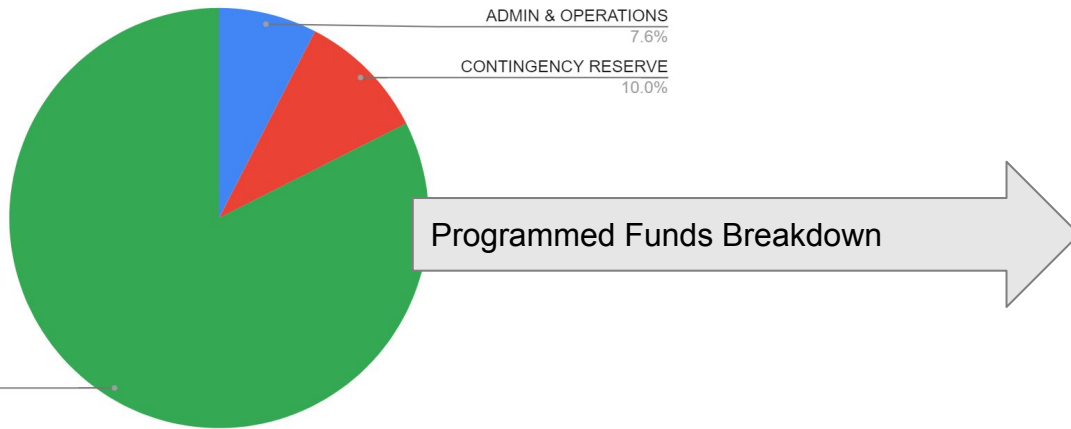
*Revenue projections from SB21-260

**Staff Salaries assumes a 3.5% escalation each year

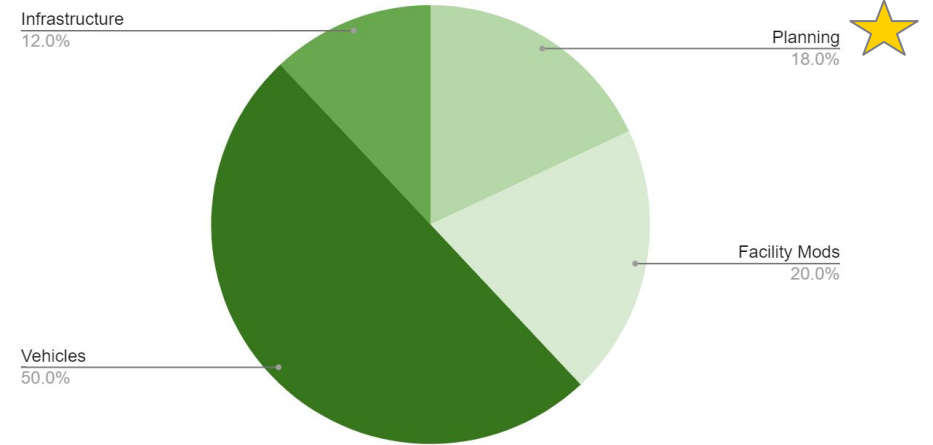


Estimating the Program Funding Budget by Project Type

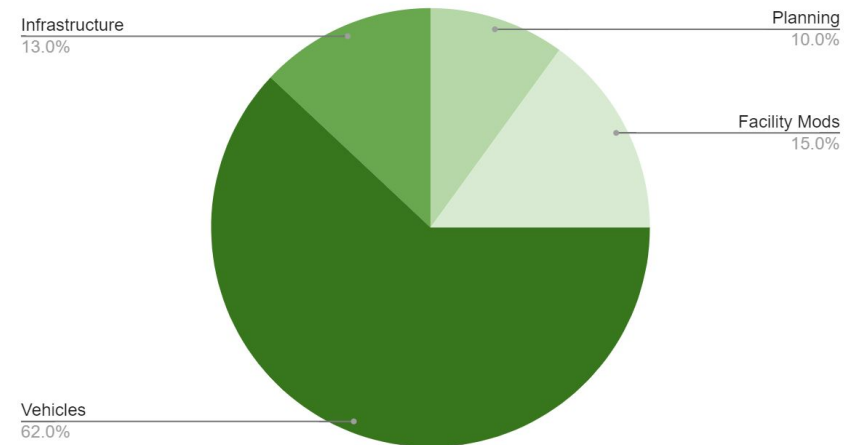
CTE Budget Categories (FY23)



CTE Programmed Funds By Project Area (FY23 - FY25)



CTE Programmed Funds By Project Area (FY26 - FY32)

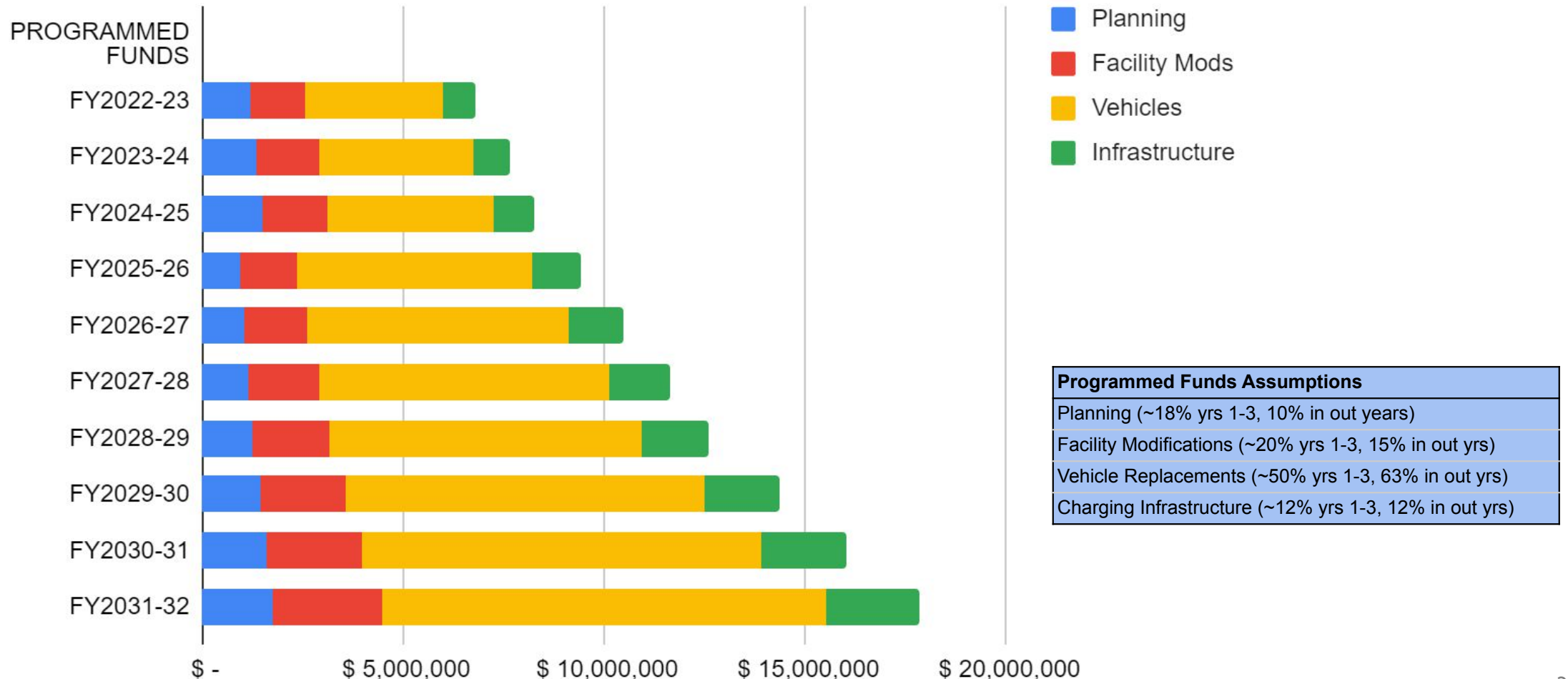


- Board and stakeholder discussions indicated a desire to avoid strict funding caps by project category
- Charts are for illustrative purposes and reflect some overall principles discussed in the 10YP conversations:
 - Assumption for more Planning and Facility Mods in the beginning and more Vehicle and Infrastructure projects in future years
 - Understanding that Planning studies cost the least (~\$50k/plan) and Vehicle purchases cost the most (~\$1M/transit bus)
 - Desire to ensure that CTE can support a ZEV transition plan for every agency in the state in the early years of the Enterprise (Requires ~\$4M in first 3 years) ★



CTE Programmed Funds - 10 Year Projection

CTE Programmed Funds Estimate by Project Category





CTE Funding Strategy

CTE's **Funding Strategy** will consist of Grants, Loans and Rebates

- Grants are primary focus in early years
- Loans and Rebates will take additional time to develop

Funding Categories:

- Vehicle Acquisition
- Charging Infrastructure
- Facility Modifications
- Planning

Project Prioritization: A weighted, multi-factor formula for scoring the projects will be developed by the CTE Board, CDOT staff and transit agency stakeholders prior to the first funding awards being made

- Primary Factors: Emissions Reduction (calculation methodology to be developed), Service to DI Communities, Agency/Project Readiness
- Secondary Factors: Match Level, Geographic Distribution



Funding Strategy (cont)

Applicant Planning will help ensure CTE project implementation success

- Board will work with staff to develop specific minimum planning requirements that applicants must meet in order to be awarded funding for Facility Modifications, Vehicle Purchases and/or Charging or Fueling Infrastructure funding
- Desire to align planning requirements with FTA, but also encourage inclusion of “stretch” elements

Match Requirements must strike a balance between desire for match to help limited dollars go further and ensuring match requirements don't present a barrier to agencies with fewer resources

- Board will develop tiered match percentage requirements that account for the differing ability of transit agencies to contribute financially to projects
- Match relief waiver process

CTE Board will encourage applicants to use CTE funding as match for other state, Federal, local funding to the extent allowable by law



Funding Strategy (cont)

CTE will encourage the **scrapping** of the oldest and dirtiest in-service transit vehicles as a feature of all Vehicle acquisition programs

- Potentially a “bonus factor” in applications or qualify an applicant for additional match reduction
- Potential future development of a “hand-me-down” system

CTE will not require a specific **vehicle replacement ratio** but rather allow applicant agencies to make their own determination as to the right fleet balance needed to maintain efficient and reliable operations

CTE will not require a specific **vehicle-to-charger or vehicle-to-fueling station ratio** from applicants for funding, but will allow transit agencies to make their own determination as to the most appropriate strategy for charging or fueling infrastructure needed to efficiently and reliably support their transit services



Funding Strategy (cont)

CTE Board has an interest in ensuring that **transit ZEV operational data** is collected, analyzed and shared in a consistent and accessible manner to support the development of statewide best practices, improve the effectiveness of funded projects and help to inform future CTE program and policy adjustments

- CTE Board will work with stakeholders to develop awardee data reporting requirements that:
 - align with NTD requirements
 - allow CTE to evaluate awarded projects to inform future programs/policies
 - allow for data to be shared with CDOT's Transit Emissions Dashboard and GHG Transportation Planning Standard Policy Directive
 - enable quantification of potential equity benefits/disbenefits on DI communities



Planning Programs

- Grants to transit agencies to support ZEV planning activities
- On-call planning support
- *Future Options: to be developed based on emerging best practices and stakeholder feedback*

Facility Modification Programs

- Grants to transit agencies to support facility modifications and upgrades necessary to support safe, efficient and scalable ZEV transition
- *Future Options: Potential loan offerings*



CTE Funding Programs (cont)

Vehicle Acquisition Programs

- Grants to transit agencies to support acquisition programs based on offsetting the incremental cost difference between a ZEV and its equivalent ZEV option
 - Eligible ZEVs include: BEVs, PHEVs, and FCEVs
 - CNG vehicles eligible in circumstances where no EV option is practically available and the vehicle will be fueled with at least 90% recovered methane (RNG)
- *Future Options: Potential loan and/or rebate programs*

Charging/Fueling Infrastructure Programs

- Grants to support the purchase and installation of charging and/or fueling infrastructure to support current and future ZEV deployments
- *Future Options: Potential loan and/or rebate programs; more detailed Hydrogen refueling programs based upon market development in Colorado*



Implementation and Update Schedule

Implementation

- CTE contracts with CDOT to manage its operations
- To minimize administrative burden and per 2 CCR 607-1 - Rules Governing Clean Transit Enterprise Processes and Fees, CTE will coordinate with staff of CDOT DTR to align the notice of funding availability, application deadline and committee review timelines of the CTE call for funding with that of DTR's regular grantmaking process

CTE 10 Year Plan Update Schedule

- The 10 Year Plan is a living document
- Will need to be updated/refined over time to account for changes in ZEV technologies, market development, emerging industry best practices, feedback from transit stakeholders
- CTE Board intends to review this plan at least every 2 years following its adoption in order to evaluate the need for updates
- CTE Board may adjust the regular review schedule in future years as more in-state experience and overall market predictability is gained



Comments and Revisions Since 5/19/22 Draft

Feedback Received from Staff, Board and Public that have been incorporated into current draft:

Source of Comment	Summary	Resolution
Various	Acronyms, Definitions, Typos, etc.	Completed
CDOT DAF	Remove Enterprise Reserve (already included in revenue projections) and Increase Board Reserve to 10%	Completed - Overall Reserved Funds decreased from 20% to 10% of budget necessitating minor changes to Programmed Fund distribution estimates
CDOT OIM	Clarify Charging/Fueling Programs section to reflect initial versus future offerings	Completed - Rebates moved to future options, Hydrogen language clarified to reflect it is currently eligible, but future programs could be developed to more directly address H2
CASTA	Clarify eligibility of vehicle conversions/repowers	Text updated throughout to reference conversions/repowers



Option 1

If the Board is satisfied with the 10 Year Plan, the Board may move to approve the plan at this time (Staff will post the FINAL plan to the CTE website by the June 1, 2022 deadline*)

Option 2

If it is the pleasure of the Board to spend more time reviewing or seeking additional public input on the plan, Staff will post the current version of the plan to the CTE website as DRAFT by the June 1, 2022 deadline

- Staff recommends that final approval occurs during the June 22nd CTE Board meeting so that we can turn our attention to the implementation phase of our work

* Graphic design work in progress, anticipated to be completed by early June



Discussion on CTE 10 Year Plan

Opportunity for Board Discussion and Public Comments





Future Meeting Cadence and Topics

Kay Kelly, CDOT



Future Meetings/Topics

Upcoming Dates:

- Wednesday, June 1st - Deadline to Publish/Post 10-year Plan
- **Wednesday, June 22nd - CTE Board Meeting**

Upcoming Meeting Topics:

- Further Discussion and Refinement of Program Elements
 - Project prioritization scoring criteria
 - Methodology for calculating the anticipated emissions benefits of projects
 - Applicant planning requirements
 - Match structure/Match relief procedure
 - Data reporting requirements
- Public Accountability Dashboard Development



Future Meeting Cadence

Staff Suggestion

- Continue monthly cadence for the summer to ensure program design elements are fully developed prior to anticipated first call for projects in Fall 2022
- Shift to bi-monthly or quarterly cadence in the Fall and align Board meetings with the timeline for when Board decisions are required for program implementation



Clean Transit Enterprise Information

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- Transit and Rail
- Electric Vehicle Ride & Drive Event
- Clean Transit Enterprise

Clean Transit Enterprise

To support Colorado's transit electrification through planning efforts, transit site upgrades, procurement of electric transit buses, and deployment of associated charging infrastructure.



About the Clean Transit Enterprise

This enterprise is created within the Colorado Department of Transportation (CDOT) to support public transit electrification planning efforts, facility upgrades, fleet motor vehicle replacement, as well as construction and development of electric motor vehicle charging and fueling infrastructure. The bill allows the enterprise to impose a clean transit retail delivery fee to fund its operations, and to issue grants, loans or rebates to support electrification of public transit.

Clean Transit Enterprise Governing Board

The Clean Transit Enterprise Board includes six members appointed by the governor, and executive directors or their designees from CDOT, Colorado Department of Public Health and Environment (CDPHE) and the Colorado Energy Office. Appointed board members will serve terms of three or four years.

Contact Us

cdot_cleantransitenterprise@state.co.us

Resources

- Board Appointments
- Enterprise Funds
- Board Powers & Duties
- [2021 Transit Zero Emission Vehicle \(ZEV\) Roadmap](#)

Upcoming Meetings

- Board Meeting
March 29, 2022 at 2:00 p.m. MT
- Proposed Permanent Rulemaking Hearing
April 12, 2022 at 1:30 p.m. MT
[Meeting Registration](#)
[Proposed Permanent Rule](#)

Prior Meetings

- January 31st, 2022
[Video Recording](#)
[Meeting Minutes](#)
[Slide Presentation](#)
[Agenda Packet](#)

- February 22, 2022
[Video Recording](#)
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