

Colorado Green Incentives and Laws

State Incentives

Biofuels Research Grants

The Bioscience Discovery Evaluation Grant Program, administered by the Colorado Office of Economic Development, provides grants to research institutions for biofuels research projects. Biofuels research is defined as the use of microorganisms, specialized proteins, or thermal processes to develop biofuels and the related processes that make traditional manufacturing of energy cleaner and more efficient. Biofuel is defined as a biologically based fuel product developed from plant matter or other biological material, including renewable agricultural sources. Grant limits, matching funds, and other eligibility requirements apply. (Reference [House Bill 1001, 2008](#), and [Colorado Revised Statutes 24-48.5-108](#))

Alternative Fuel Vehicle (AFV) and Hybrid Electric Vehicle (HEV) Tax Credit

An income tax credit is available from the Colorado Department of Revenue for the purchase of an AFV or the conversion of a vehicle to operate using an alternative fuel, based on the incremental or conversion cost. HEVs also qualify for this incentive. This credit is only available in the year during which the vehicle was purchased or converted, and a vehicle may only qualify for this credit one time. For an AFV purchase or conversion that permanently replaces a motor vehicle or power source that is ten or more years old, the percentage specified in the table below is doubled, up to a maximum of 100% of the incremental or conversion cost. To the extent the allowable credit exceeds the person's tax liability for that year the excess may be carried forward for up to five years. Lessees or lessors of qualifying vehicles are also eligible for the credit. The value of the credit is based on the EPA emissions classification of the vehicle as follows:

Type of Vehicle	Tax Year Beginning Prior to January	January 1, 2010-January 1,
	1, 2010	2012
Low Emission Vehicle (LEV)	50%	25%
Ultra Low or Inherently Low Emission Vehicle (ULEV or ILEV)	75%	50%
Super Ultra Low or Zero Emission Vehicle (SULEV or ZEV)	85%	75%

Tax credits for Model Year 2008 HEVs and AFVs are as follows:

Vehicle Model	Tax Credit
2008 Ford Escape Hybrid	\$3,417
2008 Honda Civic Hybrid	\$2,599
2008 Honda Civic GX (Natural Gas)	\$5,946
2008 Lexus GS 450h Hybrid	\$5,538
2008 Lexus LS 600h Hybrid	\$13,779
2008 Lexus RX 400h Hybrid	\$3,213
2008 Mercury Mariner Hybrid	\$3,489
2008 Toyota Camry Hybrid	\$1,947
2008 Toyota Highlander Hybrid (Base Grade)	\$4,093
2008 Toyota Highlander Hybrid (Limited Grade)	\$4,403
2008 Toyota Prius Hybrid (Base Grade)	\$2,015
2008 Toyota Prius Hybrid (Touring Grade)	\$3,106

For vehicle eligibility updates and historical credit information, see the Colorado Department of Revenue's [Alternative Fuel Income Tax Credit](#) Web site. Mild Hybrids and neighborhood electric vehicles do not qualify for the AFV credit since they cannot be operated on Colorado highways.

(Reference [Colorado Revised Statutes 39-22-516](#))

Point of Contact

Tax Information Call Center
Colorado Department of Revenue
Phone (303) 238-7378

<http://www.revenue.state.co.us/main/home.asp>

Colorado Green Incentives and Laws

Alternative Fuel Vehicle (AFV) Rebate

A rebate is available from the Colorado Department of Revenue for the purchase of an AFV or for the conversion of a vehicle to operate using an alternative fuel. Vehicles must be owned by the State of Colorado, a political subdivision of the state, or a tax-exempt organization, and be used in connection with the official activities of the entity. HEVs also qualify for this incentive. The rebate is a percentage of the incremental cost if used toward purchasing a new AFV, or is a percentage of the conversion cost if used towards the cost of converting a vehicle to operate using an alternative fuel. For an AFV purchase or conversion that permanently replaces a motor vehicle or power source that is ten or more years old, the percentage specified in the table below is doubled, up to a maximum of 100% of the incremental or conversion cost. Each qualified entity is limited to \$350,000 per state fiscal year in total rebates paid. The rebate value is as follows:

Certification Level	For Costs Incurred 2006-	For Costs Incurred 2009-
	2009	2011
Low Emission Vehicle (LEV)	25%	0%
Ultra Low or Inherently Low Emission Vehicle (ULEV or ILEV)	50%	25%
Super Ultra Low or Zero Emission Vehicle (SULEV or ZEV)	75%	50%

For more information about this rebate, see the Colorado Department of Revenue's [Alternative Fuel Income Tax Credits](#) Web site.

(Reference [Colorado Revised Statutes](#) 39-33-101 through 39-33-106)

Point of Contact

John Doty
AFV/Hybrid Taxes and Rebates
Colorado Department of Revenue
Phone (303) 205-8211
jdoty@spike.dor.state.co.us
http://www.revenue.state.co.us/mv_dir/home.asp

Alternative Fuel Infrastructure Tax Credit

For tax years beginning prior to January 1, 2011, the Colorado Department of Revenue offers an income tax credit for the cost of construction, reconstruction, or acquisition of an alternative fueling facility that is directly attributable to the storage, compression, charging, or dispensing of alternative fuels to motor vehicles. The credit value is as follows:

Tax Year	Tax Credit
2009-2011	20%
2006-2009	35%

For an alternative fueling facility that will be generally accessible for use by the public, in addition to the person claiming the credit, the percentages specified above will be multiplied by 1.25. If at least 70% of the alternative fuel dispensed annually is derived from a renewable energy source for a period of 10 years, the credit percentages specified above will be multiplied by 1.25. Certification for the percentage of renewable energy must be presented, as requested, to the Department of Revenue. The credit has a maximum value of \$400,000 in any consecutive five-year period for each fueling facility. For more information about this credit, see the Colorado Department of Revenue's [Alternative Fuel Income Tax Credits](#) Web site.

(Reference [Colorado Revised Statutes](#) 39-22-516)

Point of Contact

Tax Information Call Center
Colorado Department of Revenue
Phone (303) 238-7378
<http://www.revenue.state.co.us/main/home.asp>

High Occupancy Vehicle (HOV) Lane Exemption

Colorado Green Incentives and Laws

Vehicles that meet the definition of the U.S. Environmental Protection Agency (EPA) Inherently Low Emission Vehicle (ILEV) classification and have a gross vehicle weight rating of 26,000 pounds or less may be operated in HOV lanes regardless of the number of occupants and without payment of a special toll or fee. A special sticker must be obtained from the Colorado Department of Transportation. Flexible fuel vehicles are not eligible for the HOV exemption decal. Qualified HEVs must obtain and display an HOV lane exemption decal. Initially, only 2,000 decals will be issued. The program is scheduled to expire on September 30, 2009, unless federal authorization of HEV use of HOV lanes is extended. For more information on the use of HEVs in HOV lanes, see the Colorado Department of Transportation's [Hybrid Vehicle Use in HOV Lanes](#) Web site. (Reference [Colorado Revised Statutes](#) 42-4-1012)

Point of Contact

Teresa Carrillo
Commercial Vehicle Operations Manager
Colorado Department of Transportation
Phone (303) 757-9716
Fax (303) 757-9719
teresa.carrillo@dot.state.co.us

State Laws and Regulations

Clean Energy Development Authority

The Colorado Clean Energy Development Authority is created and may issue bonds to finance projects that involve the production, transportation, and storage of clean energy. Clean energy includes fuels that are manufactured by, and energy derived from, including but not limited to the following: biodiesel; biomass resources such as biogas, agricultural or animal waste, landfill gas, and anaerobically digested waste biomass; biomass resources that do not include energy generated by use of fossil fuel; fuel cells that do not use fossil fuels; and zero-emissions generation technology, including emission of carbon dioxide, with long-term production potential. (Reference [Colorado Revised Statutes](#) 40-9.7)

Funding for Alternative Fuel Feedstock Production

The Colorado General Assembly encourages the Governor's Office of Energy Management and Conservation to set a high priority on funding projects that assess the potential for carbon sequestration and agricultural bioenergy production in the state. Agricultural bioenergy production means the agricultural production of grain or biomass that is used to generate electricity or heat for agricultural, municipal, or industrial use, or that is converted into diesel, ethanol, hydrogen gas, or other fuels for energy production or transportation. (Reference [House Bill](#) 1203, 2007)

Promulgation of Renewable Fuel Storage Tank Regulations

The Director of the state Division of Oil and Public Safety must promulgate and enforce rules concerning the placement of an underground storage tank that contains renewable fuel. These rules must be promulgated so that the process of obtaining a permit for an underground storage tank that contains renewable fuel is more efficient and affordable. For the purpose of this regulation, a renewable fuel is a motor vehicle fuel that is produced from plant or animal products or wastes, as opposed to fossil fuel sources. (Reference [Colorado Revised Statutes](#) 8-20.5-202 and 8-20.5-302)

Alternative Fuel Use and Vehicle Acquisition Requirement

The Executive Director of the Colorado Department of Personnel has adopted a policy that requires all state-owned diesel vehicles and equipment to be fueled with a fuel blend of 20% biodiesel and 80% petroleum diesel (B20), subject to the availability of the fuel and so long as the price is no greater than \$0.10 more per gallon than the price of conventional diesel. Biodiesel is defined as fuel composed of mono-alkyl esters of long chain fatty acids derived from plant or animal matter that meets ASTM specifications and that is produced in Colorado.

The Executive Director has adopted a policy to increase the utilization of alternative fuels and establish increasing utilization objectives for each succeeding year. Beginning January 1, 2008, the Executive Director must purchase flexible fuel vehicles or hybrid electric vehicles, subject to availability, unless the incremental cost of the vehicle is more than 10%. The Executive Director may adopt a policy to allow some vehicles to be exempt from this requirement.

By January 1, 2009, the Executive Director must report to the general assembly the amount of biodiesel used in the state fleet. The report must include the number of gallons purchased since January 1, 2007, the average price of biodiesel, and a description of economic benefits

(Reference Executive Order D0012 07 ([PDF 31KB](#)) and [Colorado Revised Statutes](#) 24-30-1104) [Download Adobe Reader](#)

Point of Contact

Art Hale
Colorado State Fleet Manager

Colorado Green Incentives and Laws

Colorado Dept of Personnel and Administration, Division of Central Services, State Fleet Management

Phone (303) 866-5531

Fax (303) 866-5511

art.hale@state.co.us

<http://www.colorado.gov/dpa/dcs/>

Alternative Fuel Definition

Alternative fuel is defined as compressed natural gas, propane, ethanol, or any mixture of ethanol containing 85% or more ethanol by volume with gasoline or other fuels, electricity, or any other fuels, which may include, but are not limited to, clean diesel and reformulated gasoline, so long as these other fuels make comparable reductions in carbon monoxide emissions and brown cloud pollutants as determined by the air quality control commission. Alternative fuel does not include any fuel product that contains or is treated with methyl tertiary butyl ether (MTBE). (Reference [Colorado Revised Statutes](#) 25-7-106.8)

Alternative Fuel Vehicle (AFV) Registration

Upon registering a motor vehicle with the Colorado Department of Revenue, Division of Motor Vehicles, the vehicle owner must report the types of alternative fuel used to operate the vehicle and whether the vehicle is dual-fueled or dedicated to one alternative fuel. Forms provided by the Department of Revenue for the purpose of registering motor vehicles must include space for the following fuel types: gasoline, diesel, propane, electricity, natural gas, methanol or M85, ethanol or E85, biodiesel, and other. (Reference [Colorado Revised Statutes](#) 42-3-113)

Alternative Fuel Vehicle (AFV) Weight Limit Exemption

Gross vehicle weight rating limits for AFVs are 1,000 pounds greater than corresponding conventional vehicles, as long as the AFVs operate using an alternative fuel or both alternative and conventional fuel, when operating on a highway that is not part of the interstate system. (Reference [Colorado Revised Statutes](#) 42-4-508)

Alternative Fuels Tax and Vehicle Decal

Fuel tax exemptions are granted for compressed natural gas (CNG) and liquefied petroleum gas (LPG) vehicle owners. Owners of CNG and LPG fueled vehicles are required to purchase an annual tax decal as follows:

Gross Vehicle Weight Rating in Pounds (lbs.)	Annual License Tax Fee
1-10,000 lbs	\$70
10,001-16,000 lbs.	\$100
Over 16,000 lbs.	\$125

All CNG and LPG vehicles must display a current fuel tax decal. Non-profit transit agencies are exempt from the fuel tax. (Reference [Colorado Revised Statutes](#) 39-27-102.5)

Gasoline Gallon Equivalent Definition

The term gasoline gallon equivalent is defined to equate the energy content of any motor fuel, including alternative fuels, to that of a gallon of gasoline. Any dispenser used for the sale of motor fuel in gasoline gallon equivalents shall display gasoline gallon equivalents as the primary display information provided. (Reference [Colorado Revised Statutes](#) 8-20-232.5)

Idle Reduction Requirement - Denver

Idling of any vehicle for more than 10 minutes in any one-hour period is prohibited within the city and county of Denver. Exemptions apply for the following: when ambient outside air temperatures have been less than 20 degrees Fahrenheit for the previous 24 hours; current ambient outside air temperature are less than 10 degrees Fahrenheit. This requirement does not apply to emergency vehicles, vehicles engaged in traffic operations, vehicles being serviced, vehicles that must idle to operate auxiliary equipment, and vehicles that are idle due to traffic congestion. (Reference [Revised Municipal Code, City and County of Denver](#), Section 4-43)

Utilities/Private Incentives

Natural Gas Fuel Rate Reduction and Infrastructure Maintenance

Clean Energy Fuels offers services to the natural gas vehicle industry that include compressed natural gas (CNG) fueling station equipment maintenance, competitive fuel pricing for larger fleet customers, and alternative fuel vehicle financing. Clean Energy also operates public CNG fueling stations in Colorado.

Colorado Green Incentives and Laws

Point of Contact

James Orsulak
 Market Manager for Alternative Fuels
 Clean Energy Fuels
 Phone (303) 322-4600
 Fax (303) 322-4644
jorsulak@cleanenergyfuels.com

Natural Gas Infrastructure Technical Assistance

Atmos Energy offers preliminary feasibility studies for compressed natural gas fueling stations and will assist with vendor selection on a case-by-case basis.

Point of Contact

Walter C. Miller
 Energy Services Consultant
 Atmos Energy
 Phone (817) 303-2903
 Fax (817) 303-2929
walter.c.miller@atmosenergy.com

Points of Contact:

NAME/EMAIL	AGENCY	TITLE	PHONE/FAX
Alicia Archibald cleancities@bettrecycling.com	Southern Colorado Clean Cities Coalition	Clean Cities Coordinator	Phone: (719) 322-6279 Fax:
Natalia Swalnick nswalnick@lungcolorado.org	Denver Metro Clean Cities Coalition	Air Quality/Clean Cities Manager	Phone: (303) 847-0271 Fax: (303) 377-1102
Robin Newbrey Riesberg cleancities@riesberg.com	Northern Colorado Clean Cities Coalition	Clean Cities Coordinator	Phone: (970) 689-4845 Fax:
Ernie Oakes ernie.oakes@go.doe.gov	U.S. Department of Energy, Golden Field Office	Project Manager	Phone: (303) 275-4817 Fax: (303) 275-4830
Teresa Carrillo teresa.carrillo@dot.state.co.us	Colorado Department of Transportation	Commercial Vehicle Operations Manager	Phone: (303) 757-9716 Fax: (303) 757-9719
Art Hale art.hale@state.co.us	Colorado Dept of Personnel and Administration, Division of Central Services, State Fleet Management	Colorado State Fleet Manager	Phone: (303) 866-5531 Fax: (303) 866-5511
John Doty jdoty@spike.dor.state.co.us	Colorado Department of Revenue	AFV/Hybrid Taxes and Rebates	Phone: (303) 205-8211 Fax:
	Colorado Department of Revenue	Tax Information Call Center	Phone: (303) 238-7378 Fax:
Stacey Simms stacey.simms@state.co.us	Governor's Biofuels Coalition	Biofuels and Local Fuels Program Manager	Phone: (303) 866-2308 Fax: (303) 866-2930
James Orsulak jorsulak@cleanenergyfuels.com	Clean Energy Fuels	Market Manager for Alternative Fuels	Phone: (303) 322-4600 Fax: (303) 322-4644
Walter C. Miller walter.c.miller@atmosenergy.com	Atmos Energy	Energy Services Consultant	Phone: (817) 303-2903 Fax: (817) 303-2929
Gordon Lancaster gordon.lancaster@gsa.gov	U.S. General Services Administration	Transportation Operations Specialist	Phone: (303) 236-7599 Fax: (303) 236-7590