

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

April 11, 2024
Date

Committee on Energy & Environment.

After consideration on the merits, the Committee recommends the following:

HB24-1346 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

- 1 Amend printed bill, page 3, strike line 5.

- 2 Page 4, strike lines 1 through 12 and substitute "TO BE IN THE PUBLIC
3 INTEREST FOR THE COMMISSION TO IMPLEMENT AND ADMINISTER A
4 PROGRAM FOR THE PERMITTING AND REGULATION OF PERMANENT
5 GEOLOGIC STORAGE OPERATIONS IN A WAY THAT PRIORITIZES:
6 (a) CONTRIBUTIONS TOWARD ACHIEVING THE STATE'S
7 GREENHOUSE GAS EMISSION REDUCTION GOALS, AS SET FORTH IN SECTION
8 25-7-102 (2)(g);
9 (b) BENEFITS TO THE STATE AND GLOBAL ENVIRONMENT BY
10 REDUCING CARBON DIOXIDE POLLUTION;
11 (c) OPPORTUNITIES TO SUPPORT A JUST TRANSITION AND TO HELP
12 RETRAIN WORKERS, PARTICULARLY WORKERS PREVIOUSLY EMPLOYED IN
13 THE FOSSIL FUEL INDUSTRY;
14 (d) PROTECTING DISPROPORTIONATELY IMPACTED COMMUNITIES
15 AND ADVANCING ENVIRONMENTAL JUSTICE; AND
16 (e) THE SAFE AND RESPONSIBLE USE OF COLORADO'S ABUNDANT
17 NATURAL RESOURCES FOR THE PERMANENT STORAGE OF CARBON
18 DIOXIDE."

- 19 Page 4, strike lines 20 through 25.

- 20 Renumber succeeding subsections accordingly.

- 21 Page 5, line 21, strike "34-60-142," and substitute "34-60-141,".

- 22 Page 5, after line 24 insert:

1 "(7) (a) "CUMULATIVE IMPACTS" MEANS THE EFFECTS ON PUBLIC
2 HEALTH AND THE ENVIRONMENT, INCLUDING THE IMPACTS TO AIR
3 QUALITY, WATER QUALITY, CLIMATE, NOISE, ODOR, WILDLIFE, AND
4 BIOLOGICAL RESOURCES, CAUSED BY THE INCREMENTAL IMPACTS THAT A
5 PROPOSED NEW OR AMENDED OPERATION REGULATED BY THE COMMISSION
6 PURSUANT TO THIS ARTICLE 60 WOULD HAVE WHEN ADDED TO THE
7 IMPACTS FROM OTHER PAST, PRESENT, AND REASONABLY FORESEEABLE
8 FUTURE DEVELOPMENT OF ANY TYPE ON THE IMPACT AREA OR ON A
9 DISPROPORTIONATELY IMPACTED COMMUNITY.

10 (b) "CUMULATIVE IMPACTS" MAY INCLUDE BOTH ADVERSE AND
11 BENEFICIAL ENVIRONMENTAL IMPACTS.

12 (c) THIS SUBSECTION (7) IS EFFECTIVE ON THE EFFECTIVE DATE OF
13 THE RULES ADOPTED PURSUANT TO SECTION 34-60-106 (11)(d)(I).".

14 Renumber succeeding subsections accordingly.

15 Page 5, strike lines 25 through 27.

16 Page 6, strike lines 1 through 3.

17 Renumber succeeding subsections accordingly.

18 Page 6, strike lines 9 and 10 and substitute "ALL OPERATIONS REGULATED
19 BY THE COMMISSION."

20 Page 6, line 11, strike "AN" and substitute "ANY".

21 Page 6, strike lines 12 and 13 and substitute "PERSON THAT EXERCISES
22 THE RIGHT TO CONTROL THE CONDUCT OF ENERGY AND CARBON
23 MANAGEMENT OPERATIONS."

24 Page 7, line 2, before "'GEOLOGIC" insert "(a)".

25 Page 7, after line 6 insert:

26 "(b) "GEOLOGIC STORAGE FACILITY" DOES NOT INCLUDE PIPELINES
27 REGULATED BY THE PIPELINE AND HAZARDOUS MATERIALS SAFETY
28 ADMINISTRATION OF THE UNITED STATES DEPARTMENT OF
29 TRANSPORTATION OR THE PUBLIC UTILITIES COMMISSION."

30 Page 8, line 1, strike "(18)(a) OR (18)(b)" and substitute "(17)(a) OR
31 (17)(b)".

1 Page 8, line 17, strike "34-60-142." and substitute "34-60-141."

2 Page 8, after line 20 insert:

3 "(22) "IMPACT AREA" MEANS A DEFINED GEOGRAPHIC AREA OR
4 AREAS IN WHICH OPERATIONS REGULATED BY THE COMMISSION HAVE THE
5 POTENTIAL TO CONTRIBUTE TO CUMULATIVE IMPACTS. THE COMMISSION
6 SHALL DETERMINE THE IMPACT AREA FOR A PARTICULAR PROPOSED
7 OPERATION BASED ON THE NATURE, INTENSITY, AND SCOPE OF THE
8 OPERATION IN ITS PROPOSED LOCATION AND THE GEOGRAPHIC EXTENT OF
9 POTENTIAL IMPACTS.

10 (23) "IMPACTS TO CLIMATE" MEANS THE QUANTIFICATION OF
11 EMISSIONS OF GREENHOUSE GASES, AS DEFINED IN SECTION 25-7-140 (6),
12 THAT OCCUR FROM SOURCES THAT ARE CONTROLLED OR OWNED BY THE
13 ENERGY AND CARBON MANAGEMENT OPERATOR AND FROM REASONABLY
14 FORESEEABLE TRUCK TRAFFIC, AS WELL AS REDUCTIONS IN GREENHOUSE
15 GAS EMISSIONS, ASSOCIATED WITH THE PROPOSED OPERATION.

16 (24) "INJECTION CARBON DIOXIDE" MEANS CARBON DIOXIDE,
17 INCLUDING ITS DERIVATIVES AND ALL MIXTURES, COMBINATIONS, AND
18 PHASES, WHETHER LIQUID, GASEOUS, SUPER-CRITICAL, OR SOLID, AND
19 WHETHER STRIPPED, SEGREGATED, OR DIVIDED FROM ANY OTHER FLUID
20 STREAM, INCLUDING ALL INCIDENTAL ASSOCIATED SUBSTANCES DERIVED
21 FROM THE SOURCE MATERIALS."

22 Renumber succeeding subsections accordingly.

23 Page 8, strike lines 23 through 27.

24 Page 9, strike lines 1 and 2 and substitute:

25 "(a) Municipality or city and county within whose boundaries ~~an~~
26 ~~oil and gas location~~ A SURFACE LOCATION FOR ENERGY AND CARBON
27 MANAGEMENT OPERATIONS is sited or proposed to be sited; or

28 (b) County, if ~~an oil and gas location~~ A SURFACE LOCATION FOR
29 ENERGY AND CARBON MANAGEMENT OPERATIONS is sited or proposed to
30 be sited within the boundaries of the county but is not located within a
31 municipality or city and county."

32 Page 10, line 2, strike "(28)(b)" and substitute "(30)(b)".

33 Page 10, line 7, strike "(28)." and substitute "(30)."

34 Page 11, after line 6 insert:

1 "(39) "REASONABLY FORESEEABLE FUTURE DEVELOPMENT"
2 MEANS DEVELOPMENT THAT HAS NOT YET BEEN UNDERTAKEN FOR WHICH
3 AN APPLICABLE LOCAL, STATE, OR FEDERAL AGENCY HAS RECEIVED AN
4 APPLICATION OR ISSUED A PERMIT. FUTURE DEVELOPMENT IS REASONABLY
5 FORESEEABLE ONLY IF INFORMATION RELATED TO THE PERMIT IS PUBLICLY
6 AVAILABLE."

7 Renumber succeeding subsections accordingly.

8 Page 12, line 1, strike "(40)(b)" and substitute "(43)(b)".

9 Page 12, line 21, strike "(40)" and substitute "(43)" and strike "(41)" and
10 substitute "(44)".

11 Page 12, line 22, strike "(42)(b)" and substitute "(45)(b)".

12 Page 14, line 2, strike "and (22); **repeal** (9)(e)(III);" and substitute "and
13 (11)(d)(I); **repeal** (9)(c)(III)(C), (9)(e)(III), (11)(d)(III), and (11)(d)(IV);".

14 Page 14, line 17, strike "LOCATION" and substitute "OPERATIONS".

15 Page 14, after line 26 insert:

16 "~~(C) As used in this subsection (9)(c)(III), "cumulative impacts"~~
17 ~~means the effect on public health and the environment, including the~~
18 ~~effect on air quality, water quality, the climate, noise, odor, wildlife, and~~
19 ~~biological resources, caused by the incremental impact that a proposed~~
20 ~~new or modified class VI injection well would have when added to the~~
21 ~~impacts from other past, present, and reasonably foreseeable future~~
22 ~~development of any type on the affected area, including an airshed or~~
23 ~~watershed, or on a disproportionately impacted community."~~

24 Page 15, lines 9 and 10, strike "class VI injection wells and GEOLOGIC
25 STORAGE locations." and substitute "class VI injection wells and locations
26 GEOLOGIC STORAGE OPERATIONS."

27 Page 16, line 2, strike "location;" and substitute "location AND THAT THE
28 COMMISSION HAS CONSULTED WITH ANY LOCAL GOVERNMENT WHOSE
29 BOUNDARIES INCLUDE LANDS OVERLYING THE GEOLOGIC STORAGE
30 FACILITY;"

31 Page 16, after line 24 insert:

1 "(11) (d) (I) By ~~April 28, 2024~~ SEPTEMBER 30, 2024, the
2 commission shall promulgate rules that evaluate and address the
3 cumulative impacts of oil and gas operations. ~~The rules shall include a~~
4 ~~definition of cumulative impacts~~ THE RULES SHALL REQUIRE EVALUATION
5 OF ALL IMPACTS SET FORTH IN THE DEFINITION OF CUMULATIVE IMPACTS
6 DESCRIBED IN SECTION 34-60-103. THE RULES SHALL REQUIRE
7 ADDRESSING THOSE IMPACTS RESULTING FROM OPERATIONS REGULATED
8 BY THE COMMISSION. WELLS DRILLED FOR THE EXCLUSIVE PURPOSE OF
9 OBTAINING SUBSURFACE DATA OR INFORMATION TO SUPPORT OPERATIONS
10 REGULATED BY THE COMMISSION DO NOT REQUIRE A CUMULATIVE
11 IMPACTS ANALYSIS.

12 (III) ~~In promulgating the definition of cumulative impacts by rule~~
13 ~~pursuant to subsection (11)(d)(I) of this section, the commission shall~~
14 ~~review, consider, and include addressable impacts to climate, public~~
15 ~~health, the environment, air quality, water quality, noise, odor, wildlife,~~
16 ~~and biological resources, and to disproportionately impacted~~
17 ~~communities, as defined in section 24-4-109 (2)(b)(II).~~

18 (IV) ~~As used in this subsection (11)(d), "impacts to climate"~~
19 ~~means quantification of emissions of greenhouse gases, as defined in~~
20 ~~section 25-7-140 (6), that occur from sources that are controlled or owned~~
21 ~~by the operator and reasonably foreseeable truck traffic at an oil and gas~~
22 ~~location."~~

23 Page 16, strike lines 25 through 27.

24 Page 17, strike lines 1 through 6.

25 Page 22, line 19, after "(4)(a)(II)," insert "(4)(e)(II), (4)(f)," and strike
26 "(8)(b)" and substitute "(8)(b); and **add** (4)(g)".

27 Page 23, after line 9 insert:

28 "(e) (II) This subsection (4)(e) is repealed, effective July 1, 2025;
29 **and**

30 (f) To create and maintain the website described in section
31 34-60-106 (22); AND

32 (g) BY THE COMMISSION FOR THE PURPOSE OF INFORMATION
33 TECHNOLOGY INITIATIVES."

34 Page 25, line 19, strike "34-60-143, and 34-60-144" and substitute "and
35 34-60-143".

36 Page 25, strike lines 20 through 27.

- 1 Strike page 26.
- 2 Page 27, strike lines 1 through 25.
- 3 Renumber succeeding C.R.S. sections accordingly.
- 4 Page 27, line 27, before "**carbon**" insert "**injection**".
- 5 Page 28, line 8, strike "(6)" and substitute "(5)".
- 6 Page 29, strike lines 13 and 14.
- 7 Renumber succeeding subsection accordingly.
- 8 Page 33, lines 21 and 22, strike "OPERATIONS AND OPERATIONS OF DIRECT
9 AIR CAPTURE FACILITIES," and substitute "OPERATIONS,".
- 10 Page 34, lines 2 and 3, strike "**direct air capture facilities and**".
- 11 Page 37, strike lines 1 through 5 and substitute "~~defined in section~~
12 ~~34-60-103 (6.5), deep geothermal operations, as defined in section~~
13 ~~37-90.5-103 (3), class VI injection wells, and intrastate underground~~
14 ~~natural gas storage facilities, as defined in section 34-64-102 (3.5)~~
15 ENERGY AND CARBON MANAGEMENT OPERATIONS, AS DEFINED IN SECTION
16 34-60-103, in a reasonable manner to address matters".
- 17 Page 37, strike lines 13 through 17 and substitute "~~from oil and gas~~
18 ~~operations, as defined in section 34-60-103 (6.5), deep geothermal~~
19 ~~operations, as defined in section 37-90.5-103 (3), class VI injection wells,~~
20 ~~and intrastate underground natural gas storage facilities, as defined in~~
21 ~~section 34-64-102 (3.5) ENERGY AND CARBON MANAGEMENT OPERATIONS,~~
22 AS DEFINED IN SECTION 34-60-103, and minimizing".
- 23 Page 37, strike lines 20 through 25 and substitute:

24 "(II) The location and siting of ~~oil and gas facilities and oil and~~
25 ~~gas locations, as those terms are defined in section 34-60-103 (6.2) and~~
26 ~~(6.4); deep geothermal operations, as defined in section 37-90.5-103 (3);~~
27 ~~class VI injection wells; and intrastate underground natural gas storage~~
28 ~~facilities, as defined in section 34-64-102 (3.5) ENERGY AND CARBON~~
29 MANAGEMENT OPERATIONS, AS DEFINED IN SECTION 34-60-103;".
- 30 Before "CARBON" insert "INJECTION" on **Page 4**, line 27; **Page 6**, line 25;

1 **Page 7**, line 24; **Page 28**, lines 14, 15, 16, 18, and 19; and **Page 29**, lines
2 18 and 19.

3 Strike "DIRECT AIR CAPTURE FACILITIES AND" on: **Page 34**, lines 8, 16, 20
4 and 21, and 22 and 23.

5 Strike "THIS HOUSE BILL 24-____," and substitute "HOUSE BILL 24-1346,"
6 on: **Page 29**, lines 20 and 23.

7 Page 1, lines 104 and 105, strike "**DIRECT AIR CAPTURE FACILITIES**
8 **AND**".

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