

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 22-0335.01 Jennifer Berman x3286

**SENATE BILL 22-138**

**SENATE SPONSORSHIP**

**Hansen and Priola,** Buckner, Fenberg, Fields, Gonzales, Jaquez Lewis, Lee, Moreno,  
Story

**HOUSE SPONSORSHIP**

**Valdez A. and McCormick,**

**Senate Committees**

Transportation & Energy  
Finance  
Appropriations

**House Committees**

Energy & Environment  
Finance  
Appropriations

**A BILL FOR AN ACT**

101 **CONCERNING MEASURES TO PROMOTE REDUCTIONS IN GREENHOUSE**  
102 **GAS EMISSIONS IN COLORADO, AND, IN CONNECTION**  
103 **THEREWITH, MAKING AN APPROPRIATION.**

**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

**Section 1** of the bill requires each insurance company issued a certificate of authority to transact insurance business to prepare and file an annual report with the insurance commissioner providing a climate-risk assessment for the insurance company's investment portfolio

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters or bold & italic numbers indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

SENATE  
3rd Reading Unamended  
April 22, 2022

SENATE  
Amended 2nd Reading  
April 21, 2022

from the previous 12 months. The commissioner of insurance is required to post the reports on the division of insurance's website. **Section 1** defines "climate-risk assessment" as a determination of the economic and business risks that climate change poses to an investment.

**Section 2** requires the board of trustees of the public employees' retirement association (PERA board) to prepare a similar annual report and post it on the PERA board's website.

**Section 3** updates the statewide greenhouse gas (GHG) emission reduction goals to add a 40% reduction goal for 2028 compared to 2005 GHG pollution levels and a 75% reduction goal for 2040 compared to 2005 GHG pollution levels.

**Section 4** defines a small off-road engine as a gasoline-powered engine of 50 horsepower or less used to fuel small off-road equipment like lawn mowers and leaf blowers. **Section 4** phases out the use of small off-road engines by prohibiting their sale in nonattainment areas of the state on or after January 1, 2030, and by providing financial incentives to promote the replacement of small off-road engines with electric-powered, small off-road equipment before 2030.

**Section 11** establishes a state income tax credit in an amount equal to 30% of the purchase price for new, electric-powered, small off-road equipment for purchases made in income tax years 2023 through 2029.

**Section 6** gives the oil and gas conservation commission authority over class VI injection wells used for sequestration of GHG, including through the issuance and enforcement of permits.

**Section 7** requires the commissioner of agriculture or the commissioner's designee, in consultation with the Colorado energy office and the air quality control commission, to conduct a study examining carbon reduction and sequestration opportunities in the agricultural sector in the state, including the potential development of certified carbon offset programs or credit instruments. On or before December 15, 2022, the commissioner of agriculture or the commissioner's designee is required to submit a report summarizing the study, including any legislative recommendations, to the general assembly.

In support of the use of agrivoltaics, which is the colocation of solar energy generation facilities on a parcel of land with agricultural activities, **section 8** authorizes the Colorado agriculture value-added development board (board) to provide financing, including grants or loans, for agricultural research on the use of agrivoltaics. For a research project for which the board awards money to study the use of agrivoltaics, **sections 5 and 8** require the director of the division of parks and wildlife to consult on the research project regarding the wildlife impacts of agrivoltaic use.

**Section 9** authorizes the board to seek, accept, and expend gifts, grants, and donations, including donations of in-kind resources such as solar panels, for use in agricultural research projects. **Section 9** also

updates the statutory definition of "agrivoltaics" to list additional agricultural activities on the parcel of land on which solar panel generation facilities may be colocated, including animal husbandry, cover cropping for soil health, and carbon sequestration.

**Section 10** amends the statutory definition of "solar energy facility" used in determining the valuation of public utilities for property tax purposes to include agrivoltaics.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 10-3-244 as  
3 follows:

4 **10-3-244. Investment climate-risk assessment - reporting -**  
5 **rules - definition.** (1) THE COMMISSIONER SHALL ADOPT RULES  
6 REQUIRING THAT, BEGINNING IN 2023, INSURERS ISSUED A CERTIFICATE OF  
7 AUTHORITY TO TRANSACT BUSINESS PURSUANT TO PART 1 OF THIS ARTICLE  
8 3 THAT REPORT MORE THAN ONE HUNDRED MILLION DOLLARS ON THEIR  
9 ANNUAL NAIC SCHEDULE T FILING, OR SUCH OTHER THRESHOLD DOLLAR  
10 AMOUNT THAT THE NAIC ESTABLISHES IN SUBSEQUENT YEARS,  
11 PARTICIPATE IN AND COMPLETE THE NAIC'S ANNUAL "INSURER CLIMATE  
12 RISK DISCLOSURE SURVEY", OR SUCH OTHER SURVEY OR REPORTING  
13 MECHANISM THAT THE NAIC REQUIRES IN SUBSEQUENT YEARS. IF AN  
14 INSURER REPORTS LESS THAN ONE HUNDRED MILLION DOLLARS ON ITS  
15 ANNUAL NAIC SCHEDULE T FILING, OR SUCH OTHER THRESHOLD DOLLAR  
16 AMOUNT THAT THE NAIC ESTABLISHES IN SUBSEQUENT YEARS, THE  
17 INSURER MAY PARTICIPATE IN AND COMPLETE THE SURVEY VOLUNTARILY.

18 (2) AS USED IN THIS SECTION, "NAIC" MEANS THE NATIONAL  
19 ASSOCIATION OF INSURANCE COMMISSIONERS, AN ORGANIZATION OF  
20 INSURANCE REGULATORS FROM THE FIFTY STATES, THE DISTRICT OF  
21 COLUMBIA, AND THE FOUR UNITED STATES TERRITORIES.

22 **SECTION 2.** In Colorado Revised Statutes, **amend** 24-51-220 as

1 follows:

2 **24-51-220. Reports - periodic reports to general assembly -**  
3 **inclusion of climate risk assessment in annual stewardship report.**

4 (1) The association shall ~~provide~~ SUBMIT a report to the general assembly  
5 on January 1, 2016, and every five years thereafter, regarding the  
6 economic impact of the 2010 legislative changes to the annual increase  
7 provisions on the retirees and benefit recipients as compared to the actual  
8 rate of inflation and the progress made toward eliminating the unfunded  
9 liabilities of each division of the association.

10 (2) ON AND AFTER JANUARY 1, 2024, THE ASSOCIATION SHALL  
11 INCLUDE, AS PART OF ITS ANNUAL INVESTMENT STEWARDSHIP REPORT  
12 THAT IT POSTS ON ITS WEBSITE, A DESCRIPTION OF:

13 (a) THE ASSOCIATION'S PROCESS FOR IDENTIFYING CLIMATE  
14 CHANGE-RELATED RISKS AND ASSESSING THE FINANCIAL IMPACT THAT THE  
15 CLIMATE CHANGE-RELATED RISKS HAVE ON THE ASSOCIATION'S  
16 OPERATIONS;

17 (b) THE CURRENT OR ANTICIPATED FUTURE RISKS THAT CLIMATE  
18 CHANGE POSES TO THE ASSOCIATION'S INVESTMENT PORTFOLIO, THE  
19 IMPACT THAT CLIMATE CHANGE HAS ON THE ASSOCIATION'S INVESTMENT  
20 STRATEGIES, AND ANY STRATEGY CHANGES THAT THE ASSOCIATION HAS  
21 IMPLEMENTED IN RESPONSE TO SUCH IMPACT;

22 (c) ACTIONS THAT THE ASSOCIATION IS TAKING TO MANAGE THE  
23 RISKS THAT CLIMATE CHANGE POSES TO THE ASSOCIATION'S OPERATIONS;

24 AND

25 (d) THE ASSOCIATION'S USE AND CONSIDERATION OF ANY  
26 CLIMATE-RELATED REPORTING THAT THE FEDERAL SECURITIES AND  
27 EXCHANGE COMMISSION REQUIRES.

1            **SECTION 3.** In Colorado Revised Statutes, 25-6.5-201, **amend**  
2 **(2); and add (3) as follows:**

3            **25-6.5-201. Definitions.** As used in this part 2, unless the context  
4 **otherwise requires:**

5            **(2) (a) "Pollution control equipment" means any personal**  
6 **property, including, but not limited to, equipment, machinery, devices,**  
7 **systems, buildings, or structures, that is installed, constructed, or used in**  
8 **or as a part of a facility that creates a product in a manner that generates**  
9 **less pollution by the utilization of an alternative manufacturing or**  
10 **generating technology.**

11            **(b) "Pollution control equipment" includes, but is not limited to:**

12            **(I) Gas or wind turbines and associated compressors or**  
13 **equipment; or**

14            **(II) Solar, thermal, or photovoltaic equipment; OR**

15            **(III) WASTEWATER THERMAL ENERGY EQUIPMENT.**

16            **(3) "WASTEWATER THERMAL ENERGY EQUIPMENT" MEANS**  
17 **EQUIPMENT USED AS PART OF A SYSTEM THAT USES THERMAL ENERGY IN**  
18 **WASTEWATER TO GENERATE ELECTRICITY, TO HEAT OR COOL A SPACE, OR**  
19 **FOR ANY OTHER USEFUL THERMAL PURPOSE.**

20            **SECTION 4.** In Colorado Revised Statutes, 25-7-102, **amend**  
21 **(2)(g) as follows:**

22            **25-7-102. Legislative declaration.** (2) It is further declared that:

23            (g) (I) Accordingly, Colorado shall strive to increase renewable  
24 energy generation and eliminate statewide greenhouse gas pollution by  
25 the middle of the twenty-first century and have goals of achieving, at a  
26 minimum:

27            (A) A twenty-six percent reduction in statewide greenhouse gas

1 pollution by 2025;

2 ==

3 (B) A fifty percent reduction in statewide greenhouse gas  
4 pollution by 2030;

5 (C) A SIXTY-FIVE PERCENT REDUCTION IN STATEWIDE  
6 GREENHOUSE GAS POLLUTION BY 2035;

7 (D) A SEVENTY-FIVE PERCENT REDUCTION IN STATEWIDE  
8 GREENHOUSE GAS POLLUTION BY 2040; and

9 (E) A ninety percent reduction in statewide greenhouse gas  
10 pollution by 2050.

11 (II) The reductions identified in this subsection (2)(g) are  
12 measured relative to 2005 statewide greenhouse gas pollution levels.

13 **SECTION 5.** In Colorado Revised Statutes, 25-7-105, **amend**  
14 (1)(e)(IX) and (1)(e)(XIII) introductory portion; and **add** (1)(e)(IX.3),  
15 (1)(e)(IX.5), (1)(e)(IX.7), (1)(e)(XIV), and (1)(e)(XV) as follows:

16 **25-7-105. Duties of commission - rules - legislative declaration**  
17 **- definitions - repeal.** (1) Except as provided in sections 25-7-130 and  
18 25-7-131, the commission shall promulgate rules that are consistent with  
19 the legislative declaration set forth in section 25-7-102 and necessary for  
20 the proper implementation and administration of this article 7, including:

21 (e) (IX) (A) In addressing greenhouse gas emissions from an  
22 energy-intensive, trade-exposed manufacturing source, the commission  
23 shall require the source to execute an energy and emission control audit,  
24 according to criteria established by the commission, of the source's  
25 operations every five years through at least 2035. A qualified third party,  
26 as determined by the commission, shall conduct the audit and submit the  
27 results to the commission.

1 (B) If the commission determines that the source currently  
2 employs best available emission control technologies for greenhouse gas  
3 emissions and best available energy efficiency practices, the commission  
4 shall not impose a direct nonadministrative cost on the source directly  
5 associated with at least ninety-five percent of the source's greenhouse gas  
6 emissions attributable to manufacturing a good in this state for a period  
7 of five years, if the source's emissions are not greater than the emissions  
8 associated with use of the best available emission control technologies as  
9 determined by the commission.

10 (C) The commission shall consider how program design as  
11 relevant to those sources can further mitigate the cost of reducing  
12 emissions for such manufacturers while providing an incentive to  
13 improve efficiency and reduce emissions. Specifically, the commission  
14 shall design the program as relevant to those sources such that as the  
15 sources are subject to emission reduction requirements, those sources will  
16 have, under the program, a pathway to obtain equivalent lower-cost  
17 emission reductions at other regulated sources to satisfy their compliance  
18 obligations.

19 ~~(B)~~ (IX.3) As used in this subsection (1)(e)(IX) OF THIS SECTION,  
20 "energy-intensive, trade-exposed manufacturing source" means: ~~an~~

21 (A) ANY entity, INCLUDING AN entity that principally manufactures  
22 iron, steel, aluminum, pulp, paper, or cement, ~~and~~ WHICH ENTITIES SHALL  
23 BE DEEMED PRESUMPTIVELY ENERGY-INTENSIVE, TRADE-EXPOSED  
24 MANUFACTURING SOURCES; OR

25 (B) AN ENTITY that is engaged in the manufacture of goods  
26 through one or more emissions-intensive, trade-exposed processes, as  
27 determined by the commission UPON A PETITION BY SUCH ENTITY, USING

1 THE DEFINITIONS SET FORTH IN SUBSECTION (1)(e)(IX.5) OF THIS SECTION.

2 (IX.5) AS USED IN THIS SUBSECTION (1)(e):

3 (A) "EMISSIONS-INTENSIVE" MEANS THAT AN ENTITY REPORTS  
4 DIRECT GREENHOUSE GAS EMISSIONS EQUAL TO OR GREATER THAN  
5 TWENTY-FIVE THOUSAND METRIC TONS OF CARBON DIOXIDE EQUIVALENT  
6 PER YEAR UNDER FEDERAL REGULATIONS OR STATE RULES.

7 (B) "TRADE-EXPOSED" MEANS THAT AN ENTITY THAT  
8 MANUFACTURES GOODS IN THE INDUSTRIAL AND MANUFACTURING SECTOR  
9 INCURS COSTS TO COMPLY WITH STATE RULES TO WHICH OUT-OF-STATE  
10 COMPETITORS ARE NOT SUBJECT OR THAT SUCH ENTITY WOULD OTHERWISE  
11 BE DISADVANTAGED COMPETITIVELY IF REQUIRED TO COMPLY WITH THE  
12 RULES THAT THE COMMISSION ADOPTS PURSUANT TO SUBSECTION  
13 (1)(e)(XIII) OF THIS SECTION.

14 (IX.7) ON OR BEFORE AUGUST 1, 2023, THE COMMISSION SHALL  
15 MODIFY ANY RULES ADOPTED PURSUANT TO SUBSECTION (1)(e)(IX) OF  
16 THIS SECTION TO REFLECT THE DEFINITIONS SET FORTH IN SUBSECTION  
17 (1)(e)(IX.5) OF THIS SECTION.

18 (XIII) In implementing this subsection (1)(e), the commission  
19 shall adopt rules to reduce statewide greenhouse gas emissions from the  
20 industrial and manufacturing sector in the state by at least twenty percent  
21 by 2030 below the 2015 baseline established pursuant to section 25-7-140  
22 (2)(a)(II), taking into account the factors set out in subsections (1)(e)(II)  
23 to (1)(e)(VI) of this section. The rules must include protections for  
24 disproportionately impacted communities and prioritize emission  
25 reductions that will reduce emissions of co-pollutants that adversely  
26 affect disproportionately impacted communities, be designed to accelerate  
27 near-term reductions, and secure meaningful emission reductions from



1 this sector to be realized beginning no later than September 30, 2024. ON  
2 OR BEFORE AUGUST 1, 2023, THE COMMISSION SHALL ADOPT RULES TO  
3 REDUCE GREENHOUSE GAS EMISSIONS FROM, AT A MINIMUM, SOURCES  
4 WITHIN THE INDUSTRIAL AND MANUFACTURING SECTOR THAT REPORTED  
5 DIRECT FACILITY GREENHOUSE GAS EMISSIONS GREATER THAN  
6 TWENTY-FIVE THOUSAND METRIC TONS FROM CALENDAR YEAR 2020,  
7 PURSUANT TO PART A OF 5 CCR 1001-26, KNOWN AS "REGULATION  
8 NUMBER 22", OR ANY ANALOGOUS SUCCESSOR RULE. The rules must:

9 (XIV) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

10 (A) PURSUANT TO SUBSECTION (1)(e)(XIII) OF THIS SECTION, THE  
11 COMMISSION IS REQUIRED TO ADOPT RULES ON OR BEFORE AUGUST 1,  
12 2023, TO REDUCE GREENHOUSE GAS EMISSIONS FROM SOURCES WITHIN THE  
13 INDUSTRIAL AND MANUFACTURING SECTOR THAT REPORTED, PURSUANT  
14 TO PART A OF 5 CCR 1001-26, REFERRED TO IN THIS SUBSECTION  
15 (1)(e)(XIV) AS "REGULATION NUMBER 22", DIRECT FACILITY GREENHOUSE  
16 GAS EMISSIONS OF GREATER THAN TWENTY-FIVE THOUSAND METRIC TONS  
17 FROM CALENDAR YEAR 2020;

18 (B) THE LIMITATION SET FORTH IN SUBSECTION (1)(e)(XIII) OF  
19 THIS SECTION TO REPORT "DIRECT FACILITY" GREENHOUSE GAS EMISSIONS  
20 IS INTENDED TO EXCLUDE FROM THE TWENTY-FIVE THOUSAND METRIC TON  
21 TRIGGER THE INDIRECT GREENHOUSE GAS EMISSIONS REPORTED UNDER  
22 REGULATION NUMBER 22, SUCH AS INDIRECT EMISSIONS REPORTED BY  
23 MIDSTREAM NATURAL GAS LIQUID FRACTIONATORS PURSUANT TO SUBPART  
24 NN, SUPPLIERS OF NATURAL GAS LIQUIDS, OF 40 CFR PART 98 REGARDING  
25 MANDATORY GREENHOUSE GAS REPORTING, INCLUDING EMISSIONS  
26 RESULTING FROM THE COMBUSTION OR RELEASE OF PRODUCTS BEING  
27 SUPPLIED BY NATURAL GAS LIQUID FRACTIONATOR SUPPLIERS;

1 (C) THROUGH REGULATION NUMBER 22, THE COMMISSION  
2 ADOPTED A SEPARATE RULE IN DECEMBER 2021 REGARDING, AMONG  
3 OTHER THINGS, THE CONTROL OF INDUSTRIAL AND MANUFACTURING  
4 DIRECT EMISSIONS FROM FUEL COMBUSTION EQUIPMENT UTILIZED BY  
5 MIDSTREAM NATURAL GAS FRACTIONATORS;

6 (D) THE LIMITATION DESCRIBED IN SUBSECTION (1)(e)(XIV)(B) OF  
7 THIS SECTION IS NOT INTENDED TO ALTER THE EXISTING STATUTORY  
8 DEFINITION OF "INDUSTRIAL AND MANUFACTURING SECTOR" SET FORTH IN  
9 SUBSECTION (1)(e)(XI)(B.5) OF THIS SECTION, WHICH DEFINITION  
10 INCLUDES EMISSIONS FROM BOTH ENERGY COMBUSTION AND ENERGY USE  
11 AND INDUSTRIAL PROCESSES BY SOURCES IN THE INDUSTRIAL AND  
12 MANUFACTURING SECTOR; AND

13 (E) THE PHRASE "AT A MINIMUM" IN SUBSECTION (1)(e)(XIII) OF  
14 THIS SECTION IS INTENDED TO CLARIFY THAT THE COMMISSION HAS A  
15 MANDATORY DUTY TO REGULATE CERTAIN INDUSTRIAL AND  
16 MANUFACTURING SOURCES IN THE 2023 RULE-MAKING REQUIRED UNDER  
17 SUBSECTION (1)(e)(XIII) OF THIS SECTION AND THAT THE COMMISSION  
18 RETAINS THE DISCRETION TO INCLUDE OTHER INDUSTRIAL AND  
19 MANUFACTURING SOURCES IN THAT RULE-MAKING.

20 (XV) THIS SUBSECTION (1)(e)(XV) AND SUBSECTION (1)(e)(XIV)  
21 OF THIS SECTION ARE REPEALED, EFFECTIVE JULY 1, 2025.

22 **SECTION 6.** In Colorado Revised Statutes, 33-1-110, **add** (9) as  
23 follows:

24 **33-1-110. Duties of the director of the division.** (9) FOR  
25 RESEARCH PROJECTS FOR WHICH THE COLORADO AGRICULTURAL  
26 VALUE-ADDED DEVELOPMENT BOARD AWARDS MONEY PURSUANT TO  
27 SECTION 35-75-204 (1)(a)(II) TO STUDY THE USE OF AGRIVOLTAICS, AS

1 DEFINED IN SECTION 35-75-205 (1)(c), THE DIRECTOR OR THE DIRECTOR'S  
2 DESIGNEE SHALL CONSULT ON THE RESEARCH PROJECT REGARDING THE  
3 WILDLIFE IMPACTS OF AGRIVOLTAIC USE.

4 **SECTION 7.** In Colorado Revised Statutes, 34-60-106, **amend**  
5 **(9)(a); and add (9)(c) as follows:**

6 **34-60-106. Additional powers of commission - rules -**  
7 **definitions.** (9) (a) Notwithstanding section 34-60-120 or any other  
8 provision of law, SUBJECT TO SUBSECTION (9)(c) OF THIS SECTION AND  
9 ONLY AFTER THE GOVERNOR AND COMMISSION HAVE MADE AN  
10 AFFIRMATIVE DETERMINATION THAT THE STATE HAS SUFFICIENT  
11 RESOURCES NECESSARY TO ENSURE THE SAFE AND EFFECTIVE REGULATION  
12 OF THE SEQUESTRATION OF GREENHOUSE GASES IN ACCORDANCE WITH  
13 FINDINGS FROM THE COMMISSION'S STUDY CONDUCTED PURSUANT TO  
14 SUBSECTION (9)(b) OF THIS SECTION, the commission, as to class II AND  
15 CLASS VI injection wells classified in 40 CFR 144.6, may perform all acts  
16 for the ~~purpose~~ PURPOSES of protecting underground sources of drinking  
17 water in accordance with state programs authorized by 42 U.S.C. sec.  
18 300f et seq., and regulations under those sections, as amended, AND  
19 ENSURING THE SAFE AND EFFECTIVE SEQUESTRATION OF GREENHOUSE  
20 GASES, AS THAT TERM IS DEFINED IN SECTION 25-7-140 (6).

21 (c) (I) THE COMMISSION MAY SEEK CLASS VI INJECTION WELL  
22 PRIMACY UNDER THE FEDERAL "SAFE DRINKING WATER ACT", 42 U.S.C.  
23 SEC. 300f ET SEQ., AS AMENDED, AFTER OBTAINING AND PUBLICLY  
24 DETERMINING THAT THE COMMISSION HAS THE NECESSARY RESOURCES  
25 FOR THE APPLICATION OUTLINED IN THE COMMISSION'S STUDY PERFORMED  
26 PURSUANT TO SUBSECTION (9)(b) OF THIS SECTION.

27 (II) THE COMMISSION MAY ISSUE AND ENFORCE PERMITS AS

1 NECESSARY FOR THE PURPOSE SET FORTH IN THIS SUBSECTION (9)(c) AFTER  
2 THE DETERMINATION SET FORTH IN SUBSECTION (9)(c)(I) OF THIS SECTION  
3 HAS BEEN MADE AND THE REQUIREMENTS SET FORTH IN SUBSECTION (9)(a)  
4 OF THIS SECTION HAVE BEEN SATISFIED. IN ISSUING AND ENFORCING  
5 PERMITS PURSUANT TO THIS SUBSECTION (9)(c), THE COMMISSION SHALL  
6 ENSURE THAT THE PERMITTING OF CLASS VI INJECTION WELLS DOES NOT  
7 ADVERSELY AND DISPROPORTIONATELY AFFECT THE HEALTH AND  
8 WELL-BEING OF DISPROPORTIONATELY IMPACTED COMMUNITIES.

9 (III) (A) THE COMMISSION SHALL REQUIRE EACH OPERATOR OF A  
10 CLASS VI INJECTION WELL TO PROVIDE ADEQUATE FINANCIAL ASSURANCE  
11 DEMONSTRATING THAT THE OPERATOR IS FINANCIALLY CAPABLE OF  
12 FULFILLING EVERY OBLIGATION IMPOSED ON THE OPERATOR UNDER THIS  
13 ARTICLE 60 AND UNDER RULES THAT THE COMMISSION ADOPTS PURSUANT  
14 TO THIS ARTICLE 60.

15 (B) THE FINANCIAL ASSURANCE REQUIRED UNDER THIS  
16 SUBSECTION (9)(c)(III) MUST COVER THE COST OF CORRECTIVE ACTION,  
17 INJECTION WELL PLUGGING, POST-INJECTION SITE CARE, AND SITE  
18 CLOSURE, AS THOSE TERMS ARE DEFINED IN 40 CFR 146.81, AND THE COST  
19 OF ANY EMERGENCY AND REMEDIAL RESPONSE.

20 (C) THE COMMISSION SHALL ADOPT RULES REQUIRING THAT  
21 FINANCIAL ASSURANCE COVER THE COST OF OBLIGATIONS THAT ARE IN  
22 ADDITION TO THE OBLIGATIONS LISTED IN SUBSECTION (9)(c)(III)(B) OF  
23 THIS SECTION IF THE ADDITIONAL OBLIGATIONS ARE REASONABLY  
24 ASSOCIATED WITH CLASS VI INJECTION WELLS AND LOCATIONS.

25 (D) AN OPERATOR SHALL MAINTAIN THE FINANCIAL ASSURANCE  
26 REQUIRED UNDER THIS SUBSECTION (9)(c)(III) OR UNDER ANY RULES  
27 ADOPTED PURSUANT TO THIS SUBSECTION (9)(c)(III) UNTIL THE

1 COMMISSION APPROVES SITE CLOSURE, AS SPECIFIED IN RULES ADOPTED BY  
2 THE COMMISSION. COMMISSION APPROVAL OF A SITE CLOSURE DOES NOT  
3 OTHERWISE MODIFY AN OPERATOR'S RESPONSIBILITY TO COMPLY WITH  
4 APPLICABLE LAWS.

5 (E) FINANCIAL ASSURANCE PROVIDED UNDER THIS SUBSECTION  
6 (9)(c)(III) MAY BE IN THE FORM OF A SURETY BOND, INSURANCE, OR ANY  
7 OTHER INSTRUMENT THAT THE COMMISSION, BY RULE, DEEMS  
8 SATISFACTORY.

9 (IV) AS USED IN THIS SUBSECTION (9), "DISPROPORTIONATELY  
10 IMPACTED COMMUNITY" HAS THE MEANING SET FORTH IN SECTION  
11 24-4-109 (2)(b)(II).

12 **SECTION 8.** In Colorado Revised Statutes, **add** 35-1-116 as  
13 follows:

14 **35-1-116. Study of carbon reduction and sequestration**  
15 **opportunities in agriculture and land management - definition -**  
16 **reporting - rules.** (1) (a) IN CONSULTATION WITH THE COLORADO  
17 ENERGY OFFICE CREATED IN SECTION 24-38.5-101 AND THE AIR QUALITY  
18 CONTROL COMMISSION CREATED IN SECTION 25-7-104 (1), THE  
19 COMMISSIONER OR THE COMMISSIONER'S DESIGNEE, IN CONSULTATION  
20 WITH AN INSTITUTION OF HIGHER EDUCATION WITH EXPERTISE IN CLIMATE  
21 CHANGE MITIGATION, ADAPTATION BENEFITS, AND OTHER  
22 ENVIRONMENTAL BENEFITS RELATED TO AGRICULTURAL RESEARCH, SHALL  
23 CONDUCT A STUDY TO EXAMINE CARBON REDUCTION AND SEQUESTRATION  
24 OPPORTUNITIES IN THE AGRICULTURAL SECTOR AND IN LAND  
25 MANAGEMENT IN THE STATE, INCLUDING AN INVESTIGATION INTO THE  
26 POTENTIAL FOR CREATING AND OFFERING A CERTIFIED CARBON OFFSET  
27 PROGRAM AND CREDIT INSTRUMENTS TO PROVIDE FUNGIBLE CARBON

1 OFFSETS FOR AGRICULTURAL PRODUCERS AND IN LAND MANAGEMENT. A  
2 CERTIFIED CARBON OFFSET PROGRAM AND CREDIT INSTRUMENTS OFFERED  
3 MUST REFLECT REAL, ADDITIONAL, QUANTIFIABLE, PERMANENT,  
4 VERIFIABLE, AND ENFORCEABLE REDUCTIONS IN GREENHOUSE GAS  
5 EMISSIONS THAT ARE EQUIVALENT TO THE OFFSETS PROVIDED.

6 (b) CARBON OFFSETS DEVELOPED FOR AGRICULTURAL PRODUCERS  
7 IN ACCORDANCE WITH THIS SECTION MAY BE:

8 (I) INCORPORATED INTO THE AIR QUALITY CONTROL COMMISSION'S  
9 RULES, INCLUDING RULES ADOPTED UNDER SECTION 25-7-105 (1)(e), SUCH  
10 AS RULES CONCERNING COORDINATION WITH OTHER JURISDICTIONS  
11 PURSUANT TO THE AUTHORITY GRANTED IN, AND THE CONSIDERATIONS  
12 REQUIRED UNDER, SECTION 25-7-105 (1)(e)(V); AND

13 (II) USED AS COMPLIANCE INSTRUMENTS BY A SOURCE REGULATED  
14 UNDER ARTICLE 7 OF TITLE 25 WITH EMISSION REDUCTION OBLIGATIONS  
15 THAT ENSURE THAT THE SOURCE'S OVERALL, ABSOLUTE EMISSIONS  
16 DECLINE CONSISTENT WITH THE STATEWIDE GREENHOUSE GAS EMISSION  
17 REDUCTION GOALS SET FORTH IN SECTION 25-7-102 (2)(g).

18 (c) (I) THE STUDY SHALL IDENTIFY POLICY MECHANISMS TO  
19 MITIGATE THE IMPACTS THAT REGULATED SOURCES' USE OF CARBON  
20 OFFSETS HAVE ON DISPROPORTIONATELY IMPACTED COMMUNITIES.

21 (II) AS USED IN THIS SUBSECTION (1)(c), "DISPROPORTIONATELY  
22 IMPACTED COMMUNITY" HAS THE MEANING SET FORTH IN SECTION  
23 24-4-109 (2)(b)(II).

24 (2) ON OR BEFORE OCTOBER 1, 2024, THE COMMISSIONER OR  
25 COMMISSIONER'S DESIGNEE SHALL SUBMIT TO THE GENERAL ASSEMBLY A  
26 REPORT SUMMARIZING THE STUDY, INCLUDING ANY LEGISLATIVE,  
27 REGULATORY, OR OTHER RECOMMENDATIONS FOR DESIGNING AND

1 IMPLEMENTING CARBON REDUCTION AND SEQUESTRATION OPPORTUNITIES  
2 FOR THE AGRICULTURAL SECTOR AND IN LAND MANAGEMENT IN THE  
3 STATE. THE COMMISSIONER OR COMMISSIONER'S DESIGNEE SHALL SUBMIT  
4 TO THE GENERAL ASSEMBLY AN UPDATE ON THE PROGRESS OF THE STUDY  
5 ON OR BEFORE OCTOBER 1, 2023.

6 (3) (a) UPON CONCLUSION OF THE STUDY, WITH REGARD TO ANY  
7 RECOMMENDATIONS OF THE STUDY THAT DO NOT REQUIRE LEGISLATIVE  
8 CHANGES, THE COMMISSIONER, IN CONSULTATION WITH THE COLORADO  
9 ENERGY OFFICE AND THE AIR QUALITY CONTROL COMMISSION, MAY ADOPT  
10 RULES TO IMPLEMENT THE RECOMMENDATIONS.

11 (b) IF THE COMMISSIONER ADOPTS RULES PURSUANT TO  
12 SUBSECTION (3)(a) OF THIS SECTION, THE DEPARTMENT SHALL INCLUDE A  
13 SUMMARY OF THE RULES AS PART OF THE DEPARTMENT'S REGULATORY  
14 AGENDA THAT IS FILED WITH THE STAFF OF LEGISLATIVE COUNCIL AND THE  
15 SECRETARY OF STATE PURSUANT TO SECTION 2-7-203 (4) AND THAT IS  
16 INCLUDED IN THE DEPARTMENT'S "STATE MEASUREMENT FOR  
17 ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART)  
18 GOVERNMENT ACT" PRESENTATION REQUIRED UNDER SECTION 2-7-203  
19 THAT IMMEDIATELY PRECEDES THE ADOPTION OF THE RULES.

20 **SECTION 9.** In Colorado Revised Statutes, 35-75-204, **amend**  
21 (1) as follows:

22 **35-75-204. Duties of board - agriculture value-added grants,**  
23 **loans and loan guarantees, and equity investments - agrivoltaics -**  
24 **repeal.** (1) (a) The board ~~has the power to~~ MAY make grants, loans and  
25 loan guarantees, and equity investments to any person, including eligible  
26 agricultural value-added cooperatives ~~as defined in section 35-75-202 (4),~~  
27 for:

1 (I) New or ongoing agricultural projects and research that add  
2 value to Colorado agricultural products and aid the economy of rural  
3 Colorado communities; and for

4 (II) Agricultural projects AND RESEARCH, INCLUDING RESEARCH  
5 ON THE USE, COSTS, AND BENEFITS OF AGRIVOLTAICS, AS DEFINED IN  
6 SECTION 35-75-205 (1)(c), that will reduce energy costs for agricultural  
7 producers or businesses OR PROVIDE OTHER ENVIRONMENTAL, SOCIAL, OR  
8 ECONOMIC BENEFITS TO THE STATE. IN ALLOCATING MONEY FOR  
9 RESEARCH ON THE USE OF AGRIVOLTAICS, THE BOARD SHALL REQUIRE  
10 THAT A RECIPIENT CONSULT WITH THE DIRECTOR OF THE DIVISION OF  
11 PARKS AND WILDLIFE OR THE DIRECTOR'S DESIGNEE REGARDING WILDLIFE  
12 IMPACTS OF AGRIVOLTAICS USE.

13 (III) TO IMPLEMENT SUBSECTION (1)(a)(II) OF THIS SECTION, THE  
14 STATE TREASURER SHALL TRANSFER ONE MILLION EIGHT HUNDRED  
15 THOUSAND DOLLARS FROM THE GENERAL FUND TO THE AGRICULTURE  
16 VALUE-ADDED CASH FUND CREATED IN SECTION 35-75-205:

17 (A) ON THE EFFECTIVE DATE OF THIS SUBSECTION (1)(a)(III); AND  
18 (B) ON JULY 1, 2023, AND ON EACH JULY 1 THEREAFTER THROUGH  
19 JULY 1, 2027.

20 (IV) SUBSECTION (1)(a)(III) OF THIS SECTION AND THIS  
21 SUBSECTION (1)(a)(IV) ARE REPEALED, EFFECTIVE JULY 1, 2028.

22 (b) The board also ~~has the power to~~ MAY fund market promotion  
23 activities of the department pursuant to section 35-75-205 (2)(f).

24 **SECTION 10.** In Colorado Revised Statutes, 35-75-205, **amend**  
25 (1)(b); and **add** (1)(c) as follows:

26 **35-75-205. Grants, loans and loan guarantees, and equity**  
27 **investments - agriculture value-added cash fund - created - gifts,**



1 **grants, and donations - report - definition - repeal.** (1) (b) ~~As used in~~  
2 ~~this section, "agrivoltaics" means one or more solar energy generation~~  
3 ~~facilities colocated on the same parcel of land as agricultural production,~~  
4 ~~including crop production, grazing, apiaries, or other production of~~  
5 ~~agricultural commodities for sale in the retail or wholesale market~~ THE  
6 BOARD MAY SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, OR DONATIONS  
7 FROM PRIVATE OR PUBLIC SOURCES FOR THE PURPOSES OF THIS PART 2,  
8 WHICH MONEY SHALL BE CREDITED TO THE AGRICULTURE VALUE-ADDED  
9 CASH FUND PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION. THE BOARD  
10 MAY ALSO SEEK, ACCEPT, AND UTILIZE DONATIONS OF IN-KIND RESOURCES  
11 SUCH AS SOLAR PANELS FOR USE IN AGRIVOLTAIC RESEARCH PROJECTS.

12 (c) AS USED IN THIS SECTION, "AGRIVOLTAICS" MEANS ONE OR       
13 MORE SOLAR ENERGY GENERATION FACILITIES DIRECTLY INTEGRATED  
14 WITH AGRICULTURAL ACTIVITIES, INCLUDING CROP PRODUCTION, GRAZING,  
15 ANIMAL HUSBANDRY, APIARIES, COVER CROPPING FOR SOIL HEALTH  
16 BENEFITS OR CARBON SEQUESTRATION, OR PRODUCTION OF AGRICULTURAL  
17 COMMODITIES FOR SALE IN THE RETAIL OR WHOLESALE MARKET.

18 **SECTION 11.** In Colorado Revised Statutes, 39-4-101, **amend**  
19 (3.5) as follows:

20 **39-4-101. Definitions.** As used in this article 4, unless the context  
21 otherwise requires:

22 (3.5) (a) "Solar energy facility" means a new facility first placed  
23 in production on or after January 1, 2009, that uses real and personal  
24 property, including but not limited to one or more solar energy devices as  
25 defined in section 38-32.5-100.3 (2), leaseholds, and easements, to  
26 generate and deliver to the interconnection meter any source of electrical,  
27 thermal, or mechanical energy in excess of two megawatts by harnessing

1 the radiant energy of the sun, including any connected device for which  
2 the primary purpose is to store energy, and that is not primarily designed  
3 to supply electricity for consumption on site.

4 (b) "SOLAR ENERGY FACILITY" INCLUDES AGRIVOLTAICS AS  
5 DEFINED IN SECTION 35-75-205 (1)(c).

6 **SECTION 12.** In Colorado Revised Statutes, **add** 39-22-543 as  
7 follows:

8 **39-22-543. Tax credit for reducing emissions from small**  
9 **off-road engines - reports - definitions - legislative declaration - rules**

10 **= repeal.** (1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

11 (I) SMALL OFF-ROAD ENGINES USED PRIMARILY IN LAWN AND  
12 GARDEN EQUIPMENT, SUCH AS LAWN MOWERS, LEAF BLOWERS, HEDGE  
13 TRIMMERS, AND CHAINSAWS, EMIT HIGH LEVELS OF AIR POLLUTANTS,  
14 INCLUDING OXIDES OF NITROGEN AND REACTIVE ORGANIC GASES THAT,  
15 TOGETHER, FORM OZONE, AND PARTICULATE MATTER;

16 (II) ELECTRIFYING SMALL OFF-ROAD EQUIPMENT CAN REDUCE  
17 OZONE POLLUTION BY AS MUCH AS FOUR PARTS PER BILLION; AND

18 (III) THE PURPOSE OF THE TAX CREDIT IN SUBSECTION (2) OF THIS  
19 SECTION IS TO PROVIDE AN INCENTIVE FOR THE VOLUNTARY TRANSITION  
20 FROM GAS-POWERED TO ELECTRIC-POWERED SMALL OFF-ROAD  
21 EQUIPMENT.

22 (b) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH  
23 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE  
24 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY  
25 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FURTHER FINDS AND  
26 DECLARES THAT:

27 (I) THE GENERAL LEGISLATIVE PURPOSE OF THE TAX CREDIT

1 ALLOWED BY SUBSECTION (2) OF THIS SECTION IS TO INDUCE CERTAIN  
2 DESIGNATED BEHAVIORS BY TAXPAYERS, SPECIFICALLY THE PURCHASE OF  
3 ELECTRIC, SMALL OFF-ROAD EQUIPMENT; AND

4 (II) IN ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE STATE  
5 AUDITOR TO MEASURE THE EFFECTIVENESS OF THE CREDIT, THE  
6 DEPARTMENT OF REVENUE SHALL SUBMIT TO THE GENERAL ASSEMBLY  
7 AND THE STATE AUDITOR AN ANNUAL REPORT IN ACCORDANCE WITH       
8 SUBSECTION (4) OF THIS SECTION DETAILING THE SALES OF NEW,  
9 ELECTRIC-POWERED, SMALL OFF-ROAD EQUIPMENT, AS REPORTED BY  
10 TAXPAYERS CLAIMING THE CREDIT AUTHORIZED UNDER SUBSECTION (2)  
11 OF THIS SECTION.

12 (2) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER  
13 JANUARY 1, 2023, BUT BEFORE JANUARY 1, 2027, A TAXPAYER IS  
14 ALLOWED A CREDIT AGAINST THE TAX IMPOSED PURSUANT TO THIS  
15 ARTICLE 22 IN AN AMOUNT EQUAL TO THIRTY PERCENT OF THE AGGREGATE  
16 PURCHASE PRICE FOR ALL RETAIL SALES, AS THOSE TERMS ARE DEFINED IN  
17 SECTION 39-26-102, OF NEW, ELECTRIC-POWERED, SMALL OFF-ROAD  
18 EQUIPMENT THAT THE TAXPAYER SOLD IN THE STATE DURING THE TAX  
19 YEAR.

20 (b) IN ORDER TO QUALIFY FOR THE CREDIT ALLOWED UNDER THIS  
21 SUBSECTION (2), THE TAXPAYER SHALL PROVIDE A PURCHASER OF A PIECE  
22 OF NEW, ELECTRIC-POWERED, SMALL OFF-ROAD EQUIPMENT, A THIRTY  
23 PERCENT DISCOUNT FROM THE PURCHASE PRICE OF THE PIECE OF NEW,  
24 ELECTRIC-POWERED, SMALL OFF-ROAD EQUIPMENT AND SHALL SHOW THE  
25 DISCOUNT AS A SEPARATE ITEM ON THE RECEIPT OR INVOICE PROVIDED TO  
26 THE PURCHASER.

27 (c) TO DETERMINE WHETHER A TAXPAYER SOLD NEW,

1 ELECTRIC-POWERED, SMALL OFF-ROAD EQUIPMENT IN THIS STATE, THE  
2 RULES OF SECTION 39-26-104 (3)(a) APPLY.

3 (3) IF THE AMOUNT OF A CREDIT UNDER SUBSECTION (2) OF THIS  
4 SECTION EXCEEDS A TAXPAYER'S ACTUAL TAX LIABILITY FOR AN INCOME  
5 TAX YEAR, THE AMOUNT OF THE CREDIT NOT USED TO OFFSET INCOME TAX  
6 LIABILITY FOR THE INCOME TAX YEAR IS NOT REFUNDED TO THE  
7 TAXPAYER. THE TAXPAYER MAY CARRY FORWARD AND APPLY THE  
8 UNUSED CREDIT AGAINST THE INCOME TAX DUE IN EACH OF THE FIVE  
9 SUCCEEDING INCOME TAX YEARS, BUT THE TAXPAYER SHALL APPLY THE  
10 CREDIT AGAINST THE INCOME TAX DUE FOR THE EARLIEST OF THE INCOME  
11 TAX YEARS POSSIBLE. ANY AMOUNT OF THE TAX CREDIT THAT IS NOT USED  
12 AFTER THIS PERIOD IS NOT REFUNDABLE.

13 (4) FOR THE PURPOSE OF PROVIDING DATA THAT ALLOWS THE  
14 GENERAL ASSEMBLY AND THE STATE AUDITOR TO MEASURE THE  
15 EFFECTIVENESS OF THE TAX CREDIT CREATED IN SUBSECTION (2) OF THIS  
16 SECTION PURSUANT TO SECTION 39-21-304 (3), AND NOTWITHSTANDING  
17 SECTION 24-1-136 (11)(a)(I), THE DEPARTMENT OF REVENUE, ON OR  
18 BEFORE JANUARY 1, 2024, AND ON OR BEFORE JANUARY 1 OF EACH YEAR  
19 THEREAFTER, SHALL SUBMIT TO THE GENERAL ASSEMBLY AND THE STATE  
20 AUDITOR A REPORT DETAILING THE SALES OF NEW, ELECTRIC-POWERED,  
21 SMALL OFF-ROAD EQUIPMENT, AS REPORTED BY TAXPAYERS CLAIMING THE  
22 CREDIT AUTHORIZED UNDER SUBSECTION (2) OF THIS SECTION. THE TAX  
23 CREDIT ESTABLISHED IN THIS SECTION WILL MEET ITS PURPOSE IF SALES OF  
24 ELECTRIC-POWERED, SMALL OFF-ROAD EQUIPMENT INCREASE  
25 SIGNIFICANTLY WITHIN FIVE YEARS AFTER THE TAX CREDIT BECOMES  
26 EFFECTIVE.

27 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE

1 REQUIRES:

2 (a) "SMALL OFF-ROAD ENGINE" MEANS A GASOLINE-POWERED  
3 ENGINE OF TEN HORSEPOWER OR LESS THAT IS USED TO FUEL SMALL  
4 OFF-ROAD EQUIPMENT.

5 (b) "SMALL OFF-ROAD EQUIPMENT" MEANS A LAWN MOWER, LEAF  
6 BLOWER, OR TRIMMER.

7 (c) "TAXPAYER" HAS THE MEANING SET FORTH IN SECTION  
8 39-21-101 (4).

9 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2036.

10 **SECTION 13.** In Colorado Revised Statutes, 40-2-127, **amend**  
11 **(5)(b)(II)** as follows:

12 **40-2-127. Community energy funds - community solar**  
13 **gardens - definitions - rules - legislative declaration - repeal.**

14 **(5) Purchases of the output from community solar gardens.**

15 (b) (II) (A) The purchase of the output of a community solar garden by  
16 a qualifying retail utility ~~shall~~ **MUST** take the form of a net metering credit  
17 against the qualifying retail utility's electric bill to each community solar  
18 garden subscriber at the premises set forth in the subscriber's subscription.

19 (B) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE  
20 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER  
21 ORGANIZATION'S SUBSCRIBERS WITH A BILL CREDIT THAT CHANGES  
22 ANNUALLY, the net metering credit shall be calculated by multiplying the  
23 subscriber's share of the electricity production from the community solar  
24 garden by the qualifying retail utility's total aggregate retail rate as  
25 charged to the subscriber, minus a reasonable charge as determined by the  
26 commission to cover the utility's costs of delivering to the subscriber's  
27 premises the electricity generated by the community solar garden,

1 integrating the solar generation with the utility's system, and  
2 administering the community solar garden's contracts and net metering  
3 credits. The commission shall ensure that this charge does not reflect  
4 costs that are already recovered by the utility from the subscriber through  
5 other charges. If, and to the extent that, a subscriber's net metering credit  
6 exceeds the subscriber's electric bill in any billing period, the net metering  
7 credit shall be carried forward and applied against future bills. The  
8 qualifying retail utility and the owner of the community solar garden shall  
9 agree on whether the purchase of the renewable energy credits from  
10 subscribers will be accomplished through a credit on each subscriber's  
11 electricity bill or by a payment to the owner of the community solar  
12 garden.

13 (C) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE  
14 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER  
15 ORGANIZATION'S SUBSCRIBERS WITH A FIXED BILL CREDIT, THE NET  
16 METERING CREDIT SHALL BE CALCULATED BY MULTIPLYING THE  
17 SUBSCRIBER'S SHARE OF THE ELECTRICITY PRODUCTION FROM THE  
18 COMMUNITY SOLAR GARDEN BY THE QUALIFYING RETAIL UTILITY'S TOTAL  
19 AGGREGATE RETAIL RATE AS CHARGED TO THE SUBSCRIBER AT THE TIME  
20 THE SUBSCRIBER ORGANIZATION APPLIES FOR, OR BIDS CAPACITY INTO, A  
21 UTILITY COMMUNITY SOLAR GARDEN PROGRAM, MINUS A REASONABLE  
22 CHARGE, AS DETERMINED BY THE COMMISSION, AT THE TIME THE  
23 SUBSCRIBER ORGANIZATION APPLIES FOR, OR BIDS CAPACITY INTO, A  
24 UTILITY COMMUNITY SOLAR PROGRAM, TO COVER THE UTILITY'S COSTS OF  
25 DELIVERING TO THE SUBSCRIBER'S PREMISES THE ELECTRICITY GENERATED  
26 BY THE COMMUNITY SOLAR GARDEN, INTEGRATING THE SOLAR  
27 GENERATION WITH THE UTILITY'S SYSTEM, AND ADMINISTERING THE

1 COMMUNITY SOLAR GARDEN'S CONTRACTS AND NET METERING CREDITS.  
2 THE COMMISSION SHALL ENSURE THAT THIS CHARGE DOES NOT REFLECT  
3 COSTS THAT ARE ALREADY RECOVERED BY THE UTILITY FROM THE  
4 SUBSCRIBER THROUGH OTHER CHARGES. FOR COMMUNITY SOLAR  
5 GARDENS ELIGIBLE FOR A FIXED BILL CREDIT, AND SOLELY FOR THE  
6 PURPOSE OF APPLYING THE BILL CREDIT TO A SUBSCRIBER'S BILL, THE BILL  
7 CREDIT SHALL NOT BE APPLIED TOWARD RATE RIDER CHARGES THAT  
8 PROMOTE CLEAN ENERGY TECHNOLOGIES INCLUDING BENEFICIAL  
9 ELECTRIFICATION, PROVIDE LOW-INCOME BILL ASSISTANCE, OR PROVIDE  
10 OTHER PUBLIC BENEFITS AS DETERMINED BY THE COMMISSION UNLESS  
11 SUCH RIDERS ARE INCLUDED IN THE REASONABLE CHARGE. IF, AND TO THE  
12 EXTENT THAT, A SUBSCRIBER'S NET METERING CREDIT EXCEEDS THE  
13 SUBSCRIBER'S ELECTRIC BILL IN ANY BILLING PERIOD, THE NET METERING  
14 CREDIT SHALL BE CARRIED FORWARD AND APPLIED AGAINST FUTURE BILLS.  
15 THE QUALIFYING RETAIL UTILITY AND THE OWNER OF THE COMMUNITY  
16 SOLAR GARDEN SHALL AGREE ON WHETHER THE PURCHASE OF THE  
17 RENEWABLE ENERGY CREDITS FROM SUBSCRIBERS WILL BE ACCOMPLISHED  
18 THROUGH A CREDIT ON EACH SUBSCRIBER'S ELECTRICITY BILL OR BY A  
19 PAYMENT TO THE OWNER OF THE COMMUNITY SOLAR GARDEN. BY MARCH  
20 1, 2023, THE COMMISSION SHALL ADOPT RULES TO IMPLEMENT THE FIXED  
21 BILL CREDIT, WHICH RULES MUST CONSIDER THE CHANGE OF VALUE TO  
22 COMMUNITY SOLAR GARDEN CUSTOMERS OF THE FIXED BILL CREDIT OVER  
23 TIME THROUGH RATE ADJUSTMENTS OR OTHER MECHANISMS.

24 **SECTION 14.** In Colorado Revised Statutes, 40-3.2-108, amend  
25 (2)(c)(V); and add (2)(c)(V.5) and (2)(r) as follows:

26 **40-3.2-108. Clean heat targets - legislative declaration -**  
27 **definitions - plans - rules - reports. (2) Definitions.** As used in this

1 section, unless the context otherwise requires:

2 (c) "Clean heat resource" means any one or a combination of:

3 (V) Pyrolysis of tires if the pyrolysis meets a recovered methane  
4 protocol; and

5 (V.5) WASTEWATER THERMAL ENERGY; AND

6 (r) "WASTEWATER THERMAL ENERGY" MEANS A SYSTEM THAT  
7 USES THERMAL ENERGY IN WASTEWATER TO GENERATE ELECTRICITY, TO  
8 HEAT OR COOL A SPACE, OR FOR ANY OTHER USEFUL THERMAL PURPOSE.

9 **SECTION 15. Appropriation.** (1) For the 2022-23 state fiscal  
10 year, \$81,429 is appropriated to the department of natural resources for  
11 use by the oil and gas conservation commission. This appropriation is  
12 from the oil and gas conservation and environmental response fund  
13 created in section 34-60-122 (5)(a), C.R.S., and is based on an assumption  
14 that the commission will require an additional 0.8 FTE. To implement this  
15 act, the commission may use this appropriation for the underground  
16 injection program.

17 (2) For the 2022-23 state fiscal year, \$145,789 is appropriated to  
18 the department of public health and environment for use by the air  
19 pollution control division. This appropriation is from the general fund. To  
20 implement this act, the subdivision may use this appropriation as follows:

21 (a) \$131,094 for personal services related to stationary sources,  
22 which amount is based on an assumption that the division will require an  
23 additional 1.5 FTE; and

24 (b) \$14,695 for operating expenses related to stationary sources.

25 (3) For the 2022-23 state fiscal year, \$2,098,784 is appropriated  
26 to the department of agriculture for use by the agricultural services  
27 division. This appropriation is from the general fund and is based on an



1 assumption that the division will require an additional 0.8 FTE. To  
2 implement this act, the division may use this appropriation for  
3 conservation services.

4           **SECTION 16. Act subject to petition - effective date.** This act  
5 takes effect at 12:01 a.m. on the day following the expiration of the  
6 ninety-day period after final adjournment of the general assembly; except  
7 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
8 of the state constitution against this act or an item, section, or part of this  
9 act within such period, then the act, item, section, or part will not take  
10 effect unless approved by the people at the general election to be held in  
11 November 2022 and, in such case, will take effect on the date of the  
12 official declaration of the vote thereon by the governor.