

First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

PREAMENDED

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

LLS NO. 23-0213.01 Jennifer Berman x3286

SENATE BILL 23-016

SENATE SPONSORSHIP

Hansen, Buckner, Cutter, Danielson, Exum, Fenberg, Fields, Gonzales, Jaquez Lewis, Kolker, Marchman, Moreno, Priola, Rodriguez, Winter F.

HOUSE SPONSORSHIP

McCormick and Sirota,

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 that, beginning in 2024, each insurance company issued a certificate of authority to transact insurance business that reports more than \$100 million on its annual schedule T filing with the National Association of Insurance Commissioners (NAIC) must participate in and complete the NAIC's "Insurer Climate Risk

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

SENATE
3rd Reading Unamended
April 14, 2023

SENATE
Amended 2nd Reading
April 13, 2023

Disclosure Survey" or successor survey or reporting mechanism.

Section 2 requires the public employees' retirement association (PERA) board, on or before June 1, 2024, to adopt proxy voting procedures that ensure that the board's voting decisions align with, and are supportive of, the statewide greenhouse gas (GHG) emission reduction goals.

Section 3 requires PERA to include as part of its annual investment stewardship report, which report is posted on the PERA board's website, a description of climate-related investment risks, impacts, and strategies.

Section 4 adds wastewater thermal energy equipment to the definition of "pollution control equipment", which equipment may be certified by the division of administration (division) in the department of public health and environment (CDPHE). Similarly, **section 5** adds wastewater thermal energy to the definition of "clean heat resource", which resource a gas distribution utility includes in its clean heat plan filed with the public utilities commission.

Section 6 updates the statewide GHG emission reduction goals to add a 65% reduction goal for 2035, an 80% reduction goal for 2040, and a 90% reduction goal for 2045 when compared to 2005 GHG pollution levels. **Section 6** also increases the 2050 GHG emission reduction goal from 90% of 2005 GHG pollution levels to 100%.

Section 7 gives the oil and gas conservation commission (COGCC) authority over class VI injection wells used for sequestration of GHG if the governor and COGCC determine, in accordance with a study that the COGCC conducted in 2021, that the state has sufficient resources to ensure the safe and effective regulation of the sequestration of GHG. If the governor and the COGCC determine there are sufficient resources, the COGCC may seek primacy under the federal "Safe Drinking Water Act" and, when granted, may issue and enforce permits for class VI injection wells. The COGCC shall require, as part of its regulation of class VI injection wells, that operators of the wells maintain adequate financial assurance until the COGCC approves the closure of a class VI injection well site.

Section 8 establishes a state income tax credit in an amount equal to 30% of the purchase price for new, electric-powered lawn equipment for purchases made in income tax years 2024 through 2026. A seller of new, electric-powered lawn equipment that demonstrates that it provided a purchaser a 30% discount from the purchase price of new, electric-powered lawn equipment may claim the tax credit.

Current law requires an electric retail utility (utility) to offer a net metering credit as the means of purchasing output from a community solar garden (CSG) located within the utility's service territory and establishes the means of calculating the net metering credit. **Section 9** maintains that calculation if the CSG indicates to the utility that the CSG's

subscribers' bill credits change annually. If the CSG indicates to the utility that the CSG's subscribers' bill credits remain fixed, however, **section 9** provides a different calculation for determining the net metering credit.

Sections 10 through 12 incorporate projects to renovate or recondition existing utility transmission lines into the "Colorado Electric Transmission Authority Act", allowing the Colorado electric transmission authority to finance and renovate, rebuild, or recondition existing transmission lines in order to update and optimize the transmission lines.

Section 13 requires a local government to expedite its review of a land use application that proposes a project to renovate, rebuild, or recondition existing transmission lines.

Section 14 makes a conforming amendment regarding the updated statewide GHG emission reduction goals set forth in **section 6**.

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. Climate risk disclosure - insurer participation - rules**
5 **- reporting - definition.** (1) THE COMMISSIONER SHALL ADOPT RULES
6 REQUIRING THAT, BEGINNING IN 2024, AN INSURER ISSUED A CERTIFICATE
7 OF AUTHORITY TO TRANSACT BUSINESS PURSUANT TO PART 1 OF THIS
8 ARTICLE 3 THAT REPORTS MORE THAN ONE HUNDRED MILLION DOLLARS ON
9 ITS ANNUAL NAIC SCHEDULE T FILING, OR SUCH OTHER THRESHOLD
10 DOLLAR AMOUNT THAT THE NAIC ESTABLISHES IN SUBSEQUENT YEARS,
11 MUST PARTICIPATE IN AND COMPLETE THE NAIC'S ANNUAL "INSURER
12 CLIMATE RISK DISCLOSURE SURVEY", OR SUCH OTHER SURVEY OR
13 REPORTING MECHANISM THAT THE NAIC ADOPTS IN SUBSEQUENT YEARS.
14 IF AN INSURER REPORTS LESS THAN ONE HUNDRED MILLION DOLLARS ON
15 ITS ANNUAL NAIC SCHEDULE T FILING, OR SUCH OTHER THRESHOLD
16 DOLLAR AMOUNT THAT THE NAIC ESTABLISHES IN SUBSEQUENT YEARS,
17 THE INSURER MAY PARTICIPATE IN AND COMPLETE THE SURVEY
18 VOLUNTARILY.

1 (2) AS USED IN THIS SECTION, "NAIC" MEANS THE NATIONAL
2 ASSOCIATION OF INSURANCE COMMISSIONERS, AN ORGANIZATION OF
3 INSURANCE REGULATORS FROM THE FIFTY STATES OF THE UNITED STATES,
4 THE DISTRICT OF COLUMBIA, AND FIVE UNITED STATES TERRITORIES.

5 **SECTION 2. In Colorado Revised Statutes, 24-38.5-102 amend**
6 **(1) as follows:**

7 **24-38.5-102. Colorado energy office - duties and powers.**

8 **(1) The Colorado energy office shall:**

9 **(a) Work with communities, utilities, AND private and public**
10 **organizations and individuals to promote TO:**

11 **(I) SUPPORT ACHIEVING LEGISLATIVE GOALS TO REDUCE**
12 **STATEWIDE GREENHOUSE GAS POLLUTION, AS DEFINED IN SECTION**
13 **25-7-103 (22.5);**

14 **(II) MAKE PROGRESS TOWARD ELIMINATING GREENHOUSE GAS**
15 **POLLUTION FROM ELECTRICITY GENERATION, GAS UTILITIES, AND**
16 **TRANSPORTATION;**

17 **(H) (III) IMPLEMENT the renewable energy standard established in**
18 **section 40-2-124;**

19 **(H) Clean and (IV) SUPPORT THE DEPLOYMENT OF renewable**
20 **energy, such as wind, hydroelectricity, solar, CLEAN HYDROGEN, and**
21 **geothermal;**

22 **(HH) (V) EVALUATE, AND WHEN APPROPRIATE, SUPPORT THE**
23 **DEPLOYMENT OF cleaner energy sources such as biogas, biomass, and**
24 **CLEAN HYDROGEN, GEOTHERMAL, RECOVERED METHANE, RECOVERED**
25 **HEAT, AND ADVANCED nuclear;**

26 **(IV) Traditional energy sources such as oil and other petroleum**
27 **products, coal, propane, and natural gas;**

1 ~~(V)~~ (VI) SUPPORT THE DEPLOYMENT OF energy efficiency AND
2 ENERGY LOAD MANAGEMENT technologies and practices;

3 ~~(VI) Cleaner technologies by utilizing traditional,~~
4 Colorado-sourced energy;

5 (VII) ~~New~~ EVALUATE, AND WHERE APPROPRIATE, SUPPORT THE
6 DEPLOYMENT OF INNOVATIVE energy technologies as described in section
7 40-2-123; and

8 (VIII) SUPPORT THE DEPLOYMENT OF energy storage systems,
9 INCLUDING BOTH LONG-DURATION AND SHORT-DURATION ENERGY
10 STORAGE;

11 (IX) SUPPORT THE IMPLEMENTATION OF CLEAN HEAT PLANS
12 PURSUANT TO SECTION 40-3.2-108;

13 (X) SUPPORT WIDESPREAD TRANSPORTATION ELECTRIFICATION;

14 (XI) SUPPORT BENEFICIAL ELECTRIFICATION, AS DEFINED IN
15 SECTION 40-1-102 (1.2) IN THE BUILDING, INDUSTRIAL, AND OIL AND GAS
16 SECTORS;

17 (XII) SUPPORT INDUSTRIAL EMISSIONS REDUCTIONS;

18 (XIII) SUPPORT POLLUTION REDUCTION THROUGH CARBON
19 CAPTURE AND SEQUESTRATION AND OTHER FORMS OF CARBON
20 MANAGEMENT; AND

21 (XIV) SUPPORT SUSTAINABLE LAND-USE PATTERNS THAT REDUCE
22 ENERGY CONSUMPTION AND GREENHOUSE GAS POLLUTION.

23 (b) Develop programs to promote high performance REDUCE
24 ENERGY USE AND GREENHOUSE GAS POLLUTION FROM buildings for IN
25 commercial and residential markets;

26 (c) ~~Make~~ SUPPORT EFFORTS TO REDUCE GREENHOUSE GAS
27 POLLUTION BY state government ~~more~~ THROUGH energy efficient

1 EFFICIENCY, LOAD MANAGEMENT, RENEWABLE ENERGY, TRANSPORTATION
2 ELECTRIFICATION, AND CLEANER PROCUREMENT;

3 (d) Promote technology transfer and economic development;

4 (e) Advance innovative energy efficiency, renewable energy, and
5 efficiency throughout the state as specified in sections 24-38.5-102.4 and
6 24-38.5-102.5;

7 (f) to (i) Repealed.

8 (j) (e) Ensure that information explaining the requirements of
9 SUPPORT THE ADOPTION AND IMPLEMENTATION OF ADVANCED energy
10 codes is available THAT REDUCE ENERGY USE AND GREENHOUSE GAS
11 EMISSIONS and provide INFORMATION AND technical assistance concerning
12 the implementation and enforcement of energy codes to both counties and
13 municipalities, INCLUDING as specified in sections 30-28-211 (7)
14 24-38.5-103, 24-38.5-401, 24-38.5-402, and 31-15-602 (7); C.R.S.;

15 (k) (f) Collaborate with the state board of land commissioners
16 regarding renewable energy resource development as specified in section
17 36-1-147.5 (4); C.R.S.;

18 (l) (g) Provide home energy efficiency improvements for
19 low-income households, INCLUDING THROUGH THE WEATHERIZATION
20 ASSISTANCE PROGRAM, as specified in section 40-8.7-112 (3)(b); C.R.S.;
21 and prepare and submit to the general assembly an annual report as
22 specified in section 40-8.7-112 (3)(f), C.R.S.;

23 (m) Establish and manage a program to improve energy efficiency
24 in public schools as provided in section 39-29-109.5, C.R.S.;

25 (n) (l) Provide public utilities with reasonable assistance, if
26 requested, in seeking and obtaining support and sponsorship for an IGCC
27 project and manage and distribute to the utility some or all of any funds

1 provided by the state or by the United States government to the state for
2 purposes of study or development of an IGCC project.

3 (H) As used in this subsection (1)(n), "IGCC project" means an
4 IGCC facility that:

5 (A) Demonstrates the use of IGCC technology to generate
6 electricity using Colorado or other western coal;

7 (B) Does not exceed three hundred fifty megawatts nameplate
8 capacity; except that it may exceed this capacity if the Colorado energy
9 office determines that a larger size is necessary to obtain the benefits of
10 federal cost sharing, financial grants or tax benefits, or other financial
11 opportunities or arrangements benefitting the project, including
12 opportunities to jointly develop the project with other electric utilities;

13 (C) Demonstrates the capture and sequestration of a portion of the
14 project's carbon dioxide emissions;

15 (D) Includes methods and procedures to monitor the fate of the
16 carbon dioxide captured and sequestered from the facility; and

17 (E) Is located in Colorado.

18 (H) As used in this subsection (1)(n), "IGCC facility" means an
19 integrated gasification combined cycle generation facility that converts
20 coal to a gaseous fuel from which impurities are removed prior to
21 combustion, uses the gaseous fuel in a combustion turbine to produce
22 electricity, and captures the waste heat from the combustion turbine to
23 drive a steam turbine to produce more electricity. An IGCC facility may
24 also use natural gas, in addition to gasified coal, as a fuel in the
25 combustion turbine.

26 (o) (h) Collaborate with stakeholders to develop and encourage
27 increased utilization of energy curricula, including science, technology,

1 engineering, and math curricula, that will serve the work force
2 WORKFORCE needs of all CLEAN energy industries. Such collaboration
3 may include executive departments, research institutions, state colleges,
4 community colleges, industry, and trade organizations in an effort to
5 develop a means by which the state may address all facets of work force
6 WORKFORCE demands in developing a balanced energy portfolio
7 SUPPORTING A CLEAN ENERGY FUTURE. Institutions may also partner in the
8 development of curricula with organizations that have existing energy
9 curricula and training programs.

10 (p) (i) Annually report to the senate agriculture, natural resources,
11 TRANSPORTATION and energy committee and the house agriculture,
12 livestock, and natural resources ENERGY AND ENVIRONMENT committee,
13 or their successor committees;

14 (q) (j) Administer the electric vehicle grant fund CREATED IN
15 SECTION 24-38.5-103 (1)(a) AND THE COMMUNITY ACCESS ENTERPRISE
16 CREATED IN SECTION 24-38.5-303 (1);

17 (r) and (s) Repealed.

18 (t) (k) Assist the executive director of the department of local
19 affairs in allocating revenues from the geothermal resource leasing fund
20 to eligible entities pursuant to section 34-63-105; C.R.S.;

21 (u) (l) Develop basic consumer education or guidance about
22 leased solar installation and purchased solar installation in consultation
23 with industries that offer these options to consumers; and

24 (v) (m) In consultation with the appropriate industries, develop
25 basic consumer education or guidance about purchased or, if available,
26 leased installation of a system that uses geothermal energy for water
27 heating or space heating or cooling in a single building or for space

1 heating for more than one building through a pipeline network.

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3 **SECTION 3.** In Colorado Revised Statutes, **amend** 24-51-220 as
4 follows:

5 **24-51-220. Reporting to general assembly - inclusion of**
6 **climate risk assessment in annual stewardship report.** (1) The
7 association shall ~~provide~~ SUBMIT a report to the general assembly on
8 January 1, 2016, and every five years thereafter, regarding the economic
9 impact of the 2010 legislative changes to the annual increase provisions
10 on the retirees and benefit recipients as compared to the actual rate of
11 inflation and the progress made toward eliminating the unfunded
12 liabilities of each division of the association.

13 (2) ON AND AFTER JANUARY 1, 2025, THE ASSOCIATION SHALL
14 INCLUDE, AS PART OF ITS ANNUAL INVESTMENT STEWARDSHIP REPORT OR
15 ANY SUCCESSOR ANNUAL REPORT REGARDING THE ASSOCIATION'S
16 INVESTMENTS THAT THE ASSOCIATION POSTS ON ITS WEBSITE OR
17 OTHERWISE MAKES AVAILABLE TO THE PUBLIC, A DESCRIPTION OF:

18 (a) THE ASSOCIATION'S PROCESS FOR IDENTIFYING
19 CLIMATE-CHANGE-RELATED RISKS AND ASSESSING THE FINANCIAL IMPACT
20 THAT THE CLIMATE-CHANGE-RELATED RISKS HAVE ON THE ASSOCIATION'S
21 OPERATIONS;

22 (b) THE CURRENT OR ANTICIPATED FUTURE RISKS THAT CLIMATE
23 CHANGE POSES TO THE ASSOCIATION'S INVESTMENT PORTFOLIO, THE
24 IMPACT THAT CLIMATE CHANGE HAS ON THE ASSOCIATION'S INVESTMENT
25 STRATEGIES, AND ANY STRATEGY CHANGES THAT THE ASSOCIATION HAS
26 IMPLEMENTED IN RESPONSE TO SUCH IMPACT;

27 (c) ACTIONS THAT THE ASSOCIATION IS TAKING TO MANAGE THE

1 RISKS THAT CLIMATE CHANGE POSES TO THE ASSOCIATION'S OPERATIONS;
2 AND

3 (d) THE ASSOCIATION'S USE AND CONSIDERATION OF ANY
4 CLIMATE-RELATED REPORTING THAT THE FEDERAL SECURITIES AND
5 EXCHANGE COMMISSION REQUIRES.

6 **SECTION 4.** In Colorado Revised Statutes, 25-6.5-201, **amend**
7 (2); and **add** (3) as follows:

8 **25-6.5-201. Definitions.** As used in this part 2, unless the context
9 otherwise requires:

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

16 (b) "Pollution control equipment" includes: ~~but is not limited to~~,

17 (I) Gas or wind turbines and associated compressors or
18 equipment;

19 (II) Solar, thermal, or photovoltaic equipment; ~~or~~

20 (III) Equipment used as part of a system that uses geothermal
21 energy for water heating or space heating or cooling in a single building,
22 for space heating for more than one building through a pipeline network,
23 or for electricity generation; OR

24 (IV) WASTEWATER THERMAL ENERGY EQUIPMENT.

25 (3) "WASTEWATER THERMAL ENERGY EQUIPMENT" MEANS
26 EQUIPMENT USED AS PART OF A SYSTEM THAT USES THERMAL ENERGY IN
27 WASTEWATER, TO HEAT OR COOL A SPACE, OR FOR ANY OTHER USEFUL

1 THERMAL PURPOSE THAT REDUCES GREENHOUSE GAS EMISSIONS FROM THE
2 COMBUSTION OF GAS IN CUSTOMER END USES.

3 **SECTION 5.** In Colorado Revised Statutes, 25-7-114.7, **amend**
4 **(2)(a)(VII)** as follows:

5 **25-7-114.7. Emission fees - fund - rules - definition - repeal.**

6 **(2) (a) (VII)** The commission shall establish, by rule, a fee per ton of
7 **greenhouse gas, in the form of carbon dioxide equivalent, that was**
8 **reported in the most recent air pollutant emission notice on file with the**
9 **division, OR THAT WAS REPORTED TO THE DIVISION PURSUANT TO SECTION**
10 **25-7-140 (2)(a)(I), in an amount that is sufficient to cover the indirect and**
11 **direct costs required to develop and administer the programs established**
12 **pursuant to this article 7 that pertain to emissions of greenhouse gas. The**
13 **commission may set thresholds of reported greenhouse gas below which**
14 **no such fee shall be assessed. No more frequently than annually, the**
15 **commission may adjust the fee for greenhouse gas by rule to cover the**
16 **indirect and direct costs required to develop and administer the programs**
17 **established pursuant to this article 7 that pertain to emissions of**
18 **greenhouse gas.**

19 **SECTION 6.** In Colorado Revised Statutes, 25-7-142, **amend**
20 **(8)(c)(I)** introductory portion and **(8)(c)(II)** introductory portion as
21 **follows:**

22 **25-7-142. Energy benchmarking - data collection and access**

23 **- utility requirements - task force - rules - reports - definitions -**

24 **legislative declaration - repeal.** (8) (c) (I) If at least two-thirds of the

25 members appointed to the task force agree on recommendations pursuant

26 to subsection (8)(a)(I) of this section, and the director of the office in

27 consultation with the division determines that the recommendations meet

1 the greenhouse gas emission reduction requirements set forth in
2 subsection (8)(a)(II) of this section, the division shall, on or before
3 January 31, 2023, request that the commission publish a notice of
4 proposed rule-making to adopt rules to implement performance standards.
5 On or before ~~June 1, 2023~~ SEPTEMBER 1, 2023, the commission, upon
6 careful consideration of the recommendations of the task force as
7 presented by the division, shall promulgate rules to establish performance
8 standards. The commission shall also adopt rules regarding waivers and
9 extensions of time regarding the performance standard requirements. The
10 commission's rules must include a provision that an owner of a public
11 building need only comply with performance standards with regard to
12 work on a construction or renovation project that:

13 (II) If two-thirds of the members of the task force cannot agree on
14 recommendations or if the director of the office in consultation with the
15 commission determines that the task force's recommendations do not meet
16 the greenhouse gas emission reduction requirements set forth in
17 subsection (8)(a)(II) of this section, the commission, on or before ~~June 1,~~
18 ~~2023~~ SEPTEMBER 1, 2023, shall, by rule, adopt performance standards that
19 meet the greenhouse gas emission reduction requirements set forth in
20 subsection (8)(a)(II) of this section. The commission shall also adopt
21 rules regarding waivers and extensions of time regarding the performance
22 standard requirements. The commission's rules must include a provision
23 that an owner of a public building need only comply with performance
24 standards with regard to work on a construction or renovation project
25 that:

26 **SECTION 7.** In Colorado Revised Statutes, 40-3.2-108, **amend**
27 (2)(c)(V); and **add** (2)(c)(V.5) and (2)(r) as follows:

1 **40-3.2-108. Clean heat targets - legislative declaration -**
2 **definitions - plans - rules - reports. (2) Definitions.** As used in this
3 section, unless the context otherwise requires:

4 (c) "Clean heat resource" means any one or a combination of:
5 (V) Pyrolysis of tires if the pyrolysis meets a recovered methane
6 protocol; ~~and~~

7 (V.5) WASTEWATER THERMAL ENERGY; AND

8 (r) "WASTEWATER THERMAL ENERGY" MEANS A SYSTEM THAT
9 USES THERMAL ENERGY IN WASTEWATER, TO HEAT OR COOL A SPACE, OR
10 FOR ANY OTHER USEFUL THERMAL PURPOSE THAT REDUCES GREENHOUSE
11 GAS EMISSIONS FROM THE COMBUSTION OF GAS IN CUSTOMER END USES.

12 **SECTION 8.** In Colorado Revised Statutes, 25-7-102, **amend**
13 (2)(g) as follows:

14 **25-7-102. Legislative declaration. (2)** It is further declared that:

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

19 (A) A twenty-six percent reduction in statewide greenhouse gas
20 pollution by 2025;

21 (B) A fifty percent reduction in statewide greenhouse gas
22 pollution by 2030;

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

25 (D) AN SEVENTY-FIVE PERCENT REDUCTION IN STATEWIDE
26 GREENHOUSE GAS POLLUTION BY 2040;

27 (E) A NINETY PERCENT REDUCTION IN STATEWIDE GREENHOUSE

1 GAS POLLUTION BY 2045; and

2 (F) A ~~ninety~~ ONE HUNDRED percent reduction in statewide
3 greenhouse gas pollution by 2050.

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

6 **SECTION 9.** In Colorado Revised Statutes, 34-60-106, **amend**
7 (9)(a) and (9)(b)(I); and **add** (9)(c), (9)(d), (9)(e), (9.3), (9.5), and (9.7)
8 as follows:

9 **34-60-106. Additional powers of commission - rules -**
10 **definitions - repeal.** (9) (a) (I) Notwithstanding section 34-60-120 or any
11 other provision of law AND SUBJECT TO SUBSECTION (9)(a)(II) OF THIS
12 SECTION, the commission, as to class II AND CLASS VI injection wells
13 classified in 40 CFR 144.6, may perform all acts for the ~~purpose~~
14 PURPOSES of protecting underground sources of drinking water in
15 accordance with state programs authorized by THE FEDERAL "SAFE
16 DRINKING WATER ACT", 42 U.S.C. sec. 300f et seq., and regulations
17 under those sections, as amended, AND ENSURING THE SAFE AND
18 EFFECTIVE SEQUESTRATION OF GREENHOUSE GASES IN A VERIFIABLE
19 MANNER THAT MEETS COLORADO'S SHORT- AND LONG-TERM GREENHOUSE
20 GAS EMISSION REDUCTION GOALS, AS SET FORTH IN SECTION 25-7-102
21 (2)(g).

22 (II) IN PERFORMING ACTS FOR THE PURPOSE OF ENSURING THE SAFE
23 AND EFFECTIVE SEQUESTRATION OF GREENHOUSE GASES PURSUANT TO
24 SUBSECTION (9)(a)(I) OF THIS SECTION, THE COMMISSION SHALL ACT IN
25 ACCORDANCE WITH SUBSECTION (9)(c) OF THIS SECTION AND ONLY AFTER
26 THE GOVERNOR AND THE COMMISSION HAVE MADE AN AFFIRMATIVE
27 DETERMINATION THAT THE STATE HAS SUFFICIENT RESOURCES NECESSARY

1 TO ENSURE THE SAFE AND EFFECTIVE REGULATION OF THE SEQUESTRATION
2 OF GREENHOUSE GASES IN ACCORDANCE WITH THE FINDINGS FROM THE
3 COMMISSION'S STUDY CONDUCTED PURSUANT TO SUBSECTION (9)(b) OF
4 THIS SECTION.

5 (b) The commission shall:

6 (I) Conduct a study to evaluate what resources are needed to
7 ensure the safe and effective regulation of the sequestration of greenhouse
8 gases ~~as that term is defined in section 25-7-140 (6)~~, and to identify and
9 assess the applicable resources that the commission or other state
10 agencies have; and

11 (c) (I) THE COMMISSION MAY SEEK CLASS VI INJECTION WELL
12 PRIMACY UNDER THE FEDERAL "SAFE DRINKING WATER ACT", 42 U.S.C.
13 SEC. 300f ET SEQ., AS AMENDED, AFTER THE COMMISSION:

14 (A) DETERMINES IT HAS THE NECESSARY RESOURCES FOR THE
15 APPLICATION OUTLINED IN THE COMMISSION'S STUDY PERFORMED
16 PURSUANT TO SUBSECTION (9)(b) OF THIS SECTION; AND

17 (B) HOLDS A PUBLIC HEARING ON THE MATTER.

18 (II) THE COMMISSION MAY ISSUE AND ENFORCE PERMITS AS
19 NECESSARY FOR THE PURPOSE SET FORTH IN THIS SUBSECTION (9)(c) AFTER
20 THE COMMISSION MAKES THE DETERMINATION AND HOLDS THE HEARING
21 SET FORTH IN SUBSECTION (9)(c)(I) OF THIS SECTION AND THE COMMISSION
22 AND THE GOVERNOR SATISFY THE REQUIREMENTS SET FORTH IN
23 SUBSECTION (9)(a) OF THIS SECTION.

24 (III) (A) IF THE CLASS VI INJECTION WELL IS PROPOSED TO BE
25 SITED IN AN AREA THAT WOULD AFFECT A DISPROPORTIONATELY
26 IMPACTED COMMUNITY, THE COMMISSION SHALL WEIGH THE GEOLOGIC
27 STORAGE OPERATOR'S SUBMITTED CUMULATIVE IMPACTS ANALYSIS AND

1 DETERMINE WHETHER, ON BALANCE, THE CLASS VI INJECTION WELL WILL
2 HAVE A POSITIVE EFFECT ON THE DISPROPORTIONATELY IMPACTED
3 COMMUNITY. A PROPOSAL THAT WILL HAVE NEGATIVE NET CUMULATIVE
4 IMPACTS ON ANY DISPROPORTIONATELY IMPACTED COMMUNITY MUST BE
5 DENIED. THE COMMISSION SHALL ADOPT RULES TO GUIDE EACH
6 COMMISSIONER'S EVALUATION OF CUMULATIVE IMPACTS.

7 (B) THE COMMISSION MAY AMEND BY RULE THE CUMULATIVE
8 EFFECTS ANALYSIS AND REQUIREMENTS SET FORTH IN THIS SUBSECTION
9 (9)(c)(III) IF THE COMMISSION FINDS THE ANALYSIS AND REQUIREMENTS
10 TO BE INCONSISTENT WITH, OR INCOMPLETE WITH RESPECT TO, THE
11 FEDERAL ENVIRONMENTAL PROTECTION AGENCY'S REQUIREMENTS FOR
12 CLASS VI PRIMACY.

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

19 (B) THE FINANCIAL ASSURANCE REQUIRED UNDER THIS
20 SUBSECTION (9)(c)(IV) MUST COVER THE COST OF CORRECTIVE ACTION,
21 INJECTION WELL PLUGGING, POST-INJECTION SITE CARE, SITE CLOSURE,
22 AND ANY EMERGENCY AND REMEDIAL RESPONSE.

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

1 (D) AN OPERATOR SHALL MAINTAIN THE FINANCIAL ASSURANCE
2 REQUIRED UNDER THIS SUBSECTION (9)(c)(IV) OR UNDER ANY RULES
3 ADOPTED PURSUANT TO THIS SUBSECTION (9)(c)(IV) UNTIL THE
4 COMMISSION APPROVES SITE CLOSURE, AS SPECIFIED IN RULES ADOPTED BY
5 THE COMMISSION. COMMISSION APPROVAL OF A SITE CLOSURE DOES NOT
6 OTHERWISE MODIFY AN OPERATOR'S RESPONSIBILITY TO COMPLY WITH
7 APPLICABLE LAWS.

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

12 (d) IN ISSUING AND ENFORCING PERMITS PURSUANT TO SUBSECTION
13 (9)(c) OF THIS SECTION, THE COMMISSION SHALL ENSURE, AFTER A PUBLIC
14 HEARING, THAT:

15 (I) THE PERMITTING OF A CLASS VI INJECTION WELL COMPLIES
16 WITH A LOCAL GOVERNMENT'S SITING OF THE PROPOSED CLASS VI
17 INJECTION WELL LOCATION;

18 (II) THE PROPOSED NEW OR MODIFIED CLASS VI INJECTION WELL
19 HAS RECEIVED AN APPLICABLE AIR PERMIT FROM THE DIVISION OF
20 ADMINISTRATION IN THE DEPARTMENT OF PUBLIC HEALTH AND
21 ENVIRONMENT;

22 (III) THE OPERATOR OF THE CLASS VI INJECTION WELL HAS
23 RECEIVED THE CONSENT OF ANY SURFACE OWNER OR OWNERS OF THE
24 LAND WHERE THE SURFACE DISTURBANCE WILL OCCUR AND HAS PROVIDED
25 THE COMMISSION A WRITTEN CONTRACTUAL AGREEMENT THAT THE
26 SURFACE OWNER OR OWNERS HAVE EXECUTED; AND

27 (IV) THE COMMISSION HAS DELIBERATED ON THE CUMULATIVE

1 IMPACTS OF THE PROPOSED CLASS VI INJECTION WELL. THE CUMULATIVE
2 IMPACT ANALYSIS MUST INCLUDE:

3 (A) ANY APPLICABLE AIR QUALITY MODELING REQUIRED BY
4 SECTION 25-7-111 (2);

5 (B) AN ANALYSIS OF THE NET IMPACT OF THE WELL ON
6 GREENHOUSE GAS EMISSIONS AND COPOLLUTANTS, INCLUDING
7 CONSIDERATION OF A NO-ACTION ALTERNATIVE AND OF NET CHANGES IN
8 LIFE CYCLE EMISSIONS; AND

9 (C) AN EVALUATION OF HOW NEGATIVE IMPACTS ARE AVOIDED OR,
10 IF NOT AVOIDED, HOW NEGATIVE IMPACTS ARE MINIMIZED AND MITIGATED
11 AND WHICH, IF ANY, NEGATIVE IMPACTS COULD NOT BE MITIGATED.

12 (e) AS USED IN THIS SUBSECTION (9), UNLESS THE CONTEXT
13 OTHERWISE REQUIRES:

14 (I) "CORRECTIVE ACTION" HAS THE MEANING SET FORTH IN 40 CFR
15 146.81.

16 (II) "CUMULATIVE IMPACTS" MEANS THE EFFECT OF A PROPOSED
17 NEW OR MODIFIED CLASS VI INJECTION WELL ON THE ENVIRONMENT,
18 INCLUDING THE EFFECT ON AIR QUALITY, WATER QUALITY, CLIMATE,
19 NOISE, ODOR, WILDLIFE, BIOLOGICAL RESOURCES, AND PUBLIC HEALTH,
20 THAT IS CAUSED BY THE INCREMENTAL IMPACT THAT A NEW OR MODIFIED
21 CLASS VI INJECTION WELL HAS, WHEN ADDED TO THE IMPACTS FROM
22 OTHER PAST, PRESENT, AND REASONABLY FORESEEABLE FUTURE
23 DEVELOPMENT OF ANY TYPE, ON THE RELEVANT AREA, INCLUDING AN
24 AIRSHED OR WATERSHED, OR ON A DISPROPORTIONATELY IMPACTED
25 COMMUNITY.

26 (III) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE
27 MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

1 (IV) "GREENHOUSE GAS" HAS THE MEANING SET FORTH IN SECTION
2 25-7-140 (6).

3 (V) "POST-INJECTION SITE CARE" HAS THE MEANING SET FORTH IN
4 40 CFR 146.81.

5 (VI) "SITE CLOSURE" HAS THE MEANING SET FORTH IN 40 CFR
6 146.81.

7 (9.3) (a) THE COMMISSION, IN CONSULTATION WITH THE
8 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, SHALL DEVELOP AND
9 UTILIZE REGULATIONS FOR ANALYZING THE FULL LIFE CYCLE OF EMISSIONS
10 RELATED TO THE PERMITTING OF A PROPOSED NEW OR MODIFIED CLASS VI
11 INJECTION WELL. THE COMMISSION AND THE DEPARTMENT MAY REQUEST
12 FROM AN OPERATOR, AND ARE ENTITLED TO RECEIVE, ANY RELEVANT
13 DATA REQUIRED TO COMPLETE SUCH ANALYSIS.

14 (b) A LIFE CYCLE EMISSIONS ANALYSIS MUST INCLUDE
15 CONSIDERATION OF:

16 (I) THE DIRECT EMISSIONS FROM THE CONSTRUCTION AND
17 OPERATIONS OF THE CLASS VI INJECTION WELL;

18 (II) POTENTIAL LEAKAGE FROM THE CLASS VI INJECTION WELL
19 OVER ITS LIFETIME, IF APPLICABLE; AND

20 (III) THE SCOPE OF THE EMISSIONS FROM ENERGY INPUTS TO
21 CONSTRUCT OR OPERATE THE CLASS VI INJECTION WELL, BASED ON THE
22 MOST CURRENT ENERGY INPUTS AND CONSIDERATION OF EMISSION
23 INTENSITY FORECASTS, IF APPLICABLE.

24 (c) THE COMMISSION MAY ADOPT RULES TO ESTABLISH A PROCESS
25 TO CERTIFY THE QUANTITY OF CARBON DIOXIDE THAT WILL BE STORED IN
26 A PROPOSED NEW OR MODIFIED CLASS VI INJECTION WELL.

27 (d) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT

1 OF PUBLIC HEALTH AND ENVIRONMENT, SHALL EVALUATE THE RISK OF
2 CLASS VI INJECTION WELLS BY DETERMINING THE LIKELIHOOD AND
3 SEVERITY OF AN INCIDENT INVOLVING A CLASS VI INJECTION WELL, THE
4 POTENTIAL FOR EXPOSURE FROM SUCH INCIDENT, AND THE OVERALL
5 EFFECT THAT SUCH INCIDENT COULD HAVE ON THE PUBLIC HEALTH,
6 SAFETY, AND WELFARE AND ON THE ENVIRONMENT.

7 (9.5) (a) ON OR BEFORE FEBRUARY 1, 2024, THE COMMISSION, IN
8 CONSULTATION WITH THE DEPARTMENT OF PUBLIC HEALTH AND
9 ENVIRONMENT, SHALL CONDUCT A STUDY TO BETTER UNDERSTAND THE
10 SAFETY OF CLASS VI INJECTION WELLS, THE POTENTIAL FOR CARBON
11 DIOXIDE RELEASES FROM THE WELLS, AND METHODS TO LIMIT THE
12 LIKELIHOOD OF A CARBON DIOXIDE RELEASE FROM A CLASS VI INJECTION
13 WELL OR CARBON DIOXIDE PIPELINE OR SEQUESTRATION FACILITY. THE
14 STUDY MUST INCLUDE:

15 (I) AN EVALUATION OF THE POTENTIAL AIR QUALITY IMPACTS OF
16 CAPTURE TECHNOLOGY AT A CARBON DIOXIDE SOURCE FACILITY;

17 (II) CARBON DIOXIDE PIPELINE SAFETY CONSIDERATIONS,
18 INCLUDING COMPUTER MODELING TO SIMULATE CARBON DIOXIDE LEAKS
19 FROM PIPELINES OF VARYING DIAMETERS AND LENGTHS;

20 (III) APPROPRIATE SAFETY PROTOCOLS IN THE OPERATION AND
21 MAINTENANCE OF A CLASS VI INJECTION WELL;

22 (IV) METHODS FOR DETERMINING THE STABILITY OF
23 UNDERGROUND CARBON DIOXIDE STORAGE AND ESTIMATES OF THE TIME
24 NEEDED FOR CARBON DIOXIDE PLUME STABILIZATION; AND

25 (V) RECOMMENDATIONS FOR SAFETY MEASURES TO PROTECT
26 COMMUNITIES FROM CARBON DIOXIDE RELEASES, SUCH AS HAZARD ZONES,
27 PUBLIC NOTIFICATION SYSTEMS, SETBACKS, ADDITIONAL MONITORING

1 REQUIREMENTS, OR OTHER MEASURES.

2 (b) ON OR BEFORE MARCH 1, 2024, THE COMMISSION SHALL
3 PRESENT ITS FINDINGS AND CONCLUSIONS FROM THE STUDY, INCLUDING
4 ANY RECOMMENDATIONS FOR LEGISLATION, TO THE HOUSE OF
5 REPRESENTATIVES ENERGY AND ENVIRONMENT COMMITTEE AND THE
6 SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR
7 COMMITTEES. THE COMMISSION SHALL NOT PERMIT A CLASS VI INJECTION
8 WELL IN THE STATE UNTIL THE STUDY HAS BEEN COMPLETED AND
9 PRESENTED TO THE GENERAL ASSEMBLY.

10 (c) A CLASS VI INJECTION WELL SHALL NOT BE LOCATED WITHIN
11 TWO THOUSAND FEET OF A RESIDENCE, SCHOOL, OR COMMERCIAL
12 BUILDING. THE COMMISSION MAY ADJUST THE TWO-THOUSAND-FOOT
13 SETBACK BY RULE AFTER STUDYING AND EVALUATING THE SEVERITY OF
14 IMPACTS ARISING FROM FOUR OR MORE CLASS VI INJECTION WELLS THAT
15 HAVE BEEN IN PLACE IN THE STATE FOR AT LEAST FOUR YEARS.

16 (9.7)(a) THE COMMISSION MAY CONDUCT A STUDY TO DETERMINE
17 IF THE STATE SHOULD SEEK REGULATORY PRIMACY UNDER THE FEDERAL
18 "SAFE DRINKING WATER ACT", 42 U.S.C. SEC. 300f ET SEQ., AS
19 AMENDED, FOR ALL SUBSURFACE INJECTION CLASSES INCLUDED WITHIN
20 THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY'S UNDERGROUND
21 INJECTION CONTROL PROGRAM, WHICH STUDY MUST INCLUDE
22 RECOMMENDATIONS ON THE APPROPRIATE ADMINISTRATIVE STRUCTURE
23 AND IDENTIFICATION OF OTHER STATE AGENCIES THAT ARE NECESSARY TO
24 IMPLEMENT A SAFE AND EFFECTIVE PROGRAM.

25 (b) IF THE COMMISSION CONDUCTS THE STUDY PURSUANT TO
26 SUBSECTION (9.7)(a) OF THIS SECTION, THE COMMISSION SHALL, ON OR
27 BEFORE DECEMBER 1, 2024:

1 (I) COMPLETE A REPORT SUMMARIZING THE FINDINGS,
2 CONCLUSIONS, AND RECOMMENDATIONS FROM THE STUDY;

3 (II) POST A COPY OF THE COMPLETED REPORT ON THE
4 COMMISSION'S WEBSITE; AND

5 (III) SUBMIT COPIES OF THE COMPLETED REPORT TO THE HOUSE OF
6 REPRESENTATIVES ENERGY AND ENVIRONMENT COMMITTEE AND THE
7 SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR
8 COMMITTEES.

9 (c) THIS SUBSECTION (9.7) IS REPEALED, EFFECTIVE JULY 1, 2025.

10 **SECTION 10.** In Colorado Revised Statutes, 38-30-168, amend
11 (1)(b)(II) and (1)(b)(III); and add (1)(b)(IV) as follows:

12 **38-30-168. Unreasonable restrictions on renewable energy**
13 **generation devices - definitions.** (1) (b) As used in this section,
14 "renewable energy generation device" means:

15 (II) A wind-electric generator that meets the interconnection
16 standards established in rules promulgated by the public utilities
17 commission pursuant to section 40-2-124; or

18 (III) A geothermal energy device; OR

19 (IV) A HEAT PUMP SYSTEM, AS DEFINED IN SECTION 39-26-732
20 (2)(c).

21 **SECTION 11.** In Colorado Revised Statutes, 38-33.3-106.7,
22 amend (1)(b)(VI) as follows:

23 **38-33.3-106.7. Unreasonable restrictions on energy efficiency**
24 **measures - definitions.** (1) (b) As used in this section, "energy
25 efficiency measure" means a device or structure that reduces the amount
26 of energy derived from fossil fuels that is consumed by a residence or
27 business located on the real property. "Energy efficiency measure" is

1 further limited to include only the following types of devices or
2 structures:

3 (VI) A heat pump SYSTEM, AS DEFINED IN SECTION 39-26-732
4 (2)(c).

5 **SECTION 12.** In Colorado Revised Statutes, **add** 39-22-549 as
6 follows:

7 **39-22-549. Tax credit for reducing emissions from certain**
8 **lawn equipment - report - legislative declaration - tax preference**
9 **performance statement - definitions - repeal.** (1) (a) THE GENERAL
10 ASSEMBLY FINDS AND DECLARES THAT:

11 (I) GASOLINE-POWERED LAWN EQUIPMENT, SUCH AS LAWN
12 MOWERS, LEAF BLOWERS, TRIMMERS, AND SNOWBLOWERS, EMITS HIGH
13 LEVELS OF AIR POLLUTANTS, INCLUDING NITROGEN OXIDES AND VOLATILE
14 ORGANIC COMPOUNDS THAT, TOGETHER, FORM OZONE AND PARTICULATE
15 MATTER;

16 (II) REPLACING SUCH GASOLINE-POWERED LAWN EQUIPMENT WITH
17 ELECTRIC-POWERED LAWN EQUIPMENT CAN REDUCE OZONE POLLUTION;
18 AND

19 (III) THE PURPOSE OF THE TAX CREDIT IN SUBSECTION (3) OF THIS
20 SECTION IS TO INCENTIVIZE THE VOLUNTARY TRANSITION FROM
21 GASOLINE-POWERED TO ELECTRIC-POWERED LAWN 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 (3) OF THIS SECTION IS TO INDUCE CERTAIN
2 DESIGNATED BEHAVIORS BY TAXPAYERS, SPECIFICALLY THE PURCHASE OF
3 ELECTRIC-POWERED LAWN EQUIPMENT; AND

4 (II) IN ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE STATE
5 AUDITOR TO MEASURE THE EFFECTIVENESS OF THE TAX 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 (5) OF THIS SECTION DETAILING THE SALES OF NEW,
9 ELECTRIC-POWERED LAWN EQUIPMENT, AS REPORTED BY TAXPAYERS
10 CLAIMING THE TAX CREDIT AUTHORIZED UNDER SUBSECTION (3) OF THIS
11 SECTION.

12 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
13 REQUIRES:

14 (a) "LAWN EQUIPMENT" MEANS A LAWN MOWER, LEAF BLOWER,
15 TRIMMER, OR SNOWBLOWER.

16 (b) "PURCHASE PRICE" HAS THE MEANING SET FORTH IN SECTION
17 39-26-102 (7).

18 (c) "QUALIFIED RETAILER" MEANS A RETAILER THAT SELLS LAWN
19 EQUIPMENT AND:

20 (I) HOLDS A STATE SALES TAX LICENSE;

21 (II) HAS TIMELY FILED A MONTHLY SALES TAX RETURN SHOWING
22 A TAX LIABILITY FOR AT LEAST TWELVE MONTHS;

23 (III) HAS PAID THE TAXES DUE ON THE MONTHLY SALES TAX
24 RETURN; AND

25 (IV) HAS REGISTERED WITH THE DEPARTMENT OF REVENUE
26 PURSUANT TO SUBSECTION (3)(d)(III) OF THIS SECTION.

27 (d) "RETAILER" HAS THE MEANING SET FORTH IN SECTION

1 39-26-102 (8).

2 (e) "RETAIL SALE" HAS THE MEANING SET FORTH IN SECTION
3 39-26-102 (9).

4 (3) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
5 JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2027, A RETAILER QUALIFIED
6 PURSUANT TO SUBSECTION (3)(d)(III) OF THIS SECTION IS ALLOWED A TAX
7 CREDIT AGAINST THE TAX IMPOSED PURSUANT TO THIS ARTICLE 22 IN AN
8 AMOUNT EQUAL TO THIRTY PERCENT OF THE AGGREGATE PURCHASE PRICE
9 FOR ALL RETAIL SALES OF NEW, ELECTRIC-POWERED LAWN EQUIPMENT
10 THAT THE QUALIFIED RETAILER SOLD IN THE STATE DURING THE TAX YEAR.

11 (b) IN ORDER TO QUALIFY FOR THE TAX CREDIT ALLOWED UNDER
12 THIS SUBSECTION (3), THE QUALIFIED RETAILER SHALL PROVIDE TO THE
13 PURCHASER, AT THE TIME OF THE RETAIL SALE OF NEW,
14 ELECTRIC-POWERED LAWN EQUIPMENT, A DISCOUNT ON THE PURCHASE
15 PRICE OF THE LAWN EQUIPMENT EQUAL TO THIRTY PERCENT OF THE
16 PURCHASE PRICE AND SHALL SHOW THE DISCOUNT AS A SEPARATE ITEM ON
17 THE RECEIPT OR INVOICE PROVIDED TO THE PURCHASER.

18 (c) TO DETERMINE WHETHER A QUALIFIED RETAILER SOLD NEW,
19 ELECTRIC-POWERED LAWN EQUIPMENT IN THIS STATE, THE RULES OF
20 SECTION 39-26-104 (3)(a) APPLY.

21 (d) (I) THE QUALIFIED RETAILER SHALL ELECTRONICALLY
22 SUBMIT A REPORT TO THE DEPARTMENT OF REVENUE, ON A QUARTERLY
23 BASIS AND IN THE FORM AND MANNER REQUIRED BY THE DEPARTMENT,
24 THAT DETAILS THE NUMBER OF PIECES OF NEW, ELECTRIC-POWERED LAWN
25 EQUIPMENT SOLD BY THE QUALIFIED RETAILER IN THE REPORTING PERIOD
26 FOR WHICH THE QUALIFIED RETAILER PROVIDED A DISCOUNT AS DESCRIBED
27 IN SUBSECTION (3)(b) OF THIS SECTION. THE DEPARTMENT MAY REQUIRE

1 THE QUALIFIED RETAILER TO INCLUDE ADDITIONAL INFORMATION IN THE
2 REPORT.

3 (II) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
4 1, 2025, THE QUALIFIED RETAILER MAY ELECT ADVANCE PAYMENTS OF THE
5 CREDIT ALLOWED PURSUANT TO THIS SECTION AS SPECIFIED IN SECTION
6 39-22-629.

7 (III) BEFORE SELLING A PIECE OF NEW, ELECTRIC-POWERED LAWN
8 EQUIPMENT FOR WHICH A RETAILER INTENDS TO CLAIM A CREDIT
9 PURSUANT TO THIS SECTION, THE RETAILER SHALL REGISTER AS A
10 QUALIFIED RETAILER BY FILING WITH THE DEPARTMENT OF REVENUE A
11 REGISTRATION STATEMENT IN THE FORM AND MANNER THAT THE
12 DEPARTMENT PRESCRIBES.

13 (4) IF A CREDIT AUTHORIZED BY THIS SECTION EXCEEDS THE
14 INCOME TAX DUE ON THE INCOME OF THE QUALIFIED RETAILER FOR THE
15 TAXABLE YEAR, THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD AND
16 MUST BE REFUNDED TO THE QUALIFIED RETAILER.

17 (5) PURSUANT TO SECTION 39-21-304 (3), NOTWITHSTANDING
18 SECTION 24-1-136 (11)(a)(I), AND FOR THE PURPOSE OF PROVIDING DATA
19 THAT ALLOWS THE GENERAL ASSEMBLY AND THE STATE AUDITOR TO
20 MEASURE THE EFFECTIVENESS OF THE TAX CREDIT CREATED IN
21 SUBSECTION (3) OF THIS SECTION, THE DEPARTMENT OF REVENUE, ON OR
22 BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1 OF EACH YEAR
23 THEREAFTER THROUGH JANUARY 1, 2028, SHALL SUBMIT TO THE GENERAL
24 ASSEMBLY AND THE STATE AUDITOR A REPORT DETAILING THE SALES OF
25 NEW, ELECTRIC-POWERED LAWN EQUIPMENT, AS REPORTED BY A
26 QUALIFIED RETAILER CLAIMING THE TAX CREDIT AUTHORIZED UNDER
27 SUBSECTION (3) OF THIS SECTION. THE TAX CREDIT ESTABLISHED IN THIS

1 SECTION MEETS ITS PURPOSE IF SALES OF NEW, GASOLINE-POWERED LAWN
2 EQUIPMENT ARE SIGNIFICANTLY REDUCED WITHIN FIVE YEARS AFTER THE
3 TAX CREDIT BECOMES EFFECTIVE, AS DETERMINED BY THE GENERAL
4 ASSEMBLY AND THE STATE AUDITOR PURSUANT TO SECTION 39-21-304(3).

5 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2033.

6 **SECTION 13.** In Colorado Revised Statutes, 39-29-110, amend
7 (9)(b) as follows:

8 **39-29-110. Local government severance tax fund - creation -**
9 **administration - definitions - repeal.**

10 (9) (b) This subsection (9) is repealed, effective July 1, 2023 JULY
11 1, 2025.

12 **SECTION 14.** In Session Laws of Colorado 2021, amend section
13 3 of chapter 225, (HB 21-1253), as follows:

14 Section 3. **Appropriation.** For the 2020-21 state fiscal year,
15 \$5,000,000 is appropriated to the department of local affairs for use by
16 the division of local government. This appropriation is from the local
17 government severance tax fund created in section 39-29-110 (1)(a)(I),
18 C.R.S. To implement this act, the division of local government may use
19 this appropriation for grants for renewable and clean energy
20 implementation projects that meet the division's eligibility criteria for
21 funding under the department's renewable and clean energy initiative
22 program. Any money appropriated in this section not expended prior to
23 July 1, 2021 JULY 1, 2025, is further appropriated to the division of local
24 government for the 2021-22 and 2022-23 state fiscal years for the same
25 purpose UNTIL THE MONEY IS FULLY EXPENDED.

26 **SECTION 15.** In Colorado Revised Statutes, 39-22-629, amend
27 as added by House Bill 23-1272 (1)(a) as follows:

1 **39-22-629. Advance payments of income tax credits -**
2 **definitions - repeal.** (1) As used in this section, unless the context
3 otherwise requires:

4 (a) "Applicable credit" means the credits allowed in sections
5 39-22-516.7, 39-22-516.8, **39-22-549**, and 39-22-553.

6 **SECTION 16.** In Colorado Revised Statutes, 40-1-102, amend
7 (1.3); and add (1.4), (8.2), and (8.3) as follows:

8 **40-1-102. Definitions.** As used in articles 1 to 7 of this title 40,
9 unless the context otherwise requires:

10 (1.3) "~~Charge~~" includes any consideration, however denominated,
11 ~~paid or provided by a retail cooperative electric association to a wholesale~~
12 ~~electric cooperative in connection with an agreement by which the retail~~
13 ~~cooperative electric association terminates a wholesale electric service~~
14 ~~contract with the wholesale electric cooperative~~ "CERTIFICATE OF
15 COMPLETION" MEANS AN ATTESTATION THAT AN INTERCONNECTION
16 CUSTOMER SUBMITS TO A PUBLIC UTILITY TO CONFIRM THAT A RETAIL
17 DISTRIBUTED GENERATION RESOURCE HAS BEEN PROPERLY INSPECTED OR
18 OTHERWISE CERTIFIED TO MEET THE SAFE OPERATION REQUIREMENTS OF
19 A LOCAL GOVERNMENT'S BUILDING CODE ENFORCEMENT AUTHORITY.

20 (1.4) "CHARGE" INCLUDES ANY CONSIDERATION, HOWEVER
21 DENOMINATED, PAID OR PROVIDED BY A RETAIL COOPERATIVE ELECTRIC
22 ASSOCIATION TO A WHOLESALE ELECTRIC COOPERATIVE IN CONNECTION
23 WITH AN AGREEMENT BY WHICH THE RETAIL COOPERATIVE ELECTRIC
24 ASSOCIATION TERMINATES A WHOLESALE ELECTRIC SERVICE CONTRACT
25 WITH THE WHOLESALE ELECTRIC COOPERATIVE.

26 (8.2) "INTERCONNECTION AGREEMENT" MEANS AN AGREEMENT
27 BETWEEN A PUBLIC UTILITY AND AN INTERCONNECTION CUSTOMER TO

1 INTERCONNECT A RETAIL DISTRIBUTED GENERATION RESOURCE TO THE
2 UTILITY SYSTEM.

3 (8.3)(a) "INTERCONNECTION CUSTOMER" MEANS AN ENTITY THAT
4 PROPOSES TO INTERCONNECT A RETAIL DISTRIBUTED GENERATION
5 RESOURCE ON THE DISTRIBUTION SYSTEM OF A PUBLIC UTILITY.

6 (b) "INTERCONNECTION CUSTOMER" INCLUDES AN AFFILIATE OR A
7 SUBSIDIARY OF A PUBLIC UTILITY THAT PROPOSES TO INTERCONNECT A
8 RETAIL DISTRIBUTED GENERATION RESOURCE TO THE PUBLIC UTILITY'S
9 SYSTEM.

10 SECTION 17. In Colorado Revised Statutes, 40-1-126, **add** (2.5)
11 as follows:

12 **40-2-126. Transmission facilities - biennial review - energy**
13 **resource zones - definitions - plans - approval - cost recovery -**
14 **powerline trail consideration. (2.5) IN REVIEWING A PLAN THAT AN**
15 **ELECTRIC UTILITY SUBMITS PURSUANT TO SUBSECTION (2)(b) OF THIS**
16 **SECTION, THE COMMISSION SHALL CONSIDER THE NEED FOR EXPANDED**
17 **TRANSMISSION CAPACITY IN THE STATE, INCLUDING THE ABILITY TO**
18 **EXPAND CAPACITY THROUGH THE CONSTRUCTION OF NEW TRANSMISSION**
19 **LINES, IMPROVEMENTS TO EXISTING TRANSMISSION LINES, AND**
20 **CONNECTIONS TO ORGANIZED WHOLESALE MARKETS, AS DEFINED IN**
21 **SECTION 40-5-108 (1)(a).**

22 =====
23 SECTION 18. In Colorado Revised Statutes, 40-2-114, **amend**
24 (2)(a)(III) as follows:

25 **40-2-114. Disposition of fees collected - telecommunications**
26 **utility fund - fixed utility fund - appropriation. (2) (a) Money in the**
27 **funds created in subsection (1) of this section shall be expended only to**

1 defray the full amount determined by the general assembly for:

2 (III) With regard only to expenditures from the public utilities
3 commission fixed utility fund created in subsection (1)(b) of this section,
4 the administrative expenses, not to exceed five hundred thousand dollars
5 annually, incurred by the Colorado electric transmission authority in
6 carrying out its duties under article 42 of this title 40. The Colorado
7 electric transmission authority shall remit to the PUBLIC UTILITIES
8 COMMISSION fixed utility fund any amounts it receives in excess of its
9 actual administrative expenses plus a ~~fifteen~~ FIFTY percent reserve
10 margin.

11 **SECTION 19.** In Colorado Revised Statutes, **amend 40-2-135** as
12 follows:

13 **40-2-135. Retail distributed generation - customers' rights -**
14 **rules.** (1) A retail electric utility customer is entitled to generate,
15 consume, store, and export electricity produced from eligible energy
16 resources to the electric grid through the use of customer-sited retail
17 distributed generation, as defined in section 40-2-124 (1)(a)(VIII), subject
18 to reliability standards, interconnection rules, and procedures, as
19 determined by the commission.

20 (2) (a) A RETAIL ELECTRIC UTILITY VIOLATES THIS SECTION IF THE
21 UTILITY FAILS TO PROVIDE REASONABLE, GOOD FAITH, AND TIMELY
22 SERVICE TO AN INTERCONNECTION CUSTOMER AND SUCH VIOLATION MAY
23 RESULT IN COMMISSION ACTION, INCLUDING THE ASSESSMENT OF
24 MONETARY FINES AGAINST THE RETAIL ELECTRIC UTILITY. IF A RETAIL
25 ELECTRIC UTILITY FAILS TO PROVIDE TIMELY SERVICE AND ADHERE TO
26 TIMELINES THAT THE COMMISSION ESTABLISHES AS PART OF THE
27 COMMISSION'S INTERCONNECTION RULES, THE RETAIL ELECTRIC UTILITY

1 MAY BE SUBJECT TO PENALTIES OF UP TO TWO THOUSAND DOLLARS PER
2 DAY FOR EACH DAY THAT THE VIOLATION OCCURRED.

3 (b) THE COMMISSION SHALL ADOPT RULES TO ANNUALLY ADJUST
4 THE PENALTY AMOUNT SET FORTH IN SUBSECTION (2)(a) OF THIS SECTION
5 BASED ON THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES
6 DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE
7 INDEX FOR THE DENVER-AURORA-LAKEWOOD AREA FOR ALL ITEMS PAID
8 BY ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX.

9 (c) (I) FOR A RETAIL DISTRIBUTED GENERATION RESOURCE THAT
10 IS TWENTY-FIVE KILOWATTS OR LESS, A PUBLIC UTILITY SHALL PROVIDE AN
11 INTERCONNECTION CUSTOMER AN EXECUTED INTERCONNECTION
12 AGREEMENT NO MORE THAN THIRTY BUSINESS DAYS AFTER RECEIVING
13 PAYMENT OF AN INTERCONNECTION FEE FROM THE INTERCONNECTION
14 CUSTOMER.

15 (II) FOLLOWING THE CONSTRUCTION OF A RETAIL DISTRIBUTED
16 GENERATION RESOURCE, A PUBLIC UTILITY MUST PROVIDE
17 INTERCONNECTION OF THE CUSTOMER'S RETAIL DISTRIBUTED GENERATION
18 RESOURCE NO MORE THAN THIRTY BUSINESS DAYS AFTER THE
19 INTERCONNECTION CUSTOMER SUBMITS TO THE PUBLIC UTILITY A
20 CERTIFICATE OF COMPLETION.

21 (III) IF THE SUM OF A PUBLIC UTILITY'S COMPLIANCE WITH THESE
22 TIMES SET FORTH IN THIS SUBSECTION (2)(c) EXCEEDS SIXTY DAYS, THE
23 PUBLIC UTILITY MAY BE SUBJECT TO PENALTIES CONSISTENT WITH THIS
24 SUBSECTION (2).

25 (d) A PUBLIC UTILITY IS NOT SUBJECT TO PENALTIES UNDER THIS
26 SUBSECTION (2) IF THE PUBLIC UTILITY CAN DEMONSTRATE THAT:

27 (I) THE INTERCONNECTION CUSTOMER FAILED TO TIMELY REMEDY

1 ANY MATERIAL DEFECTS IN THE COMPLETION OF THE INTERCONNECTION
2 CUSTOMER'S APPLICATION FOR INTERCONNECTION AND THE PUBLIC
3 UTILITY IDENTIFIED THE DEFECTS DURING ITS REVIEW OF THE
4 APPLICATION;

5 (II) THE RETAIL DISTRIBUTED GENERATION RESOURCE CANNOT BE
6 SAFELY INTERCONNECTED TO THE PUBLIC UTILITY'S SYSTEM IN A MANNER
7 CONSISTENT WITH THE COMMISSION'S INTERCONNECTION RULES; OR

8 (III) OTHER EXTENUATING CIRCUMSTANCES CAUSED A DELAY IN
9 INTERCONNECTION.

10 (3) (a) AN INTERCONNECTION CUSTOMER MAY FILE A COMPLAINT
11 WITH THE COMMISSION IN ACCORDANCE WITH SECTION 40-6-108 ALLEGING
12 THAT A PUBLIC UTILITY HAS VIOLATED SUBSECTION (2) OF THIS SECTION.

13 (b) IN CONSIDERING A COMPLAINT FILED PURSUANT TO THIS
14 SUBSECTION (3), THE COMMISSION MAY ORDER THE PUBLIC UTILITY TO
15 REFUND INTERCONNECTION STUDY FEES CHARGED TO THE
16 INTERCONNECTION CUSTOMER. IF A PUBLIC UTILITY IS ORDERED TO
17 REFUND SUCH INTERCONNECTION STUDY FEES, SUCH REFUND IS NOT AN
18 EXPENSE THAT THE PUBLIC UTILITY MAY RECOVER FROM ITS RATEPAYERS.

19 (4) THE COMMISSION SHALL ONLY ASSESS THE PENALTIES SET
20 FORTH IN SUBSECTION (2)(a) OF THIS SECTION AGAINST A PUBLIC UTILITY
21 IF:

22 (a) AN INTERCONNECTION CUSTOMER OR COMMISSION STAFF HAS
23 FILED, AND THE COMMISSION HAS ADJUDICATED, A COMPLAINT PURSUANT
24 TO SECTION 40-6-108; AND

25 (b) THE PUBLIC UTILITY HAS A TARIFF ON FILE WITH THE
26 COMMISSION THAT PROVIDES INCENTIVES AND PENALTIES TO PROVIDE
27 INTERCONNECTION SERVICE AND THE PUBLIC UTILITY HAS EXCEEDED THE

1 TIMELINES ESTABLISHED IN THE TARIFF FILING.

2 (5) IN JURISDICTIONS THAT ALLOW INTERCONNECTION WITHOUT A
3 PUBLIC UTILITY PRESENT, AN INTERCONNECTION CUSTOMER MAY INSTALL
4 ALL NECESSARY METERING EQUIPMENT AND ENERGIZE THE SYSTEM
5 FOLLOWING INSTALLATION IF:

6 (a) THE INTERCONNECTION CUSTOMER HAS AN INTERCONNECTION
7 AGREEMENT WITH A PUBLIC UTILITY AND A CERTIFICATE OF COMPLETION
8 FROM A LOCAL GOVERNMENT'S BUILDING CODE ENFORCEMENT
9 AUTHORITY; AND

10 (b) THE INSTALLATION AND ENERGIZING WORK IS OVERSEEN BY A
11 LICENSED MASTER ELECTRICIAN.

12 (6) A PUBLIC UTILITY MAY RECOVER ITS PRUDENTLY INCURRED
13 COSTS TO FACILITATE A TIMELY INTERCONNECTION, WHICH COSTS MAY
14 INCLUDE THE COST OF EQUIPMENT THAT THE PUBLIC UTILITY PROCURES
15 FOR FUTURE UPGRADES NEEDED TO INTERCONNECT RETAIL DISTRIBUTED
16 GENERATION RESOURCES. A PUBLIC UTILITY MAY RECOVER THE COSTS OF
17 ANY SUCH EQUIPMENT INVENTORY AS CAPITAL WORK IN PROGRESS IF THE
18 INVENTORY IS PROJECTED TO BE USED WITHIN FIVE YEARS OF ITS
19 PROCUREMENT AND WITH A RETURN AT THE MOST RECENTLY AUTHORIZED
20 WEIGHTED AVERAGE COST OF CAPITAL.

21 **SECTION 20.** In Colorado Revised Statutes, 40-5-107, **add** (2.5)
22 as follows:

23 **40-5-107. Electric vehicle programs - service connection cost**
24 **recovery - definitions - repeal.** (2.5) AN ELECTRIC PUBLIC UTILITY MAY
25 RECOVER ITS PRUDENTLY INCURRED COSTS TO FACILITATE A TIMELY
26 ELECTRIC VEHICLE CHARGING SERVICE CONNECTION, WHICH COSTS MAY
27 INCLUDE THE COSTS OF EQUIPMENT THAT THE ELECTRIC PUBLIC UTILITY

1 PROCURES FOR FUTURE UPGRADES NEEDED TO PROVIDE SERVICE
2 CONNECTIONS FOR ELECTRIC VEHICLE CHARGING. AN ELECTRIC PUBLIC
3 UTILITY MAY RECOVER THE COSTS OF ANY SUCH EQUIPMENT INVENTORY
4 AS CAPITAL WORK IN PROGRESS IF THE INVENTORY IS PROJECTED TO BE
5 USED WITHIN THREE YEARS OF ITS PROCUREMENT AND WITH A RETURN AT
6 THE MOST RECENTLY AUTHORIZED WEIGHTED AVERAGE COST OF CAPITAL.

7 **SECTION 21.** In Colorado Revised Statutes, 40-7-105, amend
8 (1); and add (1.5) and (4) as follows:

9 **40-7-105. Violations - penalty - separate offenses - rules.**

10 (1) Any public utility ~~which~~ THAT violates or fails to comply with any
11 provision of the state constitution or of articles 1 to 7 of this title TITLE 40
12 or ~~which~~ THAT fails, omits, or neglects to obey, observe, or comply with
13 any order, decision, decree, rule, direction, demand, or requirement of the
14 commission or any part or provision thereof, except an order for the
15 payment of money, in a case in which a penalty has not been provided for
16 ~~such~~ THE public utility, is subject to a penalty of not more than two
17 TWENTY thousand dollars ~~for each~~ PER offense FOR EACH DAY THAT THE
18 OFFENSE CONTINUES.

19 (1.5) (a) ANY PROPOSED PENALTY IS SUBJECT TO A FINDING BY THE
20 COMMISSION OF CUSTOMER HARM THAT IS COMMENSURATE WITH THE
21 AMOUNT OF THE PENALTY LEVIED. IN DETERMINING THE AMOUNT OF A
22 PENALTY OR WHETHER ANY PENALTY IS LEVIED, THE COMMISSION SHALL
23 ALSO CONSIDER FACTORS INCLUDING:

24 (I) THE SIZE OF THE UTILITY;

25 (II) FACTORS INFLUENCING THE VIOLATION;

26 (III) THE UTILITY'S PREVIOUS HISTORY OF ANY SIMILAR
27 VIOLATIONS;

1 (IV) REMEDIAL MEASURES; AND
2 (V) ANY OTHER FACTORS THAT MAY MITIGATE ANY HARM TO
3 CUSTOMERS.

4 (b) THE COMMISSION SHALL ADOPT RULES TO ANNUALLY ADJUST
5 THE MAXIMUM PER-DAY PENALTY AMOUNT SET FORTH IN SUBSECTION (1)
6 OF THIS SECTION BASED ON THE ANNUAL PERCENTAGE CHANGE IN THE
7 UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS
8 CONSUMER PRICE INDEX FOR THE DENVER-AURORA-LAKEWOOD AREA FOR
9 ALL ITEMS PAID BY ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX.

10 (4) ANY PENALTY THAT THE COMMISSION ASSESSES AGAINST A
11 UTILITY UNDER THIS SECTION IS NOT RECOVERABLE AS AN EXPENSE
12 PAYABLE BY THE UTILITY'S RATEPAYERS.

13 **SECTION 22.** In Colorado Revised Statutes, 40-3.2-108, amend
14 (2)(a)(II) and (2)(p) introductory portion as follows:

15 **40-3.2-108. Clean heat targets - legislative declaration -**
16 **definitions - plans - rules - reports. (2) Definitions.** As used in this
17 section, unless the context otherwise requires:

18 (a) "Biomethane":
19 (II) Includes biomethane recovered from manure management
20 systems or anaerobic digesters, INCLUDING FROM OPERATIONS FOR DAIRY
21 COWS, BEEF CATTLE, POULTRY, SWINE, OR SHEEP, that has been processed
22 to meet pipeline quality.

23 (p) "Recovered methane protocol" means a documented set of
24 procedures and requirements established by the air quality control
25 commission to quantify ongoing greenhouse gas emission reductions or
26 greenhouse gas removal enhancements achieved by a recovered methane
27 project and to calculate the project baseline. A RECOVERED METHANE

1 PROTOCOL THAT THE AIR QUALITY CONTROL COMMISSION ADOPTS FOR
2 BIOMETHANE FROM MANURE MANAGEMENT SYSTEMS MUST ALLOW FOR
3 THE USE OF MANURE FROM BEEF CATTLE OPERATIONS. THE AIR QUALITY
4 CONTROL COMMISSION MAY ALSO ADOPT A RECOVERED METHANE
5 PROTOCOL THAT IS SPECIFIC TO MANURE MANAGEMENT FROM BEEF
6 CATTLE OPERATIONS. A recovered methane protocol must:

7 **SECTION 23.** In Colorado Revised Statutes, 40-42-102, **amend**
8 (14) as follows:

9 **40-42-102. Definitions.** As used in this article 42, unless the
10 context otherwise requires:

11 (14) "Project" means an undertaking by the authority to finance
12 or to:

13 (a) Plan, acquire, maintain, and operate eligible facilities located
14 partly or entirely within Colorado; OR

15 (b) RENOVATE, REBUILD, OR RECONDITION EXISTING ELIGIBLE
16 FACILITIES, THAT ARE LOCATED PARTLY OR ENTIRELY WITHIN COLORADO
17 AND ARE APPROVED THROUGH A LOCAL GOVERNMENT'S LAND-USE
18 APPLICATION PROCESS, TO UPGRADE AND OPTIMIZE THE EXISTING
19 FACILITIES.

20 == ==
21 **SECTION 24.** In Colorado Revised Statutes, 40-42-107, **amend**
22 (1) introductory portion as follows:

23 **40-42-107. Labor standards - apprenticeship - supervision.**

24 (1) The authority shall ensure that, in any construction, expansion,
25 RENOVATION, REBUILDING, RECONDITIONING, or maintenance of facilities
26 undertaken in Colorado pursuant to this article 42, all labor is performed
27 either by the employees of an electric utility, ~~or~~ by qualified contractors,

1 or BY both, and that, except as otherwise provided in subsection (3) of
2 this section, an electric utility DOES not use a contractor unless:

3 SECTION 25. In Colorado Revised Statutes, add 40-42-109 as
4 follows:

5 40-42-109. Study on expanding transmission capacity -
6 reporting - repeal. (1) THE AUTHORITY SHALL EXPEND MONEY FROM THE
7 OPERATIONAL FUND CREATED IN SECTION 40-42-106 TO STUDY THE NEED
8 FOR EXPANDED TRANSMISSION CAPACITY IN THE STATE, INCLUDING:

9 (a) THE ABILITY TO EXPAND CAPACITY THROUGH THE
10 CONSTRUCTION OF NEW TRANSMISSION LINES, IMPROVEMENTS TO
11 EXISTING TRANSMISSION LINES, AND CONNECTIONS TO ORGANIZED
12 WHOLESALE MARKETS, AS DEFINED IN SECTION 40-5-108 (1)(a);

13 (b) WHETHER AND HOW EXPANDED TRANSMISSION CAPACITY WILL:

14 (I) IMPROVE THE SYSTEM RELIABILITY OF THE ELECTRIC GRID AND
15 PROVIDE OPTIMAL UTILIZATION OF ELECTRICITY FLOWS IN THE STATE;

16 (II) SUPPORT THE STATE'S EMISSION REDUCTION GOALS SET FORTH
17 IN SECTION 25-7-102 (2)(g);

18 (III) SUPPORT THE STATE'S FORECASTED ELECTRICITY NEEDS; AND

19 (IV) REDUCE LAND IMPACTS BY USING EXISTING RIGHTS-OF-WAY,
20 INCLUDING FOR LARGE CAPACITY TRANSMISSION LINES; CO-LOCATING
21 MULTIPLE TRANSMISSION LINES; RECONDUCTORING TRANSMISSION LINES;
22 AND STRATEGICALLY SITING NEW TRANSMISSION CORRIDORS.

23 (2) THE AUTHORITY SHALL PREPARE:

24 (a) AN INITIAL REPORT OF THE STUDY, INCLUDING ANY
25 RECOMMENDATIONS, AND PRESENT THE INITIAL REPORT TO THE
26 COMMISSION ON OR BEFORE SEPTEMBER 1, 2024; AND

27 (b) A FINAL REPORT OF THE STUDY, INCLUDING ANY

1 RECOMMENDATIONS, AND PRESENT THE FINAL REPORT TO THE JOINT
2 COMMITTEE OF THE HOUSE OF REPRESENTATIVES ENERGY AND
3 ENVIRONMENT COMMITTEE AND THE SENATE TRANSPORTATION AND
4 ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, ON OR BEFORE
5 JANUARY 31, 2025.

6 (3) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2025.

7 **SECTION 26.** In Colorado Revised Statutes, 29-20-104, **amend**
8 (1)(h) introductory portion, (1)(h)(II), (2)(b), and (2)(c); and **add** (2)(d)
9 as follows:

10 **29-20-104. Powers of local governments - definition.**

11 (1) Except as expressly provided in section 29-20-104.5, the power and
12 authority granted by this section does not limit any power or authority
13 presently exercised or previously granted. Each local government within
14 its respective jurisdiction has the authority to plan for and regulate the use
15 of land by:

16 (h) Regulating the surface impacts of oil and gas operations AND
17 CLASS VI INJECTION WELLS in a reasonable manner to address matters
18 specified in this subsection (1)(h) and to protect and minimize adverse
19 impacts to public health, safety, and welfare and the environment.
20 Nothing in this subsection (1)(h) is intended to alter, expand, or diminish
21 the authority of local governments to regulate air quality under section
22 25-7-128. For purposes of this subsection (1)(h), "minimize adverse
23 impacts" means, to the extent necessary and reasonable, to protect public
24 health, safety, and welfare and the environment by avoiding adverse
25 impacts from oil and gas operations AND CLASS VI INJECTION WELLS and
26 minimizing and mitigating the extent and severity of those impacts that
27 cannot be avoided. The following matters are covered by this subsection

1 (1)(h):
2 (II) The location and siting of oil and gas facilities and oil and gas
3 locations, as those terms are defined in section 34-60-103 (6.2) and (6.4)
4 AND THE LOCATION AND SITING OF CLASS VI INJECTION WELLS;
5 (2) To implement the powers and authority granted in subsection
6 (1)(h) of this section, a local government within its respective jurisdiction
7 has the authority to:
8 (b) Impose fines for leaks, spills, and emissions; and
9 (c) Impose fees on operators or owners to cover the reasonably
10 foreseeable direct and indirect costs of permitting and regulation and the
11 costs of any monitoring and inspection program necessary to address the
12 impacts of development and to enforce local governmental requirements;
13 AND
14 (d) IMPOSE FEES TO ENHANCE EMERGENCY PREPAREDNESS AND
15 EMERGENCY RESPONSE CAPABILITIES IF A CARBON DIOXIDE RELEASE
16 OCCURS. ALLOWABLE EXPENDITURES OF THE FEES COLLECTED INCLUDE:
17 (I) PREPARING EMERGENCY RESPONSE PLANS FOR A CARBON
18 DIOXIDE RELEASE;
19 (II) PURCHASING ELECTRIC EMERGENCY RESPONSE VEHICLES;
20 (III) DEVELOPING OR MAINTAINING A TEXT MESSAGE OR OTHER
21 EMERGENCY COMMUNICATION ALERT SYSTEM;
22 (IV) PURCHASING DEVICES THAT ASSIST IN THE DETECTION OF A
23 CARBON DIOXIDE RELEASE;
24 (V) EQUIPMENT FOR FIRST RESPONDERS, LOCAL RESIDENTS, AND
25 MEDICAL FACILITIES THAT ASSIST IN THE PREPARATION FOR, DETECTION
26 OF, OR RESPONSE TO THE RELEASE OF CARBON DIOXIDE OR OTHER TOXIC
27 OR HAZARDOUS MATERIALS; AND

1 (VI) TRAINING AND TRAINING MATERIALS FOR FIRST RESPONDERS,
2 LOCAL RESIDENTS, BUSINESSES, AND OTHER LOCAL ENTITIES TO PREPARE
3 FOR AND RESPOND TO THE RELEASE OF CARBON DIOXIDE OR OTHER TOXIC
4 OR HAZARDOUS MATERIALS.

5 SECTION 27. In Colorado Revised Statutes, 29-20-108, add (7)
6 as follows:

7 29-20-108. Local government regulation - location,
8 construction, or improvement of major electrical or natural gas
9 facilities - powerline trail notification - expedited review for certain
10 transmission line projects - legislative declaration - definitions. (7) A
11 LOCAL GOVERNMENT SHALL EXPEDITE, AS PRACTICABLE, ITS REVIEW OF A
12 LAND USE APPLICATION WITH REGARD TO A PROPOSED PROJECT TO
13 RENOVATE, REBUILD, OR RECONDITION A TRANSMISSION LINE IN
14 ACCORDANCE WITH SECTION 40-42-104 (3)(c).

15 SECTION 28. In Colorado Revised Statutes, 25-7-105, amend
16 (1)(e)(II) as follows:

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

23 (e) (II) Consistent with section 25-7-102 (2)(g), the commission
24 shall timely promulgate implementing rules and regulations. The
25 implementing rules may take into account other relevant laws and rules,
26 as well as voluntary actions taken by local communities and the private
27 sector, to enhance efficiency and cost-effectiveness, and shall be revised

1 as necessary over time to ensure timely progress toward the 2025, 2030,
2 **2035, 2040, 2045**, and 2050 goals. The implementing rules shall MUST
3 provide for ongoing tracking of emission sources that adversely affect
4 disproportionately impacted communities and are subject to rules
5 implemented pursuant to this subsection (1)(e) and must include strategies
6 designed to achieve reductions in harmful air pollution affecting those
7 communities.

8 **SECTION 29. Appropriation.** (1) For the 2023-24 state fiscal
9 year, \$191,790 is appropriated to the department of natural resources for
10 use by the oil and gas conservation commission. This appropriation is
11 from the oil and gas conservation and environmental response fund
12 created in section 34-60-122 (5)(a), C.R.S. To implement this act, the
13 commission may use this appropriation as follows:

14 (a) \$151,142 for program costs, which amount is based on an
15 assumption that the commission will require an additional 1.6 FTE;

16 (b) \$19,500 for the underground injection program; and

17 (c) \$21,148 for the purchase of legal services.

18 (2) For the 2023-24 state fiscal year, \$288,016 is appropriated to
19 the department of public health and environment for use by the air
20 pollution control division. This appropriation is from the general fund. To
21 implement this act, the division may use this appropriation as follows:

22 (a) \$135,054 for personal services related to stationary sources,
23 which amount is based on an assumption that the subdivision will require
24 an additional 1.4 FTE;

25 (b) \$15,500 for operating expenses related to stationary sources;
26 and

27 (c) \$137,462 for the purchase of legal services.

1 (3) For the 2023-24 state fiscal year, \$99,769 is appropriated to
2 the department of revenue. This appropriation is from the general fund.
3 To implement this act, the division may use this appropriation as follows:

4 (a) \$44,327 for use by taxation services for personal services,
5 which amount is based on an assumption that the division will require an
6 additional 0.7 FTE;

7 (b) \$15,007 for use by taxation services for operating expenses;
8 and

9 (c) \$40,435 for use by administration for tax administration IT
10 system (GenTax) support.

11 (4) For the 2023-24 state fiscal year, \$158,610 is appropriated to
12 the department of law. This appropriation is from reappropriated funds
13 received from the departments of natural resources and public health and
14 environment under subsections (1)(c) and (2)(c) of this section and is
15 based on an assumption that the department of law will require an
16 additional 0.8 FTE. To implement this act, the department of law may use
17 this appropriation to provide legal services for the departments of natural
18 resources and public health and environment.

19 **SECTION 30. Act subject to petition - effective date.**

20 (1) Except as provided in subsection (2) of this section, this act takes
21 effect at 12:01 a.m. on the day following the expiration of the ninety-day
22 period after final adjournment of the general assembly; except that, if a
23 referendum petition is filed pursuant to section 1 (3) of article V of the
24 state constitution against this act or an item, section, or part of this act
25 within such period, then the act, item, section, or part will not take effect
26 unless approved by the people at the general election to be held in
27 November 2024 and, in such case, will take effect on the date of the

1 official declaration of the vote thereon by the governor.

2 (2) Section 39-22-549 (3)(d)(II), Colorado Revised Statutes, as
3 enacted in section 8 of this act, and section 9 of this act take effect only
4 if House Bill 23-1272 becomes law, in which case section 39-22-549
5 (3)(d)(II), Colorado Revised Statutes, as enacted in section 8 of this act,
6 and section 9 of this act take effect on the effective date of this act or
7 House Bill 23-1272, whichever is later.