

**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,

HOUSE SPONSORSHIP

McCormick and Sirota,

Senate Committees

Transportation & Energy
Finance
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO PROMOTE REDUCTIONS IN GREENHOUSE**
102 **GAS EMISSIONS IN COLORADO.**

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 Disclosure Survey" or successor survey or reporting mechanism.

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.*

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.

19 (2) AS USED IN THIS SECTION, "NAIC" MEANS THE NATIONAL

1 ASSOCIATION OF INSURANCE COMMISSIONERS, AN ORGANIZATION OF
2 INSURANCE REGULATORS FROM THE FIFTY STATES OF THE UNITED STATES,
3 THE DISTRICT OF COLUMBIA, AND FIVE UNITED STATES TERRITORIES.

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5 **SECTION 2.** In Colorado Revised Statutes, **amend** 24-51-220 as
6 follows:

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

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

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

24 (b) THE CURRENT OR ANTICIPATED FUTURE RISKS THAT CLIMATE
25 CHANGE POSES TO THE ASSOCIATION'S INVESTMENT PORTFOLIO, THE
26 IMPACT THAT CLIMATE CHANGE HAS ON THE ASSOCIATION'S INVESTMENT
27 STRATEGIES, AND ANY STRATEGY CHANGES THAT THE ASSOCIATION HAS

1 IMPLEMENTED IN RESPONSE TO SUCH IMPACT;

2 (c) ACTIONS THAT THE ASSOCIATION IS TAKING TO MANAGE THE
3 RISKS THAT CLIMATE CHANGE POSES TO THE ASSOCIATION'S OPERATIONS;
4 AND

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

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

10 **25-6.5-201. Definitions.** As used in this part 2, unless the context
11 otherwise requires:

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

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

19 (I) Gas or wind turbines and associated compressors or
20 equipment;

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

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

26 (IV) WASTEWATER THERMAL ENERGY EQUIPMENT.

27 (3) "WASTEWATER THERMAL ENERGY EQUIPMENT" MEANS

1 EQUIPMENT USED AS PART OF A SYSTEM THAT USES THERMAL ENERGY IN
2 WASTEWATER TO GENERATE ELECTRICITY, TO HEAT OR COOL A SPACE, OR
3 FOR ANY OTHER USEFUL THERMAL PURPOSE.

4 **SECTION 4.** In Colorado Revised Statutes, 40-3.2-108, **amend**
5 (2)(c)(V); and **add** (2)(c)(V.5) and (2)(r) as follows:

6 **40-3.2-108. Clean heat targets - legislative declaration -**
7 **definitions - plans - rules - reports. (2) Definitions.** As used in this
8 section, unless the context otherwise requires:

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

10 (V) Pyrolysis of tires if the pyrolysis meets a recovered methane
11 protocol; **and**

12 (V.5) WASTEWATER THERMAL ENERGY; AND

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

16 **SECTION 5.** In Colorado Revised Statutes, 25-7-102, **amend**
17 (2)(g) as follows:

18 **25-7-102. Legislative declaration. (2)** It is further declared that:

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

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

25 (B) A fifty percent reduction in statewide greenhouse gas
26 pollution by 2030;

27 (C) A SIXTY-FIVE PERCENT REDUCTION IN STATEWIDE

1 GREENHOUSE GAS POLLUTION BY 2035;

2 (D) AN EIGHTY PERCENT REDUCTION IN STATEWIDE GREENHOUSE
3 GAS POLLUTION BY 2040;

4 (E) A NINETY PERCENT REDUCTION IN STATEWIDE GREENHOUSE
5 GAS POLLUTION BY 2045; and

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

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

10 **SECTION 6.** In Colorado Revised Statutes, 34-60-106, **amend**
11 (9)(a) and (9)(b)(I); and **add** (9)(c) and (9)(d) as follows:

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

25 (II) IN PERFORMING ACTS FOR THE PURPOSE OF ENSURING THE SAFE
26 AND EFFECTIVE SEQUESTRATION OF GREENHOUSE GASES PURSUANT TO
27 SUBSECTION (9)(a)(I) OF THIS SECTION, THE COMMISSION SHALL ACT IN

1 ACCORDANCE WITH SUBSECTION (9)(c) OF THIS SECTION AND ONLY AFTER
2 THE GOVERNOR AND THE COMMISSION HAVE MADE AN AFFIRMATIVE
3 DETERMINATION THAT THE STATE HAS SUFFICIENT RESOURCES NECESSARY
4 TO ENSURE THE SAFE AND EFFECTIVE REGULATION OF THE SEQUESTRATION
5 OF GREENHOUSE GASES IN ACCORDANCE WITH THE FINDINGS FROM THE
6 COMMISSION'S STUDY CONDUCTED PURSUANT TO SUBSECTION (9)(b) OF
7 THIS SECTION.

8 (b) The commission shall:

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

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

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

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

21 (II) THE COMMISSION MAY ISSUE AND ENFORCE PERMITS AS
22 NECESSARY FOR THE PURPOSE SET FORTH IN THIS SUBSECTION (9)(c) AFTER
23 THE COMMISSION MAKES THE DETERMINATION AND HOLDS THE HEARING
24 SET FORTH IN SUBSECTION (9)(c)(I) OF THIS SECTION AND THE COMMISSION
25 AND THE GOVERNOR SATISFY THE REQUIREMENTS SET FORTH IN
26 SUBSECTION (9)(a) OF THIS SECTION. IN ISSUING AND ENFORCING PERMITS
27 PURSUANT TO THIS SUBSECTION (9)(c), THE COMMISSION SHALL ENSURE

1 THAT THE PERMITTING OF A CLASS VI INJECTION WELL:

2 (A) DOES NOT DISPROPORTIONATELY AFFECT THE HEALTH AND
3 WELL-BEING OF DISPROPORTIONATELY IMPACTED COMMUNITIES; AND

4 (B) COMPLIES WITH A LOCAL GOVERNMENT'S SITING OF THE
5 PROPOSED CLASS VI INJECTION WELL LOCATION.

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

12 (B) THE FINANCIAL ASSURANCE REQUIRED UNDER THIS
13 SUBSECTION (9)(c)(III) MUST COVER THE COST OF CORRECTIVE ACTION,
14 INJECTION WELL PLUGGING, POST-INJECTION SITE CARE, SITE CLOSURE,
15 AND ANY EMERGENCY AND REMEDIAL RESPONSE.

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

21 (D) AN OPERATOR SHALL MAINTAIN THE FINANCIAL ASSURANCE
22 REQUIRED UNDER THIS SUBSECTION (9)(c)(III) OR UNDER ANY RULES
23 ADOPTED PURSUANT TO THIS SUBSECTION (9)(c)(III) UNTIL THE
24 COMMISSION APPROVES SITE CLOSURE, AS SPECIFIED IN RULES ADOPTED BY
25 THE COMMISSION. COMMISSION APPROVAL OF A SITE CLOSURE DOES NOT
26 OTHERWISE MODIFY AN OPERATOR'S RESPONSIBILITY TO COMPLY WITH
27 APPLICABLE LAWS.

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

5 (d) AS USED IN THIS SUBSECTION (9), UNLESS THE CONTEXT
6 OTHERWISE REQUIRES:

7 (I) "CORRECTIVE ACTION" HAS THE MEANING SET FORTH IN 40 CFR
8 146.81.

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

11 (III) "GREENHOUSE GAS" HAS THE MEANING SET FORTH IN SECTION
12 25-7-140 (6).

13 (IV) "POST-INJECTION SITE CARE" HAS THE MEANING SET FORTH
14 IN 40 CFR 146.81.

15 (V) "SITE CLOSURE" HAS THE MEANING SET FORTH IN 40 CFR
16 146.81.

17 **SECTION 7. In Colorado Revised Statutes, 38-30-168, amend**
18 **(1)(b)(II) and (1)(b)(III); and add (1)(b)(IV) as follows:**

19 **38-30-168. Unreasonable restrictions on renewable energy**
20 **generation devices - definitions. (1) (b) As used in this section,**
21 **"renewable energy generation device" means:**

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

25 **(III) A geothermal energy device; OR**

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

1 **SECTION 8.** In Colorado Revised Statutes, 38-33.3-106.7,
2 **amend (1)(b)(VI)** as follows:

3 **38-33.3-106.7. Unreasonable restrictions on energy efficiency**
4 **measures - definitions.** (1) (b) As used in this section, "energy
5 efficiency measure" means a device or structure that reduces the amount
6 of energy derived from fossil fuels that is consumed by a residence or
7 business located on the real property. "Energy efficiency measure" is
8 further limited to include only the following types of devices or
9 structures:

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

12 **SECTION 9.** In Colorado Revised Statutes, **add** 39-22-549 as
13 follows:

14 **39-22-549. Tax credit for reducing emissions from certain**
15 **lawn equipment - report - legislative declaration - definitions - repeal.**

16 (1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

17 (I) GASOLINE-POWERED LAWN EQUIPMENT, SUCH AS LAWN
18 MOWERS, LEAF BLOWERS, TRIMMERS, AND SNOWBLOWERS, EMITS HIGH
19 LEVELS OF AIR POLLUTANTS, INCLUDING NITROGEN OXIDES AND VOLATILE
20 ORGANIC COMPOUNDS THAT, TOGETHER, FORM OZONE AND PARTICULATE
21 MATTER;

22 (II) REPLACING SUCH GASOLINE-POWERED LAWN EQUIPMENT WITH
23 ELECTRIC-POWERED LAWN EQUIPMENT CAN REDUCE OZONE POLLUTION;
24 AND

25 (III) THE PURPOSE OF THE TAX CREDIT IN SUBSECTION (3) OF THIS
26 SECTION IS TO INCENTIVIZE THE VOLUNTARY TRANSITION FROM
27 GASOLINE-POWERED TO ELECTRIC-POWERED LAWN EQUIPMENT.

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

6 (I) THE GENERAL LEGISLATIVE PURPOSE OF THE TAX CREDIT
7 ALLOWED BY SUBSECTION (3) OF THIS SECTION IS TO INDUCE CERTAIN
8 DESIGNATED BEHAVIORS BY TAXPAYERS, SPECIFICALLY THE PURCHASE OF
9 ELECTRIC-POWERED LAWN EQUIPMENT; AND

10 (II) IN ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE STATE
11 AUDITOR TO MEASURE THE EFFECTIVENESS OF THE TAX CREDIT, THE
12 DEPARTMENT OF REVENUE SHALL SUBMIT TO THE GENERAL ASSEMBLY
13 AND THE STATE AUDITOR AN ANNUAL REPORT IN ACCORDANCE WITH
14 SUBSECTION (5) OF THIS SECTION DETAILING THE SALES OF NEW,
15 ELECTRIC-POWERED LAWN EQUIPMENT, AS REPORTED BY TAXPAYERS
16 CLAIMING THE TAX CREDIT AUTHORIZED UNDER SUBSECTION (3) OF THIS
17 SECTION.

18 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
19 REQUIRES:

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

22 (b) "PURCHASE PRICE" HAS THE MEANING SET FORTH IN SECTION
23 39-26-102 (7).

24 (c) "RETAIL SALE" HAS THE MEANING SET FORTH IN SECTION
25 39-26-102 (9).

26 (d) "TAXPAYER" HAS THE MEANING SET FORTH IN SECTION
27 39-21-101 (4).

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

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

15 (c) TO DETERMINE WHETHER A TAXPAYER SOLD NEW,
16 ELECTRIC-POWERED LAWN EQUIPMENT IN THIS STATE, THE RULES OF
17 SECTION 39-26-104 (3)(a) APPLY.

18 (4) IF THE AMOUNT OF A TAX CREDIT UNDER SUBSECTION (3) OF
19 THIS SECTION EXCEEDS A TAXPAYER'S ACTUAL TAX LIABILITY FOR AN
20 INCOME TAX YEAR, THE AMOUNT OF THE TAX CREDIT NOT USED TO OFFSET
21 INCOME TAX LIABILITY FOR THAT INCOME TAX YEAR IS NOT REFUNDED TO
22 THE TAXPAYER. THE TAXPAYER MAY CARRY FORWARD AND APPLY THE
23 UNUSED TAX CREDIT AGAINST THE INCOME TAX THAT THE TAXPAYER
24 OWES IN EACH OF THE FIVE SUCCEEDING INCOME TAX YEARS, BUT THE
25 TAXPAYER SHALL APPLY THE TAX CREDIT AGAINST THE INCOME TAX DUE
26 FOR THE EARLIEST OF THE INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF
27 THE TAX CREDIT THAT REMAINS AFTER THIS PERIOD IS NOT REFUNDABLE

1 AND SHALL NOT BE CREDITED TO THE TAXPAYER.

2 (5) PURSUANT TO SECTION 39-21-304 (3), NOTWITHSTANDING
3 SECTION 24-1-136 (11)(a)(I), AND FOR THE PURPOSE OF PROVIDING DATA
4 THAT ALLOWS THE GENERAL ASSEMBLY AND THE STATE AUDITOR TO
5 MEASURE THE EFFECTIVENESS OF THE TAX CREDIT CREATED IN
6 SUBSECTION (3) OF THIS SECTION, THE DEPARTMENT OF REVENUE, ON OR
7 BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1 OF EACH YEAR
8 THEREAFTER THROUGH JANUARY 1, 2028, SHALL SUBMIT TO THE GENERAL
9 ASSEMBLY AND THE STATE AUDITOR A REPORT DETAILING THE SALES OF
10 NEW, ELECTRIC-POWERED LAWN EQUIPMENT, AS REPORTED BY TAXPAYERS
11 CLAIMING THE TAX CREDIT AUTHORIZED UNDER SUBSECTION (3) OF THIS
12 SECTION. THE TAX CREDIT ESTABLISHED IN THIS SECTION MEETS ITS
13 PURPOSE IF SALES OF NEW, GASOLINE-POWERED LAWN EQUIPMENT ARE
14 SIGNIFICANTLY REDUCED WITHIN FIVE YEARS AFTER THE TAX CREDIT
15 BECOMES EFFECTIVE, AS DETERMINED BY THE GENERAL ASSEMBLY AND
16 THE STATE AUDITOR PURSUANT TO SECTION 39-21-304 (3).

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

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

20 **40-2-126. Transmission facilities - biennial review - energy**
21 **resource zones - definitions - plans - approval - cost recovery -**
22 **powerline trail consideration. (2.5) IN REVIEWING A PLAN THAT AN**
23 **ELECTRIC UTILITY SUBMITS PURSUANT TO SUBSECTION (2)(b) OF THIS**
24 **SECTION, THE COMMISSION SHALL CONSIDER THE NEED FOR EXPANDED**
25 **TRANSMISSION CAPACITY IN THE STATE, INCLUDING THE ABILITY TO**
26 **EXPAND CAPACITY THROUGH THE CONSTRUCTION OF NEW TRANSMISSION**
27 **LINES, IMPROVEMENTS TO EXISTING TRANSMISSION LINES, AND**

1 CONNECTIONS TO ORGANIZED WHOLESALE MARKETS, AS DEFINED IN
2 SECTION 40-5-108 (1)(a).

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

5 **40-2-127. Community energy funds - community solar**
6 **gardens - definitions - rules - legislative declaration - repeal.**

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

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

12 (B) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE
13 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER
14 ORGANIZATION'S SUBSCRIBERS WITH A BILL CREDIT THAT CHANGES
15 ANNUALLY, the net metering credit ~~shall be~~ **IS** calculated by multiplying
16 the subscriber's share of the electricity production from the community
17 solar garden by the qualifying retail utility's total aggregate retail rate as
18 charged to the subscriber, minus a reasonable charge as determined by the
19 commission to cover the utility's costs of delivering to the subscriber's
20 premises the electricity generated by the community solar garden,
21 integrating the solar generation with the utility's system, and
22 administering the community solar garden's contracts and net metering
23 credits.

24 (C) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE
25 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER
26 ORGANIZATION'S SUBSCRIBERS WITH A FIXED BILL CREDIT, THE NET
27 METERING CREDIT MUST COVER THE UTILITY'S COSTS RELATED TO:

1 DELIVERING TO THE SUBSCRIBER'S PREMISES THE ELECTRICITY GENERATED
2 BY THE COMMUNITY SOLAR GARDEN, INTEGRATING THE SOLAR
3 GENERATION WITH THE UTILITY'S SYSTEM, AND ADMINISTERING
4 CONTRACTS AND NET METERING CREDITS FOR THE COMMUNITY SOLAR
5 GARDEN. THE NET METERING CREDIT IS CALCULATED BY MULTIPLYING THE
6 SUBSCRIBER'S SHARE OF THE ELECTRICITY PRODUCTION FROM THE
7 COMMUNITY SOLAR GARDEN BY THE QUALIFYING RETAIL UTILITY'S TOTAL
8 AGGREGATE RETAIL RATE AS CHARGED TO THE SUBSCRIBER AT THE TIME
9 THE SUBSCRIBER ORGANIZATION APPLIES FOR OR BIDS CAPACITY INTO A
10 UTILITY COMMUNITY SOLAR GARDEN PROGRAM, MINUS A REASONABLE
11 CHARGE, AS DETERMINED BY THE COMMISSION AT THE TIME THE
12 SUBSCRIBER ORGANIZATION APPLIES FOR OR BIDS CAPACITY INTO A
13 UTILITY COMMUNITY SOLAR PROGRAM.

14 (D) FOR COMMUNITY SOLAR GARDENS ELIGIBLE FOR A FIXED BILL
15 CREDIT, AND SOLELY FOR THE PURPOSE OF APPLYING THE BILL CREDIT TO
16 A SUBSCRIBER'S BILL, THE BILL CREDIT SHALL NOT BE APPLIED TOWARD
17 THE FOLLOWING RATE RIDER CHARGES, UNLESS THE RATE RIDER CHARGES
18 ARE INCLUDED IN THE REASONABLE CHARGE: RATE RIDER CHARGES THAT
19 PROMOTE CLEAN ENERGY TECHNOLOGIES, INCLUDING BENEFICIAL
20 ELECTRIFICATION; RATE RIDER CHARGES THAT PROVIDE LOW-INCOME BILL
21 ASSISTANCE; OR RATE RIDER CHARGES THAT PROVIDE OTHER PUBLIC
22 BENEFITS AS DETERMINED BY THE COMMISSION.

23 (E) BY MARCH 1, 2024, THE COMMISSION SHALL ADOPT RULES TO
24 IMPLEMENT THE FIXED BILL CREDIT. THE RULES MUST CONSIDER THE
25 CHANGE OF VALUE TO COMMUNITY SOLAR GARDEN CUSTOMERS OF THE
26 FIXED BILL CREDIT OVER TIME THROUGH RATE ADJUSTMENTS OR OTHER
27 MECHANISMS.

1 (F) The commission shall ensure that ~~this charge~~ THE
2 REASONABLE CHARGE THAT THE COMMISSION DETERMINES PURSUANT TO
3 SUBSECTIONS (5)(b)(II)(B) AND (5)(b)(II)(C) OF THIS SECTION does not
4 reflect costs that are already recovered by the utility from the subscriber
5 through other charges.

6 (G) If, and to the extent that, a subscriber's net metering credit
7 exceeds the subscriber's electric bill in any billing period, the net metering
8 credit shall be carried forward and applied against future bills.

9 (H) The qualifying retail utility and the owner of the community
10 solar garden shall agree on whether the purchase of the renewable energy
11 credits from subscribers will be accomplished through a credit on each
12 subscriber's electricity bill or by a payment to the owner of the community
13 solar garden.

14 **SECTION 12. In Colorado Revised Statutes, 40-3.2-108, amend**
15 **(2)(a)(II) and (2)(p) introductory portion as follows:**

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

19 **(a) "Biomethane":**

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

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

1 project and to calculate the project baseline. IF A RECOVERED METHANE
2 PROTOCOL DOES NOT EXIST FOR A SOURCE OF RECOVERED METHANE
3 IDENTIFIED IN SUBSECTION (2)(n) OF THIS SECTION, THE AIR QUALITY
4 CONTROL COMMISSION SHALL ESTABLISH A RECOVERED METHANE
5 PROTOCOL THAT IS CONSISTENT WITH THE LEGISLATIVE DECLARATION SET
6 FORTH IN SUBSECTION (1) OF THIS SECTION. A recovered methane protocol
7 must:

8 **SECTION 13.** In Colorado Revised Statutes, 40-42-102, **amend**
9 (14) as follows:

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

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

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

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

21 == ==

22 **SECTION 14.** In Colorado Revised Statutes, 40-42-107, **amend**
23 (1) introductory portion as follows:

24 **40-42-107. Labor standards - apprenticeship - supervision.**

25 (1) The authority shall ensure that, in any construction, expansion,
26 RENOVATION, REBUILDING, RECONDITIONING, or maintenance of facilities
27 undertaken in Colorado pursuant to this article 42, all labor is performed

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

4 SECTION 15. In Colorado Revised Statutes, add 40-42-109 as
5 follows:

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

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

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

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

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

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

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

24 (2) THE AUTHORITY SHALL PREPARE:

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

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

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

8 **SECTION 16.** In Colorado Revised Statutes, 29-20-108, **add** (7)
9 as follows:

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

18 **SECTION 17.** In Colorado Revised Statutes, 25-7-105, **amend**
19 (1)(e)(II) as follows:

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

26 (e) (II) Consistent with section 25-7-102 (2)(g), the commission
27 shall timely promulgate implementing rules and regulations. The

1 implementing rules may take into account other relevant laws and rules,
2 as well as voluntary actions taken by local communities and the private
3 sector, to enhance efficiency and cost-effectiveness, and shall be revised
4 as necessary over time to ensure timely progress toward the 2025, 2030,
5 **2035, 2040, 2045**, and 2050 goals. The implementing rules ~~shall~~ MUST
6 provide for ongoing tracking of emission sources that adversely affect
7 disproportionately impacted communities and are subject to rules
8 implemented pursuant to this subsection (1)(e) and must include strategies
9 designed to achieve reductions in harmful air pollution affecting those
10 communities.

11 **SECTION 18. Act subject to petition - effective date.** This act
12 takes effect at 12:01 a.m. on the day following the expiration of the
13 ninety-day period after final adjournment of the general assembly; except
14 that, if a referendum petition is filed pursuant to section 1 (3) of article V
15 of the state constitution against this act or an item, section, or part of this
16 act within such period, then the act, item, section, or part will not take
17 effect unless approved by the people at the general election to be held in
18 November 2024 and, in such case, will take effect on the date of the
19 official declaration of the vote thereon by the governor.