

**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. 23-0894.01 Sarah Lozano x3858

HOUSE BILL 23-1281

HOUSE SPONSORSHIP

Titone and Vigil,

SENATE SPONSORSHIP

(None),

House Committees

Energy & Environment
Finance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO ADVANCE THE USE OF CLEAN HYDROGEN**
102 **IN THE STATE, AND, IN CONNECTION THEREWITH, MAKING AN**
103 **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 2 of the bill defines clean hydrogen (clean hydrogen) as hydrogen that is:

- Derived from a clean energy resource that uses water as the source of hydrogen; or
- Produced through a process that results in lifecycle

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.

greenhouse gas emissions rates that are less than 1.5 kilograms of carbon dioxide equivalent per kilogram of hydrogen, as set forth in applicable federal law.

Section 2 also directs the public utilities commission (commission) to establish a stand-alone application, review, and approval process for investor-owned utility projects that result in the production of clean hydrogen (clean hydrogen project). For a clean hydrogen project to be approved by the commission, an investor-owned utility must submit an application to the commission demonstrating that the clean hydrogen project involves collaboration between the investor-owned utility and a state or federal agency. Any application for a clean hydrogen project must include:

- Best practices utilized by the investor-owned utility to reduce air emissions and environmental impacts, conduct leak detection monitoring, and increase public safety;
- If the investor-owned utility's clean hydrogen production facilities are located in a disproportionately impacted community, a cumulative impact analysis that evaluates past, present, and future impacts; and
- An assessment of the annual volume of water used in electrolysis of water to produce clean hydrogen for the clean hydrogen project.

Section 2 also requires the commission to allow an investor-owned utility to sell clean hydrogen to third parties under a clean hydrogen tariff.

For income tax years commencing on or after January 1, 2024, but before January 1, 2033, **section 3** creates a state income tax credit in specified amounts per kilogram of clean hydrogen used for industrial operations, for operating a heavy-duty vehicle, or for aviation (tax credit). Any taxpayer seeking to claim the tax credit must first apply for and receive a tax credit certificate from the Colorado energy office.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) In 2019, Colorado adopted the following goals for the
5 statewide reduction of greenhouse gas pollution from a 2005 baseline:

6 (I) Reducing greenhouse gas pollution by more than twenty-six
7 percent by 2025;

8 (II) Reducing greenhouse gas pollution by more than fifty percent

1 by 2030; and

2 (III) Reducing greenhouse gas pollution by more than ninety
3 percent by 2050;

4 (b) The Colorado Greenhouse Gas Pollution Reduction Roadmap,
5 published by the Colorado energy office and dated January 14, 2021,
6 recognizes that:

7 (I) Achieving the state's greenhouse gas pollution reduction goals
8 from 2030 to 2050 will require further technical innovation and
9 economies of scale to bring costs down for deployment of innovative
10 technologies both for emission reductions of end uses and to generate
11 energy through innovative methods such as clean hydrogen; and

12 (II) Clean hydrogen may be an important resource to lower
13 greenhouse gas emissions from sectors that are harder to decarbonize,
14 such as heavy-duty transportation and heavy industry;

15 (c) The federal government enacted the "Inflation Reduction Act
16 of 2022", Pub.L. 117-169, which recognizes the importance of clean
17 energy production in the fight against climate change and creates
18 important incentives that make investments in clean hydrogen more
19 affordable and attainable;

20 (d) To support diversification of the state's energy production and
21 create well-paid clean energy jobs, Colorado has joined three other
22 regional states in a partnership to pursue funding from the United States
23 department of energy for a regional hydrogen hub; ■

24 (e) As Colorado diversifies and decarbonizes its energy economy
25 with clean energy sources, clean hydrogen may play an important role in
26 the resilience of the state's electric grid and for dispatchable electricity
27 generation that complements the use of wind and solar resources, while

1 also helping achieve Governor Polis's goal of one hundred percent
2 renewable electricity generation in the state by 2040; and

3 (f) The inclusion of clean hydrogen as an element in
4 decarbonization pathways should include comprehensive assessments of
5 clean hydrogen in comparison to alternatives, including consideration of
6 life cycle emissions, costs, impacts on communities, including
7 disproportionately impacted communities, and environmental impacts on
8 water, air, land, and biodiversity.

9 (2) The general assembly therefore declares that state law should:

10 (a) Provide for various methods to advance the use of clean
11 hydrogen in the state;

12 (b) Allow for agencies of the state and users of clean hydrogen in
13 the state to coordinate with each other to take advantage of available
14 federal funding and tax credits; and

15 (c) Ensure that the use of clean hydrogen in the state is in
16 alignment with the state's greenhouse gas emission reduction and
17 environmental justice goals.

18 **SECTION 2.** In Colorado Revised Statutes, **add** 40-2-138 as
19 follows:

20 **40-2-138. Projects for the production of clean hydrogen**
21 **- proceeding - hydrogen hub projects - rules - definitions.** (1) AS USED
22 IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

23 (a) "CLEAN HYDROGEN" MEANS:

24 (I) GREEN HYDROGEN, AS DEFINED IN SECTION 40-3.2-108 (2)(j);

25 OR

26 (II) HYDROGEN THAT IS PRODUCED THROUGH A PROCESS THAT
27 RESULTS IN LIFECYCLE GREENHOUSE GAS EMISSIONS RATES THAT ARE

1 WITHIN THE LIFECYCLE GREENHOUSE GAS EMISSIONS RATE RANGES SET
2 FORTH IN 26 U.S.C. SECS. 45V (b)(2)(C) AND 45V (b)(2)(D), AS
3 AMENDED.

4 (b) (I) "CLEAN HYDROGEN PROJECT" MEANS A PROJECT THAT
5 RESULTS IN THE PRODUCTION OR USE OF CLEAN HYDROGEN BY AN
6 INVESTOR-OWNED UTILITY.

7 (II) "CLEAN HYDROGEN PROJECT" MAY INCLUDE PIPELINES,
8 ELECTROLYZERS, ENVIRONMENTAL CONTROLS, MONITORING EQUIPMENT,
9 DEDICATED RENEWABLE ENERGY SOURCES FOR ELECTROLYSIS, THE
10 PURCHASE OF CLEAN HYDROGEN FROM THIRD PARTIES, AND AN UPGRADE
11 TO A TURBINE AT AN ELECTRIC GENERATING STATION IF THAT UPGRADE IS
12 PART OF A STATE OR FEDERAL APPLICATION FOR A REGIONAL CLEAN
13 HYDROGEN HUB UNDER 42 U.S.C. 16161a.

14 "(c) "CUMULATIVE IMPACTS" MEANS THE INCREMENTAL EFFECTS
15 OF A CLEAN HYDROGEN PROJECT ON THE ENVIRONMENT, INCLUDING
16 EFFECTS ON AIR QUALITY, WATER QUALITY, WATER RESOURCE
17 AVAILABILITY, CLIMATE, AND PUBLIC HEALTH, THAT A CLEAN HYDROGEN
18 PROJECT HAS WHEN ADDED TO THE IMPACTS FROM OTHER PAST, PRESENT,
19 AND REASONABLY FORESEEABLE FUTURE DEVELOPMENT OF ANY TYPE ON
20 THE RELEVANT AREA, INCLUDING AN AIRSHED OR WATERSHED, AS
21 DETERMINED BY RULE BY THE COMMISSION, OR ON A
22 DISPROPORTIONATELY IMPACTED COMMUNITY.

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

25 (e) (I) "HARD TO DECARBONIZE END USE" MEANS INDUSTRIAL USES
26 THAT INCLUDE:

27 (A) THE GENERATION OF HEAT OF AT LEAST ONE HUNDRED FIFTY

1 DEGREES CELSIUS FOR INDUSTRIAL PURPOSES; AND

2 (B) ADDITION AS FEEDSTOCK FOR INDUSTRIAL PURPOSES,
3 INCLUDING MANUFACTURE OF STEEL, AMMONIA, FERTILIZER, AND
4 CHEMICALS.

5 (II) "HARD TO DECARBONIZE END USE" DOES NOT INCLUDE THE
6 DIRECT USE OF HYDROGEN FOR RESIDENTIAL OR COMMERCIAL HEATING.

7 (f) "HYDROGEN HUB PROJECT" MEANS A PROJECT THAT IS PART OF
8 AN APPLICATION FOR FEDERAL FUNDING BY A PARTNERSHIP OF REGULATED
9 UTILITIES, PRIVATE PARTNERS, AND COMPANIES AND MAY INCLUDE STATE
10 OR FEDERAL GOVERNMENT AGENCIES IN COLLABORATION WITH OTHER
11 STATES THAT IS DESIGNED TO UTILIZE AVAILABLE FEDERAL FUNDS AND
12 TAX CREDITS, WHICH MAY INCLUDE THE PRODUCTION, TRANSPORT, AND
13 USE OF CLEAN HYDROGEN.

14 (g) "LIFECYCLE GREENHOUSE GAS EMISSIONS RATE" MEANS
15 LIFECYCLE GREENHOUSE GAS EMISSIONS, AS DEFINED IN 26 U.S.C. SEC.
16 45V (c)(1)(A), AS AMENDED, MEASURED IN ACCORDANCE WITH ANY
17 APPLICABLE FEDERAL INTERNAL REVENUE SERVICE REGULATIONS OR
18 GUIDANCE.

19 (h) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN
20 SECTION 24-38.5-101.

21 (i) "QUALIFIED USE" MEANS THE USE OF CLEAN HYDROGEN IN THE
22 STATE FOR:

23 (I) HARD TO DECARBONIZE END USES;

24 (II) THE OPERATION OF A HEAVY-DUTY MOTOR VEHICLE, AS
25 DEFINED IN SECTION 25-7.5-102 (11); AND

26 (III) AVIATION.

27 (2) THE COMMISSION SHALL INITIATE AN INVESTIGATORY

1 PROCEEDING, NO LATER THAN AUGUST 1, 2023, TO CONSIDER:

2 (a) THE POTENTIAL FOR CLEAN HYDROGEN PROJECTS OPERATED BY
3 INVESTOR-OWNED UTILITIES SUBJECT TO REGULATION BY THE COMMISSION
4 TO CONTRIBUTE TO MEETING THE GREENHOUSE GAS EMISSION REDUCTION
5 GOALS DESCRIBED IN SECTION 25-7-102 (2)(g), INCLUDING LIFECYCLE
6 GREENHOUSE GAS EMISSIONS RATES, WITH A PREFERENCE FOR QUALIFIED
7 USES;

8 (b) THE IMPACT OF CLEAN HYDROGEN PROJECTS ON THE EMISSION
9 OF AIR POLLUTANTS OTHER THAN GREENHOUSE GASES AND HUMAN
10 HEALTH;

11 (c) POTENTIAL MARKETS FOR CLEAN HYDROGEN IN COLORADO;

12 (d) THE IMPACT OF CLEAN HYDROGEN PRODUCTION ON WATER
13 QUALITY AND QUANTITY IN COLORADO;

14 (e) THE POTENTIAL IMPACTS OF PIPELINE LEAKAGE AND BEST
15 PRACTICES FOR MITIGATION;

16 (f) THE POTENTIAL FOR THE DEVELOPMENT OF CLEAN HYDROGEN
17 TO HELP CREATE OR SUSTAIN JOBS IN COLORADO, INCLUDING UTILITY
18 JOBS;

19 (g) THE COST, CAPABILITIES, AND MARKET AVAILABILITY OF
20 CLEAN HYDROGEN TECHNOLOGIES, INCLUDING PIPELINE INVESTMENTS;

21 (h) THE APPROPRIATE ROLES FOR INVESTOR-OWNED UTILITIES IN
22 THE PRODUCTION, SALE, OR USE OF CLEAN HYDROGEN, INCLUDING
23 CONSIDERING WHETHER COSTS MAY BE RECOVERED FROM RATEPAYERS;

24 (i) THE POTENTIAL IMPACT OF INVESTOR-OWNED UTILITY
25 INVESTMENTS IN A CLEAN HYDROGEN PROJECT ON RATEPAYERS,
26 INCLUDING ON BILLS, RATES, AND RATE STABILITY, AND OPTIONS FOR
27 AVOIDING POTENTIAL CROSS-SUBSIDIZATION AND COST SHIFTING ACROSS

1 RATE CLASSES;

2 (j) PRINCIPLES AND REQUIREMENTS FOR ANY TARIFFS FOR THE
3 SALE OF CLEAN HYDROGEN TO THIRD PARTIES, INCLUDING PRINCIPLES AND
4 REQUIREMENTS TO ENSURE THAT COSTS ARISING FROM THE DEVELOPMENT,
5 PRODUCTION, TRANSPORT, AND DELIVERY OF THE CLEAN HYDROGEN
6 UNDER THOSE TARIFFS ARE NOT BORNE BY CUSTOMERS WHO DO NOT TAKE
7 SERVICE FROM THOSE TARIFFS;

8 (k) THE PROCESS AND DATA NECESSARY AND AVAILABLE TO
9 IMPLEMENT A REQUIREMENT FOR THE ADOPTION OF METHODS FOR:

10 (I) THE MEASUREMENT OF LIFECYCLE GREENHOUSE GAS EMISSIONS
11 RATES, INCLUDING METHODS FOR DETERMINING WHEN HOURLY MATCHING
12 OF ELECTRICITY USED WILL BECOME ECONOMICALLY VIABLE;

13 (II) THE TRACKING OF THE DEPLOYMENT OF NEW RENEWABLE
14 ENERGY RESOURCES OR USE OF CURTAILED RENEWABLE ENERGY TO MEET
15 ELECTRICITY REQUIREMENTS FOR PRODUCTION OF CLEAN HYDROGEN IN
16 THE SAME LOAD BALANCING AREA; AND

17 (III) THE COMMISSION TO DETERMINE WHEN AT LEAST TWO
18 HUNDRED MEGAWATTS OF ELECTROLYZERS ARE OPERATIONAL IN THE
19 STATE;

20 (l) THE PROCESS AND DATA NECESSARY FOR AN INVESTOR-OWNED
21 UTILITY TO CONDUCT A CUMULATIVE IMPACT ANALYSIS OF A CLEAN
22 HYDROGEN PROJECT AND ANY PROCESS NECESSARY TO AVOID ADVERSE
23 CUMULATIVE IMPACTS ON DISPROPORTIONATELY IMPACTED COMMUNITIES,
24 IF ANY, WHICH MAY INCLUDE THE COMMISSION CONSIDERING:

25 (I) THE TIME FRAME OVER WHICH A CUMULATIVE IMPACT
26 ANALYSIS SHOULD BE CONDUCTED;

27 (II) THE GEOGRAPHICAL SCOPE OF A CUMULATIVE IMPACT

1 ANALYSIS; AND

2 (III) WHETHER THE CUMULATIVE IMPACT ANALYSIS SHOULD BE
3 COMPARED TO ALTERNATIVE PROJECTS;

4 (m) REQUIREMENTS FOR AN APPLICATION FOR A CLEAN HYDROGEN
5 PROJECT, IN ADDITION TO THE REQUIREMENTS DESCRIBED IN SUBSECTION
6 (3)(a)(V) OF THIS SECTION AND SUBJECT TO SUBSECTIONS (4) AND (5) OF
7 THIS SECTION;

8 (n) ANY DATA OR INFORMATION NECESSARY OR AVAILABLE TO
9 EVALUATE A CLEAN HYDROGEN PROJECT AGAINST ALTERNATIVE
10 PROJECTS, INCLUDING HOW TO MEASURE, TRACK, AND REPORT LIFECYCLE
11 GREENHOUSE GAS EMISSIONS RATES, CUMULATIVE IMPACTS, AND THE
12 CUMULATIVE IMPACTS AND INDIVIDUAL IMPACTS ON JOBS, LOCAL
13 ECONOMIC BENEFITS, AND WATER USE BY CLEAN HYDROGEN PROJECTS
14 UNDER THE COMMISSION'S JURISDICTION;

15 (o) OPPORTUNITIES TO ENCOURAGE NON-UTILITY PRODUCTION OF
16 CLEAN HYDROGEN IN COLORADO, INCLUDING OPPORTUNITIES FOR AN
17 INVESTOR-OWNED UTILITY TO PROPOSE A TARIFF FOR THE SALE OF
18 RENEWABLE ENERGY THAT WOULD OTHERWISE BE CURTAILED; AND

19 (p) ANY OTHER RELEVANT ISSUES THAT THE COMMISSION
20 DETERMINES ARE NECESSARY TO CONSIDER.

21 (3) (a) NO LATER THAN DECEMBER 1, 2024, UNLESS THE OFFICE
22 FILES A NOTICE WITH THE COMMISSION STATING THAT THE FEDERAL
23 DEPARTMENT OF ENERGY HAS EXTENDED OR OTHERWISE ALTERED THE
24 DEADLINE REGARDING FUNDING FOR A HYDROGEN HUB PROJECT, THE
25 COMMISSION SHALL ADOPT RULES THAT:

26 (I) ESTABLISH REQUIREMENTS FOR LIFECYCLE GREENHOUSE GAS
27 EMISSIONS RATE ACCOUNTING FOR CLEAN HYDROGEN PROJECTS;

1 (II) ADDRESS THE APPROPRIATE ROLE OF INVESTOR-OWNED
2 UTILITIES IN THE PRODUCTION, SALE, AND USE OF CLEAN HYDROGEN,
3 INCLUDING WHETHER COSTS MAY BE RECOVERED FROM RATEPAYERS;

4 (III) ADDRESS HOW INVESTOR-OWNED UTILITIES MAY USE
5 COMPETITIVE SOLICITATIONS IN A CLEAN HYDROGEN PROJECT AND ANY
6 LIMITATIONS FOR THE USE OF COMPETITIVE SOLICITATIONS TO DEVELOP
7 THE CLEAN HYDROGEN PROJECT;

8 (IV) ESTABLISH A REQUIREMENT THAT ANY PLANNED OR
9 POTENTIAL USE FOR THE CLEAN HYDROGEN IN BUILDINGS OR GAS
10 DISTRIBUTION SYSTEMS OF AN INVESTOR-OWNED UTILITY BE PROPOSED TO
11 AND APPROVED BY THE COMMISSION THROUGH A CLEAN HEAT PLAN, AS
12 DEFINED IN SECTION 40-3.2-108 (2)(b); AND

13 (V) ADDRESS WHAT IS REQUIRED IN AN APPLICATION BY AN
14 INVESTOR-OWNED UTILITY FOR A CLEAN HYDROGEN PROJECT, SUBJECT TO
15 SUBSECTIONS (4) AND (5) OF THIS SECTION, INCLUDING:

16 (A) A COMPARISON OF A CLEAN HYDROGEN PROJECT TO
17 ALTERNATIVE PROJECTS, INCLUDING AN ANALYSIS OF THE COSTS AND
18 BENEFITS OF THE CLEAN HYDROGEN PROJECT COMPARED TO ALTERNATIVE
19 PROJECTS;

20 (B) A DESCRIPTION OF HOW THE INVESTOR-OWNED UTILITY WILL
21 MEASURE AND TRACK THE ANNUAL AND CUMULATIVE LIFECYCLE
22 GREENHOUSE GAS EMISSIONS RATES AND THE EMISSION OF OTHER AIR
23 POLLUTANTS IN ACCORDANCE WITH THE RULES ADOPTED PURSUANT TO
24 SUBSECTION (3)(a)(I) OF THIS SECTION;

25 (C) A DESCRIPTION OF HOW THE INVESTOR-OWNED UTILITY WILL:
26 MINIMIZE THE LIFECYCLE GREENHOUSE GAS EMISSIONS RATES OF THE
27 CLEAN HYDROGEN PROJECT; CONDUCT LEAK DETECTION THROUGHOUT THE

1 LIFE OF THE CLEAN HYDROGEN PROJECT; AND CONDUCT A CUMULATIVE
2 IMPACT ANALYSIS OF THE CLEAN HYDROGEN PROJECT;

3 (D) AN ASSESSMENT OF THE ANNUAL WATER VOLUME THAT WILL
4 BE USED IN THE CLEAN HYDROGEN PROJECT, INCLUDING THE SOURCE OF
5 WATER TO BE USED;

6 (E) A DESCRIPTION OF ANY PLANNED USES, INCLUDING POTENTIAL
7 END USES BY THE INVESTOR-OWNED UTILITY'S CUSTOMERS, OF THE CLEAN
8 HYDROGEN PRODUCED THROUGH THE CLEAN HYDROGEN PROJECT, WITH A
9 PREFERENCE FOR QUALIFIED USES;

10 (F) A DESCRIPTION OF ANY PLANNED SALES OF CLEAN HYDROGEN
11 TO NON-UTILITY CUSTOMERS, WITH A PREFERENCE FOR QUALIFIED USES;

12 (G) A DESCRIPTION OF THE PROPOSED METHOD OF COST RECOVERY
13 FOR THE CLEAN HYDROGEN PROJECT, INCLUDING INFORMATION
14 REGARDING WHICH RATE CLASSES WILL COVER THE COSTS OF THE CLEAN
15 HYDROGEN PROJECT;

16 (H) A DESCRIPTION OF THE TOTAL REVENUE REQUIREMENT FOR
17 THE CLEAN HYDROGEN PROJECT;

18 (I) A DESCRIPTION OF THE RATE AND BILL IMPACTS OF THE CLEAN
19 HYDROGEN PROJECT;

20 (J) A DESCRIPTION OF ANY TARIFFS FOR THE SALE OF CLEAN
21 HYDROGEN PRODUCED BY THE CLEAN HYDROGEN PROJECT;

22 (K) A PROPOSAL FOR THE ALLOCATION OF REVENUES RECEIVED
23 FROM THE SALE OF CLEAN HYDROGEN PRODUCED BY THE CLEAN
24 HYDROGEN PROJECT TO NON-UTILITY CUSTOMERS AMONG CUSTOMERS
25 AND THE INVESTOR-OWNED UTILITY, INCLUDING WHICH PARTY BEARS THE
26 RISK THAT THE AMOUNT OF REVENUE ANTICIPATED FROM THE CLEAN
27 HYDROGEN PROJECT IS NOT ULTIMATELY RECEIVED;

1 (L) A CUMULATIVE IMPACT ANALYSIS FRAMEWORK; AND

2 (M) IF THE INVESTOR-OWNED UTILITY PLANS TO USE A
3 COMPETITIVE SOLICITATION PROCESS AS PART OF THE CLEAN HYDROGEN
4 PROJECT, A DESCRIPTION OF HOW THE PLANNED COMPETITIVE
5 SOLICITATION PROCESS WILL BE USED AND IN WHAT CIRCUMSTANCES THE
6 PROCESS WILL BE USED.

7 (b) (I) THE RULES ADOPTED BY THE COMMISSION PURSUANT TO
8 SUBSECTION (3)(a)(I) OF THIS SECTION MUST INCLUDE REQUIREMENTS FOR:

9 (A) THE COMMISSION TO DETERMINE WHEN MATCHING OF
10 ELECTROLYZER ENERGY CONSUMPTION WITH ELECTRICITY PRODUCTION
11 ON AN HOURLY BASIS IS ECONOMICALLY VIABLE;

12 (B) THE ADDITIONALITY OR CURTAILMENT OF ZERO EMISSION
13 ENERGY THAT MEETS THE ENERGY CONSUMPTION OF THE ELECTROLYZER,
14 WHEN COUNTING ENERGY USED FOR HYDROGEN PRODUCTION AS ZERO
15 EMISSIONS, WHICH MUST BE CONSIDERED FOR ENERGY PRODUCTION THAT
16 BEGAN LESS THAN TWELVE MONTHS BEFORE THE START OF OPERATIONS OF
17 THE ELECTROLYZER;

18 (C) THE DELIVERABILITY OF RENEWABLE ENERGY USED BY THE
19 ELECTROLYZER INTO THE SAME LOAD BALANCING AREA AS THE
20 ELECTROLYZER.

21 (II) THE COMMISSION SHALL MAKE THE RULES ADOPTED BY THE
22 COMMISSION PURSUANT TO SUBSECTION (3)(a)(I) OF THIS SECTION
23 EFFECTIVE NO LATER THAN JANUARY 1, 2028, OR NO LATER THAN ONE
24 YEAR AFTER THE DEPLOYMENT OF HYDROGEN ELECTROLYZERS IN THE
25 STATE EXCEEDS TWO HUNDRED MEGAWATTS, WHICHEVER IS EARLIER.

26 (c) (I) IN DEVELOPING THE RULES PURSUANT TO SUBSECTION (3)(a)
27 OF THIS SECTION, THE COMMISSION SHALL CONSIDER THE POTENTIAL FOR

1 FEDERAL FUNDING FOR CLEAN HYDROGEN PROJECTS AND THAT CLEAN
2 HYDROGEN PROJECTS IMPLEMENTED BY INVESTOR-OWNED UTILITIES MAY
3 BE NECESSARY TO SECURE FEDERAL FUNDING.

4 (II) IN DEVELOPING THE RULES PURSUANT TO SUBSECTION (3)(a)(I)
5 OF THIS SECTION, THE COMMISSION SHALL CONSIDER WHAT INFORMATION
6 AND MARKET MECHANISMS ARE NECESSARY AND AVAILABLE FOR
7 HYDROGEN PRODUCERS TO COMPLY WITH THE RULES. IF THE FEDERAL
8 INTERNAL REVENUE SERVICE ISSUES GUIDANCE THAT MEETS OR EXCEEDS
9 THE RULES, THE COMMISSION SHALL ADOPT RULES THAT COMPLY WITH THE
10 GUIDANCE.

11 (d) IF THE OFFICE FILES THE NOTICE DESCRIBED IN SUBSECTION
12 (3)(a) OF THIS SECTION WITH THE COMMISSION, THE COMMISSION SHALL
13 COORDINATE WITH THE OFFICE TO DETERMINE AN APPROPRIATE DATE FOR
14 THE ADOPTION OF THE RULES DESCRIBED IN SUBSECTION (3)(a) OF THIS
15 SECTION.

16 (4) (a) THE COMMISSION SHALL ALLOW AN INVESTOR-OWNED
17 UTILITY TO PRESENT TO THE COMMISSION A STAND-ALONE APPLICATION
18 FOR A CLEAN HYDROGEN PROJECT FOR WHICH AN INVESTOR-OWNED
19 UTILITY HAS APPLIED FOR FEDERAL FUNDING AS PART OF A HYDROGEN HUB
20 PROJECT AT ANY TIME BEFORE JUNE 1, 2024, UNLESS THE OFFICE FILES A
21 NOTICE WITH THE COMMISSION STATING THAT THE FEDERAL DEPARTMENT
22 OF ENERGY HAS EXTENDED OR OTHERWISE ALTERED THE DEADLINE
23 REGARDING FUNDING FOR A HYDROGEN HUB PROJECT. THE APPLICATION
24 MAY ONLY ADDRESS ELEMENTS OF A HYDROGEN HUB PROJECT THAT ARE
25 NOT LOCATED IN THE DENVER METROPOLITAN AREA.

26 (b) THE APPLICATION PROCESS DESCRIBED IN SUBSECTION (4)(a)
27 OF THIS SECTION MUST BE CONSISTENT WITH THE REQUIREMENTS OF

1 SUBSECTION (3) OF THIS SECTION. AN INVESTOR-OWNED UTILITY SEEKING
2 APPROVAL OF A CLEAN HYDROGEN PROJECT PURSUANT TO SUBSECTION
3 (4)(a) OF THIS SECTION SHALL ALSO DEMONSTRATE THAT A
4 TIME-SENSITIVE REVIEW OF THE INVESTOR-OWNED UTILITY'S APPLICATION
5 IS NECESSARY BASED ON THE TIMING REQUIREMENTS FOR OBTAINING
6 NECESSARY FUNDING, NOT INCLUDING TAX CREDITS, FROM, OR A
7 PARTNERSHIP WITH, A FEDERAL OR STATE AGENCY FOR THE ACQUISITION
8 OF NECESSARY FACILITIES AND THAT THE FUNDING OR PARTNERSHIP
9 CANNOT BE ACCOMPLISHED THROUGH ANY PENDING OR FUTURE ELECTRIC
10 RESOURCE PLANNING PROCESS.

11 (c) IF THE FUNDING OR PARTNERSHIP DESCRIBED IN SUBSECTION
12 (4)(b) OF THIS SECTION, INCLUDING ANY ASSOCIATED CONTRACTS,
13 AWARDS, OR TIMING REQUIREMENTS, ALLOWS FOR COMPETITIVE
14 SOLICITATIONS AS PART OF THE DEVELOPMENT OF THE CLEAN HYDROGEN
15 PROJECT, THE COMMISSION MAY DIRECT THE INVESTOR-OWNED UTILITY TO
16 ISSUE A SOLICITATION TO ACQUIRE THE NECESSARY PROJECTS OR
17 FACILITIES FOR THE CLEAN HYDROGEN PROJECT. THE COMMISSION SHALL
18 REVIEW ANY APPROVED COMPETITIVE SOLICITATION PROCESS AND BIDS
19 RECEIVED PRIOR TO THE INVESTOR-OWNED UTILITY'S ACQUISITION OF THE
20 NECESSARY FACILITIES FOR THE CLEAN HYDROGEN PROJECT. AN
21 INVESTOR-OWNED UTILITY THAT FILED THE CLEAN HYDROGEN PROJECT
22 APPLICATION PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION MAY
23 SUBMIT A BID IN RESPONSE TO A SOLICITATION PURSUANT TO THIS
24 SUBSECTION (4)(c).

25 (5) (a) IN REVIEWING, APPROVING, DENYING, OR AMENDING AN
26 APPLICATION PURSUANT TO THIS SECTION, THE COMMISSION SHALL
27 CONSIDER, AT A MINIMUM:

1 (I) WHETHER IT IS IN THE PUBLIC INTEREST FOR AN
2 INVESTOR-OWNED UTILITY TO INVEST IN THE ELEMENTS OF THE CLEAN
3 HYDROGEN PROJECT AS SET FORTH IN THE APPLICATION;

4 (II) THE POTENTIAL CONTRIBUTION OF THE CLEAN HYDROGEN
5 PROJECT IN MEETING THE GREENHOUSE GAS EMISSION REDUCTION GOALS
6 DESCRIBED IN SECTION 25-7-102 (2)(g), INCLUDING LIFECYCLE
7 GREENHOUSE GAS EMISSIONS RATES;

8 (III) THE IMPACTS OF THE CLEAN HYDROGEN PROJECT COMPARED
9 TO ALTERNATIVE PROJECTS, INCLUDING:

10 (A) RATE AND BILL IMPACTS;

11 (B) THE IMPACTS ON RATE STABILITY; AND

12 (C) ANY OTHER IMPACTS IDENTIFIED BY THE COMMISSION
13 PURSUANT TO THIS SUBSECTION (5)(a);

14 (III) THE USE OF COMPETITIVE SOLICITATIONS, IF ANY;

15 (IV) IF THE CLEAN HYDROGEN PROJECT CONTEMPLATES THE SALE
16 OF CLEAN HYDROGEN, THE POTENTIAL FOR CROSS-SUBSIDIZATION AND
17 COST SHIFTING ACROSS RATE CLASSES;

18 (V) IF THE CLEAN HYDROGEN PROJECT IS PROPOSED TO BE SITED
19 IN AN AREA THAT WOULD AFFECT A DISPROPORTIONATELY IMPACTED
20 COMMUNITY, THE COMMISSION SHALL WEIGH THE SUBMITTED
21 CUMULATIVE IMPACTS ANALYSIS AND DETERMINE THROUGH A PLAIN
22 LANGUAGE SUMMARY OF ITS DETERMINATION WHETHER, ON BALANCE,
23 THE CLEAN HYDROGEN PROJECT WILL HAVE A POSITIVE IMPACT ON THE
24 DISPROPORTIONATELY IMPACTED COMMUNITY AND ANY PROPOSAL THAT
25 HAS A NET NEGATIVE IMPACT ON ANY DISPROPORTIONATELY IMPACTED
26 COMMUNITY MUST BE DENIED;

27 (VI) THE IMPACTS OF THE CLEAN HYDROGEN PROJECT ON THE

1 UTILITY WORKFORCE IN THE STATE, INCLUDING THE USE OF "BEST VALUE"
2 EMPLOYMENT METRICS PURSUANT TO SECTION 40-2-129;

3 (VII) THE IMPACTS OF THE CLEAN HYDROGEN PROJECT ON A
4 COMMUNITY'S TAX BASE AND REVENUES;

5 (VIII) THE USES OF THE CLEAN HYDROGEN PRODUCED BY THE
6 CLEAN HYDROGEN PROJECT, WITH A PREFERENCE FOR QUALIFIED USES;

7 (IX) THE PUBLIC HEALTH AND SAFETY IMPACTS OF THE CLEAN
8 HYDROGEN PROJECT; AND

9 (X) THE AVAILABILITY OF FEDERAL FUNDING FOR THE CLEAN
10 HYDROGEN PROJECT.

11 (b) THE COMMISSION SHALL REVIEW ANY CLEAN HYDROGEN
12 PROJECT APPLICATION SUBMITTED PURSUANT TO THIS SECTION IN
13 ACCORDANCE WITH ANY APPLICABLE ELECTRIC RESOURCE PLANNING
14 RULES.

15 (6) NOTWITHSTANDING ANY PROVISION OF THIS SECTION TO THE
16 CONTRARY, AN INVESTOR-OWNED UTILITY SHALL PROVIDE NOTICE TO THE
17 COMMISSION OF ANY APPLICATION FOR FEDERAL FUNDING AS PART OF A
18 HYDROGEN HUB PROJECT, INCLUDING:

19 (a) ANY HYDROGEN HUB PROJECT MILESTONES;

20 (b) A DESCRIPTION OF ANY DEADLINES FOR SUBMISSION OF
21 MATERIALS TO SUPPORT THE APPLICATION, INCLUDING WHETHER ANY
22 ADDITIONAL FILINGS WILL BE REQUIRED; AND

23 (c) TO THE EXTENT KNOWN OR CONSISTENT WITH ANY
24 REQUIREMENTS OR LIMITATIONS OF THE FEDERAL DEPARTMENT OF ENERGY
25 OR ANY RELATED JOINT MEMORANDUMS OF UNDERSTANDING OR OTHER
26 CONTRACTS ENTERED INTO BY THE INVESTOR-OWNED UTILITY AND THE
27 STATE, INFORMATION REGARDING WHEN FUNDING AWARDS WILL BE

1 DETERMINED.

2 (7) (a) AN INVESTOR-OWNED UTILITY THAT OPERATES A CLEAN
3 HYDROGEN PROJECT APPROVED PURSUANT TO THIS SECTION SHALL SUBMIT
4 TO THE COMMISSION AN ANNUAL REPORT THAT SHOWS:

5 (I) THE LIFECYCLE GREENHOUSE GAS EMISSIONS RATES FROM THE
6 CLEAN HYDROGEN PROJECT;

7 (II) THE GREENHOUSE GAS EMISSIONS FROM THE CLEAN HYDROGEN
8 PROJECT;

9 (III) ANY EMISSION OF OTHER AIR POLLUTANTS FROM THE CLEAN
10 HYDROGEN PROJECT;

11 (IV) THE WATER USE OF THE CLEAN HYDROGEN PROJECT;

12 (V) PRODUCTION VOLUMES AND SALES OF HYDROGEN, INCLUDING
13 TYPES OF CUSTOMERS AND USES;

14 (VI) PROJECT DEVELOPMENT AND COST UPDATES FOR PROJECTS
15 WITH COST RECOVERY FROM RATEPAYERS; AND

16 (VII) NET CUMULATIVE IMPACT UPDATES FOR PROJECTS LOCATED
17 IN DISPROPORTIONATELY IMPACTED COMMUNITIES.

18 (b) IF THE CLEAN HYDROGEN PROJECT INCLUDES THE PRODUCTION
19 AND THE USE OR CONSUMPTION OF CLEAN HYDROGEN BY THE
20 INVESTOR-OWNED UTILITY, THE INVESTOR-OWNED UTILITY SHALL REPORT
21 THE LIFECYCLE GREENHOUSE GAS EMISSIONS RATES OF THE CLEAN
22 HYDROGEN PROJECT SEPARATELY BY EACH PRODUCTION FACILITY AND
23 USE.

24 (c) THE ANNUAL REPORT MUST INCLUDE INFORMATION THAT
25 ALLOWS THE OFFICE TO MAKE THE VERIFICATIONS REQUIRED PURSUANT TO
26 SECTION 39-22-549 (4)(a)(II).

27 **SECTION 3.** In Colorado Revised Statutes, **add** 39-22-549 as

1 follows:

2 **39-22-549. Clean hydrogen tax credit - qualified uses - tax**
3 **preference performance statement - definitions - legislative**
4 **declaration - repeal.** (1) (a) IN ACCORDANCE WITH SECTION 39-21-304
5 (1), WHICH REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE
6 TO INCLUDE A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A
7 STATUTORY LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS
8 AND DECLARES THAT THE PURPOSE OF THE TAX CREDIT PROVIDED IN THIS
9 SECTION IS TO INDUCE CERTAIN DESIGNATED BEHAVIOR BY TAXPAYERS.
10 SPECIFICALLY, THE TAX EXPENDITURE IS INTENDED TO PROVIDE TAX
11 RELIEF FOR CERTAIN BUSINESSES OR INDIVIDUALS FOR PURPOSES OF
12 ENCOURAGING THEM TO ENGAGE IN CERTAIN QUALIFIED USES OF CLEAN
13 HYDROGEN.

14 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
15 MEASURE THE EFFECTIVENESS OF THE CREDIT IN ACHIEVING THE PURPOSE
16 SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION BASED ON THE
17 INFORMATION REQUIRED TO BE MAINTAINED BY AND REPORTED TO THE
18 STATE AUDITOR BY THE OFFICE PURSUANT TO SUBSECTION (4)(b) OF THIS
19 SECTION.

20 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
21 REQUIRES:

22 (a) "CLEAN HYDROGEN" HAS THE MEANING SET FORTH IN SECTION
23 40-2-138 (1)(a).

24 (b) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

25 (c) "HARD TO DECARBONIZE END USE" HAS THE MEANING SET
26 FORTH IN SECTION 40-2-138 (1)(e).

27 (d) "LIFECYCLE GREENHOUSE GAS EMISSIONS RATE" MEANS

1 LIFECYCLE GREENHOUSE GAS EMISSIONS, AS DEFINED IN 26 U.S.C. SEC.
2 45V (c)(1)(A), AS AMENDED, MEASURED IN ACCORDANCE WITH ANY
3 APPLICABLE FEDERAL INTERNAL REVENUE SERVICE REGULATIONS OR
4 GUIDANCE, SUBJECT TO SUBSECTION (7) OF THIS SECTION.

5 (e) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN
6 SECTION 24-38.5-101.

7 (f) "QUALIFIED USE" HAS THE MEANING SET FORTH IN SECTION
8 40-2-138 (1)(i).

9 (g) "TAXPAYER" MEANS A PERSON SUBJECT TO TAX PURSUANT TO
10 THIS ARTICLE 22 OR A PERSON OR POLITICAL SUBDIVISION OF THE STATE
11 THAT IS EXEMPT FROM TAX PURSUANT TO SECTION 39-22-112 (1).

12 (h) "TIER ONE GREENHOUSE GAS EMISSIONS RATE" MEANS A
13 QUALIFIED USE OF HYDROGEN THAT RESULTS IN LIFECYCLE GREENHOUSE
14 GAS EMISSIONS RATES THAT ARE WITHIN THE RANGE SET FORTH IN 26
15 U.S.C. SEC. 45V (b)(2)(D), AS AMENDED.

16 (i) "TIER TWO GREENHOUSE GAS EMISSIONS RATE" MEANS A
17 QUALIFIED USE OF HYDROGEN THAT RESULTS IN LIFECYCLE GREENHOUSE
18 GAS EMISSIONS RATES THAT ARE WITHIN THE RANGE SET FORTH IN 26
19 U.S.C. SEC. 45V (b)(2)(C), AS AMENDED.

20 (3) (a) SUBJECT TO THE LIMITATIONS SET FORTH IN SUBSECTION
21 (3)(b) OF THIS SECTION, FOR INCOME TAX YEARS COMMENCING ON OR
22 AFTER JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2033, A TAXPAYER IS
23 ALLOWED A CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS
24 ARTICLE 22 IN AN AMOUNT EQUAL TO:

25 (I) ONE DOLLAR PER KILOGRAM OF CLEAN HYDROGEN USED FOR A
26 QUALIFIED USE THAT RESULTS IN A TIER ONE GREENHOUSE GAS EMISSIONS
27 RATE IN THE INCOME TAX YEAR; OR

1 (II) THIRTY-THREE CENTS PER KILOGRAM OF CLEAN HYDROGEN
2 USED FOR A QUALIFIED USE THAT RESULTS IN A TIER TWO GREENHOUSE
3 GAS EMISSIONS RATE IN THE INCOME TAX YEAR.

4 (b) IN ORDER TO CLAIM THE CREDIT, THE TAXPAYER MUST
5 ANNUALLY APPLY FOR AND RECEIVE A TAX CREDIT CERTIFICATE FROM THE
6 OFFICE PURSUANT TO SUBSECTION (4) OF THIS SECTION. IF THE OFFICE
7 DETERMINES THAT AN APPLICANT IS NOT ENTITLED TO A TAX CREDIT
8 CERTIFICATE UNDER THIS SECTION, THE OFFICE SHALL NOTIFY THE
9 APPLICANT OF ITS DISAPPROVAL IN WRITING.

10 (c) (I) FOR INCOME TAX YEARS COMMENCING ON AND AFTER
11 JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2026, THE OFFICE SHALL NOT
12 ISSUE A TAX CREDIT CERTIFICATE TO A TAXPAYER INDICATING ELIGIBILITY
13 FOR A TAX CREDIT FOR AN AMOUNT EXCEEDING ONE MILLION DOLLARS IN
14 A TAX YEAR.

15 (II) FOR INCOME TAX YEARS COMMENCING ON AND AFTER
16 JANUARY 1, 2026, BUT BEFORE JANUARY 1, 2029, THE OFFICE SHALL NOT
17 ISSUE A TAX CREDIT CERTIFICATE TO A TAXPAYER INDICATING ELIGIBILITY
18 FOR A TAX CREDIT FOR AN AMOUNT EXCEEDING FIVE HUNDRED THOUSAND
19 DOLLARS IN A TAX YEAR.

20 (III) FOR INCOME TAX YEARS COMMENCING ON AND AFTER
21 JANUARY 1, 2029, BUT BEFORE JANUARY 1, 2033, THE OFFICE SHALL NOT
22 ISSUE A TAX CREDIT CERTIFICATE TO A TAXPAYER INDICATING ELIGIBILITY
23 FOR A TAX CREDIT FOR AN AMOUNT EXCEEDING TWO HUNDRED FIFTY
24 THOUSAND DOLLARS IN A TAX YEAR.

25 (4) (a) (I) A TAXPAYER SHALL SUBMIT AN APPLICATION TO THE
26 OFFICE FOR A TAX CREDIT CERTIFICATE TO CLAIM THE CREDIT ALLOWED BY
27 THIS SECTION ON A FORM AND IN A MANNER PRESCRIBED BY THE OFFICE.

1 THE APPLICATION MUST INCLUDE INFORMATION TO ALLOW THE OFFICE TO
2 MAKE A DETERMINATION THAT THE USE IS A QUALIFIED USE AND THAT THE
3 HYDROGEN USED MEETS THE DEFINITION OF CLEAN HYDROGEN PURSUANT
4 TO SUBSECTION (2)(a) OF THIS SECTION AND TO VERIFY THE AMOUNT FOR
5 WHICH THE TAX CREDIT CERTIFICATE IS APPLIED. A TAXPAYER IS ENTITLED
6 TO RECEIVE ONE TAX CREDIT CERTIFICATE PER INCOME TAX YEAR.

7 (II) THE APPLICATION DESCRIBED IN SUBSECTION (4)(a)(I) OF THIS
8 SECTION MUST ALSO INCLUDE VERIFICATION FROM THE HYDROGEN
9 PRODUCER PASSED TO THE USER AT THE POINT OF SALE THAT THE
10 HYDROGEN USED MEETS THE DEFINITION OF CLEAN HYDROGEN PURSUANT
11 TO SUBSECTION (2)(a) OF THIS SECTION.

12 (b) (I) THE OFFICE SHALL MAINTAIN A DATABASE OF ANY
13 INFORMATION DETERMINED NECESSARY BY THE OFFICE TO EVALUATE THE
14 EFFECTIVENESS OF THE INCOME TAX CREDIT ALLOWED IN THIS SECTION IN
15 MEETING THE PURPOSE SET FORTH IN SUBSECTION (1)(a) OF THIS SECTION
16 AND SHALL PROVIDE SUCH INFORMATION, AND ANY OTHER INFORMATION
17 THAT MAY BE NEEDED, IF AVAILABLE, TO THE STATE AUDITOR AS PART OF
18 THE STATE AUDITOR'S EVALUATION OF THIS TAX EXPENDITURE REQUIRED
19 BY SECTION 39-21-305.

20 (II) THE OFFICE SHALL, IN A SUFFICIENTLY TIMELY MANNER TO
21 ALLOW THE DEPARTMENT TO PROCESS RETURNS CLAIMING THE INCOME
22 TAX CREDIT ALLOWED IN THIS SECTION, PROVIDE THE DEPARTMENT WITH
23 AN ELECTRONIC REPORT FOR THE PRECEDING TAX YEAR LISTING EACH
24 TAXPAYER TO WHICH THE OFFICE ISSUED A TAX CREDIT CERTIFICATE AND
25 THAT INCLUDES THE FOLLOWING INFORMATION:

26 (A) THE TAXPAYER'S NAME;

27 (B) THE AMOUNT OF THE INCOME TAX CREDIT THAT THE

1 CERTIFICATE INDICATES THE TAXPAYER IS ELIGIBLE TO CLAIM; AND

2 (C) THE TAXPAYER'S SOCIAL SECURITY NUMBER OR THE
3 TAXPAYER'S COLORADO ACCOUNT NUMBER AND FEDERAL EMPLOYER
4 IDENTIFICATION NUMBER.

5 (III) THE OFFICE SHALL DEVELOP STANDARDS FOR THE QUALIFIED
6 USES FOR WHICH AN INCOME TAX CREDIT UNDER THIS SECTION IS
7 ALLOWED. THE OFFICE SHALL POST THE STANDARDS ON THE OFFICE'S
8 WEBSITE.

9 (5) IN ORDER TO CLAIM THE CREDIT AUTHORIZED BY THIS SECTION,
10 A TAXPAYER SHALL FILE THE TAX CREDIT CERTIFICATE WITH THE
11 TAXPAYER'S STATE INCOME TAX RETURN, AND, IF THE TAXPAYER IS
12 EXEMPT FROM TAX PURSUANT TO SECTION 39-22-112 (1), THE TAXPAYER
13 SHALL FILE A RETURN PURSUANT TO SECTION 39-22-601 (7)(b). THE
14 AMOUNT OF THE CREDIT THAT THE TAXPAYER MAY CLAIM PURSUANT TO
15 THIS SECTION IS THE AMOUNT STATED ON THE TAX CREDIT CERTIFICATE.

16 (6) IF AN INCOME TAX CREDIT AUTHORIZED IN THIS SECTION
17 EXCEEDS THE INCOME TAX DUE ON THE INCOME OF THE TAXPAYER FOR
18 THE TAXABLE YEAR, THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD
19 AND MUST BE REFUNDED TO THE TAXPAYER.

20 (7) IF THE FEDERAL INTERNAL REVENUE SERVICE DOES NOT ADOPT
21 REGULATIONS OR GUIDANCE FOR THE MEASUREMENT OF LIFECYCLE
22 GREENHOUSE GAS EMISSIONS RATES ON AN HOURLY BASIS BEFORE
23 JANUARY 1, 2031, THE OFFICE SHALL ADOPT GUIDANCE FOR THE
24 MEASUREMENT OF LIFECYCLE GREENHOUSE GAS EMISSIONS RATES ON AN
25 HOURLY BASIS.

26 (8) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2036.

27 **SECTION 4. Appropriation.** (1) For the 2023-24 state fiscal

1 year, \$360,758 is appropriated to the department of regulatory agencies for
2 use by the public utilities commission. This appropriation is from the
3 public utilities commission fixed utility fund created in section 40-2-114
4 (1)(b)(II), C.R.S. To implement this act, the department may use this
5 appropriation as follows:

6 (a) \$241,532 for use by the public utilities commission for personal
7 services, which amount is based on an assumption that the commission
8 will require an additional 3.0 FTE;

9 (b) \$24,060 for use by the public utilities commission for
10 operating expenses; and

11 (c) \$95,166 for legal services.

12 (2) For the 2023-24 state fiscal year, \$95,166 is appropriated to
13 the department of law. This appropriation is from reappropriated funds
14 received from the department of regulatory agencies under subsection
15 (1)(c) of this section and is based on an assumption that the department
16 of law will require an additional 0.5 FTE. To implement this act, the
17 department of law may use this appropriation to provide legal services for
18 the department of regulatory agencies.

19 (3) For the 2023-24 state fiscal year, \$12,861 is appropriated to
20 the department of revenue for use by taxation services. This appropriation
21 is from the general fund. To implement this act, the division may use this
22 appropriation for the purchase of document management services.

23 (4) For the 2023-24 state fiscal year, \$12,861 is appropriated to
24 the department of personnel. This appropriation is from reappropriated
25 funds received from the department of revenue under subsection (3) of
26 this section. To implement this act, the department of personnel may use
27 this appropriation to provide document management services for the

1 department of revenue.

2 **SECTION 5. Safety clause.** The general assembly hereby finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, or safety.