

CHAPTER 164

GOVERNMENT - STATE

HOUSE BILL 23-1234

BY REPRESENTATIVE(S) Brown and Soper, Amabile, Bird, Boesenecker, Dickson, English, Froelich, Hamrick, Herod, Jodeh, Joseph, Kipp, Lieder, Lindsay, Lindstedt, Mabrey, Marshall, McCormick, McLachlan, Michaelson Jenet, Ortiz, Parenti, Sirota, Snyder, Story, Velasco, Weissman, Willford, McCluskie, Lukens, Titone, Valdez, Young;
 also SENATOR(S) Roberts and Will, Bridges, Buckner, Cutter, Exum, Ginal, Hansen, Jaquez Lewis, Kolker, Moreno, Mullica, Pelton B., Priola, Simpson, Winter F., Zenzinger, Fenberg.

AN ACT

CONCERNING THE STREAMLINED SOLAR PERMITTING AND INSPECTION GRANT PROGRAM, AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.

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

SECTION 1. In Colorado Revised Statutes, **add 24-38.5-119** as follows:

24-38.5-119. Streamlined solar permitting and inspection grant program - creation - eligibility - fund created - gifts, grants, or donations - reporting - legislative declaration - definitions - repeal. (1) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

(a) THE STATE'S GOAL THAT ONE HUNDRED PERCENT OF ITS ENERGY BE GENERATED BY RENEWABLE SOURCES BY 2040 REQUIRES THE ADDITION OF APPROXIMATELY TEN GIGAWATTS OF RENEWABLE ENERGY SOURCES;

(b) NEW RESIDENTIAL SOLAR PROJECTS HELP PROVIDE THE NEW RENEWABLE SOURCES REQUIRED FOR THE STATE TO MEET ITS RENEWABLE ENERGY GOAL;

(c) CURRENTLY, THE PERMITTING AND INSPECTION OF NEW RESIDENTIAL SOLAR PROJECTS IS INEFFICIENT AND IS ESTIMATED TO ADD ONE DOLLAR PER WATT TO THE COST OF A PROJECT, WITH AN AVERAGE ADDED COST OF SEVEN THOUSAND DOLLARS PER PROJECT;

(d) FREE AUTOMATED PERMITTING AND INSPECTION SOFTWARE IS AVAILABLE TO PERMITTING AND INSPECTION ENTITIES AND, WHEN IMPLEMENTED, DECREASES COSTS

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

AND EXPEDITES THE PERMITTING AND INSPECTION OF A NEW RESIDENTIAL SOLAR PROJECT BY APPROXIMATELY TWELVE DAYS;

(e) FREE AUTOMATED PERMITTING AND INSPECTION SOFTWARE REQUIRES TECHNICAL TIME AND EXPERTISE TO IMPLEMENT, WHICH CAN BE COST PROHIBITIVE AND KEEPS THE PERMITTING AND INSPECTION SOFTWARE FROM BEING USED AND IMPLEMENTED;

(f) MANY LOCAL GOVERNMENTS ARE NOT IMPLEMENTING FREE AUTOMATED PERMITTING AND INSPECTION SOFTWARE DUE TO A LACK OF TECHNICAL RESOURCES; AND

(g) IT IS THEREFORE NECESSARY FOR THE GENERAL ASSEMBLY TO PROVIDE GRANTS FOR TECHNICAL SUPPORT TO PERMITTING AND INSPECTION ENTITIES THAT WILL HELP THEM IMPLEMENT AUTOMATED PERMITTING AND INSPECTION SOFTWARE THAT WILL DECREASE THE TIME NEEDED TO PERMIT AND INSPECT RESIDENTIAL SOLAR POWER SYSTEMS.

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

(a) "AUTHORITY HAVING JURISDICTION" MEANS THE LOCAL ENTITY WITH AUTHORITY TO APPROVE BUILDING PERMITS AND INSPECTIONS NECESSARY FOR THE OPERATION OF ELECTRIC POWER SYSTEMS.

(b) "AUTOMATED PERMITTING AND INSPECTION SOFTWARE" MEANS A WEB-BASED PORTAL THAT IMPLEMENTS AUTOMATED PLAN REVIEW, VERIFIES LOCAL CODE COMPLIANCE, AND ISSUES PERMITS FOR ELECTRIC POWER SYSTEMS THAT IS DEVELOPED BY A NATIONAL ORGANIZATION FOCUSED ON CLEAN ENERGY RESEARCH, DEVELOPMENT, AND DEPLOYMENT IN COLLABORATION WITH BUILDING AND SAFETY INDUSTRY EXPERTS.

(c) "ELECTRIC POWER SYSTEM" MEANS A RESIDENTIAL ENERGY STORAGE SYSTEM OR A RESIDENTIAL SOLAR ENERGY SYSTEM.

(d) "FUND" MEANS THE STREAMLINED SOLAR PERMITTING AND INSPECTION CASH FUND CREATED IN SUBSECTION (7) OF THIS SECTION.

(e) "GRANT PROGRAM" MEANS THE STREAMLINED SOLAR PERMITTING AND INSPECTION GRANT PROGRAM CREATED IN SUBSECTION (3) OF THIS SECTION.

(f) "LOCAL GOVERNMENT" MEANS A STATUTORY OR HOME RULE MUNICIPALITY, COUNTY, OR CITY AND COUNTY.

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

(h) "POPULATION" MEANS THE POPULATION OF A CITY, CITY AND COUNTY, OR THE UNINCORPORATED PORTION OF A COUNTY, AS DETERMINED BY THE MOST CURRENT CENSUS DATA.

(i) "RESIDENTIAL ENERGY STORAGE SYSTEM" MEANS A DEVICE INSTALLED BEHIND

A CUSTOMER'S RESIDENTIAL UTILITY METER THAT IS CAPABLE OF ABSORBING ELECTRICITY GENERATED FROM A CO-LOCATED ELECTRICITY GENERATOR OR FROM THE ELECTRICAL GRID AND THAT STORES ENERGY DELIVERED BY THE ELECTRICITY GENERATOR OR ELECTRICAL GRID AND DISCHARGES THE ENERGY TO THE CUSTOMER OR FOR EXPORT.

(j) "RESIDENTIAL SOLAR ENERGY SYSTEM" MEANS A CONFIGURATION OF SOLAR ENERGY DEVICES THAT COLLECT AND DISTRIBUTE SOLAR ENERGY FOR THE PURPOSE OF GENERATING ELECTRICITY AND THAT HAS A SINGLE RESIDENTIAL INTERCONNECTION WITH THE ELECTRIC UTILITY TRANSMISSION OR DISTRIBUTION NETWORK.

(3) THE GRANT PROGRAM IS CREATED TO ALLOW AN AUTHORITY HAVING JURISDICTION TO APPLY TO THE OFFICE FOR A GRANT TO HELP PROVIDE IMPLEMENTATION SUPPORT TO THE AUTHORITY HAVING JURISDICTION FOR IMPLEMENTATION OF AUTOMATED PERMITTING SOFTWARE. IN ADMINISTERING THE GRANT PROGRAM, THE OFFICE SHALL:

(a) ESTABLISH AN APPLICATION PROCESS FOR AN AUTHORITY HAVING JURISDICTION TO APPLY FOR A GRANT TO HELP PROVIDE TECHNICAL SUPPORT FOR THE IMPLEMENTATION OF AUTOMATED PERMITTING SOFTWARE;

(b) DEVELOP PROCEDURES TO AWARD A GRANT TO AN AUTHORITY HAVING JURISDICTION FOR EXPENSES EXPECTED TO BE INCURRED IN ADOPTING AUTOMATED PERMITTING SOFTWARE, INCLUDING NECESSARY EXPENSES FOR STAFF TIME, INFORMATION TECHNOLOGY, TRAINING, INSTALLATION, THIRD-PARTY CONSULTING, ONGOING MAINTENANCE FOR UP TO THREE YEARS, AND HARDWARE OR EQUIPMENT;

(c) NOT AWARD MONEY TO AN AUTHORITY HAVING JURISDICTION FOR EXPECTED COSTS ASSOCIATED WITH SOFTWARE OTHER THAN AUTOMATED PERMITTING SOFTWARE, ACTIVITIES OCCURRING BEFORE BEING AWARDED GRANT PROGRAM MONEY OR MORE THAN ONE HUNDRED EIGHTY DAYS AFTER RECEIVING GRANT PROGRAM MONEY, FOOD AND BEVERAGE COSTS, FINES, PENALTIES, ADVERTISING, OR PERMIT PROCESSING FEES INCLUDING FEES CHARGED BY THE OPERATOR OF AUTOMATED PERMITTING SOFTWARE;

(d) DETERMINE HOW AN AUTHORITY HAVING JURISDICTION MUST DEMONSTRATE THE EXPECTED COSTS OF IMPLEMENTATION OF THE AUTOMATED PERMITTING SOFTWARE;

(e) ESTABLISH PERIODIC REPORTING REQUIREMENTS FOR A GRANTEE TO DEMONSTRATE THAT THE MONEY AWARDED IS BEING USED AS AUTHORIZED BY THIS SECTION;

(f) ENCOURAGE THE GRANTEE TO IMPLEMENT AUTOMATED PERMITTING AND INSPECTION SOFTWARE WITHIN ONE HUNDRED EIGHTY DAYS OF THE AWARD;

(g) REQUIRE AN AUTHORITY HAVING JURISDICTION TO SUBMIT A WRITTEN COPY OF THE BUILDING DEPARTMENT'S CONTEMPORANEOUS REVIEW PROCEDURE AS SPECIFIED IN SECTION 12-115-120 (10)(b)(II) AND AN AFFIRMATION FROM THE BUILDING DEPARTMENT THAT THEY ARE COMPLYING WITH THEIR PROCEDURE;

(h) BEGIN APPROVING AND ALLOCATING MONEY TO GRANTEEES NO LATER THAN JUNE 30, 2024; AND

(i) AWARD GRANTS TO AUTHORITIES HAVING JURISDICTION ACCORDING TO THE TERMS OF THIS SECTION BASED ON POPULATION AS FOLLOWS:

(I) AN AUTHORITY HAVING JURISDICTION WITH A POPULATION OF LESS THAN FIFTY THOUSAND MAY RECEIVE A GRANT THAT IS NO MORE THAN FORTY THOUSAND DOLLARS;

(II) AN AUTHORITY HAVING JURISDICTION WITH A POPULATION OF FIFTY THOUSAND OR MORE AND LESS THAN ONE HUNDRED THOUSAND MAY RECEIVE A GRANT THAT IS NO MORE THAN SIXTY THOUSAND DOLLARS;

(III) AN AUTHORITY HAVING JURISDICTION WITH A POPULATION OF ONE HUNDRED THOUSAND OR MORE AND LESS THAN TWO HUNDRED THOUSAND MAY RECEIVE A GRANT THAT IS NO MORE THAN EIGHTY THOUSAND DOLLARS; AND

(IV) AN AUTHORITY HAVING JURISDICTION WITH A POPULATION OF TWO HUNDRED THOUSAND OR MORE MAY RECEIVE A GRANT THAT IS NO MORE THAN ONE HUNDRED THOUSAND DOLLARS.

(4) THE OFFICE MAY USE UP TO NINE PERCENT OF THE MONEY IN THE FUND TO COVER THE DIRECT AND INDIRECT COSTS THAT THE OFFICE INCURS IN ADMINISTERING THE GRANT PROGRAM.

(5) IN ADDITION TO THE REPORTING REQUIREMENTS ESTABLISHED PURSUANT TO SUBSECTION (3)(e) OF THIS SECTION, ONE YEAR AFTER RECEIPT OF A GRANT, THE GRANTEE SHALL REPORT TO THE OFFICE AUTOMATED PERMITTING SOFTWARE AND PERMITTING STATISTICS INCLUDING, FOR EACH REPORTING PERIOD, THE NUMBER OF PERMITS ISSUED, PERMITTED SOLAR POWER SYSTEM CAPACITY, AND THE CHARACTERISTICS OF EACH PERMITTED ELECTRIC POWER SYSTEM. THE GRANTEE IS ENCOURAGED TO VOLUNTARILY REPORT THIS SAME INFORMATION ANNUALLY THEREAFTER FOR A PERIOD OF FOUR YEARS.

(6)(a) ON OR BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1 OF EACH YEAR THEREAFTER, THE OFFICE SHALL PREPARE A REPORT SUMMARIZING THE PROGRESS OF THE GRANT PROGRAM AND SUBMIT THE REPORT TO THE HOUSE OF REPRESENTATIVES ENERGY AND ENVIRONMENT COMMITTEE, THE SENATE TRANSPORTATION COMMITTEE, AND THE JOINT BUDGET COMMITTEE, OR THEIR SUCCESSOR COMMITTEES. THE OFFICE SHALL POST A COPY OF THE REPORT ON ITS WEBSITE.

(b) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE OFFICE'S REPORTING REQUIREMENTS SET FORTH IN SUBSECTION (6)(a) OF THIS SECTION CONTINUE UNTIL THE GRANT PROGRAM REPEALS PURSUANT TO SUBSECTION (8) OF THIS SECTION OR UNTIL FIVE YEARS AFTER THE LAST GRANT IS AWARDED, WHICHEVER COMES FIRST.

(7)(a)(I) THE STREAMLINED SOLAR PERMITTING AND INSPECTION CASH FUND IS CREATED IN THE STATE TREASURY, AND THE OFFICE SHALL ADMINISTER THE FUND FOR THE PURPOSES OF THIS SECTION. THE FUND CONSISTS OF ANY MONEY THAT THE

GENERAL ASSEMBLY MAY TRANSFER OR APPROPRIATE TO THE FUND FOR IMPLEMENTATION OF THE GRANT PROGRAM AND ANY FEDERAL MONEY OR GIFTS, GRANTS, OR DONATIONS RECEIVED PURSUANT TO SUBSECTION (7)(a)(II) OF THIS SECTION.

(II) FOR PURPOSES OF THIS SECTION, THE OFFICE MAY SEEK, ACCEPT, AND EXPEND:

(A) MONEY FROM FEDERAL SOURCES; AND

(B) GIFTS, GRANTS, OR DONATIONS FROM PUBLIC OR PRIVATE SOURCES.

(III) THE OFFICE SHALL TRANSMIT ANY MONEY RECEIVED PURSUANT TO SUBSECTION (7)(a)(II) OF THIS SECTION TO THE STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE FUND.

(b) THE MONEY IN THE FUND IS ANNUALLY APPROPRIATED BY THE GENERAL ASSEMBLY TO THE OFFICE FOR THE PURPOSES SET FORTH IN THIS SECTION. THE STATE TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND TO THE FUND. ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING IN THE FUND AT THE END OF A STATE FISCAL YEAR REMAINS IN THE FUND; EXCEPT THAT THE STATE TREASURER SHALL TRANSFER ANY MONEY REMAINING IN THE FUND AT THE END OF THE 2027-28 STATE FISCAL YEAR TO THE GENERAL FUND.

(8) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2033.

SECTION 2. Appropriation. (1) For the 2023-24 state fiscal year, \$992,709 is appropriated to the streamlined solar permitting and inspection cash fund created in section 24-38.5-119 (7)(a)(I), C.R.S. This appropriation is from the general fund. The office of the governor is responsible for the accounting related to this appropriation.

(2) For the 2023-24 state fiscal year, \$992,709 is appropriated to the office of the governor for use by the Colorado energy office. This appropriation is from reappropriated funds in the streamlined solar permitting and inspection cash fund under subsection (1) of this section and is based on an assumption that the Colorado energy office will require an additional 0.4 FTE. To implement this act, the Colorado energy office may use this appropriation for streamlined solar permitting and inspection grants.

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

Approved: May 11, 2023