

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 19-0339.01 Thomas Morris x4218

HOUSE BILL 19-1261

HOUSE SPONSORSHIP

Becker and Jackson, Jaquez Lewis, Bird, Cutter, Duran, Froelich, Galindo, Hooton, Kennedy, Kipp, Melton, Roberts, Singer, Sirota, Snyder, Sullivan, Tipper, Titone, Valdez A., Weissman

SENATE SPONSORSHIP

Winter and Williams A., Moreno

House Committees

Energy & Environment
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE REDUCTION OF GREENHOUSE GAS POLLUTION, AND,**
102 **IN CONNECTION THEREWITH, ESTABLISHING STATEWIDE**
103 **GREENHOUSE GAS POLLUTION REDUCTION GOALS AND MAKING**
104 **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 states that Colorado shall have statewide goals to reduce 2025 greenhouse gas emissions by at least 26%, 2030 greenhouse gas emissions by at least 50%, and 2050 greenhouse gas

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

emissions by at least 90% of the levels of greenhouse gas emissions that existed in 2005.

Section 3 specifies considerations that the air quality control commission is to take into account in implementing policies and promulgating rules to reduce greenhouse gas pollution, including the benefits of compliance and the equitable distribution of those benefits, the costs of compliance, opportunities to incentivize clean energy in transitioning communities, and the potential to enhance the resilience of Colorado's communities and natural resources to climate impacts. The commission will consult with the public utilities commission with regard to rules that affect the providers of retail electricity in Colorado.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 25-7-102 as
3 follows:

4 **25-7-102. Legislative declaration.** (1) In order to foster the
5 health, welfare, convenience, and comfort of the inhabitants of the state
6 of Colorado and to facilitate the enjoyment and use of the scenic and
7 natural resources of the state, it is declared to be the policy of this state to
8 achieve the maximum practical degree of air purity in every portion of the
9 state, to attain and maintain the national ambient air quality standards, and
10 to prevent the significant deterioration of air quality in those portions of
11 the state where the air quality is better than the national ambient air
12 quality standards. To that end, it is the purpose of this ~~article~~ ARTICLE 7
13 to require the use of all available practical methods which are
14 technologically feasible and economically reasonable so as to reduce,
15 prevent, and control air pollution throughout the state of Colorado; to
16 require the development of an air quality control program in which the
17 benefits of the air pollution control measures utilized bear a reasonable
18 relationship to the economic, environmental, and energy impacts and
19 other costs of such measures; and to maintain a cooperative program

1 between the state and local units of government. It is further declared that
2 the prevention, abatement, and control of air pollution in each portion of
3 the state are matters of statewide concern and are affected with a public
4 interest and that the provisions of this ~~article~~ ARTICLE 7 are enacted in the
5 exercise of the police powers of this state for the purpose of protecting
6 the health, peace, safety, and general welfare of the people of this state.
7 The general assembly further recognizes that a current and accurate
8 inventory of actual emissions of air pollutants from all sources is essential
9 for the proper identification and designation of attainment and
10 nonattainment areas, the determination of the most cost-effective
11 regulatory strategy to reduce pollution, the targeting of regulatory efforts
12 to achieve the greatest health and environmental benefits, and the
13 achievement of a federally approved clean air program. In order to
14 achieve the most accurate inventory of air pollution sources possible, this
15 ~~article~~ ARTICLE 7 specifically provides incentives to achieve the most
16 accurate and complete inventory possible and to provide for the most
17 accurate enforcement program achievable based upon that inventory.

18 (2) IT IS FURTHER DECLARED THAT:

19 (a) CLIMATE CHANGE ADVERSELY AFFECTS COLORADO'S
20 ECONOMY, AIR QUALITY AND PUBLIC HEALTH, ECOSYSTEMS, NATURAL
21 RESOURCES, AND QUALITY OF LIFE;

22 (b) COLORADO IS ALREADY EXPERIENCING HARMFUL CLIMATE
23 IMPACTS, INCLUDING DECLINING SNOWPACK, PROLONGED DROUGHT, MORE
24 EXTREME HEAT, ELEVATED WILDFIRE RISK AND RISK TO FIRST
25 RESPONDERS, WIDESPREAD BEETLE INFESTATION DECIMATING FORESTS,
26 INCREASED RISK OF VECTOR-BORNE DISEASES, MORE FREQUENT AND
27 SEVERE FLOODING, MORE SEVERE GROUND-LEVEL OZONE POLLUTION

1 CAUSING RESPIRATORY DAMAGE AND LOSS OF LIFE, DECREASED ECONOMIC
2 ACTIVITY FROM OUTDOOR RECREATION AND AGRICULTURE, AND
3 DIMINISHED QUALITY OF LIFE. MANY OF THESE IMPACTS
4 DISPROPORTIONATELY AFFECT RURAL COMMUNITIES, COMMUNITIES OF
5 COLOR, YOUTH AND THE ELDERLY, AND WORKING FAMILIES. REDUCING
6 STATEWIDE GREENHOUSE GAS POLLUTION AS OUTLINED IN THIS
7 SUBSECTION (2) WILL PROTECT THESE FRONTLINE COMMUNITIES, FIRST
8 RESPONDERS, AND ALL COLORADO RESIDENTS FROM THESE AND OTHER
9 CLIMATE IMPACTS.

10 (c) WE MUST WORK TOGETHER TO REDUCE STATEWIDE
11 GREENHOUSE GAS POLLUTION IN ORDER TO LIMIT THE INCREASE IN THE
12 GLOBAL AVERAGE TEMPERATURE TO ONE AND ONE-HALF DEGREES
13 CELSIUS, WHICH SCIENTISTS AGREE WOULD PROVIDE A MORE STABLE AND
14 HOSPITABLE CLIMATE FOR CURRENT AND FUTURE GENERATIONS AND
15 MITIGATE THE RISK OF CATASTROPHIC CLIMATE IMPACTS IN COLORADO;

16 (d) BY REDUCING GREENHOUSE GAS POLLUTION, COLORADO WILL
17 ALSO REDUCE OTHER HARMFUL AIR POLLUTANTS WHICH WILL, IN TURN,
18 IMPROVE PUBLIC HEALTH, REDUCE HEALTH CARE COSTS, IMPROVE AIR
19 QUALITY, AND HELP SUSTAIN THE ENVIRONMENT;

20 (e) REDUCING GREENHOUSE GAS POLLUTION WILL CREATE NEW
21 MARKETS, SPUR INNOVATION, DRIVE INVESTMENTS IN LOW-CARBON
22 TECHNOLOGIES, AND PUT COLORADO SQUARELY ON THE PATH TO A
23 MODERN, RESILIENT, ONE-HUNDRED-PERCENT CLEAN ECONOMY. DELAY
24 IN PURSUING AND SECURING GREENHOUSE GAS REDUCTIONS AS OUTLINED
25 IN THIS SUBSECTION (2) WILL PREVENT COLORADO COMMUNITIES FROM
26 CAPTURING THE BENEFITS OF THESE NEW JOBS AND MARKETS, IN ADDITION
27 TO EXACERBATING THE CLIMATE IMPACTS THAT HARM COLORADANS. THE

1 CLEAN ENERGY ECONOMY IS ALREADY BRINGING TENS OF THOUSANDS OF
2 JOBS AND BILLIONS OF DOLLARS IN DIRECT INVESTMENT TO COUNTIES
3 ACROSS THE STATE, BENEFITTING WORKERS, FAMILIES, AND COMMUNITIES.
4 COLORADO CAN CONTINUE TO FACILITATE SUCH A TRANSITION TO A CLEAN
5 ENERGY ECONOMY.

6 (f) BY EXERCISING A LEADERSHIP ROLE, COLORADO WILL ALSO
7 POSITION ITS ECONOMY, TECHNOLOGY CENTERS, FINANCIAL INSTITUTIONS,
8 AND BUSINESSES TO BENEFIT FROM NATIONAL AND INTERNATIONAL
9 EFFORTS TO REDUCE GREENHOUSE GASES;

10 (g) ACCORDINGLY, COLORADO SHALL STRIVE TO INCREASE
11 RENEWABLE ENERGY GENERATION AND ELIMINATE STATEWIDE
12 GREENHOUSE GAS POLLUTION BY THE MIDDLE OF THE TWENTY-FIRST
13 CENTURY AND HAVE GOALS OF ACHIEVING, AT A MINIMUM, A
14 TWENTY-SIX-PERCENT REDUCTION IN STATEWIDE GREENHOUSE GAS
15 POLLUTION BY 2025, A FIFTY-PERCENT REDUCTION IN STATEWIDE
16 GREENHOUSE GAS POLLUTION BY 2030, AND A NINETY-PERCENT
17 REDUCTION IN STATEWIDE GREENHOUSE GAS POLLUTION BY 2050. THE
18 REDUCTIONS IDENTIFIED IN THIS SUBSECTION (2)(g) ARE MEASURED
19 RELATIVE TO 2005 STATEWIDE GREENHOUSE GAS POLLUTION LEVELS.

20 **SECTION 2.** In Colorado Revised Statutes, 25-7-103, **amend** the
21 introductory portion; and **add** (22.5) as follows:

22 **25-7-103. Definitions.** As used in this ~~article~~ ARTICLE 7, unless
23 the context otherwise requires:

24 (22.5) "STATEWIDE GREENHOUSE GAS POLLUTION" MEANS THE
25 TOTAL NET STATEWIDE ANTHROPOGENIC EMISSIONS OF CARBON DIOXIDE,
26 METHANE, NITROUS OXIDE, HYDROFLUOROCARBONS,
27 PERFLUOROCARBONS, NITROGEN TRIFLUORIDE, AND SULFUR

1 HEXAFLUORIDE, EXPRESSED AS CARBON DIOXIDE EQUIVALENT.

2 **SECTION 3.** In Colorado Revised Statutes, 25-7-105, **amend** (1)
3 introductory portion; and **add** (1)(e) as follows:

4 **25-7-105. Duties of commission - rules - legislative declaration**
5 **- definitions.** (1) Except as provided in sections 25-7-130 and 25-7-131,
6 the commission shall promulgate such rules and regulations as are
7 consistent with the legislative declaration set forth in section 25-7-102
8 and necessary for the proper implementation and administration of this
9 ~~article~~ ARTICLE 7, including, but not limited to:

10 (e) (I) STATEWIDE GREENHOUSE GAS POLLUTION ABATEMENT.

11 (II) CONSISTENT WITH SECTION 25-7-102 (2)(g), THE COMMISSION
12 SHALL TIMELY PROMULGATE IMPLEMENTING RULES AND REGULATIONS.
13 THE IMPLEMENTING RULES MAY TAKE INTO ACCOUNT OTHER RELEVANT
14 LAWS AND RULES, AS WELL AS VOLUNTARY ACTIONS TAKEN BY LOCAL
15 COMMUNITIES AND THE PRIVATE SECTOR, TO ENHANCE EFFICIENCY AND
16 COST-EFFECTIVENESS, AND SHALL BE REVISED AS NECESSARY OVER TIME
17 TO ENSURE TIMELY PROGRESS TOWARD THE 2025, 2030, AND 2050 GOALS.
18 THE IMPLEMENTING RULES SHALL PROVIDE FOR ONGOING TRACKING OF
19 EMISSION SOURCES THAT ADVERSELY AFFECT DISPROPORTIONATELY
20 IMPACTED COMMUNITIES AND ARE SUBJECT TO RULES IMPLEMENTED
21 PURSUANT TO THIS SUBSECTION (1)(e) AND MUST INCLUDE STRATEGIES
22 DESIGNED TO ACHIEVE REDUCTIONS IN HARMFUL AIR POLLUTION
23 AFFECTING THOSE COMMUNITIES.

24 (III) THE DIVISION, AT THE DIRECTION OF THE COMMISSION, SHALL
25 SOLICIT INPUT FROM OTHER STATE AGENCIES, STAKEHOLDERS, AND THE
26 PUBLIC ON THE ADVANTAGES OF DIFFERENT STATEWIDE GREENHOUSE GAS
27 POLLUTION MITIGATION MEASURES, SPECIFICALLY SOLICITING INPUT FROM

1 THOSE MOST IMPACTED BY CLIMATE CHANGE AND FROM WORKERS AND
2 COMMUNITIES THAT ARE CURRENTLY ECONOMICALLY DEPENDENT ON
3 INDUSTRIES WITH HIGH LEVELS OF GREENHOUSE GAS EMISSIONS.

4 (IV) THE IMPLEMENTING RULES AND POLICIES MAY INCLUDE, IN
5 ADDITION TO RENEWABLE ENERGY DEVELOPMENT STRATEGIES,
6 REGULATORY STRATEGIES THAT HAVE BEEN DEPLOYED BY ANOTHER
7 JURISDICTION TO REDUCE MULTI-SECTOR GREENHOUSE GAS EMISSIONS,
8 THAT FACILITATE ADOPTION OF TECHNOLOGIES THAT HAVE ZERO
9 EMISSIONS, AND THAT ENHANCE COST-EFFECTIVENESS, COMPLIANCE
10 FLEXIBILITY, AND TRANSPARENCY AROUND COMPLIANCE COSTS, AMONG
11 OTHER REGULATORY STRATEGIES. THE COMMISSION MAY COORDINATE
12 WITH OTHER JURISDICTIONS IN SECURING EMISSION REDUCTIONS,
13 INCLUDING IN SATISFYING FUTURE FEDERAL REGULATIONS. THE
14 COMMISSION MAY ACCOUNT FOR REDUCTIONS IN NET GREENHOUSE GAS
15 EMISSIONS THAT OCCUR UNDER COORDINATED JURISDICTIONS' PROGRAMS
16 IF THE COMMISSION FINDS THAT THE IMPLEMENTING REGULATIONS OF
17 EACH COORDINATED JURISDICTION ARE OF SUFFICIENT RIGOR TO ENSURE
18 THE INTEGRITY OF THE REDUCTIONS IN GREENHOUSE GAS EMISSIONS TO
19 THE ATMOSPHERE AND MAY ACCOUNT FOR CARBON DIOXIDE THAT
20 ELECTRICITY CONSUMPTION IN THIS STATE CAUSES TO BE EMITTED
21 ELSEWHERE.

22 (V) IN CARRYING OUT ITS RESPONSIBILITIES UNDER THIS
23 SUBSECTION (1)(e), THE COMMISSION SHALL CONSIDER: THE BENEFITS OF
24 COMPLIANCE, INCLUDING HEALTH, ENVIRONMENTAL, AND AIR QUALITY;
25 THE COSTS OF COMPLIANCE; THE TIME NECESSARY FOR COMPLIANCE; THE
26 RELATIVE CONTRIBUTION OF EACH SOURCE OR SOURCE CATEGORY TO
27 STATEWIDE GREENHOUSE GAS POLLUTION BASED ON CURRENT DATA

1 UPDATED AT REASONABLE INTERVALS AS DETERMINED BY THE
2 COMMISSION; THE IMPORTANCE OF STRIVING TO EQUITABLY DISTRIBUTE
3 THE BENEFITS OF COMPLIANCE, OPPORTUNITIES TO INCENTIVIZE
4 RENEWABLE ENERGY RESOURCES AND POLLUTION ABATEMENT
5 OPPORTUNITIES IN DISPROPORTIONATELY IMPACTED COMMUNITIES,
6 OPPORTUNITIES TO ENCOURAGE CLEAN ENERGY IN TRANSITIONING
7 COMMUNITIES; THE POTENTIAL TO ENHANCE THE RESILIENCE OF
8 COLORADO'S COMMUNITIES AND NATURAL RESOURCES TO CLIMATE
9 IMPACTS; AND WHETHER GREATER OR MORE COST-EFFECTIVE EMISSION
10 REDUCTIONS ARE AVAILABLE THROUGH PROGRAM DESIGN.

11 (VI) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE
12 DIVISION, AT THE DIRECTION OF THE COMMISSION, SHALL REPORT TO THE
13 GENERAL ASSEMBLY EVERY ODD-NUMBERED YEAR AFTER THE EFFECTIVE
14 DATE OF THIS SUBSECTION (1)(e) REGARDING PROGRESS TOWARD THE
15 GOALS SET FORTH IN SECTION 25-7-102 (2)(g) AND ANY
16 RECOMMENDATIONS ON FUTURE LEGISLATIVE ACTION TO ADDRESS
17 CLIMATE CHANGE, SUCH AS IMPLEMENTATION OF CLIMATE ADAPTATION
18 POLICIES OR ACCELERATING DEPLOYMENT OF CLEANER TECHNOLOGIES.

19 (VII) (A) IN CARRYING OUT ITS RESPONSIBILITIES UNDER THIS
20 SUBSECTION (1)(e), THE COMMISSION SHALL CONSULT WITH THE PUBLIC
21 UTILITIES COMMISSION.

22 (B) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND
23 DECLARES THAT IT IS BENEFICIAL TO ENCOURAGE THE DEVELOPMENT OF
24 CLEAN ENERGY PLANS THAT WILL REQUIRE GREENHOUSE GAS EMISSIONS
25 CAUSED BY COLORADO RETAIL ELECTRICITY SALES TO DECREASE EIGHTY
26 PERCENT BY 2030 RELATIVE TO 2005 LEVELS TO PROVIDE FOR THE
27 COST-EFFECTIVE AND PROACTIVE DEPLOYMENT OF CLEAN ENERGY

1 **RESOURCES.**

2 (C) IN DESIGNING, IMPLEMENTING, AND ENFORCING PROGRAMS
3 AND REQUIREMENTS UNDER THIS SUBSECTION (1)(e), THE COMMISSION
4 AND THE DIVISION SHALL TAKE INTO CONSIDERATION ANY CLEAN ENERGY
5 PLAN AT THE PUBLIC UTILITIES COMMISSION THAT, AS FILED, WILL ACHIEVE
6 AT LEAST AN EIGHTY-PERCENT REDUCTION IN GREENHOUSE GAS EMISSIONS
7 CAUSED BY THE UTILITY'S COLORADO RETAIL ELECTRICITY SALES BY 2030
8 RELATIVE TO 2005 LEVELS, AS VERIFIED BY THE DIVISION. WHEN
9 INCLUDING PUBLIC UTILITIES IN ITS PROGRAMS OR REQUIREMENTS UNDER
10 THIS SUBSECTION (1)(e), THE COMMISSION SHALL NOT MANDATE THAT A
11 PUBLIC UTILITY REDUCE GREENHOUSE GAS EMISSIONS CAUSED BY THE
12 UTILITY'S COLORADO RETAIL ELECTRICITY SALES BY 2030 MORE THAN IS
13 REQUIRED UNDER SUCH AN APPROVED CLEAN ENERGY PLAN OR IMPOSE
14 ANY DIRECT, NONADMINISTRATIVE COST ON THE PUBLIC UTILITY DIRECTLY
15 ASSOCIATED WITH QUANTITIES OF GREENHOUSE GAS EMISSIONS CAUSED
16 BY THE UTILITY'S COLORADO RETAIL ELECTRICITY SALES THAT REMAIN
17 AFTER THE REDUCTIONS REQUIRED BY SUCH A CLEAN ENERGY PLAN
18 THROUGH 2030 IF THOSE REDUCTIONS ARE ACHIEVED AND THE DIVISION
19 HAS VERIFIED THAT THE APPROVED CLEAN ENERGY PLAN WILL ACHIEVE AT
20 LEAST A SEVENTY-FIVE-PERCENT REDUCTION IN GREENHOUSE GAS
21 EMISSIONS CAUSED BY THE UTILITY'S COLORADO RETAIL ELECTRICITY
22 SALES BY 2030 RELATIVE TO 2005 LEVELS.

23 (D) IMPLEMENTING RULES DEVELOPED BY THE COMMISSION MUST
24 NOT INCLUDE ANY REQUIREMENTS DICTATING THE MIX OF ELECTRIC
25 GENERATING RESOURCES THAT ANY PUBLIC UTILITY SHALL USE TO MEET
26 APPLICABLE POLLUTION LIMITS.

27 (E) IMPLEMENTING RULES DEVELOPED BY THE COMMISSION MUST

1 CONSIDER ISSUES RELATING TO JOINT OWNERSHIP OF ELECTRIC
2 GENERATING RESOURCES AS BETWEEN MULTIPLE PARTIES AND THE EXTENT
3 TO WHICH THE PUBLIC UTILITY IS RELYING ON POWER PURCHASED FROM
4 THIRD PARTIES IN MEETING ITS OBLIGATIONS UNDER SUCH A CLEAN
5 ENERGY PLAN.

6 (VIII) NOTHING IN THIS SUBSECTION (1)(e) DIMINISHES THE
7 EXISTING AUTHORITY OF THE COMMISSION OR THE DIVISION. NOTHING
8 AUTHORIZED IN THIS SUBSECTION (1)(e), INCLUDING THE ASSIGNMENT OF
9 EMISSION REDUCTION OBLIGATIONS OR EMISSION AUTHORIZATIONS AND
10 EXCLUDING PROGRAM DEVELOPMENT AND ADMINISTRATIVE COSTS,
11 IMPLICATES STATE FISCAL YEAR SPENDING AS DEFINED IN SECTION
12 24-77-102. NOTHING IN THIS SUBSECTION (1)(e) DIMINISHES THE
13 AUTHORITY OF THE PUBLIC UTILITIES COMMISSION UNDER THE PUBLIC
14 UTILITIES LAW, INCLUDING SECTIONS 40-3-101 AND 40-3-102.

15 (IX) AS USED IN THIS SUBSECTION (1)(e):

16 (A) "COST-EFFECTIVE" OR "COST-EFFECTIVENESS" MEANS THE
17 COST PER UNIT OF REDUCED EMISSIONS OF GREENHOUSE GASES EXPRESSED
18 AS CARBON DIOXIDE EQUIVALENT.

19 (B) "GREENHOUSE GAS" INCLUDES CARBON DIOXIDE, METHANE,
20 NITROUS OXIDE, HYDROFLUOROCARBONS, PERFLUOROCARBONS, NITROGEN
21 TRIFLUORIDE, AND SULFUR HEXAFLUORIDE, EXPRESSED AS CARBON
22 DIOXIDE EQUIVALENT.

23 **SECTION 4. Appropriation.** (1) For the 2019-20 state fiscal
24 year, \$281,588 is appropriated to the department of public health and
25 environment. This appropriation is from the general fund. To implement
26 this act, the department may use this appropriation as follows:

27 (a) \$188,321 for use by the air pollution control division for

1 program costs, which amount is based on an assumption that the division
2 will require an additional 2.0 FTE; and

3 (b) \$93,267 for the purchase of legal services.

4 (2) For the 2019-20 state fiscal year, \$93,267 is appropriated to
5 the department of law. This appropriation is from reappropriated funds
6 received from the department of public health and environment under
7 subsection (1)(b) of this section and is based on an assumption that the
8 department of law will require an additional 0.5 FTE. To implement this
9 act, the department of law may use this appropriation to provide legal
10 services for the department of public health and environment.

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