

First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 23-0784.01 Pierce Lively x2059

HOUSE BILL 23-1210

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HOUSE SPONSORSHIP

Dickson,

SENATE SPONSORSHIP

Hansen,

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House Committees  
Energy & Environment

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING CARBON MANAGEMENT, AND, IN CONNECTION  
102 THEREWITH, ENSURING THAT CARBON MANAGEMENT PROJECTS  
103 ARE ELIGIBLE FOR GRANTS UNDER THE INDUSTRIAL AND  
104 MANUFACTURING OPERATIONS CLEAN AIR GRANT PROGRAM AND  
105 PROVIDING FOR THE CREATION OF A CARBON MANAGEMENT  
106 ROADMAP.

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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>.)*

"Carbon management" is defined by the bill as any combination of

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.

carbon dioxide removal, carbon storage, carbon capture, and carbon utilization. The bill ensures that carbon management projects, except for agricultural, forestry, and enhanced oil recovery projects, are eligible for money under the industrial and manufacturing operations clean air grant program.

The bill also requires the Colorado energy office (office) and the office of economic development to contract with an organization for the development of a carbon management roadmap for the state. After receiving a draft of the roadmap, the office will solicit feedback on the roadmap and the contracted organization will use that feedback to update the roadmap. The office will present the updated roadmap to the relevant committees in the general assembly and then later update the general assembly on the implementation of the roadmap.

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

2 **SECTION 1.** In Colorado Revised Statutes, 24-38.5-116, **add**  
3 (3)(b)(VIII) as follows:

4 **24-38.5-116. Industrial and manufacturing operations clean**  
5 **air grant program - creation - eligibility - fund created - gifts, grants,**  
6 **or donations - transfer - legislative declaration - definitions -**  
7 **reporting - repeal. (3) Grant program. (b)** In administering the grant  
8 program, the office shall:

9 (VIII) (A) ENSURE THAT ALL TYPES OF CARBON MANAGEMENT  
10 PROJECTS, WITH THE EXCEPTION OF AGRICULTURAL, FORESTRY, AND  
11 ENHANCED OIL RECOVERY PROJECTS, ARE ELIGIBLE FOR MONEY UNDER  
12 THE GRANT PROGRAM.

13 (B) AS USED IN THIS SUBSECTION (3)(b)(VIII), "CARBON  
14 MANAGEMENT" HAS THE SAME MEANING AS SET FORTH IN SECTION  
15 24-38.5-119 (1)(a), AND "ENHANCED OIL RECOVERY" HAS THE SAME  
16 MEANING AS SET FORTH IN SECTION 24-38.5-119 (1)(b).

17 **SECTION 2.** In Colorado Revised Statutes, **add** 24-38.5-119 as  
18 follows:

1           **24-38.5-119. Carbon management roadmap - creation -**  
2 **requirements - report - definitions - repeal.** (1) AS USED IN THIS  
3 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

4           (a) "CARBON MANAGEMENT" MEANS ANY COMBINATION OF THE  
5 FOLLOWING:

6           (I) CARBON DIOXIDE REMOVAL, WHICH MEANS THE REMOVAL OF  
7 CARBON DIOXIDE FROM THE ATMOSPHERE;

8           (II) CARBON CAPTURE, WHICH MEANS A PROCESS THAT CAPTURES  
9 CARBON DIOXIDE EMISSIONS BEFORE THEY ARE RELEASED INTO THE  
10 ATMOSPHERE AND DIVERTS THOSE EMISSIONS FOR USE OR STORAGE;

11           (III) CARBON STORAGE, WHICH MEANS VERIFIABLY STORING  
12 CARBON DIOXIDE IN NON-ATMOSPHERIC LOCATIONS IN SUCH A MANNER  
13 THAT THE CARBON DIOXIDE WILL NOT ENTER THE ATMOSPHERE FOR AT  
14 LEAST ONE HUNDRED YEARS; AND

15           (IV) CARBON UTILIZATION, WHICH MEANS A PROCESS BY WHICH  
16 CAPTURED OR REMOVED CARBON IS USED WITHOUT BEING RELEASED INTO  
17 THE ATMOSPHERE.

18           (b) "ENHANCED OIL RECOVERY" MEANS CARBON MANAGEMENT  
19 PROPOSALS THAT FACILITATE THE EXTRACTION, REFINEMENT, OR  
20 DELIVERY OF FOSSIL FUEL ENERGY SOURCES INCLUDING PETROLEUM,  
21 NATURAL GAS, AND COAL.

22           (c) "MONITORING AND REPORTING" MEANS THE MEASUREMENT  
23 AND REPORTING OF CARBON MANAGEMENT USING AN OBJECTIVE,  
24 PEER-REVIEWED, AND SCIENTIFICALLY SUPPORTED METHODOLOGY THAT  
25 TAKES INTO ACCOUNT BOTH REGIONALLY APPROPRIATE SAMPLING AND  
26 DATA COLLECTION METHODS TO QUANTIFY EMISSIONS AND REMOVALS  
27 ASSOCIATED WITH THE CARBON MANAGEMENT PROCESS AND THE

1 DURABILITY OF THE CARBON MANAGEMENT PROCESS. "MONITORING AND  
2 REPORTING" DOES NOT MEAN USING MODEL-BASED OR STATISTICAL  
3 METHODS OF MEASUREMENT AND REPORTING.

4 (d) "OFFICE" MEANS THE COLORADO ENERGY OFFICE.

5 (e) "QUALIFIED ORGANIZATION" MEANS AN ORGANIZATION OR  
6 ORGANIZATIONS THAT HAVE ALL OF THE FOLLOWING TYPES OF EXPERTISE:

7 (I) TECHNICAL AND RESEARCH EXPERTISE IN CARBON  
8 MANAGEMENT TECHNOLOGIES, INCLUDING BUT NOT LIMITED TO:

9 (A) AFFORESTATION, REFORESTATION, AND IMPROVED FOREST  
10 MANAGEMENT;

11 (B) INORGANIC AND ORGANIC SOIL CARBON SEQUESTRATION;

12 (C) BIOCHAR;

13 (D) BIO ENERGY WITH CARBON CAPTURE AND STORAGE;

14 (E) DIRECT AIR CAPTURE AND STORAGE;

15 (F) BIOMASS WITH CARBON REMOVAL AND STORAGE;

16 (G) ENHANCED WEATHERING;

17 (H) CARBON MINERALIZATION;

18 (I) DURABLE GEOLOGICAL CARBON SEQUESTRATION;

19 (J) VERIFIABLE INDUSTRIAL CARBON CAPTURE PROCESSES; AND

20 (K) DURABLE PROTEIN-BASED CARBON SEQUESTRATION; AND

21 (II) ECONOMIC AND MARKET DEVELOPMENT EXPERTISE IN  
22 ASSESSING THE MARKET RISKS AND OPPORTUNITIES FOR CARBON  
23 MANAGEMENT PRODUCTS AND APPLICATIONS.

24 (f) "ROADMAP" MEANS THE CARBON MANAGEMENT ROADMAP FOR  
25 THE STATE OF COLORADO.

26 (2) (a) ON OR BEFORE JANUARY 1, 2024, THE OFFICE SHALL, IN  
27 COLLABORATION WITH THE COLORADO OFFICE OF ECONOMIC

1 DEVELOPMENT, CONTRACT WITH A QUALIFIED ORGANIZATION FOR THE  
2 DEVELOPMENT OF A CARBON MANAGEMENT ROADMAP FOR THE STATE OF  
3 COLORADO.

4 (b) ON OR BEFORE SEPTEMBER 1, 2024, THE QUALIFIED  
5 ORGANIZATION SHALL PRESENT THE ROADMAP TO THE OFFICE AND THE  
6 COLORADO OFFICE OF ECONOMIC DEVELOPMENT. THE OFFICE SHALL  
7 SOLICIT FEEDBACK ON THE ROADMAP.

8 (c) ON OR BEFORE DECEMBER 1, 2024, THE OFFICE SHALL PRESENT  
9 THE FEEDBACK IT HAS COLLECTED ON THE ROADMAP TO THE QUALIFIED  
10 ORGANIZATION AND MAKE THE FEEDBACK AND THE ROADMAP AVAILABLE  
11 TO THE GENERAL ASSEMBLY.

12 (d) ON OR BEFORE FEBRUARY 28, 2025, THE QUALIFIED  
13 ORGANIZATION SHALL PRESENT AN UPDATED VERSION OF THE ROADMAP  
14 THAT CONSIDERS THE PUBLIC COMMENTS PROVIDED BY THE OFFICE.

15 (e) DURING THE 2025 LEGISLATIVE SESSION, THE OFFICE SHALL  
16 PRESENT THE ROADMAP TO THE HOUSE OF REPRESENTATIVES ENERGY AND  
17 ENVIRONMENT COMMITTEE AND THE SENATE TRANSPORTATION AND  
18 ENERGY COMMITTEE OR THEIR SUCCESSOR COMMITTEES.

19 (3) IN CREATING THE ROADMAP, THE QUALIFIED ORGANIZATION  
20 SHALL ENSURE THAT THE ROADMAP IDENTIFIES:

21 (a) THE CARBON MANAGEMENT, CLIMATE, AND ECONOMIC  
22 OPPORTUNITIES AVAILABLE IN COLORADO THAT BEST DRAW ON  
23 COLORADO'S NATURAL RESOURCES, INDUSTRY, TALENT, LABOR FORCE,  
24 AND ECONOMIC DEVELOPMENT CAPABILITIES. IN IDENTIFYING ECONOMIC  
25 OPPORTUNITIES, THE QUALIFIED ORGANIZATION MUST SPECIFICALLY  
26 INCLUDE THE FOLLOWING ECONOMIC SECTORS:

27 (I) CONSTRUCTION;

- 1 (II) AGRICULTURE;
- 2 (III) FOREST MANAGEMENT;
- 3 (IV) MINE RECLAMATION;
- 4 (V) INDUSTRIAL MANUFACTURING;
- 5 (VI) CEMENT AND CONCRETE;
- 6 (VII) FOOD AND BEVERAGE; AND
- 7 (VIII) EXISTING OIL AND GAS INFRASTRUCTURE AND WORKFORCE;
- 8 (b) THE NECESSARY INFRASTRUCTURE TO SUPPORT CARBON
- 9 MANAGEMENT, SUCH AS:
- 10 (I) THE BEST RESERVOIRS FOR CARBON DIOXIDE STORAGE;
- 11 (II) EXISTING CARBON DIOXIDE PIPELINES AND HOW THOSE
- 12 PIPELINES CAN BEST BE CONNECTED WITH PIPELINES NEEDED FOR
- 13 INDUSTRIAL CARBON MANAGEMENT TO MINIMIZE RISK, INCLUDING RISK TO
- 14 DISPROPORTIONATELY IMPACTED COMMUNITIES; AND
- 15 (III) INFRASTRUCTURE THAT ALLOWS ACCESS TO CLEAN ENERGY
- 16 RESOURCES, AS THAT TERM IS DEFINED IN SECTION 40-2-125.5 (2)(b), FOR
- 17 CARBON MANAGEMENT PROJECTS;
- 18 (c) (I) POLICIES AND INCENTIVES THAT WOULD:
- 19 (A) ATTRACT COMPANIES TO DEVELOP OR DEPLOY CARBON
- 20 MANAGEMENT IN THE STATE;
- 21 (B) ENCOURAGE THE DEVELOPMENT OF NEW CARBON
- 22 MANAGEMENT TECHNOLOGIES;
- 23 (C) SUPPORT THE EXPANSION OF CARBON MANAGEMENT
- 24 COMPANIES IN THE STATE;
- 25 (D) CATALYZE PRIVATE INVESTMENT AND MARKET DEVELOPMENT
- 26 IN CARBON MANAGEMENT BY APPLYING GAP FUNDING OR OTHER SUPPORT
- 27 FOR CARBON MANAGEMENT PROJECTS INVOLVING PRIVATE SECTOR

1 PROVIDERS AND BUYERS; AND

2 (E) FOSTER CARBON MANAGEMENT PROJECTS IN THE STATE.

3 (II) THE QUALIFIED ORGANIZATION SHALL ALSO RECOMMEND

4 WHETHER THE POLICIES AND INCENTIVES THAT IT IDENTIFIES PURSUANT TO

5 SUBSECTION (3)(c)(I) OF THIS SECTION SHOULD BE IMPLEMENTED

6 THROUGH A COMPETITIVE PROCESS;

7 (d) PUBLIC INTEREST GUARDRAILS INCLUDING:

8 (I) EXCLUDING OIL AND GAS EXTRACTION APPLICATIONS, SUCH AS

9 ENHANCED OIL RECOVERY, FROM CARBON MANAGEMENT FUNDING;

10 (II) REQUIRING FAIR LABOR PRACTICES SUCH AS:

11 (A) PREVAILING WAGES WITH COMMENSURATE BENEFITS;

12 (B) APPRENTICESHIP UTILIZATION REQUIREMENTS;

13 (C) PROJECT LABOR AGREEMENTS;

14 (D) LOCAL HIRE AND TARGETED HIRE PROVISIONS; AND

15 (E) ORGANIZING RIGHTS; AND

16 (III) APPLYING STRICT ENVIRONMENTAL JUSTICE STANDARDS SO

17 THAT:

18 (A) CARBON MANAGEMENT METHODS AND PROJECTS THAT POSE

19 RISKS TO HEALTH, OPPORTUNITY, AND QUALITY OF LIFE IN

20 DISPROPORTIONATELY IMPACTED COMMUNITIES ARE EXCLUDED FROM

21 CARBON MANAGEMENT FUNDING;

22 (B) CARBON MANAGEMENT FUNDING IS NOT USED TO FUND

23 COMPLIANCE MECHANISMS INVOLVING EXISTING FACILITIES OR FACILITIES

24 THAT EITHER ARE NOT IN COMPLIANCE WITH AIR PERMITS OR HAVE A

25 HISTORY OF PERMIT VIOLATIONS THAT IMPOSE HARMS AND RISKS ON

26 COMMUNITIES WITHIN THE PREVIOUS FIVE YEARS; AND

27 (C) REPRESENTATIVES OF ENVIRONMENTAL JUSTICE ADVOCACY

1 GROUPS, LABOR, JUST TRANSITION GROUPS, AND TRIBAL COMMUNITIES ARE  
2 INVOLVED IN THE CREATION OF THE ROADMAP;

3 (e) CRITERIA FOR CARBON MANAGEMENT PROJECT SELECTION  
4 INCLUDING:

5 (I) PRIORITIZING:

6 (A) CERTAIN ECONOMIC SECTORS SUCH AS AGRICULTURE,  
7 CONSTRUCTION, MATERIALS MANUFACTURING, FOREST MANAGEMENT,  
8 FOOD AND BEVERAGE, RECLAIMED MINING, AND HEAVY INDUSTRY;

9 (B) EMISSIONS REDUCTIONS;

10 (C) DURABILITY AND PERMANENCE;

11 (D) SOCIAL AND ECONOMIC BENEFITS INCLUDING THE PROTECTION  
12 OF LABOR RIGHTS AND HIGH-QUALITY JOBS; AND

13 (E) GEOGRAPHIC DISTRIBUTION BY PROVIDING TECHNOLOGICAL  
14 SOLUTIONS AND SECTOR DIVERSIFICATION WITH THE EXPLICIT GOAL OF  
15 ENSURING THAT PROJECTS ARE DISTRIBUTED THROUGHOUT THE STATE;

16 (II) DIVISION OF CARBON MANAGEMENT PROJECTS INTO TIERS OF  
17 PRIORITIZATION FOR PROJECTS THAT PROVIDE, IN INCREASING ORDER OF  
18 IMPORTANCE:

19 (A) CARBON CAPTURE;

20 (B) CARBON UTILIZATION;

21 (C) CARBON DIOXIDE REMOVAL;

22 (D) CARBON STORAGE; AND

23 (E) ANY COMBINATION OF THE CARBON MANAGEMENT METHODS  
24 LISTED IN THIS SUBSECTION (3)(e)(II); AND

25 (III) ENSURING THAT PROJECT GOALS CAN BE VALIDATED BY  
26 RIGOROUS MONITORING AND REPORTING METHODS IN LINE WITH EMERGING  
27 INTERNATIONAL BEST PRACTICES AND STANDARDS; AND

1 (f) RECOMMENDATIONS, INCLUDING LEGISLATIVE  
2 RECOMMENDATIONS FOR THE GENERAL ASSEMBLY AND ADMINISTRATIVE  
3 RECOMMENDATIONS FOR STATE AGENCIES, ON ISSUES RELATED TO CARBON  
4 MANAGEMENT.

5 (4) IN CREATING THE ROADMAP, IN ADDITION TO SATISFYING THE  
6 REQUIREMENTS OF SUBSECTION (3) OF THIS SECTION, THE QUALIFIED  
7 ORGANIZATION SHALL GATHER:

8 (a) WHERE PRACTICABLE, PROJECT DATA ON THE AMOUNT OF  
9 CARBON CAPTURED, REMOVED, STORED, OR UTILIZED FOR THE PURPOSE OF:

10 (I) HELPING TO ASSESS THE MARKET POTENTIAL FOR  
11 PERFORMANCE-BASED FINANCIAL INCENTIVES IN THE FUTURE; AND

12 (II) ELEVATING THE CARBON MANAGEMENT POTENTIAL OF  
13 VARIOUS PROPOSALS AND TECHNOLOGIES; AND

14 (b) OPERATIONAL DATA INCLUDING:

15 (I) QUANTITIES AND TYPES OF MATERIALS NEEDED FOR CARBON  
16 MANAGEMENT FACILITY CONSTRUCTION AND OPERATION;

17 (II) THE NUMBER AND TYPES OF JOBS THAT WILL BE CREATED  
18 RELATED TO CARBON MANAGEMENT AS WELL AS THE TIMELINE OF JOB  
19 CREATION;

20 (III) THE OPERATIONAL REQUIREMENTS FOR CARBON  
21 MANAGEMENT FACILITIES INCLUDING ENERGY INFRASTRUCTURE,  
22 CONSTRUCTION COSTS, AND STAFFING; AND

23 (IV) THE OPPORTUNITIES FOR SKILL MATCHING AMONG EXISTING  
24 PROFESSIONS.

25 (5) IN CREATING THE ROADMAP, THE QUALIFIED ORGANIZATION  
26 MAY REFERENCE OR RELY ON WORK DONE BY STATE AGENCIES OR LOCAL  
27 GOVERNMENTS.

1           (6) (a) IN SOLICITING FEEDBACK ON THE ROADMAP PURSUANT TO  
2           SUBSECTION (2)(b) OF THIS SECTION, THE OFFICE SHALL CONDUCT  
3           STAKEHOLDER MEETINGS WITH INTERESTED PERSONS THROUGHOUT THE  
4           STATE, INCLUDING:

5           (I) LABOR ORGANIZATIONS;

6           (II) ENVIRONMENTAL ADVOCACY GROUPS;

7           (III) INDUSTRIES OR PROFESSIONS RELATED TO CARBON  
8           MANAGEMENT;

9           (IV) STATEWIDE ASSOCIATIONS OF MECHANICAL, ELECTRICAL,  
10          AND PLUMBING CONTRACTORS;

11          (V) TRIBAL GOVERNMENTS; AND

12          (VI) COMMUNITY LEADERS.

13          (b) THE OFFICE SHALL ALSO SOLICIT FEEDBACK FROM:

14          (I) THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT;

15          (II) THE DEPARTMENT OF TRANSPORTATION;

16          (III) THE DEPARTMENT OF NATURAL RESOURCES;

17          (IV) THE DEPARTMENT OF AGRICULTURE;

18          (V) THE STATE ARCHITECT;

19          (VI) THE GOVERNOR'S OFFICE;

20          (VII) THE ENVIRONMENTAL JUSTICE OMBUDSPERSON IN THE  
21          DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT APPOINTED  
22          PURSUANT TO SECTION 25-1-134 (1) OR THE OMBUDSPERSON'S DESIGNEE;  
23          AND

24          (VIII) THE DIRECTOR OF THE JUST TRANSITION OFFICE CREATED IN  
25          SECTION 8-83-503 OR THE DIRECTOR'S DESIGNEE.

26          (7) DURING THE 2026 AND 2027 LEGISLATIVE SESSIONS, THE  
27          OFFICE SHALL PRESENT TO THE HOUSE OF REPRESENTATIVES ENERGY AND

1 ENVIRONMENT COMMITTEE AND THE SENATE TRANSPORTATION AND  
2 ENERGY COMMITTEE OR THEIR SUCCESSOR COMMITTEES:

3 (a) THE PROGRESS MADE IN IMPLEMENTING THE GOALS IDENTIFIED  
4 IN THE ROADMAP; AND

5 (b) ANY RECOMMENDATIONS, INCLUDING LEGISLATIVE  
6 RECOMMENDATIONS FOR THE GENERAL ASSEMBLY AND ADMINISTRATIVE  
7 RECOMMENDATIONS FOR STATE AGENCIES, NECESSARY TO BETTER  
8 IMPLEMENT THE GOALS IDENTIFIED IN THE ROADMAP.

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