

SENATE COMMITTEE OF REFERENCE REPORT

	April 16, 2025
Chair of Committee	Date

Committee on Transportation & Energy.

After consideration on the merits, the Committee recommends the following:

SB25-280 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 "SECTION 1. In Colorado Revised Statutes, **add** part 8 to article
4 48.5 of title 24 as follows:

5 PART 8
6 DATA CENTER DEVELOPMENT
7 AND INCENTIVES

8 **24-48.5-801. Short title.** THE SHORT TITLE OF THIS PART 8 IS THE
9 "COLORADO DATA CENTER DEVELOPMENT AND INCENTIVE PROGRAM
10 ACT".

11 **24-48.5-802. Legislative declaration.** (1) THE GENERAL
12 ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT:

13 (a) COLORADO'S CONTINUED ECONOMIC GROWTH AND
14 TECHNOLOGICAL ADVANCEMENT DEPEND ON THE DEVELOPMENT OF
15 MODERN DIGITAL INFRASTRUCTURE THAT CAN SUPPORT EMERGING
16 TECHNOLOGIES WHILE ENSURING GRID RELIABILITY, AFFORDABILITY OF
17 ELECTRIC SERVICE FOR ALL CUSTOMERS, AND ENVIRONMENTAL
18 SUSTAINABILITY;

19 (b) COLORADO FACES INTERRELATED CHALLENGES IN:

20 (I) ACHIEVING ITS CLEAN ENERGY AND GREENHOUSE GAS
21 REDUCTION GOALS WHILE MAINTAINING GRID SYSTEM RELIABILITY;

22 (II) MODERNIZING CRITICAL ELECTRICAL GRID INFRASTRUCTURE
23 TO SUPPORT INCREASING ELECTRIFICATION;

24 (III) ENSURING EQUITABLE ECONOMIC DEVELOPMENT ACROSS
25 URBAN, SUBURBAN, AND RURAL COMMUNITIES; AND

26 (IV) MAINTAINING ECONOMIC COMPETITIVENESS IN AN EVOLVING
27 TECHNOLOGICAL LANDSCAPE;

1 (c) THE COLORADO ELECTRIC TRANSMISSION AUTHORITY HAS
2 IDENTIFIED CRITICAL TRANSMISSION CAPACITY NEEDS REQUIRING
3 APPROXIMATELY FOUR AND ONE-HALF BILLION DOLLARS IN
4 INFRASTRUCTURE INVESTMENT THROUGH 2045, WITH SIGNIFICANT
5 REQUIREMENTS FOR GRID MODERNIZATION, RELIABILITY ENHANCEMENT,
6 AND RENEWABLE AND CLEAN ENERGY INTEGRATION;

7 (d) DATA CENTERS REPRESENT A TRANSFORMATIVE OPPORTUNITY
8 TO:

9 (I) ACCELERATE GRID MODERNIZATION THROUGH STRATEGIC
10 INVESTMENT CONTRIBUTIONS INTO TRANSMISSION AND DISTRIBUTION
11 INFRASTRUCTURE;

12 (II) CREATE HIGH-WAGE EMPLOYMENT OPPORTUNITIES ACROSS
13 THE STATE, PARTICULARLY IN AREAS TRANSITIONING FROM TRADITIONAL
14 ENERGY ECONOMIES; AND

15 (III) STRENGTHEN LOCAL TAX BASES WHILE DRIVING
16 TECHNOLOGICAL INNOVATION;

17 (e) COLORADO'S EXISTING TAX STRUCTURE DOES NOT
18 ADEQUATELY REFLECT THE UNIQUE OPERATIONAL CHARACTERISTICS AND
19 INFRASTRUCTURE REQUIREMENTS OF MODERN DATA CENTER
20 DEVELOPMENT;

21 (f) THE STATE'S CURRENT TAX FRAMEWORK CREATES UNINTENDED
22 BARRIERS TO CRITICAL DIGITAL INFRASTRUCTURE INVESTMENT,
23 PARTICULARLY REGARDING:

24 (I) LARGE-SCALE CAPITAL INVESTMENT IN TECHNOLOGICAL
25 EQUIPMENT;

26 (II) ONGOING GRID INFRASTRUCTURE MODERNIZATION; AND

27 (III) RENEWABLE AND CLEAN ENERGY DEPLOYMENT;

28 (g) DATA CENTERS REPRESENT A DISTINCT CLASS OF
29 INFRASTRUCTURE THAT:

30 (I) REQUIRES SIGNIFICANT UP-FRONT CAPITAL INVESTMENT;

31 (II) DRIVES SUBSTANTIAL GRID MODERNIZATION;

32 (III) CREATES HIGH-WAGE TECHNOLOGY EMPLOYMENT; AND

33 (IV) GENERATES LONG-TERM ECONOMIC BENEFITS;

34 (h) UNDER COLORADO'S CURRENT TAX FRAMEWORK, THE STATE
35 RISKS LOSING BILLIONS OF DOLLARS IN POTENTIAL INVESTMENT OVER THE
36 NEXT DECADE DESPITE SIGNIFICANT COMPETITIVE ADVANTAGES IN
37 CLIMATE, WORKFORCE, AND RENEWABLE AND CLEAN RESOURCES;

38 (i) NEIGHBORING STATES HAVE ESTABLISHED COMPREHENSIVE
39 INCENTIVE PROGRAMS THAT PLACE COLORADO AT A COMPETITIVE
40 DISADVANTAGE;

41 (j) COLORADO'S UNIQUE GEOGRAPHIC AND RESOURCE
42 ADVANTAGES CREATE OPPORTUNITIES FOR LEADERSHIP IN SUSTAINABLE
43 DATA CENTER DEVELOPMENT;

1 (k) EMERGING LARGE LOAD CUSTOMERS HAVE THE POTENTIAL TO
2 DRIVE SIGNIFICANT INVESTMENT IN COLORADO'S ENERGY
3 INFRASTRUCTURE;

4 (l) A TARGETED AND TRANSPARENT RESOURCE ACQUISITION
5 FRAMEWORK CAN ENABLE UTILITIES TO EFFICIENTLY SERVE THESE
6 CUSTOMERS WHILE PRESERVING AFFORDABILITY, PROTECTING EXISTING
7 RATEPAYERS, AND MEETING THE STATE'S DECARBONIZATION AND GRID
8 RELIABILITY GOALS; AND

9 (m) THE GENERAL ASSEMBLY EQUALLY SUPPORTS THE USE OF
10 UNIONIZED AND NONUNIONIZED LABOR TO PERFORM ANY OF THE
11 NECESSARY WORK IN CONNECTION WITH DATA CENTER DEVELOPMENT AND
12 THE IMPLEMENTATION OF A TARGETED AND TRANSPARENT RESOURCE
13 ACQUISITION FRAMEWORK.

14 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT
15 A STRUCTURED, PERFORMANCE-BASED APPROACH TO DATA CENTER
16 DEVELOPMENT WILL:

17 (a) ACCELERATE GRID MODERNIZATION THROUGH PRIVATE
18 INVESTMENT;

19 (b) ENSURE RESPONSIBLE DEVELOPMENT THAT BENEFITS LOCAL
20 COMMUNITIES;

21 (c) ADVANCE MULTIPLE STATE POLICY OBJECTIVES;

22 (d) CREATE HIGH-WAGE TECHNOLOGY JOBS;

23 (e) STRENGTHEN LOCAL TAX BASES, PARTICULARLY IN RURAL
24 AREAS; AND

25 (f) ENHANCE COLORADO'S POSITION AS A LEADER IN
26 TECHNOLOGICAL INNOVATION.

27 **24-48.5-803. Definitions.** AS USED IN THIS PART 8, UNLESS THE
28 CONTEXT OTHERWISE REQUIRES:

29 (1) "CERTIFICATION" MEANS RECOGNITION GRANTED TO A DATA
30 CENTER BY THE OFFICE PURSUANT TO SECTION 24-48.5-807, UPON
31 DETERMINATION THAT THE DATA CENTER MEETS THE REQUIREMENTS
32 SPECIFIED IN SECTION 24-48.5-805.

33 (2) "CERTIFIED DATA CENTER" MEANS A DATA CENTER THAT HAS
34 RECEIVED CERTIFICATION FROM THE OFFICE PURSUANT TO SECTION
35 24-48.5-807.

36 (3) "COMMISSION" MEANS THE COLORADO PUBLIC UTILITIES
37 COMMISSION CREATED IN SECTION 40-2-101.

38 (4) "DATA CENTER" MEANS A FACILITY WITH ONE OR MORE
39 BUILDINGS INCLUDING CORRESPONDING ELECTRICAL INFRASTRUCTURE
40 THAT:

41 (a) HOUSES INFORMATION TECHNOLOGY EQUIPMENT USED FOR
42 DATA PROCESSING, DATA STORAGE, OR TELECOMMUNICATIONS; AND
43 (b) HAS A PRIMARY FUNCTION OF DELIVERING INFORMATION

1 TECHNOLOGY SERVICES INCLUDING:
2 (I) PROVIDING DATA STORAGE, PROCESSING, AND TRANSPORT
3 SERVICES;
4 (II) SUPPORTING THE DELIVERY OF CLOUD COMPUTING SERVICES;
5 (III) PROVIDING NETWORK CONNECTIVITY SERVICES; AND
6 (IV) SUPPORTING ARTIFICIAL INTELLIGENCE, MACHINE LEARNING,
7 OR SIMILAR COMPUTATIONAL SERVICES.
8 (5) "DATA CENTER OPERATOR" MEANS ANY PERSON OR ENTITY
9 THAT:
10 (a) OWNS, LEASES, OR OPERATES A DATA CENTER IN COLORADO;
11 (b) IS A CLIENT OR COLLOCATION TENANT OR LICENSEE OF A DATA
12 CENTER, INCLUDING ENTITIES THAT LEASE, RENT, OR OTHERWISE ENTER
13 INTO A CONTRACTUAL AGREEMENT FOR THE USE OF DATA CENTER SPACE
14 OR SERVICES; OR
15 (c) CO-LOCATES INFORMATION TECHNOLOGY EQUIPMENT WITHIN
16 A QUALIFYING DATA CENTER FACILITY.
17 (6) "DATA CENTER TENANT" MEANS A CLIENT OR CO-LOCATION
18 TENANT OR LICENSEE OF A DATA CENTER, INCLUDING AN ENTITY THAT
19 LEASES, RENTS OR OTHERWISE ENTERS INTO A CONTRACTUAL AGREEMENT
20 FOR THE USE OF DATA CENTER SPACE OR SERVICES, OR OTHERWISE
21 CO-LOCATES INFORMATION TECHNOLOGY EQUIPMENT WITHIN A
22 QUALIFYING DATA CENTER FACILITY.
23 (7) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.
24 (8) "ENERGY OFFICE" MEANS THE COLORADO ENERGY OFFICE
25 CREATED IN SECTION 24-38.5-101.
26 (9) "OFFICE" MEANS THE OFFICE OF ECONOMIC DEVELOPMENT
27 CREATED IN SECTION 24-48.5-101.
28 (10) "PROGRAM" MEANS THE DATA CENTER DEVELOPMENT
29 INCENTIVE PROGRAM CREATED IN THIS PART 8.
30 (11) "QUALIFIED PURCHASE" MEANS THE PURCHASE, ON OR AFTER
31 JULY 1, 2025, OR THE EFFECTIVE DATE OF THIS PART 8, WHICHEVER IS
32 LATER, OF:
33 (a) INFORMATION TECHNOLOGY INFRASTRUCTURE INCLUDING:
34 (I) COMPUTER EQUIPMENT OR SOFTWARE USED IN THE OPERATION
35 OF OR FOR THE BENEFIT OF THE CERTIFIED DATA CENTER;
36 (II) SOFTWARE SERVERS, ROUTERS, CONNECTIONS, MONITORING
37 AND SECURITY SYSTEMS, AND OTHER ENABLING MACHINERY, EQUIPMENT,
38 SOFTWARE, AND HARDWARE, REGARDLESS OF WHETHER THE PROPERTY IS
39 AFFIXED TO OR INCORPORATED INTO REAL PROPERTY;
40 (III) DATA STORAGE SYSTEMS; AND
41 (IV) NETWORK INFRASTRUCTURE;
42 (b) DATA CENTER INFRASTRUCTURE AND TRANSMISSION AND
43 GENERATION SYSTEM ASSETS INCLUDING:

1 (I) ENVIRONMENTAL CONTROL SYSTEMS;
2 (II) ON-SITE ENERGY STORAGE SYSTEMS;
3 (III) ON-SITE RENEWABLE AND CLEAN ENERGY SYSTEMS; AND
4 (IV) BUILDING MATERIALS FOR DATA CENTER CONSTRUCTION;
5 (c) MECHANICAL AND POWER DISTRIBUTION SYSTEMS; OR
6 (d) OTHER EQUIPMENT AND SYSTEMS ESSENTIAL TO DATA CENTER
7 OPERATIONS.

8 (12) "RENEWABLE AND CLEAN ENERGY" MEANS ELECTRICITY
9 GENERATED FROM:

10 (a) SOURCES QUALIFYING AS ELIGIBLE ENERGY RESOURCES
11 PURSUANT TO SECTIONS 30-20-1202 (2) AND 40-2-124, INCLUDING BUT
12 NOT LIMITED TO:

13 (I) SOLAR;
14 (II) WIND;
15 (III) GEOTHERMAL;
16 (IV) BIOMASS;
17 (V) HYDROELECTRIC;
18 (VI) RECYCLED ENERGY;
19 (VII) BATTERY ENERGY STORAGE SYSTEMS;
20 (VIII) NUCLEAR ENERGY; AND
21 (IX) COAL MINE METHANE WHEN THE COMMISSION DETERMINES
22 IT IS CAPTURED IN A MANNER THAT CONFORMS WITH ENVIRONMENTAL
23 REGULATIONS;

24 (b) OTHER CLEAN ENERGY RESOURCES AS DETERMINED BY THE
25 COMMISSION, INCLUDING:

26 (I) GREEN HYDROGEN; AND
27 (II) OTHER EMERGING ZERO-CARBON TECHNOLOGIES; OR
28 (c) ANY COMBINATION OF RESOURCES SPECIFIED IN THIS
29 SUBSECTION (12).

30 **24-48.5-804. Data center development incentive program.**

31 (1) THE DATA CENTER DEVELOPMENT INCENTIVE PROGRAM IS CREATED
32 IN THE OFFICE TO FACILITATE EFFICIENT DATA CENTER DEVELOPMENT BY
33 ALLOWING TAX RELIEF TO A DATA CENTER OPERATOR THAT OWNS OR
34 OPERATES A DATA CENTER OR TO A PARTICIPATING DATA CENTER TENANT
35 OF A DATA CENTER THAT OBTAINS CERTIFICATION PURSUANT TO THIS PART
36 8.

37 (2) THE OFFICE SHALL ADMINISTER THE PROGRAM AND
38 COORDINATE WITH THE COMMISSION AND THE ENERGY OFFICE AS
39 NECESSARY TO MAXIMIZE THE EFFECTIVENESS OF THE PROGRAM.

40 (3) THE OFFICE SHALL PERFORM AN EVALUATION OF THE PROGRAM
41 IN 2031 TO EVALUATE THE EFFECTIVENESS OF THE PROGRAM AND TO
42 DETERMINE IF ANY MODIFICATIONS TO THE PROGRAM ARE REQUIRED.

43 (4) (a) THE OFFICE SHALL RECEIVE AND EVALUATE APPLICATIONS

1 THAT ARE SUBMITTED BY DATA CENTER OPERATORS TO OBTAIN THE
2 FOLLOWING:

3 (I) CERTIFICATION FOR A DATA CENTER, WHICH ALLOWS THE DATA
4 CENTER OPERATOR A SALES AND USE TAX EXEMPTION FOR QUALIFIED
5 PURCHASES IN CONNECTION WITH THE DATA CENTER PURSUANT TO
6 SECTIONS 24-48.5-808 AND 39-26-735; AND

7 (II) A BENEFIT EXTENSION PURSUANT TO SECTION 24-48.5-814 FOR
8 A DATA CENTER THAT HAS OBTAINED CERTIFICATION.

9 (b) TO OBTAIN CERTIFICATION FOR A DATA CENTER OR TO OBTAIN
10 A BENEFIT EXTENSION, A DATA CENTER OPERATOR MUST FILE A
11 COMPLETED APPLICATION WITH THE OFFICE PURSUANT TO SECTION
12 24-48.5-806.

13 (3) THE OFFICE SHALL BEGIN PROCESSING APPLICATIONS FOR
14 CERTIFICATION AS SPECIFIED IN SECTION 24-48.5-807 WITHIN ONE
15 HUNDRED EIGHTY DAYS AFTER THE EFFECTIVE DATE OF THIS PART 8. THE
16 OFFICE SHALL COMPLETE ITS REVIEW OF ANY APPLICATION THAT IS
17 SUBMITTED ON OR BEFORE DECEMBER 31, 2034, PURSUANT TO THE
18 POLICIES, PROCEDURES, AND GUIDELINES ESTABLISHED PURSUANT TO THIS
19 PART 8.

20 (4) IF THE OFFICE APPROVES A DATA CENTER FOR CERTIFICATION,
21 THE OFFICE SHALL USE THE REPORTS THAT A DATA CENTER OPERATOR IS
22 REQUIRED TO SUBMIT TO THE OFFICE PURSUANT TO SECTION 24-48.5- 809
23 TO MONITOR THE CERTIFIED DATA CENTER TO ENSURE THAT THE CERTIFIED
24 DATA CENTER REMAINS IN COMPLIANCE WITH PROGRAM REQUIREMENTS.

25 (5) THE OFFICE SHALL ISSUE STATE SALES AND USE TAX
26 EXEMPTION CERTIFICATES REQUIRED FOR A DATA CENTER OPERATOR THAT
27 OBTAINS CERTIFICATION OR A CERTIFIED DATA CENTER BENEFIT
28 EXTENSION TO CLAIM THE SALES AND USE TAX EXEMPTION ALLOWED IN
29 SECTIONS 24-48.5-808 AND 39-26-735.

30 (6) IN IMPLEMENTING THE PROGRAM, THE OFFICE SHALL
31 FACILITATE EFFICIENT DATA CENTER DEVELOPMENT BY ESTABLISHING
32 CLEAR QUALIFICATION CRITERIA AND CONSISTENTLY ADMINISTERING A
33 PREDICTABLE APPLICATION, REVIEW, AND APPROVAL PROCESS FOR DATA
34 CENTER CERTIFICATION PURSUANT TO THIS PART 8.

35 (7) THE OFFICE MAY CREATE AND MODIFY POLICIES, PROCEDURES,
36 AND GUIDELINES AS NECESSARY TO IMPLEMENT THE PROGRAM AND THE
37 TAX AND OTHER BENEFITS THAT MAY BE CLAIMED PURSUANT TO THIS PART
38 8.

39 **24-48.5-805. Certification - data center operators - minimum**
40 **requirements.** (1) TO QUALIFY FOR DATA CENTER CERTIFICATION
41 PURSUANT TO THIS PART 8, A DATA CENTER OPERATOR OR A DATA CENTER
42 OPERATOR COLLECTIVELY WITH ITS PARTICIPATING DATA CENTER
43 TENANTS SHALL COMMIT TO:

1 (a) MAKING A MINIMUM CAPITAL INVESTMENT OF TWO HUNDRED
2 FIFTY MILLION DOLLARS IN DATA CENTER QUALIFYING PURCHASES WITHIN
3 SIXTY MONTHS OF OBTAINING DATA CENTER CERTIFICATION;

4 (b) CREATING, WITHIN SIXTY MONTHS OF THE DATA CENTER'S
5 RECEIPT OF A FINAL CERTIFICATE OF OCCUPANCY FOR THE FIRST PHASE OF
6 THE DATA CENTER PROJECT, AND MAINTAINING TWENTY-FIVE NEW
7 FULL-TIME EQUIVALENT JOBS WITH AN AVERAGE COMPENSATION OF AT
8 LEAST ONE HUNDRED TEN PERCENT OF THE COUNTY AVERAGE WAGE IN
9 THE COUNTY IN WHICH THE DATA CENTER WILL BE LOCATED;

10 (c) VERIFYING THAT THE DATA CENTER WILL NOT RESULT IN
11 UNREASONABLE COST IMPACTS TO OTHER UTILITY RATEPAYERS. THIS
12 REQUIREMENT MAY BE SATISFIED BY:

13 (I) SECURING APPROVAL OF THE DATA CENTER THROUGH THE
14 TARGETED RESOURCE ACQUISITION FRAMEWORK DESCRIBED IN SECTION
15 40-2-140 FOR JURISDICTIONAL UTILITIES;

16 (II) PROVIDING A LETTER OR STATEMENT FROM THE HOST UTILITY,
17 A MUNICIPAL UTILITY'S GOVERNING BOARD, OR A RELEVANT REGULATORY
18 ENTITY CONFIRMING THAT THE UTILITY INFRASTRUCTURE COSTS
19 ASSOCIATED WITH THE DATA CENTER ARE REASONABLY ALLOCATED AND
20 ARE NOT EXPECTED TO CAUSE UNJUSTIFIED RATE INCREASES FOR OTHER
21 CUSTOMERS;

22 (III) PROVIDING DOCUMENTATION OF A PROPOSED
23 INTERCONNECTION AGREEMENT, ELECTRIC SERVICE AGREEMENT, OR
24 SIMILAR AGREEMENT THAT IDENTIFIES REQUIRED UTILITY
25 INFRASTRUCTURE UPGRADES AND CONFIRMS THAT THE DATA CENTER
26 OPERATOR HAS AGREED OR WILL AGREE TO COVER ITS FAIR SHARE OF
27 COSTS IN ACCORDANCE WITH THE UTILITY'S POLICY; OR

28 (IV) ANOTHER PATHWAY IDENTIFIED THROUGH THE RULEMAKING
29 FOR LARGE NEW LOADS PURSUANT TO SECTION 40-2-141.

30 (d) IMPLEMENTING WATER STEWARDSHIP MEASURES THAT
31 OPTIMIZE OPERATIONAL WATER MANAGEMENT THROUGH ONE OR MORE OF
32 THE FOLLOWING:

33 (I) IMPLEMENTATION OF CLOSED-LOOP COOLING SYSTEMS;

34 (II) USE OF AVAILABLE RECYCLED WATER SOURCES OR WATER
35 RIGHTS PREVIOUSLY RESERVED FOR RETIRING THERMAL POWER UNITS; OR

36 (III) DEPLOYMENT OF WATER-EFFICIENT TECHNOLOGIES;

37 (e) PROVIDE CERTIFICATION UNDER ONE OF THE FOLLOWING
38 STANDARDS WITHIN TWENTY-FOUR MONTHS OF THE DATA CENTER'S
39 RECEIPT OF A FINAL CERTIFICATE OF OCCUPANCY:

40 (I) LEED FOR DATA CENTERS AT SILVER LEVEL OR HIGHER;

41 (II) ENERGY STAR CERTIFICATION;

42 (III) GREEN GLOBES CERTIFICATION;

43 (IV) ISO 50001 ENERGY MANAGEMENT CERTIFICATION;

1 (V) ISO 14001 STANDARD FOR ENVIRONMENTAL MANAGEMENT
2 SYSTEMS; OR
3 (VI) OTHER EQUIVALENT STANDARDS APPROVED BY THE OFFICE;
4 OR
5 (f) CONSULTING WITH THE DEPARTMENT OF NATURAL RESOURCES
6 REGARDING WILDLIFE AREAS, WILDFIRE AND URBAN INTERFACE, AND
7 WATER.
8 (g) BREAKING GROUND ON THE DATA CENTER WITHIN SIXTY
9 MONTHS OF OBTAINING CERTIFICATION;
10 (h) COMPLYING WITH THE CRAFT LABOR REQUIREMENTS IN PART
11 3 OF ARTICLE 92 OF THIS TITLE 24, IF THE DATA CENTER IS AN ENERGY
12 SECTOR PUBLIC WORKS PROJECT, AS DEFINED IN SECTION 24-92-303 (5);
13 (i) COMPLYING WITH THE APPRENTICESHIP UTILIZATION
14 REQUIREMENTS IN SECTION 24-92-115 AND THE PREVAILING WAGE
15 REQUIREMENTS IN PART 2 OF ARTICLE 92 OF THIS TITLE 24 AS IF THE DATA
16 CENTER SATISFIED THE CRITERIA FOR A PUBLIC PROJECT AS DESCRIBED IN
17 SECTIONS 24-92-115 (1) AND 24-92-203 (1); AND
18 (j) COMMITTING TO SATISFYING THE DATA CENTER REQUIREMENTS
19 AFTER CERTIFICATION SPECIFIED IN SECTION 24-48.5-812.
20 (2) UPON RECEIPT OF AN APPLICATION FOR CERTIFICATION FROM
21 A DATA CENTER OPERATOR, THE OFFICE SHALL REVIEW THE APPLICATION
22 PURSUANT TO SECTION 24-48.5-807. IF THE OFFICE APPROVES THE DATA
23 CENTER FOR CERTIFICATION, THE DATA CENTER OPERATOR BECOMES
24 ELIGIBLE, AS OF THE DATE OF CERTIFICATION, FOR THE BENEFITS SPECIFIED
25 IN SECTION 24-48.5-808.
26 **24-48.5-806. Application process - data center operators -**
27 **requirements.** (1) A DATA CENTER OPERATOR SEEKING CERTIFICATION
28 FOR A DATA CENTER PURSUANT TO THIS PART 8 MUST SUBMIT AN
29 APPLICATION TO THE OFFICE, IN A FORM AND MANNER DETERMINED BY THE
30 OFFICE, THAT INCLUDES THE FOLLOWING:
31 (a) INFORMATION ABOUT THE DATA CENTER FOR WHICH THE DATA
32 CENTER OPERATOR IS SEEKING CERTIFICATION INCLUDING:
33 (I) THE IDENTITY AND QUALIFICATIONS OF THE DATA CENTER
34 OPERATOR TO OWN OR OPERATE A DATA CENTER;
35 (II) EVIDENCE OF SITE CONTROL OR A PATHWAY TO SITE CONTROL;
36 (III) A PROPOSED DEVELOPMENT TIMELINE AND PHASING;
37 (IV) AN ESTIMATED TIMELINE FOR CAPITAL INVESTMENTS IN DATA
38 CENTER CONSTRUCTION AND EQUIPMENT REACHING A MINIMUM OF TWO
39 HUNDRED FIFTY MILLION DOLLARS WITHIN THIRTY-SIX MONTHS OF THE
40 DATA CENTER BEING PLACED IN SERVICE OR RECEIPT OF A FINAL
41 CERTIFICATE OF OCCUPANCY;
42 (V) AN ESTIMATED JOB CREATION PLAN BY THE DATA CENTER
43 OPERATOR OR BY THE DATA CENTER OPERATOR COLLECTIVELY WITH ITS

1 PARTICIPATING DATA CENTER TENANTS SHOWING AT LEAST TWENTY-FIVE
2 NEW FULL-TIME EQUIVALENT POSITIONS, WITHIN SIXTY MONTHS AFTER
3 THE DATA CENTER'S RECEIPT OF A FINAL CERTIFICATE OF OCCUPANCY FOR
4 THE FIRST PHASE OF THE DATA CENTER PROJECT, WITH COMPENSATION OF
5 AT LEAST ONE HUNDRED TEN PERCENT OF THE COUNTY AVERAGE WAGE
6 FOR THE COUNTY IN WHICH THE DATA CENTER WILL BE LOCATED; AND
7 (VI) AN ENVIRONMENTAL SUSTAINABILITY PLAN FOR THE DATA
8 CENTER THAT INCLUDES:
9 (A) A FACILITY CERTIFICATION COMMITMENT, INCLUDING LEED,
10 ENERGY STAR, GREEN GLOBES, ISO 50001, ISO 14001, OR THE
11 EQUIVALENT; AND
12 (B) CONSULTATION WITH DEPARTMENT OF NATURAL RESOURCES;
13 (b) THE IDENTITY OF THE UTILITY OR UTILITIES THAT WILL SERVE
14 THE DATA CENTER; AND
15 (c) LOCAL GOVERNMENT DOCUMENTATION IN CONNECTION WITH
16 THE DATA CENTER INCLUDING:
17 (I) DOCUMENTATION OF THE STATUS OF THE APPLICATION FROM
18 THE LOCAL GOVERNMENTAL ENTITY THAT WILL PROVIDE THE PERMIT FOR
19 THE DATA CENTER, IF AVAILABLE;
20 (II) A DESCRIPTION OF APPLICABLE LOCAL INCENTIVES; AND
21 (III) THE STATUS OF LOCAL PERMITS AND APPROVALS.
22 **24-48.5-807. Application review and certification process.**
23 (1) THE OFFICE SHALL REVIEW ALL APPLICATIONS SUBMITTED PURSUANT
24 TO SECTION 24-48.5-806. THE OFFICE SHALL DETERMINE WHETHER AN
25 APPLICATION IS COMPLETE WITHIN THIRTY DAYS AFTER THE OFFICE'S
26 RECEIPT OF THE APPLICATION. WITHIN NINETY DAYS OF DETERMINING
27 THAT AN APPLICATION IS COMPLETE, THE OFFICE SHALL CONDUCT A FULL
28 APPLICATION REVIEW.
29 (2) IF THE OFFICE DETERMINES THAT AN APPLICATION IS DEFICIENT,
30 THE OFFICE SHALL PROVIDE WRITTEN NOTIFICATION TO THE APPLICANT
31 THAT IDENTIFIES THE SPECIFIC DEFICIENCIES. THE OFFICE SHALL ALLOW
32 THIRTY DAYS FOR THE APPLICANT TO CURE ANY DEFICIENCIES IN THE
33 APPLICATION AND COMPLETE A REVIEW OF THE REVISED APPLICATION
34 WITHIN THIRTY DAYS AFTER RECEIPT.
35 (3) THE OFFICE SHALL APPROVE AN APPLICATION FOR
36 CERTIFICATION FOR A DATA CENTER IF IT HAS MET OR WILL MEET ALL OF
37 THE APPLICATION CRITERIA IN SECTION 24-48.5-805.
38 (4) THE OFFICE MAY REJECT AN APPLICATION ONLY IF:
39 (a) THE OFFICE FINDS THAT THE DATA CENTER OPERATOR
40 MATERIALLY MISREPRESENTED FACTS IN THE APPLICATION;
41 (b) THE OFFICE FINDS THAT THE DATA CENTER OPERATOR FAILED
42 TO PROVIDE REQUIRED DOCUMENTATION AFTER THE OFFICE PROVIDED AN
43 OPPORTUNITY TO CURE PURSUANT TO SUBSECTION (2) OF THIS SECTION; OR

1 (c) THE OFFICE DETERMINES THAT THE APPLICANT DOES NOT MEET
2 MINIMUM CERTIFICATION REQUIREMENTS UNDER SECTION 24-48.5-805.

3 (5) BEFORE REJECTING ANY APPLICATION THAT MEETS THE
4 MINIMUM INVESTMENT AND JOB CREATION THRESHOLDS SET FORTH IN
5 SECTION 24-48.5-805 (1)(a), THE OFFICE MUST:

6 (a) PROVIDE THE APPLICANT AN OPPORTUNITY TO ADDRESS THE
7 OFFICE'S CONCERNS; AND

8 (b) EXPLORE ALTERNATIVE PATHS TO APPROVAL WITH CONDITIONS
9 IF POSSIBLE.

10 (6) THE OFFICE MAY REVOKE CERTIFICATION THAT IT HAS
11 AWARDED PURSUANT TO THIS SECTION IF THE OFFICE DETERMINES THAT
12 THE DATA CENTER OPERATOR:

13 (a) HAS FAILED TO MAKE SUBSTANTIAL PROGRESS TOWARD
14 SATISFYING THE REQUIREMENTS SPECIFIED IN SECTION 24-48.5-805
15 WITHIN TWO YEARS OF THE DATA CENTER BEING PLACED IN SERVICE OR
16 RECEIPT OF A FINAL CERTIFICATE OF OCCUPANCY;

17 (b) HAS MATERIALLY CHANGED THE DATA CENTER IN A WAY THAT
18 WOULD HAVE DISQUALIFIED IT FROM CERTIFICATION; OR

19 (c) HAS FAILED TO MAINTAIN COMPLIANCE WITH THE CRITERIA
20 THAT FORMED THE BASIS OF APPROVAL.

21 **24-48.5-808. Certification benefits - state sales and use tax**
22 **exemption.** (1) (a) A DATA CENTER THAT HAS OBTAINED CERTIFICATION
23 IS ELIGIBLE FOR A ONE-HUNDRED-PERCENT STATE SALES AND USE TAX
24 EXEMPTION ON QUALIFIED PURCHASES PURSUANT TO SECTION 39-26-735.

25 (b) A DATA CENTER THAT OBTAINS CERTIFICATION AND IS ELIGIBLE
26 TO CLAIM A STATE SALES AND USE TAX EXEMPTION PURSUANT TO
27 SUBSECTION (1)(a) OF THIS SECTION IS ELIGIBLE FOR THE EXEMPTION FOR
28 TWENTY YEARS FROM THE DATE THAT THE DATA CENTER RECEIVED
29 CERTIFICATION, SO LONG AS THE DATA CENTER:

30 (I) MAINTAINS THE QUALIFYING EMPLOYMENT LEVELS SPECIFIED
31 IN SECTION 24-48.5-805 (1)(b); AND

32 (II) SUBMITS ANNUAL COMPLIANCE REPORTS TO THE OFFICE AS
33 REQUIRED IN SECTION 24-48.5-809 (2).

34 **24-48.5-809. Certified data center - qualification - compliance**
35 **reports.** (1) THE OFFICE SHALL ISSUE A STATE SALES AND USE TAX
36 EXEMPTION CERTIFICATE TO A DATA CENTER OPERATOR THAT HAS
37 OBTAINED CERTIFICATION FOR A DATA CENTER AS EVIDENCE THAT THE
38 DATA CENTER OPERATOR IS ELIGIBLE FOR A ONE-HUNDRED-PERCENT SALES
39 AND USE TAX EXEMPTION FOR QUALIFIED PURCHASES PURSUANT TO
40 SECTIONS 24-48.5-808 AND 39-26-735. THE SALES AND USE TAX
41 EXEMPTION CERTIFICATE MUST SPECIFY THAT THE DATA CENTER
42 OPERATOR IS ENTITLED TO THE SALES AND USE TAX EXEMPTION FOR
43 TWENTY YEARS, BEGINNING ON THE DATE THAT THE CERTIFICATE IS

1 ISSUED. A STATE SALES AND USE TAX EXEMPTION CERTIFICATE IS
2 NONTRANSFERABLE. THE OFFICE SHALL CERTIFY TO THE DEPARTMENT OF
3 REVENUE THE NAME OF EACH DATA CENTER OPERATOR THAT RECEIVES A
4 STATE SALES AND USE TAX EXEMPTION CERTIFICATE AND OTHER
5 RELEVANT INFORMATION RELATING TO THE SALES AND USE TAX
6 EXEMPTION.

7 (2) A DATA CENTER OPERATOR OF A DATA CENTER THAT HAS
8 OBTAINED CERTIFICATION SHALL SUBMIT AN ANNUAL COMPLIANCE REPORT
9 TO THE OFFICE, IN A FORM AND MANNER TO BE DETERMINED BY THE
10 OFFICE, TO VERIFY THAT THE DATA CENTER OPERATOR IS MAKING TIMELY
11 PROGRESS IN SATISFYING THE REQUIREMENTS OF SECTION 24-48.5-805
12 AND IS ON TRACK TO SATISFY THE REQUIREMENTS WITHIN THE PERIODS
13 SPECIFIED IN THAT SECTION. A DATA CENTER OPERATOR SHALL SUBMIT
14 THE REPORT REQUIRED IN THIS SUBSECTION (2) TO MAINTAIN
15 CERTIFICATION. THE DATA CENTER OPERATOR SHALL INCLUDE IN THE
16 REPORT THE TOTAL AMOUNT OF THE SALES AND USE TAX EXEMPTION
17 CLAIMED EACH YEAR AND ANY OTHER INFORMATION REQUESTED BY THE
18 OFFICE.

19 (3) IF THE OFFICE REVOKES THE CERTIFICATION PURSUANT TO
20 SECTION 24-48.5-807 (6), THE DATA CENTER OPERATOR IS REQUIRED TO
21 PAY THE ENTIRE AMOUNT OF THE SALES AND USE TAX ON ANY QUALIFIED
22 PURCHASE FOR WHICH THE SALES AND USE TAX EXEMPTION WAS CLAIMED
23 PURSUANT TO THIS PART 8.

24 **24.48.5-810. Targeted resource acquisition framework.**

25 (1) BEFORE SUBMITTING AN APPLICATION FOR CERTIFICATION FOR A DATA
26 CENTER, A DATA CENTER OPERATOR SHALL:

27 (a) CONDUCT AND DOCUMENT A PRELIMINARY CONSULTATION
28 WITH THE ELECTRIC UTILITY THAT WILL PROVIDE ELECTRICITY FOR THE
29 DATA CENTER REGARDING INTERCONNECTION FEASIBILITY, CAPACITY, AND
30 INFRASTRUCTURE REQUIREMENTS; AND

31 (b) OBTAIN A WRITTEN FEASIBILITY ASSESSMENT FROM THE
32 UTILITY THAT WILL PROVIDE ELECTRICITY FOR THE DATA CENTER
33 INCLUDING A TIMELINE OF SERVICE.

34 (2) A DATA CENTER CUSTOMER OF THE UTILITY THAT WILL
35 PROVIDE ELECTRICITY MAY ENTER INTO A GENERATION CONTRACT WITH
36 AN INDEPENDENT POWER PRODUCER IF THE ELECTRIC UTILITY IS UNABLE
37 TO PROVIDE INITIAL ENERGIZATION WITHIN THIRTY-SIX MONTHS OF THE
38 EXECUTION OF A SERVICE AGREEMENT OR FAILS TO PROVIDE
39 SEVENTY-FIVE PERCENT OF SUCH POWER WITHIN THIRTY MONTHS OF THE
40 EXECUTION OF A SERVICE AGREEMENT.

41 (3) FOR A DATA CENTER LOCATED IN THE SERVICE TERRITORY OF
42 A MUNICIPALLY-OWNED UTILITY, A DATA CENTER OPERATOR SHALL
43 COMPLY WITH A SUBSTANTIALLY SIMILAR PROCESS TO THE PROCESS

1 ESTABLISHED IN SECTION 40-2-140.

2 (4) A DATA CENTER OPERATOR SHALL INCLUDE THE
3 DOCUMENTATION OF THE CONSULTATION AND THE WRITTEN FEASIBILITY
4 ASSESSMENT OBTAINED PURSUANT TO SUBSECTION (1) OF THIS SECTION IN
5 THE DATA CENTER OPERATOR'S APPLICATION TO THE OFFICE.

6 (5) A DATA CENTER OPERATOR IS RESPONSIBLE FOR PAYING FOR
7 ALL COSTS THAT THE UTILITY WILL INCUR FOR THE PLANNING AND
8 FEASIBILITY ASSESSMENT TO PROVIDE ELECTRICITY TO THE NEW DATA
9 CENTER.

10 **24-48.5-811. Local government authority and coordination.**

11 THIS PART 8 DOES NOT LIMIT LOCAL GOVERNMENT AUTHORITY REGARDING
12 THE REGULATION OF DATA CENTERS, INCLUDING TAXATION, INCENTIVES,
13 LAND USE, PERMITTING, AND NUISANCE, WHICH REGULATION MAY
14 INCLUDE CONSIDERATION OF ENVIRONMENTAL SUSTAINABILITY. IN
15 ADDITION, THIS PART 8 DOES NOT RESTRICT ADDITIONAL LOCAL
16 INCENTIVES INCLUDING UTILITY INCENTIVES IN THE CASE OF A
17 MUNICIPALLY-OWNED UTILITY. THIS PART 8 DOES NOT REQUIRE LOCAL
18 GOVERNMENTS TO PARTICIPATE IN THE PROGRAM.

19 **24-48.5-812. Data center requirements after certification -**
20 **community benefit requirements - workforce development -**
21 **economic development integration.**

22 (1) A DATA CENTER THAT HAS
23 OBTAINED CERTIFICATION SHALL PARTICIPATE IN AT LEAST ONE STATE
24 WORKFORCE DEVELOPMENT PROGRAM, INCLUDING:

25 (a) PARTNERSHIPS WITH LOCAL EDUCATIONAL INSTITUTIONS
26 INCLUDING:

27 (I) TECHNICAL TRAINING PROGRAMS;

28 (II) APPRENTICESHIP INITIATIVES;

29 (III) CAREER PATHWAY DEVELOPMENT; AND

30 (IV) SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH (STEM)
31 EDUCATION SUPPORT; AND

32 (b) LOCAL WORKFORCE INITIATIVES INCLUDING:

33 (I) JOB TRAINING PROGRAMS;

34 (II) SKILLS DEVELOPMENT WORKSHOPS;

35 (III) PROFESSIONAL CERTIFICATION SUPPORT; AND

36 (IV) CAREER ADVANCEMENT OPPORTUNITIES.

37 (2) A DATA CENTER THAT HAS OBTAINED CERTIFICATION SHALL
38 PARTICIPATE IN ECONOMIC DEVELOPMENT INTEGRATION BY:

39 (a) PARTICIPATING IN REGIONAL ECONOMIC PLANNING;

40 (b) SUPPORTING SUPPLY CHAIN DEVELOPMENT;

41 (c) ENABLING TECHNOLOGY CLUSTER FORMATION; AND

42 (d) FOSTERING INNOVATION ECOSYSTEM GROWTH.

43 (3) A DATA CENTER THAT HAS OBTAINED CERTIFICATION SHALL:

(a) COMPLY WITH THE APPRENTICESHIP UTILIZATION

1 REQUIREMENTS IN SECTION 24-92-115 AND THE PREVAILING WAGE
2 REQUIREMENTS IN PART 2 OF ARTICLE 92 OF THIS TITLE 24 AS IF THE DATA
3 CENTER SATISFIED THE CRITERIA FOR A PUBLIC PROJECT AS DESCRIBED IN
4 SECTIONS 24-92-115 (1) AND 24-92-203 (1); AND

5 (b) COMPLY WITH THE CRAFT LABOR REQUIREMENTS IN PART 3 OF
6 ARTICLE 92 OF THIS TITLE 24, IF THE DATA CENTER IS AN ENERGY SECTOR
7 PUBLIC WORKS PROJECT AS DEFINED IN SECTION 24-92-303 (5).

8 **24-48.5-813. Preservation of existing data center certification.**

9 (1) A DATA CENTER THAT IS CERTIFIED PRIOR TO JANUARY 1, 2035, IS
10 REQUIRED TO COMPLY WITH THE FOLLOWING REQUIREMENTS TO MAINTAIN
11 ITS CERTIFICATION:

12 (a) MAINTAIN ALL COMMITMENTS THROUGH ITS TWENTY-YEAR
13 BENEFIT PERIOD;

14 (b) RETAIN ELIGIBILITY FOR EXTENSIONS PURSUANT TO SECTION
15 24-48.5-814;

16 (c) CONTINUE COMPLIANCE OBLIGATIONS; AND

17 (d) SUBMIT THE PERFORMANCE REPORTS REQUIRED IN SECTION
18 24-48.5-809 (2).

19 **24-48.5-814. Benefit extension and modification - duration -**
20 **extension eligibility - extension terms.** (1) A DATA CENTER OPERATOR

21 THAT HAS OBTAINED CERTIFICATION FOR A DATA CENTER MAY APPLY TO
22 THE OFFICE FOR AN EXTENSION OF THE CERTIFICATION BENEFITS. TO BE
23 ELIGIBLE FOR A BENEFIT EXTENSION, A DATA CENTER OPERATOR MUST
24 DEMONSTRATE THAT:

25 (a) THE CERTIFIED DATA CENTER HAS MADE ADDITIONAL GRID
26 ENHANCEMENT INVESTMENTS IN A TOTAL AMOUNT OF AT LEAST FIVE
27 MILLION DOLLARS DURING THE INITIAL TWENTY-YEAR BENEFIT PERIOD;

28 (b) THE CERTIFIED DATA CENTER HAS CREATED AT LEAST TEN NEW
29 QUALIFYING JOBS IN ADDITION TO THE JOBS THAT THE DATA CENTER
30 OPERATOR IS REQUIRED TO CREATE PURSUANT TO SECTION 24-48.5-805;

31 (c) THE CERTIFIED DATA CENTER CONTINUES TO COMPLY WITH
32 ENVIRONMENTAL REQUIREMENTS; AND

33 (d) THE CERTIFIED DATA CENTER HAS SATISFIED ITS COMMUNITY
34 BENEFIT COMMITMENTS PURSUANT TO SECTION 24-48.5-812.

35 (2) A CERTIFIED DATA CENTER THAT IS APPROVED FOR A BENEFIT
36 EXTENSION PURSUANT TO THIS SECTION IS ELIGIBLE FOR:

37 (a) AN ADDITIONAL TEN YEARS OF ELIGIBILITY TO CLAIM THE
38 SALES AND USE TAX EXEMPTION ALLOWED PURSUANT TO THIS PART 8; AND

39 (b) THE ABILITY OF THE CERTIFIED DATA CENTER TO MAINTAIN THE
40 REQUIREMENTS OF ITS CERTIFICATION.

41 **24-48.5-815. Program cost recovery.** (1) (a) TO RECOVER THE
42 DIRECT COSTS OF ESTABLISHING AND IMPLEMENTING THE PROGRAM, THE
43 OFFICE MAY:

1 (I) ESTABLISH AND COLLECT A NONREFUNDABLE APPLICATION FEE
2 NOT TO EXCEED TEN THOUSAND DOLLARS FOR EACH APPLICATION FOR
3 CERTIFICATION SUBMITTED PURSUANT TO THIS PART 8; AND
4 (II) ESTABLISH AND COLLECT A NONREFUNDABLE CERTIFICATION
5 FEE NOT TO EXCEED TWENTY THOUSAND DOLLARS FOR EACH
6 CERTIFICATION AWARDED PURSUANT TO THIS PART 8.
7 (b) THE OFFICE SHALL DEPOSIT ALL FEES COLLECTED PURSUANT TO
8 SUBSECTION (1)(a) OF THIS SECTION INTO THE COLORADO ECONOMIC
9 DEVELOPMENT FUND CREATED IN SECTION 24-46-105.
10 (2) THE OFFICE SHALL:
11 (a) SET THE AMOUNT OF ANY FEES ESTABLISHED PURSUANT TO
12 SUBSECTION (1) OF THIS SECTION AT THE MINIMUM AMOUNT NECESSARY
13 TO OFFSET THE OFFICE'S DIRECT COSTS OF IMPLEMENTING ITS
14 RESPONSIBILITIES UNDER THIS PART 8; AND
15 (b) REVIEW THE FEES ANNUALLY AND ADJUST THE AMOUNTS AS
16 NECESSARY TO ENSURE THAT THE FEES DO NOT EXCEED THE DIRECT COSTS
17 OF IMPLEMENTATION.
18 **SECTION 2.** In Colorado Revised Statutes, **add** 40-2-140 and
19 40-2-141 as follows:
20 **40-2-140. Targeted resource acquisition - emerging large load**
21 **customers - process - funding.** (1) **Eligibility for targeted resource**
22 **acquisition.** A UTILITY REGULATED UNDER THE COMMISSION'S RESOURCE
23 PLANNING AUTHORITY MAY SUBMIT TO THE COMMISSION A TARGETED
24 RESOURCE ACQUISITION APPLICATION DESCRIBING HOW THE UTILITY
25 INTENDS TO MEET ENERGY AND CAPACITY NEEDS CREATED BY ONE OR
26 MORE EMERGING LARGE LOAD CUSTOMERS. EMERGING LARGE LOAD
27 CUSTOMERS MUST:
28 (a) HAVE PROJECTED LOAD REQUIREMENTS OF AT LEAST ONE
29 HUNDRED MEGAWATTS, EITHER INDIVIDUALLY OR IN THE AGGREGATE,
30 THROUGH CO-LOCATED CUSTOMERS;
31 (b) ENTER INTO A CONTRACTUAL AGREEMENT WITH THE UTILITY,
32 WHICH AGREEMENT INCLUDES:
33 (I) MINIMUM DEMAND, DURATION, AND BILLING COMMITMENTS;
34 OR
35 (II) PARTICIPATION IN ANY APPLICABLE LARGE LOAD TARIFF
36 INTENDED TO BALANCE LOAD FACTOR;
37 (c) AGREE TO EXIT FEE PROVISIONS THAT ADDRESS EARLY
38 DEPARTURE OR REDUCED DEMAND, INCLUDING BUT NOT LIMITED TO A
39 THREE-YEAR EXIT FEE STRUCTURE TO ENSURE REVENUE STABILITY;
40 (d) PROVIDE APPROPRIATE CREDIT SECURITIZATION; AND
41 (e) DEMONSTRATE SITE CONTROL AND SUBMIT SIGNED
42 DEVELOPMENT AGREEMENTS TO THE UTILITY.
43 (2) **Resource acquisition process.** (a) PRIOR TO FILING A

1 TARGETED RESOURCE ACQUISITION APPLICATION UNDER THIS SECTION, A
2 UTILITY MAY ISSUE A COMPETITIVE SOLICITATION TO IDENTIFY POTENTIAL
3 RESOURCES TO SERVE THE EMERGING LOAD.

4 (b) AS PART OF THE TARGETED RESOURCE ACQUISITION
5 APPLICATION, THE UTILITY MAY PROPOSE SYSTEM ASSETS FUNDED IN
6 WHOLE OR IN PART BY THE EMERGING LARGE-LOAD CUSTOMER. ALL SUCH
7 ASSETS MUST:

8 (I) OPERATE AS SYSTEM ASSETS FOR THE BENEFIT OF ALL
9 CUSTOMERS;

10 (II) PROVIDE NET ADDITIONAL CLEAN OR RENEWABLE ENERGY
11 RESOURCES AS DESCRIBED IN PART 8 OF ARTICLE 48.5 OF TITLE 24,
12 BEYOND WHAT IS ALREADY REQUIRED UNDER THE RENEWABLE
13 ENERGY STANDARD ESTABLISHED IN SECTION 40-2-124; AND

14 (III) MAINTAIN ALIGNMENT WITH THE RESOURCE ELIGIBILITY AND
15 EMISSIONS REDUCTION OBJECTIVES OF THE RENEWABLE ENERGY
16 STANDARD AND OTHER APPLICABLE CLEAN ENERGY LAWS.

17 (c) ANY RESOURCES PROPOSED IN THE TARGETED RESOURCE
18 ACQUISITION APPLICATION MUST HAVE SUFFICIENT CUMULATIVE
19 ACCREDITED CAPACITY, AS DETERMINED BY THE UTILITY, TO MEET THE
20 NEEDS OF THE EMERGING LARGE LOAD WITHIN THE REQUIRED
21 INTERCONNECTION TIME FRAME, WHICH TIME FRAME MAY BE PHASED AS
22 THE LOAD SCALES.

23 (d) THE UTILITY MUST:

24 (I) USE THE REQUEST FOR PROPOSAL DOCUMENTS MOST RECENTLY
25 APPROVED BY THE COMMISSION, WITH CUSTOMIZATION ALLOWED TO
26 REFLECT THE SPECIFIC SOLICITATION AND AVOID COST SHIFTS TO OTHER
27 CUSTOMERS; AND

28 (II) BE PERMITTED TO BRING FORWARD RECENT BIDS RECEIVED
29 WITHIN THE PAST TWO YEARS IF THE BID PRICES REMAIN GENERALLY
30 CONSISTENT WITH THE PREVIOUSLY SUBMITTED TERMS.

31 (e) THE UTILITY MUST INCLUDE AN UPDATED EMISSIONS
32 WORKBOOK THAT REFLECTS:

33 (I) TOTAL MEGAWATT-HOURS AND ASSOCIATED EMISSIONS
34 ATTRIBUTABLE TO THE EMERGING LOAD; AND

35 (II) SEPARATE REPORTING FOR EACH DISCRETE EMERGING LOAD IN
36 THE CASE OF CO-LOCATED ARRANGEMENTS, TO THE EXTENT PRACTICABLE.

37 (f) APPROVAL OF A TARGETED RESOURCE ACQUISITION
38 APPLICATION UNDER THIS SECTION CREATES A PRESUMPTION OF PRUDENCE
39 FOR ALL INFRASTRUCTURE OR RESOURCE INVESTMENTS NECESSARY TO
40 SERVE THE EMERGING LOAD.

41 (g) THE STANDARD OF REVIEW FOR THE TARGETED RESOURCE
42 ACQUISITION APPLICATION IS WHETHER THE PROPOSED ACQUISITION AND
43 ASSOCIATED INFRASTRUCTURE ARE IN THE PUBLIC INTEREST.

1 (h) THE UTILITY NEED NOT OBTAIN A CERTIFICATE OF PUBLIC
2 CONVENIENCE AND NECESSITY PURSUANT TO SECTION 40-5-102 FOR
3 SPECIFIC RESOURCES IDENTIFIED IN AND APPROVED THROUGH THE
4 APPLICATION.

5 (i) THE COMMISSION SHALL ACT ON THE APPLICATION WITHIN ONE
6 HUNDRED TWENTY DAYS OF FILING. THE PERIOD FOR OTHER PERSONS TO
7 INTERVENE IN THE MATTER IS TEN DAYS.

8 **(3) Funding and cost recovery.** (a) A UTILITY MAY INCLUDE
9 PRE-FUNDING COMMITMENTS FROM THE EMERGING LARGE LOAD
10 CUSTOMER FOR PRE-DEVELOPMENT AND EARLY CONSTRUCTION COSTS OF
11 RESOURCES OR INFRASTRUCTURE, INCLUDING TRANSMISSION AND
12 DISTRIBUTION.

13 (b) THE COSTS MAY BE ENTIRELY BORNE BY THE EMERGING LARGE
14 LOAD CUSTOMER, BUT THE UTILITY MAY ALSO PROPOSE PARTIAL
15 REIMBURSEMENT THROUGH AN EXISTING COST-RECOVERY MECHANISM.

16 (c) (I) THE COMMISSION SHALL APPROVE THE REIMBURSEMENT IF
17 THE ACQUIRED RESOURCES OR INFRASTRUCTURE PROVIDE SYSTEM-WIDE
18 BENEFITS.

19 (II) COSTS ASSOCIATED WITH APPROVED RESOURCES MAY BE
20 RECOVERED THROUGH AN ADJUSTMENT CLAUSE UNTIL INCLUDED IN THE
21 RATE BASE IN A FUTURE RATE CASE. TRANSMISSION COSTS MAY BE
22 RECOVERED THROUGH A TRANSMISSION ADJUSTMENT CLAUSE AND
23 DISTRIBUTION COSTS MAY BE RECOVERED THROUGH A GRID
24 MODERNIZATION ADJUSTMENT CLAUSE.

25 **(4) Advanced energy technologies fund.** (a) A UTILITY MAY
26 PROPOSE THE CREATION OF A FUND FOR ADVANCED ENERGY
27 TECHNOLOGIES, TO WHICH FUND CUSTOMERS THAT NECESSITATE
28 EMERGING NEW LARGE LOADS MAY CONTRIBUTE VOLUNTARILY.

29 (b) A UTILITY MAY USE THE FUND TO:

30 (I) COVER PRE-DEVELOPMENT AND EARLY CONSTRUCTION COSTS
31 FOR SYSTEM RESOURCES AND INFRASTRUCTURE;

32 (II) SUPPORT UTILITY EXPLORATION OR DEPLOYMENT OF CLEAN
33 FIRM DISPATCHABLE TECHNOLOGIES;

34 (III) ALLOW CUSTOMERS THAT NECESSITATE EMERGING NEW
35 LARGE LOADS TO BENEFIT FROM CLEAN FIRM CAPACITY LOCATED NEAR
36 THEIR OPERATIONS IN EXCHANGE FOR THEIR CONTRIBUTIONS; AND

37 (IV) MITIGATE OR ALLOCATE TECHNOLOGY PERFORMANCE RISK
38 ASSOCIATED WITH ADVANCED RESOURCES, SUBJECT TO THE COMMISSION'S
39 REVIEW AND APPROVAL.

40 (c) IF AN EMERGING LARGE NEW LOAD PROJECT DOES NOT
41 MATERIALIZE, MONEY THAT IS CONTRIBUTED TO THE FUND MAY BE USED
42 TO OFFSET INFRASTRUCTURE COSTS FOR THE BENEFIT OF OTHER
43 CUSTOMERS OR REALLOCATED TO FINANCE CLEAN FIRM RESOURCE

1 DEVELOPMENT.

2 **40-2-141. Rule-making for large new loads.** (1) ON OR BEFORE

3 JUNE 30, 2027, THE COMMISSION SHALL BEGIN A RULE-MAKING

4 PROCEDURE TO ESTABLISH OVERSIGHT, REPORTING REQUIREMENTS, AND

5 COST ALLOCATION PRINCIPLES RELATED TO INVESTOR-OWNED UTILITIES

6 SERVING LARGE LOAD CUSTOMERS. AT A MINIMUM, THE RULES MUST:

7 (a) DEFINE A LARGE LOAD CUSTOMER AS A CUSTOMER

8 INTERCONNECTING AT TRANSMISSION-LEVEL SERVICE WITH AN ESTIMATED

9 DEMAND OF AT LEAST ONE HUNDRED MEGAWATTS, OR SUCH OTHER

10 THRESHOLD AS DETERMINED BY THE COMMISSION THROUGH

11 RULE-MAKING;

12 (b) ESTABLISH PROCESSES TO EVALUATE AND MONITOR THE

13 IMPACTS AND OPPORTUNITIES ASSOCIATED WITH LARGE LOAD CUSTOMERS,

14 INCLUDING:

15 (I) SYSTEM INVESTMENTS AND UPGRADES NEEDED TO

16 ACCOMMODATE THE LOAD;

17 (II) THE POTENTIAL TO ENHANCE SYSTEM RELIABILITY AND GRID

18 FLEXIBILITY;

19 (III) OPPORTUNITIES TO REDUCE TRANSMISSION AND DISTRIBUTION

20 LINE LOSSES, IMPROVE VOLTAGE SUPPORT, AND ALLEVIATE CONGESTION;

21 (IV) OPPORTUNITIES TO SERVE LARGE LOAD CUSTOMERS WITH

22 ZERO-EMISSION RESOURCES, INCLUDING CONTINUOUS CLEAN ENERGY

23 SUPPLY OPTIONS AND CURTAILED RENEWABLE TARIFFS; AND

24 (V) THE IMPACT OF SERVING LARGE LOAD CUSTOMERS ON THE

25 UTILITY'S ABILITY TO MEET ITS CLEAN ENERGY TARGETS UNDER APPROVED

26 CLEAN ENERGY PLANS, AND AVOID DELAYS IN ACHIEVING BENEFICIAL

27 ELECTRIFICATION, HOUSING, OR RESILIENCE OBJECTIVES;

28 (c) REQUIRE UTILITIES TO REPORT REGARDING:

29 (I) PAYMENTS, CONTRACTS, OR FINANCIAL CONTRIBUTIONS MADE

30 BY LARGE LOAD CUSTOMERS;

31 (II) SYSTEM INVESTMENTS RESULTING FROM INTERCONNECTION OF

32 LARGE LOAD CUSTOMERS; AND

33 (III) THE MANNER IN WHICH THE INVESTMENTS ALIGN WITH

34 RENEWABLE ENERGY STANDARD REQUIREMENTS SET FORTH IN SECTION

35 40-2-124 AND GRID MODERNIZATION OBJECTIVES;

36 (d) ESTABLISH PRINCIPLES TO ENSURE THAT RATE STRUCTURES

37 AND TARIFFS:

38 (I) ARE JUST AND REASONABLE FOR ALL CUSTOMERS;

39 (II) AVOID COST SHIFTS TO NONPARTICIPATING CUSTOMERS;

40 (III) PROMOTE RATE STABILITY;

41 (IV) ENSURE THAT UTILITIES CAN FULLY RECOVER INVESTMENTS

42 FROM A LARGE LOAD CUSTOMER IF THE CUSTOMER REDUCES USAGE OR

43 CEASES OPERATIONS, INCLUDING, AS APPROPRIATE, THROUGH MINIMUM

1 CONTRACT LENGTHS, TERMINATION FEES, REASONABLE UP-FRONT
2 PAYMENTS DIRECTLY TIED TO UTILITY INVESTMENTS OR UPGRADES
3 NECESSARY TO SERVE THE LOAD, OR MINIMUM DEMAND OR
4 INFRASTRUCTURE-RELATED CHARGES; AND
5 (V) ENABLE CONSIDERATION OF CUSTOMER-SPECIFIC TARIFFS OR
6 ENABLE CLEAN AND RENEWABLE POWER TARIFFS;
7 (e) ENCOURAGE UTILITY PLANNING AND CUSTOMER INTEGRATION
8 PRACTICES THAT MAXIMIZE THE VALUE OF NEW LOAD FOR GRID STABILITY,
9 EMISSIONS REDUCTIONS, AND EQUITABLE COST RECOVERY;
10 (f) ENSURE A TRANSPARENT PROCESS FOR STAKEHOLDER
11 PARTICIPATION IN UTILITY PROCEEDINGS INVOLVING LARGE LOAD
12 INTERCONNECTIONS; AND
13 (g) SUPPORT ECONOMIC AND BUSINESS DEVELOPMENT IN THE
14 STATE.
15 (2) EACH INVESTOR-OWNED UTILITY SHALL SUBMIT AN ANNUAL
16 REPORT TO THE COMMISSION SUMMARIZING:
17 (a) NEW OR ANTICIPATED LARGE LOAD INTERCONNECTIONS;
18 (b) INFRASTRUCTURE INVESTMENTS AND THEIR STATUS;
19 (c) TARIFF STRUCTURES AND COST RECOVERY MECHANISMS; AND
20 (d) IMPACTS ON EMISSIONS, RENEWABLE ENERGY COMPLIANCE,
21 AND SYSTEM RESILIENCE.
22 (3) THE COMMISSION SHALL ESTABLISH STANDARDS FOR
23 MAINTAINING CONFIDENTIALITY OF PROPRIETARY OR COMPETITIVE
24 BUSINESS INFORMATION.
25 (4) (a) RULES ADOPTED UNDER THIS SECTION MUST COMPLEMENT
26 AND NOT CONFLICT WITH EXISTING REQUIREMENTS UNDER SECTIONS
27 40-2-124, 40-2-125.5, AND 40-3-101, AND SUPPORT COLORADO'S CLEAN
28 ENERGY, ECONOMIC DEVELOPMENT, AND GRID RELIABILITY GOALS.
29 (b) ANY INCREMENTAL COST OF SERVING A LARGE LOAD
30 CUSTOMER THAT IS PAID DIRECTLY BY THE CUSTOMER IS EXCLUDED FROM
31 THE MAXIMUM RATE IMPACT CALCULATION USED IN EVALUATING A RETAIL
32 UTILITY'S CLEAN ENERGY PLAN UNDER SECTION 40-2-125.5.
33 (5) PRIOR TO THE ADOPTION OF FINAL RULES UNDER THIS SECTION,
34 THE COMMISSION SHALL CONSIDER THE PRINCIPLES OUTLINED IN THIS
35 SECTION IN ANY ELECTRIC RESOURCE PLANNING OR INFRASTRUCTURE
36 PROCEEDING INVOLVING A LARGE LOAD CUSTOMER, INCLUDING PENDING
37 SECOND-STAGE RATE CASE FILINGS INITIATED PRIOR TO THE EFFECTIVE
38 DATE OF THIS SECTION.
39 **SECTION 3.** In Colorado Revised Statutes, 29-2-105, **add**
40 (1)(d)(V) as follows:
41 **29-2-105. Contents of sales tax ordinances and proposals.**
42 (1) The sales tax ordinance or proposal of any incorporated town, city,
43 or county adopted pursuant to this article 2 shall be imposed on the sale

1 of tangible personal property at retail or the furnishing of services, as
2 provided in subsection (1)(d) of this section. Any countywide or
3 incorporated town or city sales tax ordinance or proposal shall include the
4 following provisions:

5 (d)(V) THE EXEMPTION FOR SALES OF INFORMATION TECHNOLOGY
6 INFRASTRUCTURE, DATA CENTER INFRASTRUCTURE, MECHANICAL
7 SYSTEMS, OR OTHER EQUIPMENT ESSENTIAL TO DATA CENTER OPERATIONS
8 AS SPECIFIED IN SECTION 29-26-735 (3).

9 **SECTION 4.** In Colorado Revised Statutes, **add** 39-26-735 as
10 follows:

11 **39-26-735. Certified data centers - qualified purchases -**
12 **information technology infrastructure - data center infrastructure -**
13 **electric grid enhancement equipment - tax preference performance**
14 **statement - legislative declaration - definitions.** (1) (a) IN
15 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
16 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE
17 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE
18 DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE
19 PURPOSES OF THE TAX EXPENDITURE CREATED IN SUBSECTION (3) OF THIS
20 SECTION ARE TO:

21 (I) IMPROVE INDUSTRY COMPETITIVENESS, SPECIFICALLY IN DATA
22 CENTER DEVELOPMENT AND ELECTRIC GRID MODERNIZATION; AND

23 (II) PROVIDE TAX RELIEF TO CERTAIN BUSINESSES, SPECIFICALLY
24 DATA CENTER OPERATORS THAT OWN OR OPERATE A CERTIFIED DATA
25 CENTER IN THE STATE.

26 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
27 MEASURE THE EFFECTIVENESS OF THE TAX EXPENDITURE IN ACHIEVING
28 THE PURPOSES SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION BASED ON
29 THE NUMBER OF CERTIFIED DATA CENTERS THAT ARE CONSTRUCTED AND
30 PLACED IN SERVICE IN THE STATE AND THE NUMBER AND VALUE OF THE
31 EXEMPTIONS CLAIMED PURSUANT TO THIS SECTION. THE COLORADO
32 OFFICE OF ECONOMIC DEVELOPMENT SHALL PROVIDE THE STATE AUDITOR
33 WITH ANY AVAILABLE INFORMATION THAT WOULD ASSIST THE STATE
34 AUDITOR'S ANALYSIS.

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

37 (a) "CERTIFIED DATA CENTER" MEANS A DATA CENTER THAT HAS
38 OBTAINED CERTIFICATION FROM THE COLORADO OFFICE OF ECONOMIC
39 DEVELOPMENT PURSUANT TO PART 8 OF ARTICLE 48.5 OF TITLE 24.

40 (b) "STATE SALES AND USE TAX EXEMPTION CERTIFICATE" MEANS
41 A CERTIFICATE ISSUED BY THE COLORADO OFFICE OF ECONOMIC
42 DEVELOPMENT TO A CERTIFIED DATA CENTER PURSUANT TO PART 8 OF
43 ARTICLE 48.5 OF TITLE 24.

1 (3) BEGINNING JANUARY 1, 2026, ALL SALES, STORAGE, AND USE
2 OF INFORMATION TECHNOLOGY INFRASTRUCTURE, DATA CENTER
3 INFRASTRUCTURE, MECHANICAL SYSTEMS, OR OTHER EQUIPMENT
4 ESSENTIAL TO DATA CENTER OPERATIONS AS DESCRIBED IN SECTION
5 24-48.5-803 (12) THAT WILL BE USED IN CONNECTION WITH A CERTIFIED
6 DATA CENTER THAT HAS A STATE SALES AND USE TAX EXEMPTION
7 CERTIFICATE IS EXEMPT FROM TAXATION UNDER PARTS 1 AND 2 OF THIS
8 ARTICLE 26.

9 (4) NOTWITHSTANDING SECTION 39-21-304 (4), THE EXEMPTION
10 ALLOWED PURSUANT TO THIS SECTION CONTINUES INDEFINITELY.

11 **SECTION 5. Applicability.** This act applies to data centers for
12 which building or the purchase of equipment or regulated resource
13 acquisitions commence on or after the effective date of this act.

14 **SECTION 6. Safety clause.** The general assembly finds,
15 determines, and declares that this act is necessary for the immediate
16 preservation of the public peace, health, or safety or for appropriations for
17 the support and maintenance of the departments of the state and state
18 institutions."

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