

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 16-0337.01 Jennifer Berman x3286

**SENATE BILL 16-007**

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**SENATE SPONSORSHIP**

**Roberts,**

**HOUSE SPONSORSHIP**

**Coram,**

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**Senate Committees**

Agriculture, Natural Resources, & Energy

**House Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE ESTABLISHMENT OF A MULTIPLIER IN THE**  
102 **RENEWABLE ENERGY STANDARD FOR ELECTRICITY GENERATED**  
103 **FROM CERTAIN TYPES OF BIOMASS TO PROVIDE AN INCENTIVE**  
104 **TO USE MATERIALS LOCATED WITHIN AREAS THAT HAVE A HIGH**  
105 **RISK OF WILDFIRE.**

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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://www.leg.state.co.us/billsummaries>.)*

Current law requires a provider of retail electric service in Colorado to generate, or cause to be generated, a certain portion of its

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

SENATE  
3rd Reading Unamended  
February 24, 2016

SENATE  
Amended 2nd Reading  
February 23, 2016

retail electric sales from renewable energy resources. The bill creates an incentive for a retail electric service provider to utilize certain biomass to meet the renewable energy requirements. For a period of up to 30 years, a retail electric service provider that generates electricity from a biomass source that uses forest materials located in areas with a high risk of wildfire may count each kilowatt-hour generated as 3 kilowatt-hours for purposes of complying with the renewable energy standard.

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

2           **SECTION 1.** In Colorado Revised Statutes, 40-2-124, **amend** (8)  
3 (d); and **add** (1) (c) (XI) as follows:

4           **40-2-124. Renewable energy standards - qualifying retail and**  
5 **wholesale utilities - rules - definitions - net metering - legislative**  
6 **declaration.** (1) Each provider of retail electric service in the state of  
7 Colorado, other than municipally owned utilities that serve forty thousand  
8 customers or fewer, is a qualifying retail utility. Each qualifying retail  
9 utility, with the exception of cooperative electric associations that have  
10 voted to exempt themselves from commission jurisdiction pursuant to  
11 section 40-9.5-104 and municipally owned utilities, is subject to the rules  
12 established under this article by the commission. No additional regulatory  
13 authority is provided to the commission other than that specifically  
14 contained in this section. In accordance with article 4 of title 24, C.R.S.,  
15 the commission shall revise or clarify existing rules to establish the  
16 following:

17           (c) Electric resource standards:

18           (XI) FOR THE PURPOSE OF MITIGATING CATASTROPHIC WILDFIRES  
19 AND IMPROVING FOREST HEALTH, EACH KILOWATT-HOUR OF ELECTRICITY  
20 GENERATED FROM A BIOMASS SOURCE SHALL BE COUNTED AS THREE  
21 KILOWATT-HOURS FOR A PERIOD OF UP TO THIRTY YEARS IF THE BIOMASS  
22 SOURCE USES MATERIALS THAT ARE:

1 (A) FOREST MATERIALS, SUCH AS WOOD WASTE, SLASH, BRUSH, OR  
2 OTHER WOODY BIOMASS, WITH A PREFERENCE FOR FOREST MATERIALS  
3 GENERATED FROM HAZARDOUS FUEL TREATMENTS, FOREST RESTORATION  
4 ACTIVITIES, INSECT AND DISEASE MITIGATION, CATASTROPHIC WEATHER  
5 EVENTS, OR THINNING OVERSTOCKED STANDS;     

6 (B) LOCATED WITHIN A GEOGRAPHIC AREA THAT IS DESIGNATED  
7 AS HAVING A "HIGH" OR "VERY HIGH" WILDFIRE RISK ASSESSMENT USING  
8 THE WILDFIRE THREAT MAP DEVELOPED BY THE COLORADO STATE FOREST  
9 SERVICE AND DISPLAYED ON THE COLORADO WILDFIRE RISK ASSESSMENT  
10 PORTAL (CO-WRAP) ONLINE MAPPING TOOL; AND

11 (C) TRANSFORMED INTO BIOCHAR, WHICH IS CHARCOAL PRIMARILY  
12 USED AS A SOIL AMENDMENT AND CERTIFIED BY THE INTERNATIONAL  
13 BIOCHAR INITIATIVE, OR IT SUCCESSOR ENTITY.

14 (8) **Qualifying wholesale utilities - definition - electric resource**  
15 **standard - tradable credits - reports.** (d) (I) **Preferences** A QUALIFYING  
16 WHOLESALE UTILITY MAY USE PREFERENCES for certain eligible energy  
17 resources, ~~and~~ SUBJECT TO the limit on their applicability established in  
18 subparagraph (VIII) of paragraph (c) of subsection (1) of this section ~~may~~  
19 ~~be used by a qualifying wholesale utility in meeting~~ TO MEET the energy  
20 resource standard established in this subsection (8).

21 (II) A QUALIFYING WHOLESALE UTILITY MAY USE THE PREFERENCE  
22 FOR CERTAIN BIOMASS ESTABLISHED IN SUBPARAGRAPH (XI) OF  
23 PARAGRAPH (c) OF SUBSECTION (1) OF THIS SECTION TO MEET THE ENERGY  
24 RESOURCE STANDARD SET FORTH IN THIS SUBSECTION (8).

25 **SECTION 2. Act subject to petition - effective date -**  
26 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following  
27 the expiration of the ninety-day period after final adjournment of the

1 general assembly (August 10, 2016, if adjournment sine die is on May 11,  
2 2016); except that, if a referendum petition is filed pursuant to section 1  
3 (3) of article V of the state constitution against this act or an item, section,  
4 or part of this act within such period, then the act, item, section, or part  
5 will not take effect unless approved by the people at the general election  
6 to be held in November 2016 and, in such case, will take effect on the  
7 date of the official declaration of the vote thereon by the governor.

8 (2) This act applies to electricity that is generated from biomass  
9 on or after the applicable effective date of this act.