

**Second Regular Session
Seventieth General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 16-0337.01 Jennifer Berman x3286

SENATE BILL 16-007

SENATE SPONSORSHIP

Roberts,

HOUSE SPONSORSHIP

(None),

Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

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.**

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.*

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.

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 HAZARD POTENTIAL ON
8 THE WILDFIRE HAZARD POTENTIAL MAP DEVELOPED BY THE UNITED
9 STATES FOREST SERVICE'S FIRE MODELING INSTITUTE; AND

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

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

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

24 **SECTION 2. Act subject to petition - effective date -**
25 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
26 the expiration of the ninety-day period after final adjournment of the
27 general assembly (August 10, 2016, if adjournment sine die is on May 11,

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

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