

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

INTRODUCED

LLS NO. 23-0213.01 Jennifer Berman x3286

SENATE BILL 23-016

SENATE SPONSORSHIP

Hansen,

HOUSE SPONSORSHIP

McCormick and Sirota,

Senate Committees
Transportation & Energy

House Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO PROMOTE REDUCTIONS IN GREENHOUSE**
102 **GAS EMISSIONS IN COLORADO.**

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 requires that, beginning in 2024, each insurance company issued a certificate of authority to transact insurance business that reports more than \$100 million on its annual schedule T filing with the National Association of Insurance Commissioners (NAIC) must participate in and complete the NAIC's "Insurer Climate Risk Disclosure Survey" or successor survey or reporting mechanism.

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.

Section 2 requires the public employees' retirement association (PERA) board, on or before June 1, 2024, to adopt proxy voting procedures that ensure that the board's voting decisions align with, and are supportive of, the statewide greenhouse gas (GHG) emission reduction goals.

Section 3 requires PERA to include as part of its annual investment stewardship report, which report is posted on the PERA board's website, a description of climate-related investment risks, impacts, and strategies.

Section 4 adds wastewater thermal energy equipment to the definition of "pollution control equipment", which equipment may be certified by the division of administration (division) in the department of public health and environment (CDPHE). Similarly, **section 5** adds wastewater thermal energy to the definition of "clean heat resource", which resource a gas distribution utility includes in its clean heat plan filed with the public utilities commission.

Section 6 updates the statewide GHG emission reduction goals to add a 65% reduction goal for 2035, an 80% reduction goal for 2040, and a 90% reduction goal for 2045 when compared to 2005 GHG pollution levels. **Section 6** also increases the 2050 GHG emission reduction goal from 90% of 2005 GHG pollution levels to 100%.

Section 7 gives the oil and gas conservation commission (COGCC) authority over class VI injection wells used for sequestration of GHG if the governor and COGCC determine, in accordance with a study that the COGCC conducted in 2021, that the state has sufficient resources to ensure the safe and effective regulation of the sequestration of GHG. If the governor and the COGCC determine there are sufficient resources, the COGCC may seek primacy under the federal "Safe Drinking Water Act" and, when granted, may issue and enforce permits for class VI injection wells. The COGCC shall require, as part of its regulation of class VI injection wells, that operators of the wells maintain adequate financial assurance until the COGCC approves the closure of a class VI injection well site.

Section 8 establishes a state income tax credit in an amount equal to 30% of the purchase price for new, electric-powered lawn equipment for purchases made in income tax years 2024 through 2026. A seller of new, electric-powered lawn equipment that demonstrates that it provided a purchaser a 30% discount from the purchase price of new, electric-powered lawn equipment may claim the tax credit.

Current law requires an electric retail utility (utility) to offer a net metering credit as the means of purchasing output from a community solar garden (CSG) located within the utility's service territory and establishes the means of calculating the net metering credit. **Section 9** maintains that calculation if the CSG indicates to the utility that the CSG's subscribers' bill credits change annually. If the CSG indicates to the utility

that the CSG's subscribers' bill credits remain fixed, however, **section 9** provides a different calculation for determining the net metering credit.

Sections 10 through 12 incorporate projects to renovate or recondition existing utility transmission lines into the "Colorado Electric Transmission Authority Act", allowing the Colorado electric transmission authority to finance and renovate, rebuild, or recondition existing transmission lines in order to update and optimize the transmission lines.

Section 13 requires a local government to expedite its review of a land use application that proposes a project to renovate, rebuild, or recondition existing transmission lines.

Section 14 makes a conforming amendment regarding the updated statewide GHG emission reduction goals set forth in **section 6**.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 10-3-244 as
3 follows:

4 **10-3-244. Climate risk disclosure - insurer participation - rules**
5 **- reporting - definition.** (1) THE COMMISSIONER SHALL ADOPT RULES
6 REQUIRING THAT, BEGINNING IN 2024, AN INSURER ISSUED A CERTIFICATE
7 OF AUTHORITY TO TRANSACT BUSINESS PURSUANT TO PART 1 OF THIS
8 ARTICLE 3 THAT REPORTS MORE THAN ONE HUNDRED MILLION DOLLARS ON
9 ITS ANNUAL NAIC SCHEDULE T FILING, OR SUCH OTHER THRESHOLD
10 DOLLAR AMOUNT THAT THE NAIC ESTABLISHES IN SUBSEQUENT YEARS,
11 MUST PARTICIPATE IN AND COMPLETE THE NAIC'S ANNUAL "INSURER
12 CLIMATE RISK DISCLOSURE SURVEY", OR SUCH OTHER SURVEY OR
13 REPORTING MECHANISM THAT THE NAIC ADOPTS IN SUBSEQUENT YEARS.
14 IF AN INSURER REPORTS LESS THAN ONE HUNDRED MILLION DOLLARS ON
15 ITS ANNUAL NAIC SCHEDULE T FILING, OR SUCH OTHER THRESHOLD
16 DOLLAR AMOUNT THAT THE NAIC ESTABLISHES IN SUBSEQUENT YEARS,
17 THE INSURER MAY PARTICIPATE IN AND COMPLETE THE SURVEY
18 VOLUNTARILY.

19 (2) AS USED IN THIS SECTION, "NAIC" MEANS THE NATIONAL

1 ASSOCIATION OF INSURANCE COMMISSIONERS, AN ORGANIZATION OF
2 INSURANCE REGULATORS FROM THE FIFTY STATES OF THE UNITED STATES,
3 THE DISTRICT OF COLUMBIA, AND FIVE UNITED STATES TERRITORIES.

4 **SECTION 2.** In Colorado Revised Statutes, 24-51-204, **add** (12)
5 as follows:

6 **24-51-204. Duties of the board.** (12) ON OR BEFORE JUNE 1,
7 2024, THE BOARD SHALL ADOPT PROXY VOTING PROCEDURES THAT
8 ENSURE THAT THE BOARD'S VOTING DECISIONS ALIGN WITH, AND ARE
9 SUPPORTIVE OF, THE STATEWIDE GREENHOUSE GAS POLLUTION REDUCTION
10 GOALS SET FORTH IN SECTION 25-7-102 (2)(g).

11 **SECTION 3.** In Colorado Revised Statutes, **amend** 24-51-220 as
12 follows:

13 **24-51-220. Reporting to general assembly - inclusion of**
14 **climate risk assessment in annual stewardship report.** (1) The
15 association shall ~~provide~~ SUBMIT a report to the general assembly on
16 January 1, 2016, and every five years thereafter, regarding the economic
17 impact of the 2010 legislative changes to the annual increase provisions
18 on the retirees and benefit recipients as compared to the actual rate of
19 inflation and the progress made toward eliminating the unfunded
20 liabilities of each division of the association.

21 (2) ON AND AFTER JANUARY 1, 2025, THE ASSOCIATION SHALL
22 INCLUDE, AS PART OF ITS ANNUAL INVESTMENT STEWARDSHIP REPORT OR
23 ANY SUCCESSOR ANNUAL REPORT REGARDING THE ASSOCIATION'S
24 INVESTMENTS THAT THE ASSOCIATION POSTS ON ITS WEBSITE OR
25 OTHERWISE MAKES AVAILABLE TO THE PUBLIC, A DESCRIPTION OF:

26 (a) THE ASSOCIATION'S PROCESS FOR IDENTIFYING
27 CLIMATE-CHANGE-RELATED RISKS AND ASSESSING THE FINANCIAL IMPACT

1 THAT THE CLIMATE-CHANGE-RELATED RISKS HAVE ON THE ASSOCIATION'S
2 OPERATIONS;

3 (b) THE CURRENT OR ANTICIPATED FUTURE RISKS THAT CLIMATE
4 CHANGE POSES TO THE ASSOCIATION'S INVESTMENT PORTFOLIO, THE
5 IMPACT THAT CLIMATE CHANGE HAS ON THE ASSOCIATION'S INVESTMENT
6 STRATEGIES, AND ANY STRATEGY CHANGES THAT THE ASSOCIATION HAS
7 IMPLEMENTED IN RESPONSE TO SUCH IMPACT;

8 (c) ACTIONS THAT THE ASSOCIATION IS TAKING TO MANAGE THE
9 RISKS THAT CLIMATE CHANGE POSES TO THE ASSOCIATION'S OPERATIONS;
10 AND

11 (d) THE ASSOCIATION'S USE AND CONSIDERATION OF ANY
12 CLIMATE-RELATED REPORTING THAT THE FEDERAL SECURITIES AND
13 EXCHANGE COMMISSION REQUIRES.

14 **SECTION 4.** In Colorado Revised Statutes, 25-6.5-201, **amend**
15 (2); and **add** (3) as follows:

16 **25-6.5-201. Definitions.** As used in this part 2, unless the context
17 otherwise requires:

18 (2) (a) "Pollution control equipment" means any personal
19 property, including ~~but not limited to,~~ equipment, machinery, devices,
20 systems, buildings, or structures, that is installed, constructed, or used in
21 or as a part of a facility that creates a product in a manner that generates
22 less pollution by the utilization of an alternative manufacturing or
23 generating technology.

24 (b) "Pollution control equipment" includes: ~~but is not limited to,~~

25 (I) Gas or wind turbines and associated compressors or
26 equipment;

27 (II) Solar, thermal, or photovoltaic equipment; ~~or~~

1 (III) Equipment used as part of a system that uses geothermal
2 energy for water heating or space heating or cooling in a single building,
3 for space heating for more than one building through a pipeline network,
4 or for electricity generation; OR

5 (IV) WASTEWATER THERMAL ENERGY EQUIPMENT.

6 (3) "WASTEWATER THERMAL ENERGY EQUIPMENT" MEANS
7 EQUIPMENT USED AS PART OF A SYSTEM THAT USES THERMAL ENERGY IN
8 WASTEWATER TO GENERATE ELECTRICITY, TO HEAT OR COOL A SPACE, OR
9 FOR ANY OTHER USEFUL THERMAL PURPOSE.

10 **SECTION 5.** In Colorado Revised Statutes, 40-3.2-108, **amend**
11 (2)(c)(V); and **add** (2)(c)(V.5) and (2)(r) as follows:

12 **40-3.2-108. Clean heat targets - legislative declaration -**
13 **definitions - plans - rules - reports. (2) Definitions.** As used in this
14 section, unless the context otherwise requires:

15 (c) "Clean heat resource" means any one or a combination of:

16 (V) Pyrolysis of tires if the pyrolysis meets a recovered methane
17 protocol; **and**

18 (V.5) WASTEWATER THERMAL ENERGY; AND

19 (r) "WASTEWATER THERMAL ENERGY" MEANS A SYSTEM THAT
20 USES THERMAL ENERGY IN WASTEWATER TO GENERATE ELECTRICITY, TO
21 HEAT OR COOL A SPACE, OR FOR ANY OTHER USEFUL THERMAL PURPOSE.

22 **SECTION 6.** In Colorado Revised Statutes, 25-7-102, **amend**
23 (2)(g) as follows:

24 **25-7-102. Legislative declaration. (2)** It is further declared that:

25 (g) (I) Accordingly, Colorado shall strive to increase renewable
26 energy generation and eliminate statewide greenhouse gas pollution by
27 the middle of the twenty-first century and have goals of achieving, at a

1 minimum:

2 (A) A twenty-six percent reduction in statewide greenhouse gas
3 pollution by 2025;

4 (B) A fifty percent reduction in statewide greenhouse gas
5 pollution by 2030;

6 (C) A SIXTY-FIVE PERCENT REDUCTION IN STATEWIDE
7 GREENHOUSE GAS POLLUTION BY 2035;

8 (D) AN EIGHTY PERCENT REDUCTION IN STATEWIDE GREENHOUSE
9 GAS POLLUTION BY 2040;

10 (E) A NINETY PERCENT REDUCTION IN STATEWIDE GREENHOUSE
11 GAS POLLUTION BY 2045; and

12 (F) A ~~ninety~~ ONE HUNDRED percent reduction in statewide
13 greenhouse gas pollution by 2050.

14 (II) The reductions identified in this subsection (2)(g) are
15 measured relative to 2005 statewide greenhouse gas pollution levels.

16 **SECTION 7.** In Colorado Revised Statutes, 34-60-106, **amend**
17 (9)(a) and (9)(b)(I); and **add** (9)(c) and (9)(d) as follows:

18 **34-60-106. Additional powers of commission - rules -**
19 **definitions - repeal.** (9) (a) (I) Notwithstanding section 34-60-120 or any
20 other provision of law AND SUBJECT TO SUBSECTION (9)(a)(II) OF THIS
21 SECTION, the commission, as to class II AND CLASS VI injection wells
22 classified in 40 CFR 144.6, may perform all acts for the ~~purpose~~
23 PURPOSES of protecting underground sources of drinking water in
24 accordance with state programs authorized by THE FEDERAL "SAFE
25 DRINKING WATER ACT", 42 U.S.C. sec. 300f et seq., and regulations
26 under those sections, as amended, AND ENSURING THE SAFE AND
27 EFFECTIVE SEQUESTRATION OF GREENHOUSE GASES.

1 (II) IN PERFORMING ACTS FOR THE PURPOSE OF ENSURING THE SAFE
2 AND EFFECTIVE SEQUESTRATION OF GREENHOUSE GASES PURSUANT TO
3 SUBSECTION (9)(a)(I) OF THIS SECTION, THE COMMISSION SHALL ACT IN
4 ACCORDANCE WITH SUBSECTION (9)(c) OF THIS SECTION AND ONLY AFTER
5 THE GOVERNOR AND THE COMMISSION HAVE MADE AN AFFIRMATIVE
6 DETERMINATION THAT THE STATE HAS SUFFICIENT RESOURCES NECESSARY
7 TO ENSURE THE SAFE AND EFFECTIVE REGULATION OF THE SEQUESTRATION
8 OF GREENHOUSE GASES IN ACCORDANCE WITH THE FINDINGS FROM THE
9 COMMISSION'S STUDY CONDUCTED PURSUANT TO SUBSECTION (9)(b) OF
10 THIS SECTION.

11 (b) The commission shall:

12 (I) Conduct a study to evaluate what resources are needed to
13 ensure the safe and effective regulation of the sequestration of greenhouse
14 gases ~~as that term is defined in section 25-7-140 (6)~~, and to identify and
15 assess the applicable resources that the commission or other state
16 agencies have; and

17 (c) (I) THE COMMISSION MAY SEEK CLASS VI INJECTION WELL
18 PRIMACY UNDER THE FEDERAL "SAFE DRINKING WATER ACT", 42 U.S.C.
19 SEC. 300f ET SEQ., AS AMENDED, AFTER THE COMMISSION:

20 (A) DETERMINES IT HAS THE NECESSARY RESOURCES FOR THE
21 APPLICATION OUTLINED IN THE COMMISSION'S STUDY PERFORMED
22 PURSUANT TO SUBSECTION (9)(b) OF THIS SECTION; AND

23 (B) HOLDS A PUBLIC HEARING ON THE MATTER.

24 (II) THE COMMISSION MAY ISSUE AND ENFORCE PERMITS AS
25 NECESSARY FOR THE PURPOSE SET FORTH IN THIS SUBSECTION (9)(c) AFTER
26 THE COMMISSION MAKES THE DETERMINATION AND HOLDS THE HEARING
27 SET FORTH IN SUBSECTION (9)(c)(I) OF THIS SECTION AND THE COMMISSION

1 AND THE GOVERNOR SATISFY THE REQUIREMENTS SET FORTH IN
2 SUBSECTION (9)(a) OF THIS SECTION. IN ISSUING AND ENFORCING PERMITS
3 PURSUANT TO THIS SUBSECTION (9)(c), THE COMMISSION SHALL ENSURE
4 THAT THE PERMITTING OF A CLASS VI INJECTION WELL DOES NOT
5 DISPROPORTIONATELY AFFECT THE HEALTH AND WELL-BEING OF
6 DISPROPORTIONATELY IMPACTED COMMUNITIES.

7 (III) (A) THE COMMISSION SHALL REQUIRE EACH OPERATOR OF A
8 CLASS VI INJECTION WELL TO PROVIDE ADEQUATE FINANCIAL ASSURANCE
9 DEMONSTRATING THAT THE OPERATOR IS FINANCIALLY CAPABLE OF
10 FULFILLING EVERY OBLIGATION IMPOSED ON THE OPERATOR UNDER THIS
11 ARTICLE 60 AND UNDER RULES THAT THE COMMISSION ADOPTS PURSUANT
12 TO THIS ARTICLE 60.

13 (B) THE FINANCIAL ASSURANCE REQUIRED UNDER THIS
14 SUBSECTION (9)(c)(III) MUST COVER THE COST OF CORRECTIVE ACTION,
15 INJECTION WELL PLUGGING, POST-INJECTION SITE CARE, SITE CLOSURE,
16 AND ANY EMERGENCY AND REMEDIAL RESPONSE.

17 (C) THE COMMISSION SHALL ADOPT RULES REQUIRING THAT THE
18 FINANCIAL ASSURANCE COVER THE COST OF OBLIGATIONS THAT ARE IN
19 ADDITION TO THE OBLIGATIONS LISTED IN SUBSECTION (9)(c)(III)(B) OF
20 THIS SECTION IF THE ADDITIONAL OBLIGATIONS ARE REASONABLY
21 ASSOCIATED WITH CLASS VI INJECTION WELLS AND LOCATIONS.

22 (D) AN OPERATOR SHALL MAINTAIN THE FINANCIAL ASSURANCE
23 REQUIRED UNDER THIS SUBSECTION (9)(c)(III) OR UNDER ANY RULES
24 ADOPTED PURSUANT TO THIS SUBSECTION (9)(c)(III) UNTIL THE
25 COMMISSION APPROVES SITE CLOSURE, AS SPECIFIED IN RULES ADOPTED BY
26 THE COMMISSION. COMMISSION APPROVAL OF A SITE CLOSURE DOES NOT
27 OTHERWISE MODIFY AN OPERATOR'S RESPONSIBILITY TO COMPLY WITH

1 APPLICABLE LAWS.

2 (E) FINANCIAL ASSURANCE PROVIDED UNDER THIS SUBSECTION
3 (9)(c)(III) MAY BE IN THE FORM OF A SURETY BOND, INSURANCE, OR ANY
4 OTHER INSTRUMENT THAT THE COMMISSION, BY RULE, DEEMS
5 SATISFACTORY.

6 (d) AS USED IN THIS SUBSECTION (9), UNLESS THE CONTEXT
7 OTHERWISE REQUIRES:

8 (I) "CORRECTIVE ACTION" HAS THE MEANING SET FORTH IN 40 CFR
9 146.81.

10 (II) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE
11 MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

12 (III) "GREENHOUSE GAS" HAS THE MEANING SET FORTH IN SECTION
13 25-7-140 (6).

14 (IV) "POST-INJECTION SITE CARE" HAS THE MEANING SET FORTH
15 IN 40 CFR 146.81.

16 (V) "SITE CLOSURE" HAS THE MEANING SET FORTH IN 40 CFR
17 146.81.

18 **SECTION 8.** In Colorado Revised Statutes, **add** 39-22-549 as
19 follows:

20 **39-22-549. Tax credit for reducing emissions from certain**
21 **lawn equipment - report - legislative declaration - definitions - repeal.**

22 (1) (a) THE GENERAL ASSEMBLY FINDS AND DECLARES THAT:

23 (I) GASOLINE-POWERED LAWN EQUIPMENT, SUCH AS LAWN
24 MOWERS, LEAF BLOWERS, TRIMMERS, AND SNOWBLOWERS, EMITS HIGH
25 LEVELS OF AIR POLLUTANTS, INCLUDING NITROGEN OXIDES AND VOLATILE
26 ORGANIC COMPOUNDS THAT, TOGETHER, FORM OZONE AND PARTICULATE
27 MATTER;

1 (II) REPLACING SUCH GASOLINE-POWERED LAWN EQUIPMENT WITH
2 ELECTRIC-POWERED LAWN EQUIPMENT CAN REDUCE OZONE POLLUTION;
3 AND

4 (III) THE PURPOSE OF THE TAX CREDIT IN SUBSECTION (3) OF THIS
5 SECTION IS TO INCENTIVIZE THE VOLUNTARY TRANSITION FROM
6 GASOLINE-POWERED TO ELECTRIC-POWERED LAWN EQUIPMENT.

7 (b) IN ACCORDANCE WITH SECTION 39-21-304 (1), WHICH
8 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE
9 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY
10 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FURTHER FINDS AND
11 DECLARES THAT:

12 (I) THE GENERAL LEGISLATIVE PURPOSE OF THE TAX CREDIT
13 ALLOWED BY SUBSECTION (3) OF THIS SECTION IS TO INDUCE CERTAIN
14 DESIGNATED BEHAVIORS BY TAXPAYERS, SPECIFICALLY THE PURCHASE OF
15 ELECTRIC-POWERED LAWN EQUIPMENT; AND

16 (II) IN ORDER TO ALLOW THE GENERAL ASSEMBLY AND THE STATE
17 AUDITOR TO MEASURE THE EFFECTIVENESS OF THE TAX CREDIT, THE
18 DEPARTMENT OF REVENUE SHALL SUBMIT TO THE GENERAL ASSEMBLY
19 AND THE STATE AUDITOR AN ANNUAL REPORT IN ACCORDANCE WITH
20 SUBSECTION (5) OF THIS SECTION DETAILING THE SALES OF NEW,
21 ELECTRIC-POWERED LAWN EQUIPMENT, AS REPORTED BY TAXPAYERS
22 CLAIMING THE TAX CREDIT AUTHORIZED UNDER SUBSECTION (3) OF THIS
23 SECTION.

24 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
25 REQUIRES:

26 (a) "LAWN EQUIPMENT" MEANS A LAWN MOWER, LEAF BLOWER,
27 TRIMMER, OR SNOWBLOWER.

1 (b) "PURCHASE PRICE" HAS THE MEANING SET FORTH IN SECTION
2 39-26-102 (7).

3 (c) "RETAIL SALE" HAS THE MEANING SET FORTH IN SECTION
4 39-26-102 (9).

5 (d) "TAXPAYER" HAS THE MEANING SET FORTH IN SECTION
6 39-21-101 (4).

7 (3) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
8 JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2027, A TAXPAYER IS
9 ALLOWED A TAX CREDIT AGAINST THE TAX IMPOSED PURSUANT TO THIS
10 ARTICLE 22 IN AN AMOUNT EQUAL TO THIRTY PERCENT OF THE AGGREGATE
11 PURCHASE PRICE FOR ALL RETAIL SALES OF NEW, ELECTRIC-POWERED
12 LAWN EQUIPMENT THAT THE TAXPAYER SOLD IN THE STATE DURING THE
13 TAX YEAR.

14 (b) IN ORDER TO QUALIFY FOR THE TAX CREDIT ALLOWED UNDER
15 THIS SUBSECTION (3), THE TAXPAYER SHALL PROVIDE TO THE PURCHASER,
16 AT THE TIME OF THE RETAIL SALE OF NEW, ELECTRIC-POWERED LAWN
17 EQUIPMENT, A DISCOUNT ON THE PURCHASE PRICE OF THE LAWN
18 EQUIPMENT EQUAL TO THIRTY PERCENT OF THE PURCHASE PRICE AND
19 SHALL SHOW THE DISCOUNT AS A SEPARATE ITEM ON THE RECEIPT OR
20 INVOICE PROVIDED TO THE PURCHASER.

21 (c) TO DETERMINE WHETHER A TAXPAYER SOLD NEW,
22 ELECTRIC-POWERED LAWN EQUIPMENT IN THIS STATE, THE RULES OF
23 SECTION 39-26-104 (3)(a) APPLY.

24 (4) IF THE AMOUNT OF A TAX CREDIT UNDER SUBSECTION (3) OF
25 THIS SECTION EXCEEDS A TAXPAYER'S ACTUAL TAX LIABILITY FOR AN
26 INCOME TAX YEAR, THE AMOUNT OF THE TAX CREDIT NOT USED TO OFFSET
27 INCOME TAX LIABILITY FOR THAT INCOME TAX YEAR IS NOT REFUNDED TO

1 THE TAXPAYER. THE TAXPAYER MAY CARRY FORWARD AND APPLY THE
2 UNUSED TAX CREDIT AGAINST THE INCOME TAX THAT THE TAXPAYER
3 OWES IN EACH OF THE FIVE SUCCEEDING INCOME TAX YEARS, BUT THE
4 TAXPAYER SHALL APPLY THE TAX CREDIT AGAINST THE INCOME TAX DUE
5 FOR THE EARLIEST OF THE INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF
6 THE TAX CREDIT THAT REMAINS AFTER THIS PERIOD IS NOT REFUNDABLE
7 AND SHALL NOT BE CREDITED TO THE TAXPAYER.

8 (5) PURSUANT TO SECTION 39-21-304 (3), NOTWITHSTANDING
9 SECTION 24-1-136 (11)(a)(I), AND FOR THE PURPOSE OF PROVIDING DATA
10 THAT ALLOWS THE GENERAL ASSEMBLY AND THE STATE AUDITOR TO
11 MEASURE THE EFFECTIVENESS OF THE TAX CREDIT CREATED IN
12 SUBSECTION (3) OF THIS SECTION, THE DEPARTMENT OF REVENUE, ON OR
13 BEFORE JANUARY 1, 2025, AND ON OR BEFORE JANUARY 1 OF EACH YEAR
14 THEREAFTER THROUGH JANUARY 1, 2028, SHALL SUBMIT TO THE GENERAL
15 ASSEMBLY AND THE STATE AUDITOR A REPORT DETAILING THE SALES OF
16 NEW, ELECTRIC-POWERED LAWN EQUIPMENT, AS REPORTED BY TAXPAYERS
17 CLAIMING THE TAX CREDIT AUTHORIZED UNDER SUBSECTION (3) OF THIS
18 SECTION. THE TAX CREDIT ESTABLISHED IN THIS SECTION MEETS ITS
19 PURPOSE IF SALES OF NEW, GASOLINE-POWERED LAWN EQUIPMENT ARE
20 SIGNIFICANTLY REDUCED WITHIN FIVE YEARS AFTER THE TAX CREDIT
21 BECOMES EFFECTIVE, AS DETERMINED BY THE GENERAL ASSEMBLY AND
22 THE STATE AUDITOR PURSUANT TO SECTION 39-21-304 (3).

23 (6) THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31, 2033.

24 **SECTION 9.** In Colorado Revised Statutes, 40-2-127, **amend**
25 (5)(b)(II) as follows:

26 **40-2-127. Community energy funds - community solar**
27 **gardens - definitions - rules - legislative declaration - repeal.**

1 **(5) Purchases of the output from community solar gardens.**

2 (b) (II) (A) The purchase of the output of a community solar garden by
3 a qualifying retail utility ~~shall~~ MUST take the form of a net metering credit
4 against the qualifying retail utility's electric bill to each community solar
5 garden subscriber at the premises set forth in the subscriber's subscription.

6 (B) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE
7 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER
8 ORGANIZATION'S SUBSCRIBERS WITH A BILL CREDIT THAT CHANGES
9 ANNUALLY, the net metering credit ~~shall be~~ IS calculated by multiplying
10 the subscriber's share of the electricity production from the community
11 solar garden by the qualifying retail utility's total aggregate retail rate as
12 charged to the subscriber, minus a reasonable charge as determined by the
13 commission to cover the utility's costs of delivering to the subscriber's
14 premises the electricity generated by the community solar garden,
15 integrating the solar generation with the utility's system, and
16 administering the community solar garden's contracts and net metering
17 credits.

18 (C) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE
19 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER
20 ORGANIZATION'S SUBSCRIBERS WITH A FIXED BILL CREDIT, THE NET
21 METERING CREDIT MUST COVER THE UTILITY'S COSTS RELATED TO:
22 DELIVERING TO THE SUBSCRIBER'S PREMISES THE ELECTRICITY GENERATED
23 BY THE COMMUNITY SOLAR GARDEN, INTEGRATING THE SOLAR
24 GENERATION WITH THE UTILITY'S SYSTEM, AND ADMINISTERING
25 CONTRACTS AND NET METERING CREDITS FOR THE COMMUNITY SOLAR
26 GARDEN. THE NET METERING CREDIT IS CALCULATED BY MULTIPLYING THE
27 SUBSCRIBER'S SHARE OF THE ELECTRICITY PRODUCTION FROM THE

1 COMMUNITY SOLAR GARDEN BY THE QUALIFYING RETAIL UTILITY'S TOTAL
2 AGGREGATE RETAIL RATE AS CHARGED TO THE SUBSCRIBER AT THE TIME
3 THE SUBSCRIBER ORGANIZATION APPLIES FOR OR BIDS CAPACITY INTO A
4 UTILITY COMMUNITY SOLAR GARDEN PROGRAM, MINUS A REASONABLE
5 CHARGE, AS DETERMINED BY THE COMMISSION AT THE TIME THE
6 SUBSCRIBER ORGANIZATION APPLIES FOR OR BIDS CAPACITY INTO A
7 UTILITY COMMUNITY SOLAR PROGRAM.

8 (D) FOR COMMUNITY SOLAR GARDENS ELIGIBLE FOR A FIXED BILL
9 CREDIT, AND SOLELY FOR THE PURPOSE OF APPLYING THE BILL CREDIT TO
10 A SUBSCRIBER'S BILL, THE BILL CREDIT SHALL NOT BE APPLIED TOWARD
11 THE FOLLOWING RATE RIDER CHARGES, UNLESS THE RATE RIDER CHARGES
12 ARE INCLUDED IN THE REASONABLE CHARGE: RATE RIDER CHARGES THAT
13 PROMOTE CLEAN ENERGY TECHNOLOGIES, INCLUDING BENEFICIAL
14 ELECTRIFICATION; RATE RIDER CHARGES THAT PROVIDE LOW-INCOME BILL
15 ASSISTANCE; OR RATE RIDER CHARGES THAT PROVIDE OTHER PUBLIC
16 BENEFITS AS DETERMINED BY THE COMMISSION.

17 (E) BY MARCH 1, 2024, THE COMMISSION SHALL ADOPT RULES TO
18 IMPLEMENT THE FIXED BILL CREDIT. THE RULES MUST CONSIDER THE
19 CHANGE OF VALUE TO COMMUNITY SOLAR GARDEN CUSTOMERS OF THE
20 FIXED BILL CREDIT OVER TIME THROUGH RATE ADJUSTMENTS OR OTHER
21 MECHANISMS.

22 (F) The commission shall ensure that ~~this charge~~ THE
23 REASONABLE CHARGE THAT THE COMMISSION DETERMINES PURSUANT TO
24 SUBSECTIONS (5)(b)(II)(B) AND (5)(b)(II)(C) OF THIS SECTION does not
25 reflect costs that are already recovered by the utility from the subscriber
26 through other charges.

27 (G) If, and to the extent that, a subscriber's net metering credit

1 exceeds the subscriber's electric bill in any billing period, the net metering
2 credit shall be carried forward and applied against future bills.

3 (H) The qualifying retail utility and the owner of the community
4 solar garden shall agree on whether the purchase of the renewable energy
5 credits from subscribers will be accomplished through a credit on each
6 subscriber's electricity bill or by a payment to the owner of the community
7 solar garden.

8 **SECTION 10.** In Colorado Revised Statutes, 40-42-102, **amend**
9 (14) as follows:

10 **40-42-102. Definitions.** As used in this article 42, unless the
11 context otherwise requires:

12 (14) "Project" means an undertaking by the authority to finance
13 or to:

14 (a) Plan, acquire, maintain, and operate eligible facilities located
15 partly or entirely within Colorado; OR

16 (b) RENOVATE, REBUILD, OR RECONDITION EXISTING ELIGIBLE
17 FACILITIES LOCATED PARTLY OR ENTIRELY WITHIN COLORADO TO
18 UPGRADE AND OPTIMIZE THE EXISTING FACILITIES.

19 **SECTION 11.** In Colorado Revised Statutes, 40-42-104, **amend**
20 (3) as follows:

21 **40-42-104. General and specific powers and duties of the**
22 **authority.** (3) In soliciting and entering into contracts for the
23 transmission or storage of electricity, the authority and any person leasing
24 or operating eligible facilities financed, ~~or~~ acquired, RENOVATED,
25 REBUILT, OR RECONDITIONED by the authority shall, if practicable, give
26 priority to:

27 (a) ~~Those~~ Contracts that will transmit or store electricity to be sold

1 and consumed in Colorado; and

2 (b) Electric utilities or other entities that demonstrate an interest
3 in continuing an existing powerline trail established by the authority or
4 constructing and maintaining a new powerline trail on the eligible
5 facilities; AND

6 (c) CONTRACTS TO RENOVATE, REBUILD, OR RECONDITION
7 EXISTING ELIGIBLE FACILITIES FOR THE PURPOSE OF UPDATING THE
8 ELECTRIC GRID TO:

9 (I) REDUCE GREENHOUSE GAS EMISSIONS CAUSED BY THE
10 CONSTRUCTION OF NEW FACILITIES; AND

11 (II) BETTER INCORPORATE DISTRIBUTED GENERATION AND
12 RENEWABLE ENERGY FACILITIES INTO THE ELECTRIC GRID.

13 **SECTION 12.** In Colorado Revised Statutes, 40-42-107, **amend**
14 (1) introductory portion as follows:

15 **40-42-107. Labor standards - apprenticeship - supervision.**

16 (1) The authority shall ensure that, in any construction, expansion,
17 RENOVATION, REBUILDING, RECONDITIONING, or maintenance of facilities
18 undertaken in Colorado pursuant to this article 42, all labor is performed
19 either by the employees of an electric utility, ~~or~~ by qualified contractors,
20 or BY both, and that, except as otherwise provided in subsection (3) of
21 this section, an electric utility DOES not use a contractor unless:

22 **SECTION 13.** In Colorado Revised Statutes, 29-20-108, **add** (7)
23 as follows:

24 **29-20-108. Local government regulation - location,**
25 **construction, or improvement of major electrical or natural gas**
26 **facilities - powerline trail notification - expedited review for certain**
27 **transmission line projects - legislative declaration - definitions. (7) A**

1 LOCAL GOVERNMENT SHALL EXPEDITE ITS REVIEW OF A LAND USE
2 APPLICATION WITH REGARD TO A PROPOSED PROJECT TO RENOVATE,
3 REBUILD, OR RECONDITION A TRANSMISSION LINE IN ACCORDANCE WITH
4 SECTION 40-42-104 (3)(c).

5 **SECTION 14.** In Colorado Revised Statutes, 25-7-105, **amend**
6 (1)(e)(II) as follows:

7 **25-7-105. Duties of commission - technical secretary - rules -**
8 **legislative declaration - definitions.** (1) Except as provided in sections
9 25-7-130 and 25-7-131, the commission shall promulgate rules that are
10 consistent with the legislative declaration set forth in section 25-7-102
11 and necessary for the proper implementation and administration of this
12 article 7, including:

13 (e) (II) Consistent with section 25-7-102 (2)(g), the commission
14 shall timely promulgate implementing rules and regulations. The
15 implementing rules may take into account other relevant laws and rules,
16 as well as voluntary actions taken by local communities and the private
17 sector, to enhance efficiency and cost-effectiveness, and shall be revised
18 as necessary over time to ensure timely progress toward the 2025, 2030,
19 **2035, 2040, 2045,** and 2050 goals. The implementing rules ~~shall~~ **MUST**
20 provide for ongoing tracking of emission sources that adversely affect
21 disproportionately impacted communities and are subject to rules
22 implemented pursuant to this subsection (1)(e) and must include strategies
23 designed to achieve reductions in harmful air pollution affecting those
24 communities.

25 **SECTION 15. Act subject to petition - effective date.** This act
26 takes effect at 12:01 a.m. on the day following the expiration of the
27 ninety-day period after final adjournment of the general assembly; except

1 that, if a referendum petition is filed pursuant to section 1 (3) of article V
2 of the state constitution against this act or an item, section, or part of this
3 act within such period, then the act, item, section, or part will not take
4 effect unless approved by the people at the general election to be held in
5 November 2024 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.