

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

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 23-0213.01 Jennifer Berman x3286

SENATE BILL 23-016

SENATE SPONSORSHIP

Hansen, Buckner, Cutter, Danielson, Exum, Fenberg, Fields, Gonzales, Jaquez Lewis, Kolker, Marchman, Moreno, Priola, Rodriguez, Winter F.

HOUSE SPONSORSHIP

McCormick and Sirota,

Senate Committees

Transportation & Energy
Finance
Appropriations

House Committees

Energy & Environment
Finance
Appropriations

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO PROMOTE REDUCTIONS IN GREENHOUSE**
102 **GAS EMISSIONS IN COLORADO, AND, IN CONNECTION**
103 **THEREWITH, MAKING AN APPROPRIATION.**

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

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.*

HOUSE
Amended 2nd Reading
April 26, 2023

SENATE
3rd Reading Unamended
April 14, 2023

SENATE
Amended 2nd Reading
April 13, 2023

Disclosure Survey" or successor survey or reporting mechanism.

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.

1 (2) AS USED IN THIS SECTION, "NAIC" MEANS THE NATIONAL
2 ASSOCIATION OF INSURANCE COMMISSIONERS, AN ORGANIZATION OF
3 INSURANCE REGULATORS FROM THE FIFTY STATES OF THE UNITED STATES,
4 THE DISTRICT OF COLUMBIA, AND FIVE UNITED STATES TERRITORIES.

5 SECTION 2. In Colorado Revised Statutes, 24-38.5-102 amend
6 (1) as follows:

7 24-38.5-102. Colorado energy office - duties and powers.

8 (1) The Colorado energy office shall:

9 (a) Work with communities, utilities, AND private and public
10 organizations and individuals to promote TO:

11 (I) SUPPORT ACHIEVING LEGISLATIVE GOALS TO REDUCE
12 STATEWIDE GREENHOUSE GAS POLLUTION, AS DEFINED IN SECTION
13 25-7-103 (22.5);

14 (II) MAKE PROGRESS TOWARD ELIMINATING GREENHOUSE GAS
15 POLLUTION FROM ELECTRICITY GENERATION, GAS UTILITIES, AND
16 TRANSPORTATION;

17 ~~(H)~~ (III) IMPLEMENT the renewable energy standard established in
18 section 40-2-124;

19 ~~(H)~~ Clean and (IV) SUPPORT THE DEPLOYMENT OF renewable
20 energy, such as wind, hydroelectricity, solar, CLEAN HYDROGEN, and
21 geothermal;

22 ~~(HH)~~ (V) EVALUATE, AND WHEN APPROPRIATE, SUPPORT THE
23 DEPLOYMENT OF cleaner energy sources such as biogas, biomass, and
24 CLEAN HYDROGEN, GEOTHERMAL, RECOVERED METHANE, RECOVERED
25 HEAT, AND ADVANCED nuclear;

26 ~~(IV)~~ Traditional energy sources such as oil and other petroleum
27 products, coal, propane, and natural gas;

1 ~~(V)~~ (VI) SUPPORT THE DEPLOYMENT OF energy efficiency AND
2 ENERGY LOAD MANAGEMENT technologies and practices;

3 ~~(VI) Cleaner technologies by utilizing traditional,~~
4 Colorado-sourced energy;

5 (VII) ~~New~~ EVALUATE, AND WHERE APPROPRIATE, SUPPORT THE
6 DEPLOYMENT OF INNOVATIVE energy technologies as described in section
7 40-2-123; and

8 (VIII) SUPPORT THE DEPLOYMENT OF energy storage systems,
9 INCLUDING BOTH LONG-DURATION AND SHORT-DURATION ENERGY
10 STORAGE;

11 (IX) SUPPORT THE IMPLEMENTATION OF CLEAN HEAT PLANS
12 PURSUANT TO SECTION 40-3.2-108;

13 (X) SUPPORT WIDESPREAD TRANSPORTATION ELECTRIFICATION;

14 (XI) SUPPORT BENEFICIAL ELECTRIFICATION, AS DEFINED IN
15 SECTION 40-1-102 (1.2) IN THE BUILDING, INDUSTRIAL, AND OIL AND GAS
16 SECTORS;

17 (XII) SUPPORT INDUSTRIAL EMISSIONS REDUCTIONS;

18 (XIII) SUPPORT POLLUTION REDUCTION THROUGH CARBON
19 CAPTURE AND SEQUESTRATION AND OTHER FORMS OF CARBON
20 MANAGEMENT; AND

21 (XIV) SUPPORT SUSTAINABLE LAND-USE PATTERNS THAT REDUCE
22 ENERGY CONSUMPTION AND GREENHOUSE GAS POLLUTION.

23 (b) Develop programs to promote high performance REDUCE
24 ENERGY USE AND GREENHOUSE GAS POLLUTION FROM buildings for IN
25 commercial and residential markets;

26 (c) ~~Make~~ SUPPORT EFFORTS TO REDUCE GREENHOUSE GAS
27 POLLUTION BY state government ~~more~~ THROUGH energy efficient

1 EFFICIENCY, LOAD MANAGEMENT, RENEWABLE ENERGY, TRANSPORTATION
2 ELECTRIFICATION, AND CLEANER PROCUREMENT;

3 (d) Promote technology transfer and economic development;

4 (e) Advance innovative energy efficiency, renewable energy, and
5 efficiency throughout the state as specified in sections 24-38.5-102.4 and
6 24-38.5-102.5;

7 (f) to (i) Repealed.

8 (j) (e) Ensure that information explaining the requirements of
9 SUPPORT THE ADOPTION AND IMPLEMENTATION OF ADVANCED energy
10 codes is available THAT REDUCE ENERGY USE AND GREENHOUSE GAS
11 EMISSIONS and provide INFORMATION AND technical assistance concerning
12 the implementation and enforcement of energy codes to both counties and
13 municipalities, INCLUDING as specified in sections 30-28-211 (7)
14 24-38.5-103, 24-38.5-401, 24-38.5-402, and 31-15-602 (7); C.R.S.;

15 (k) (f) Collaborate with the state board of land commissioners
16 regarding renewable energy resource development as specified in section
17 36-1-147.5 (4); C.R.S.;

18 (l) (g) Provide home energy efficiency improvements for
19 low-income households, INCLUDING THROUGH THE WEATHERIZATION
20 ASSISTANCE PROGRAM, as specified in section 40-8.7-112 (3)(b); C.R.S.;
21 and prepare and submit to the general assembly an annual report as
22 specified in section 40-8.7-112 (3)(f), C.R.S.;

23 (m) Establish and manage a program to improve energy efficiency
24 in public schools as provided in section 39-29-109.5, C.R.S.;

25 (n) (l) Provide public utilities with reasonable assistance, if
26 requested, in seeking and obtaining support and sponsorship for an IGCC
27 project and manage and distribute to the utility some or all of any funds

1 provided by the state or by the United States government to the state for
2 purposes of study or development of an IGCC project.

3 (H) As used in this subsection (1)(n), "IGCC project" means an
4 IGCC facility that:

5 (A) Demonstrates the use of IGCC technology to generate
6 electricity using Colorado or other western coal;

7 (B) Does not exceed three hundred fifty megawatts nameplate
8 capacity; except that it may exceed this capacity if the Colorado energy
9 office determines that a larger size is necessary to obtain the benefits of
10 federal cost sharing, financial grants or tax benefits, or other financial
11 opportunities or arrangements benefitting the project, including
12 opportunities to jointly develop the project with other electric utilities;

13 (C) Demonstrates the capture and sequestration of a portion of the
14 project's carbon dioxide emissions;

15 (D) Includes methods and procedures to monitor the fate of the
16 carbon dioxide captured and sequestered from the facility; and

17 (E) Is located in Colorado.

18 (H) As used in this subsection (1)(n), "IGCC facility" means an
19 integrated gasification combined cycle generation facility that converts
20 coal to a gaseous fuel from which impurities are removed prior to
21 combustion, uses the gaseous fuel in a combustion turbine to produce
22 electricity, and captures the waste heat from the combustion turbine to
23 drive a steam turbine to produce more electricity. An IGCC facility may
24 also use natural gas, in addition to gasified coal, as a fuel in the
25 combustion turbine.

26 (o) (h) Collaborate with stakeholders to develop and encourage
27 increased utilization of energy curricula, including science, technology,

1 engineering, and math curricula, that will serve the work force
2 WORKFORCE needs of all CLEAN energy industries. Such collaboration
3 may include executive departments, research institutions, state colleges,
4 community colleges, industry, and trade organizations in an effort to
5 develop a means by which the state may address all facets of work force
6 WORKFORCE demands in developing a balanced energy portfolio
7 SUPPORTING A CLEAN ENERGY FUTURE. Institutions may also partner in the
8 development of curricula with organizations that have existing energy
9 curricula and training programs.

10 (p) (i) Annually report to the senate agriculture, natural resources,
11 TRANSPORTATION and energy committee and the house agriculture,
12 livestock, and natural resources ENERGY AND ENVIRONMENT committee,
13 or their successor committees;

14 (q) (j) Administer the electric vehicle grant fund CREATED IN
15 SECTION 24-38.5-103 (1)(a) AND THE COMMUNITY ACCESS ENTERPRISE
16 CREATED IN SECTION 24-38.5-303 (1);

17 (r) and (s) Repealed.

18 (t) (k) Assist the executive director of the department of local
19 affairs in allocating revenues from the geothermal resource leasing fund
20 to eligible entities pursuant to section 34-63-105; C.R.S.;

21 (u) (l) Develop basic consumer education or guidance about
22 leased solar installation and purchased solar installation in consultation
23 with industries that offer these options to consumers; and

24 (v) (m) In consultation with the appropriate industries, develop
25 basic consumer education or guidance about purchased or, if available,
26 leased installation of a system that uses geothermal energy for water
27 heating or space heating or cooling in a single building or for space

1 heating for more than one building through a pipeline network.

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

5 **24-51-220. Reporting to general assembly - inclusion of**
6 **climate risk assessment in annual stewardship report.** (1) The
7 association shall ~~provide~~ SUBMIT a report to the general assembly on
8 January 1, 2016, and every five years thereafter, regarding the economic
9 impact of the 2010 legislative changes to the annual increase provisions
10 on the retirees and benefit recipients as compared to the actual rate of
11 inflation and the progress made toward eliminating the unfunded
12 liabilities of each division of the association.

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

18 (a) THE ASSOCIATION'S PROCESS FOR IDENTIFYING
19 CLIMATE-CHANGE-RELATED RISKS AND ASSESSING THE FINANCIAL IMPACT
20 THAT THE CLIMATE-CHANGE-RELATED RISKS HAVE ON THE ASSOCIATION'S
21 OPERATIONS;

22 (b) THE CURRENT OR ANTICIPATED FUTURE RISKS THAT CLIMATE
23 CHANGE POSES TO THE ASSOCIATION'S INVESTMENT PORTFOLIO, THE
24 IMPACT THAT CLIMATE CHANGE HAS ON THE ASSOCIATION'S INVESTMENT
25 STRATEGIES, AND ANY STRATEGY CHANGES THAT THE ASSOCIATION HAS
26 IMPLEMENTED IN RESPONSE TO SUCH IMPACT;

27 (c) ACTIONS THAT THE ASSOCIATION IS TAKING TO MANAGE THE

1 RISKS THAT CLIMATE CHANGE POSES TO THE ASSOCIATION'S OPERATIONS;
2 AND

3 (d) THE ASSOCIATION'S USE AND CONSIDERATION OF ANY
4 CLIMATE-RELATED REPORTING THAT THE FEDERAL SECURITIES AND
5 EXCHANGE COMMISSION REQUIRES.

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

8 **25-6.5-201. Definitions.** As used in this part 2, unless the context
9 otherwise requires:

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

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

17 (I) Gas or wind turbines and associated compressors or
18 equipment;

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

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

24 (IV) WASTEWATER THERMAL ENERGY EQUIPMENT.

25 (3) "WASTEWATER THERMAL ENERGY EQUIPMENT" MEANS
26 EQUIPMENT USED AS PART OF A SYSTEM THAT USES THERMAL ENERGY IN
27 WASTEWATER, TO HEAT OR COOL A SPACE, OR FOR ANY OTHER USEFUL

1 THERMAL PURPOSE THAT REDUCES GREENHOUSE GAS EMISSIONS FROM THE
2 COMBUSTION OF GAS IN CUSTOMER END USES.

3 **SECTION 5.** In Colorado Revised Statutes, 25-7-114.7, **amend**
4 **(2)(a)(VII)** as follows:

5 **25-7-114.7. Emission fees - fund - rules - definition - repeal.**

6 **(2) (a) (VII) The commission shall establish, by rule, a fee per ton of**
7 **greenhouse gas, in the form of carbon dioxide equivalent, that was**
8 **reported in the most recent air pollutant emission notice on file with the**
9 **division, OR THAT WAS REPORTED TO THE DIVISION PURSUANT TO SECTION**
10 **25-7-140 (2)(a)(I), in an amount that is sufficient to cover the indirect and**
11 **direct costs required to develop and administer the programs established**
12 **pursuant to this article 7 that pertain to emissions of greenhouse gas. The**
13 **commission may set thresholds of reported greenhouse gas below which**
14 **no such fee shall be assessed. No more frequently than annually, the**
15 **commission may adjust the fee for greenhouse gas by rule to cover the**
16 **indirect and direct costs required to develop and administer the programs**
17 **established pursuant to this article 7 that pertain to emissions of**
18 **greenhouse gas.**

19 **SECTION 6.** In Colorado Revised Statutes, 25-7-142, **amend**
20 **(8)(c)(I) introductory portion and (8)(c)(II) introductory portion as**
21 **follows:**

22 **25-7-142. Energy benchmarking - data collection and access**
23 **- utility requirements - task force - rules - reports - definitions -**
24 **legislative declaration - repeal. (8) (c) (I) If at least two-thirds of the**
25 **members appointed to the task force agree on recommendations pursuant**
26 **to subsection (8)(a)(I) of this section, and the director of the office in**
27 **consultation with the division determines that the recommendations meet**

1 the greenhouse gas emission reduction requirements set forth in
2 subsection (8)(a)(II) of this section, the division shall, on or before
3 January 31, 2023, request that the commission publish a notice of
4 proposed rule-making to adopt rules to implement performance standards.
5 On or before ~~June 1, 2023~~ SEPTEMBER 1, 2023, the commission, upon
6 careful consideration of the recommendations of the task force as
7 presented by the division, shall promulgate rules to establish performance
8 standards. The commission shall also adopt rules regarding waivers and
9 extensions of time regarding the performance standard requirements. The
10 commission's rules must include a provision that an owner of a public
11 building need only comply with performance standards with regard to
12 work on a construction or renovation project that:

13 (II) If two-thirds of the members of the task force cannot agree on
14 recommendations or if the director of the office in consultation with the
15 commission determines that the task force's recommendations do not meet
16 the greenhouse gas emission reduction requirements set forth in
17 subsection (8)(a)(II) of this section, the commission, on or before ~~June 1,~~
18 ~~2023~~ SEPTEMBER 1, 2023, shall, by rule, adopt performance standards that
19 meet the greenhouse gas emission reduction requirements set forth in
20 subsection (8)(a)(II) of this section. The commission shall also adopt
21 rules regarding waivers and extensions of time regarding the performance
22 standard requirements. The commission's rules must include a provision
23 that an owner of a public building need only comply with performance
24 standards with regard to work on a construction or renovation project
25 that:

26 **SECTION 7.** In Colorado Revised Statutes, 40-3.2-108, **amend**
27 (2)(c)(V); and **add** (2)(c)(V.5) and (2)(r) as follows:

1 **40-3.2-108. Clean heat targets - legislative declaration -**
2 **definitions - plans - rules - reports. (2) Definitions.** As used in this
3 section, unless the context otherwise requires:

4 (c) "Clean heat resource" means any one or a combination of:
5 (V) Pyrolysis of tires if the pyrolysis meets a recovered methane
6 protocol; ~~and~~

7 (V.5) WASTEWATER THERMAL ENERGY; AND

8 (r) "WASTEWATER THERMAL ENERGY" MEANS A SYSTEM THAT
9 USES THERMAL ENERGY IN WASTEWATER, TO HEAT OR COOL A SPACE, OR
10 FOR ANY OTHER USEFUL THERMAL PURPOSE THAT REDUCES GREENHOUSE
11 GAS EMISSIONS FROM THE COMBUSTION OF GAS IN CUSTOMER END USES.

12 **SECTION 8.** In Colorado Revised Statutes, 25-7-102, **amend**
13 (2)(g) as follows:

14 **25-7-102. Legislative declaration. (2)** It is further declared that:

15 (g) (I) Accordingly, Colorado shall strive to increase renewable
16 energy generation and eliminate statewide greenhouse gas pollution by
17 the middle of the twenty-first century and have goals of achieving, at a
18 minimum:

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

21 (B) A fifty percent reduction in statewide greenhouse gas
22 pollution by 2030;

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

25 (D) **A** SEVENTY-FIVE PERCENT REDUCTION IN STATEWIDE
26 GREENHOUSE GAS POLLUTION BY 2040;

27 (E) A NINETY PERCENT REDUCTION IN STATEWIDE GREENHOUSE

1 GAS POLLUTION BY 2045; and

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

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

6 **SECTION 9.** In Colorado Revised Statutes, 34-60-106, **amend**
7 (9)(a) and (9)(b)(I); and **add** (9)(c), (9)(d), (9)(e), (9.3), (9.5), and (9.7)
8 as follows:

9 **34-60-106. Additional powers of commission - rules -**
10 **definitions - repeal.** (9) (a) (I) Notwithstanding section 34-60-120 or any
11 other provision of law AND SUBJECT TO SUBSECTION (9)(a)(II) OF THIS
12 SECTION, the commission, as to class II AND CLASS VI injection wells
13 classified in 40 CFR 144.6, may perform all acts for the ~~purpose~~
14 PURPOSES of protecting underground sources of drinking water in
15 accordance with state programs authorized by THE FEDERAL "SAFE
16 DRINKING WATER ACT", 42 U.S.C. sec. 300f et seq., and regulations
17 under those sections, as amended, AND ENSURING THE SAFE AND
18 EFFECTIVE SEQUESTRATION OF GREENHOUSE GASES IN A VERIFIABLE
19 MANNER THAT MEETS COLORADO'S SHORT- AND LONG-TERM GREENHOUSE
20 GAS EMISSION REDUCTION GOALS, AS SET FORTH IN SECTION 25-7-102
21 (2)(g).

22 (II) IN PERFORMING ACTS FOR THE PURPOSE OF ENSURING THE SAFE
23 AND EFFECTIVE SEQUESTRATION OF GREENHOUSE GASES PURSUANT TO
24 SUBSECTION (9)(a)(I) OF THIS SECTION, THE COMMISSION SHALL ACT IN
25 ACCORDANCE WITH SUBSECTION (9)(c) OF THIS SECTION AND ONLY AFTER
26 THE GOVERNOR AND THE COMMISSION HAVE MADE AN AFFIRMATIVE
27 DETERMINATION THAT THE STATE HAS SUFFICIENT RESOURCES NECESSARY

1 TO ENSURE THE SAFE AND EFFECTIVE REGULATION OF THE SEQUESTRATION
2 OF GREENHOUSE GASES IN ACCORDANCE WITH THE FINDINGS FROM THE
3 COMMISSION'S STUDY CONDUCTED PURSUANT TO SUBSECTION (9)(b) OF
4 THIS SECTION.

5 (b) The commission shall:

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

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

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

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

18 (II) THE COMMISSION MAY ISSUE AND ENFORCE PERMITS AS
19 NECESSARY FOR THE PURPOSE SET FORTH IN THIS SUBSECTION (9)(c) AFTER
20 THE COMMISSION MAKES THE DETERMINATION AND HOLDS THE HEARING
21 SET FORTH IN SUBSECTION (9)(c)(I) OF THIS SECTION AND THE COMMISSION
22 AND THE GOVERNOR SATISFY THE REQUIREMENTS SET FORTH IN
23 SUBSECTION (9)(a) OF THIS SECTION.

24 (III) (A) IF THE CLASS VI INJECTION WELL IS PROPOSED TO BE
25 SITED IN AN AREA THAT WOULD AFFECT A DISPROPORTIONATELY
26 IMPACTED COMMUNITY, THE COMMISSION SHALL WEIGH THE GEOLOGIC
27 STORAGE OPERATOR'S SUBMITTED CUMULATIVE IMPACTS ANALYSIS AND

1 DETERMINE WHETHER, ON BALANCE, THE CLASS VI INJECTION WELL WILL
2 HAVE A POSITIVE EFFECT ON THE DISPROPORTIONATELY IMPACTED
3 COMMUNITY. A PROPOSAL THAT WILL HAVE NEGATIVE NET CUMULATIVE
4 IMPACTS ON ANY DISPROPORTIONATELY IMPACTED COMMUNITY MUST BE
5 DENIED. THE COMMISSION'S DECISION MUST INCLUDE A PLAIN LANGUAGE
6 SUMMARY OF ITS DETERMINATION.

7 (B) THE COMMISSION MAY AMEND BY RULE THE CUMULATIVE
8 EFFECTS ANALYSIS AND REQUIREMENTS SET FORTH IN THIS SUBSECTION
9 (9)(c)(III) IF THE COMMISSION FINDS THE ANALYSIS AND REQUIREMENTS
10 TO BE INCONSISTENT WITH, OR INCOMPLETE WITH RESPECT TO, THE
11 FEDERAL ENVIRONMENTAL PROTECTION AGENCY'S REQUIREMENTS FOR
12 CLASS VI PRIMACY.

13 (C) AS USED IN THIS SUBSECTION (9)(c)(III), "CUMULATIVE
14 IMPACTS" MEANS THE EFFECT ON PUBLIC HEALTH AND THE ENVIRONMENT,
15 INCLUDING THE EFFECT ON AIR QUALITY, WATER QUALITY, THE CLIMATE,
16 NOISE, ODOR, WILDLIFE, AND BIOLOGICAL RESOURCES, CAUSED BY THE
17 INCREMENTAL IMPACT THAT A PROPOSED NEW OR MODIFIED CLASS VI
18 INJECTION WELL WOULD HAVE WHEN ADDED TO THE IMPACTS FROM OTHER
19 PAST, PRESENT, AND REASONABLY FORESEEABLE FUTURE DEVELOPMENT
20 OF ANY TYPE ON THE AFFECTED AREA, INCLUDING AN AIRSHED OR
21 WATERSHED, OR ON A DISPROPORTIONATELY IMPACTED COMMUNITY.

22 (IV) (A) THE COMMISSION SHALL REQUIRE EACH OPERATOR OF A
23 CLASS VI INJECTION WELL TO PROVIDE ADEQUATE FINANCIAL ASSURANCE
24 DEMONSTRATING THAT THE OPERATOR IS FINANCIALLY CAPABLE OF
25 FULFILLING EVERY OBLIGATION IMPOSED ON THE OPERATOR UNDER THIS
26 ARTICLE 60 AND UNDER RULES THAT THE COMMISSION ADOPTS PURSUANT
27 TO THIS ARTICLE 60.

1 (B) THE FINANCIAL ASSURANCE REQUIRED UNDER THIS
2 SUBSECTION (9)(c)(IV) MUST COVER THE COST OF CORRECTIVE ACTION,
3 INJECTION WELL PLUGGING, POST-INJECTION SITE CARE, SITE CLOSURE,
4 AND ANY EMERGENCY AND REMEDIAL RESPONSE.

5 (C) THE COMMISSION SHALL ADOPT RULES REQUIRING THAT THE
6 FINANCIAL ASSURANCE COVER THE COST OF OBLIGATIONS THAT ARE IN
7 ADDITION TO THE OBLIGATIONS LISTED IN SUBSECTION (9)(c)(IV)(B) OF
8 THIS SECTION IF THE ADDITIONAL OBLIGATIONS ARE REASONABLY
9 ASSOCIATED WITH CLASS VI INJECTION WELLS AND LOCATIONS.

10 (D) AN OPERATOR SHALL MAINTAIN THE FINANCIAL ASSURANCE
11 REQUIRED UNDER THIS SUBSECTION (9)(c)(IV) OR UNDER ANY RULES
12 ADOPTED PURSUANT TO THIS SUBSECTION (9)(c)(IV) UNTIL THE
13 COMMISSION APPROVES SITE CLOSURE, AS SPECIFIED IN RULES ADOPTED BY
14 THE COMMISSION. COMMISSION APPROVAL OF A SITE CLOSURE DOES NOT
15 OTHERWISE MODIFY AN OPERATOR'S RESPONSIBILITY TO COMPLY WITH
16 APPLICABLE LAWS.

17 (E) FINANCIAL ASSURANCE PROVIDED UNDER THIS SUBSECTION
18 (9)(c)(IV) MAY BE IN THE FORM OF A SURETY BOND, INSURANCE, OR ANY
19 OTHER INSTRUMENT THAT THE COMMISSION, BY RULE, DEEMS
20 SATISFACTORY.

21 (d) IN ISSUING AND ENFORCING PERMITS PURSUANT TO SUBSECTION
22 (9)(c) OF THIS SECTION, THE COMMISSION SHALL ENSURE, AFTER A PUBLIC
23 HEARING, THAT:

24 (I) THE PERMITTING OF A CLASS VI INJECTION WELL COMPLIES
25 WITH A LOCAL GOVERNMENT'S SITING OF THE PROPOSED CLASS VI
26 INJECTION WELL LOCATION;

27 (II) THE PROPOSED NEW OR MODIFIED CLASS VI INJECTION WELL

1 HAS RECEIVED AN APPLICABLE AIR PERMIT FROM THE DIVISION OF
2 ADMINISTRATION IN THE DEPARTMENT OF PUBLIC HEALTH AND
3 ENVIRONMENT;

4 (III) THE OPERATOR OF THE CLASS VI INJECTION WELL HAS
5 RECEIVED THE CONSENT OF ANY SURFACE OWNER OR OWNERS OF THE
6 LAND WHERE THE SURFACE DISTURBANCE WILL OCCUR AND HAS PROVIDED
7 THE COMMISSION A WRITTEN CONTRACTUAL AGREEMENT THAT THE
8 SURFACE OWNER OR OWNERS HAVE EXECUTED; AND

9 (IV) THE COMMISSION HAS EVALUATED AND ADDRESSED ANY
10 CLASS VI INJECTION WELL IMPACTS FROM THE PROPOSED CLASS VI
11 INJECTION WELL ON THE AFFECTED AREA TO ENSURE THE TERMS AND
12 CONDITIONS OF ANY PERMIT ISSUED UNDER THIS SECTION ARE SUFFICIENT
13 TO ENSURE THAT ANY CLASS VI INJECTION WELL IMPACTS ARE AVOIDED,
14 MINIMIZED TO THE EXTENT PRACTICABLE, AND, TO THE EXTENT THAT ANY
15 CLASS VI INJECTION WELL IMPACTS REMAIN, THAT THE IMPACTS ARE
16 MITIGATED. THE COMMISSION SHALL PROVIDE A PLAIN LANGUAGE
17 SUMMARY OF HOW THE NEGATIVE IMPACTS ARE AVOIDED OR, IF NOT
18 AVOIDED, MINIMIZED AND MITIGATED AND, IF ANY, THE NEGATIVE
19 IMPACTS THAT CANNOT BE MITIGATED.

20 (e) AS USED IN THIS SUBSECTION (9), UNLESS THE CONTEXT
21 OTHERWISE REQUIRES:

22 (I) "CLASS VI INJECTION WELL IMPACTS" MEANS THE EFFECT ON
23 THE PUBLIC HEALTH AND THE ENVIRONMENT, INCLUDING AIR, WATER AND
24 SOIL, AND THE CLIMATE, CAUSED BY THE INCREMENTAL IMPACT THAT A
25 PROPOSED NEW OR SIGNIFICANTLY MODIFIED CLASS VI INJECTION WELL
26 AND ASSOCIATED INFRASTRUCTURE WOULD HAVE WHEN ADDED TO THE
27 IMPACTS FROM OTHER DEVELOPMENT IN THE AFFECTED AREA.

1 (II) "CORRECTIVE ACTION" HAS THE MEANING SET FORTH IN 40
2 CFR 146.81.

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

5 (IV) "GREENHOUSE GAS" HAS THE MEANING SET FORTH IN SECTION
6 25-7-140 (6).

7 (V) "POST-INJECTION SITE CARE" HAS THE MEANING SET FORTH IN
8 40 CFR 146.81.

9 (VI) "SITE CLOSURE" HAS THE MEANING SET FORTH IN 40 CFR
10 146.81.

11 (9.3) (a) THE COMMISSION, IN CONSULTATION WITH THE
12 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, MAY ADOPT RULES
13 TO ESTABLISH A PROCESS TO CERTIFY THE QUANTITY AND DEMONSTRATED
14 SECURITY OF CARBON DIOXIDE STORED IN A CLASS VI INJECTION WELL.

15 (b) THE COMMISSION, IN CONSULTATION WITH THE DEPARTMENT
16 OF PUBLIC HEALTH AND ENVIRONMENT, SHALL EVALUATE THE RISK OF
17 CLASS VI INJECTION WELLS BY DETERMINING THE LIKELIHOOD AND
18 SEVERITY OF AN INCIDENT INVOLVING A CLASS VI INJECTION WELL, THE
19 POTENTIAL FOR EXPOSURE FROM SUCH INCIDENT, AND THE OVERALL
20 EFFECT THAT SUCH INCIDENT COULD HAVE ON THE PUBLIC HEALTH,
21 SAFETY, AND WELFARE AND ON THE ENVIRONMENT.

22 (9.5) (a) ON OR BEFORE FEBRUARY 1, 2024, THE COMMISSION, IN
23 CONSULTATION WITH THE DEPARTMENT OF PUBLIC HEALTH AND
24 ENVIRONMENT, SHALL CONDUCT A STUDY TO BETTER UNDERSTAND THE
25 SAFETY OF CLASS VI INJECTION WELLS, THE POTENTIAL FOR CARBON
26 DIOXIDE RELEASES FROM THE WELLS, AND METHODS TO LIMIT THE
27 LIKELIHOOD OF A CARBON DIOXIDE RELEASE FROM A CLASS VI INJECTION

1 WELL OR CARBON DIOXIDE PIPELINE OR SEQUESTRATION FACILITY. THE
2 STUDY MUST INCLUDE:

3 (I) AN EVALUATION OF THE POTENTIAL AIR QUALITY IMPACTS OF
4 CAPTURE TECHNOLOGY AT A CARBON DIOXIDE SOURCE FACILITY;

5 (II) CARBON DIOXIDE PIPELINE SAFETY CONSIDERATIONS,
6 INCLUDING COMPUTER MODELING TO SIMULATE CARBON DIOXIDE LEAKS
7 FROM PIPELINES OF VARYING DIAMETERS AND LENGTHS;

8 (III) APPROPRIATE SAFETY PROTOCOLS IN THE OPERATION AND
9 MAINTENANCE OF A CLASS VI INJECTION WELL;

10 (IV) METHODS FOR DETERMINING THE STABILITY OF
11 UNDERGROUND CARBON DIOXIDE STORAGE AND ESTIMATES OF THE TIME
12 NEEDED FOR CARBON DIOXIDE PLUME STABILIZATION; AND

13 (V) RECOMMENDATIONS FOR SAFETY MEASURES TO PROTECT
14 COMMUNITIES FROM CARBON DIOXIDE RELEASES, SUCH AS HAZARD ZONES,
15 PUBLIC NOTIFICATION SYSTEMS, SETBACKS, ADDITIONAL MONITORING
16 REQUIREMENTS, OR OTHER MEASURES.

17 (b) ON OR BEFORE MARCH 1, 2024, THE COMMISSION SHALL
18 PRESENT ITS FINDINGS AND CONCLUSIONS FROM THE STUDY, INCLUDING
19 ANY RECOMMENDATIONS FOR LEGISLATION, TO THE HOUSE OF
20 REPRESENTATIVES ENERGY AND ENVIRONMENT COMMITTEE AND THE
21 SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR
22 COMMITTEES. THE COMMISSION SHALL NOT PERMIT A CLASS VI INJECTION
23 WELL IN THE STATE UNTIL THE STUDY HAS BEEN COMPLETED AND
24 PRESENTED TO THE GENERAL ASSEMBLY.

25 (c) A CLASS VI INJECTION WELL SHALL NOT BE LOCATED WITHIN
26 TWO THOUSAND FEET OF A RESIDENCE, SCHOOL, OR COMMERCIAL
27 BUILDING. THE COMMISSION MAY ADJUST THE TWO-THOUSAND-FOOT

1 SETBACK BY RULE AFTER STUDYING AND EVALUATING THE SEVERITY OF
2 IMPACTS ARISING FROM FOUR OR MORE CLASS VI INJECTION WELLS THAT
3 HAVE BEEN IN PLACE IN THE STATE FOR AT LEAST FOUR YEARS.

4 (9.7) (a) THE COMMISSION MAY CONDUCT A STUDY TO DETERMINE
5 IF THE STATE SHOULD SEEK REGULATORY PRIMACY UNDER THE FEDERAL
6 "SAFE DRINKING WATER ACT", 42 U.S.C. SEC. 300f ET SEQ., AS
7 AMENDED, FOR ALL SUBSURFACE INJECTION CLASSES INCLUDED WITHIN
8 THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY'S UNDERGROUND
9 INJECTION CONTROL PROGRAM, WHICH STUDY MUST INCLUDE
10 RECOMMENDATIONS ON THE APPROPRIATE ADMINISTRATIVE STRUCTURE
11 AND IDENTIFICATION OF OTHER STATE AGENCIES THAT ARE NECESSARY TO
12 IMPLEMENT A SAFE AND EFFECTIVE PROGRAM.

13 (b) IF THE COMMISSION CONDUCTS THE STUDY PURSUANT TO
14 SUBSECTION (9.7)(a) OF THIS SECTION, THE COMMISSION SHALL, ON OR
15 BEFORE DECEMBER 1, 2024:

16 (I) COMPLETE A REPORT SUMMARIZING THE FINDINGS,
17 CONCLUSIONS, AND RECOMMENDATIONS FROM THE STUDY;

18 (II) POST A COPY OF THE COMPLETED REPORT ON THE
19 COMMISSION'S WEBSITE; AND

20 (III) SUBMIT COPIES OF THE COMPLETED REPORT TO THE HOUSE OF
21 REPRESENTATIVES ENERGY AND ENVIRONMENT COMMITTEE AND THE
22 SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR
23 COMMITTEES.

24 (c) THIS SUBSECTION (9.7) IS REPEALED, EFFECTIVE JULY 1, 2025.

25 **SECTION 10.** In Colorado Revised Statutes, 38-30-168, amend
26 (1)(b)(II) and (1)(b)(III); and add (1)(b)(IV) as follows:

27 **38-30-168. Unreasonable restrictions on renewable energy**

1 generation devices - definitions. (1) (b) As used in this section,
2 "renewable energy generation device" means:

3 (II) A wind-electric generator that meets the interconnection
4 standards established in rules promulgated by the public utilities
5 commission pursuant to section 40-2-124; or

6 (III) A geothermal energy device; OR

7 (IV) A HEAT PUMP SYSTEM, AS DEFINED IN SECTION 39-26-732
8 (2)(c).

9 **SECTION 11.** In Colorado Revised Statutes, 38-33.3-106.7,
10 amend (1)(b)(VI) as follows:

11 **38-33.3-106.7. Unreasonable restrictions on energy efficiency**
12 **measures - definitions. (1) (b) As used in this section, "energy**
13 **efficiency measure" means a device or structure that reduces the amount**
14 **of energy derived from fossil fuels that is consumed by a residence or**
15 **business located on the real property. "Energy efficiency measure" is**
16 **further limited to include only the following types of devices or**
17 **structures:**

18 (VI) A heat pump SYSTEM, AS DEFINED IN SECTION 39-26-732
19 (2)(c).

20 **SECTION 12.** In Colorado Revised Statutes, add 39-22-549 as
21 follows:

22 **39-22-549. Tax credit for reducing emissions from certain**
23 **lawn equipment - report - legislative declaration - tax preference**
24 **performance statement - definitions - repeal. (1) (a) THE GENERAL**
25 **ASSEMBLY FINDS AND DECLARES THAT:**

26 **(I) GASOLINE-POWERED LAWN EQUIPMENT, SUCH AS LAWN**
27 **MOWERS, LEAF BLOWERS, TRIMMERS, AND SNOWBLOWERS, EMITS HIGH**

1 LEVELS OF AIR POLLUTANTS, INCLUDING NITROGEN OXIDES AND VOLATILE
2 ORGANIC COMPOUNDS THAT, TOGETHER, FORM OZONE AND PARTICULATE
3 MATTER;

4 (II) REPLACING SUCH GASOLINE-POWERED LAWN EQUIPMENT WITH
5 ELECTRIC-POWERED LAWN EQUIPMENT CAN REDUCE OZONE POLLUTION;
6 AND

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

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

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

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

27 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE

1 REQUIRES:

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

4 (b) "PURCHASE PRICE" HAS THE MEANING SET FORTH IN SECTION
5 39-26-102 (7).

6 (c) "QUALIFIED RETAILER" MEANS A RETAILER THAT SELLS LAWN
7 EQUIPMENT AND:

8 (I) HOLDS A STATE SALES TAX LICENSE;

9 (II) HAS TIMELY FILED A MONTHLY SALES TAX RETURN SHOWING
10 A TAX LIABILITY FOR AT LEAST TWELVE MONTHS;

11 (III) HAS PAID THE TAXES DUE ON THE MONTHLY SALES TAX
12 RETURN; AND

13 (IV) HAS REGISTERED WITH THE DEPARTMENT OF REVENUE
14 PURSUANT TO SUBSECTION (3)(d)(III) OF THIS SECTION.

15 (d) "RETAILER" HAS THE MEANING SET FORTH IN SECTION
16 39-26-102 (8).

17 (e) "RETAIL SALE" HAS THE MEANING SET FORTH IN SECTION
18 39-26-102 (9).

19 (3) (a) FOR INCOME TAX YEARS COMMENCING ON OR AFTER
20 JANUARY 1, 2024, BUT BEFORE JANUARY 1, 2027, A RETAILER QUALIFIED
21 PURSUANT TO SUBSECTION (3)(d)(III) OF THIS SECTION IS ALLOWED A TAX
22 CREDIT AGAINST THE TAX IMPOSED PURSUANT TO THIS ARTICLE 22 IN AN
23 AMOUNT EQUAL TO THIRTY PERCENT OF THE AGGREGATE PURCHASE PRICE
24 FOR ALL RETAIL SALES OF NEW, ELECTRIC-POWERED LAWN EQUIPMENT
25 THAT THE QUALIFIED RETAILER SOLD IN THE STATE DURING THE TAX YEAR.

26 (b) IN ORDER TO QUALIFY FOR THE TAX CREDIT ALLOWED UNDER
27 THIS SUBSECTION (3), THE QUALIFIED RETAILER SHALL PROVIDE TO THE

1 PURCHASER, AT THE TIME OF THE RETAIL SALE OF NEW,
2 ELECTRIC-POWERED LAWN EQUIPMENT, A DISCOUNT ON THE PURCHASE
3 PRICE OF THE LAWN EQUIPMENT EQUAL TO THIRTY PERCENT OF THE
4 PURCHASE PRICE AND SHALL SHOW THE DISCOUNT AS A SEPARATE ITEM ON
5 THE RECEIPT OR INVOICE PROVIDED TO THE PURCHASER.

6 (c) TO DETERMINE WHETHER A QUALIFIED RETAILER SOLD NEW,
7 ELECTRIC-POWERED LAWN EQUIPMENT IN THIS STATE, THE RULES OF
8 SECTION 39-26-104 (3)(a) APPLY.

9 (d) THE QUALIFIED RETAILER MAY RETAIN FROM THE CREDIT
10 ALLOWED IN THIS SECTION AN ADMINISTRATIVE FEE NOT TO EXCEED THREE
11 PERCENT OF THE PURCHASE PRICE OF THE NEW, ELECTRIC-POWERED LAWN
12 EQUIPMENT SOLD.

13 (e) (I) THE QUALIFIED RETAILER SHALL ELECTRONICALLY
14 SUBMIT A REPORT TO THE DEPARTMENT OF REVENUE, ON A QUARTERLY
15 BASIS AND IN THE FORM AND MANNER REQUIRED BY THE DEPARTMENT,
16 THAT DETAILS THE NUMBER OF PIECES OF NEW, ELECTRIC-POWERED LAWN
17 EQUIPMENT SOLD BY THE QUALIFIED RETAILER IN THE REPORTING PERIOD
18 FOR WHICH THE QUALIFIED RETAILER PROVIDED A DISCOUNT AS DESCRIBED
19 IN SUBSECTION (3)(b) OF THIS SECTION. THE DEPARTMENT MAY REQUIRE
20 THE QUALIFIED RETAILER TO INCLUDE ADDITIONAL INFORMATION IN THE
21 REPORT.

22 (II) BEFORE SELLING A PIECE OF NEW, ELECTRIC-POWERED LAWN
23 EQUIPMENT FOR WHICH A RETAILER INTENDS TO CLAIM A CREDIT
24 PURSUANT TO THIS SECTION, THE RETAILER SHALL REGISTER AS A
25 QUALIFIED RETAILER BY FILING WITH THE DEPARTMENT OF REVENUE A
26 REGISTRATION STATEMENT IN THE FORM AND MANNER THAT THE
27 DEPARTMENT PRESCRIBES.

1 (4) IF A CREDIT AUTHORIZED BY THIS SECTION EXCEEDS THE
2 INCOME TAX DUE ON THE INCOME OF THE QUALIFIED RETAILER FOR THE
3 TAXABLE YEAR, THE EXCESS CREDIT MAY NOT BE CARRIED FORWARD AND
4 MUST BE REFUNDED TO THE QUALIFIED RETAILER.

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

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

21 **SECTION 13.** In Colorado Revised Statutes, 39-29-110, amend
22 (9)(b) as follows:


23 **39-29-110. Local government severance tax fund - creation -**
24 **administration - definitions - repeal.**

25 (9) (b) This subsection (9) is repealed, effective ~~July 1, 2023~~ JULY
26 1, 2025.

27 **SECTION 14.** In Session Laws of Colorado 2021, amend section

1 3 of chapter 225, (HB 21-1253), as follows:

2 Section 3. **Appropriation.** For the 2020-21 state fiscal year,
3 \$5,000,000 is appropriated to the department of local affairs for use by
4 the division of local government. This appropriation is from the local
5 government severance tax fund created in section 39-29-110 (1)(a)(I),
6 C.R.S. To implement this act, the division of local government may use
7 this appropriation for grants for renewable and clean energy
8 implementation projects that meet the division's eligibility criteria for
9 funding under the department's renewable and clean energy initiative
10 program. Any money appropriated in this section not expended prior to
11 July 1, 2021 JULY 1, 2025, is further appropriated to the division of local
12 government for the 2021-22 and 2022-23 state fiscal years for the same
13 purpose UNTIL THE MONEY IS FULLY EXPENDED.

14 
15 **SECTION 15.** In Colorado Revised Statutes, 40-1-102, **amend**
16 (1.3); and **add** (1.4), (8.2), and (8.3) as follows:

17 **40-1-102. Definitions.** As used in articles 1 to 7 of this title 40,
18 unless the context otherwise requires:

19 (1.3) "~~Charge~~" includes any consideration, however denominated,
20 paid or provided by a retail cooperative electric association to a wholesale
21 electric cooperative in connection with an agreement by which the retail
22 cooperative electric association terminates a wholesale electric service
23 contract with the wholesale electric cooperative "CERTIFICATE OF
24 COMPLETION" MEANS AN ATTESTATION THAT AN INTERCONNECTION
25 CUSTOMER SUBMITS TO A PUBLIC UTILITY TO CONFIRM THAT A RETAIL
26 DISTRIBUTED GENERATION RESOURCE HAS BEEN PROPERLY INSPECTED OR
27 OTHERWISE CERTIFIED TO MEET THE SAFE OPERATION REQUIREMENTS OF

1 A LOCAL GOVERNMENT'S BUILDING CODE ENFORCEMENT AUTHORITY.

2 (1.4) "CHARGE" INCLUDES ANY CONSIDERATION, HOWEVER
3 DENOMINATED, PAID OR PROVIDED BY A RETAIL COOPERATIVE ELECTRIC
4 ASSOCIATION TO A WHOLESALE ELECTRIC COOPERATIVE IN CONNECTION
5 WITH AN AGREEMENT BY WHICH THE RETAIL COOPERATIVE ELECTRIC
6 ASSOCIATION TERMINATES A WHOLESALE ELECTRIC SERVICE CONTRACT
7 WITH THE WHOLESALE ELECTRIC COOPERATIVE.

8 (8.2) "INTERCONNECTION AGREEMENT" MEANS AN AGREEMENT
9 BETWEEN A PUBLIC UTILITY AND AN INTERCONNECTION CUSTOMER TO
10 INTERCONNECT A RETAIL DISTRIBUTED GENERATION RESOURCE TO THE
11 UTILITY SYSTEM.

12 (8.3) (a) "INTERCONNECTION CUSTOMER" MEANS AN ENTITY THAT
13 PROPOSES TO INTERCONNECT A RETAIL DISTRIBUTED GENERATION
14 RESOURCE ON THE DISTRIBUTION SYSTEM OF A PUBLIC UTILITY.

15 (b) "INTERCONNECTION CUSTOMER" INCLUDES AN AFFILIATE OR A
16 SUBSIDIARY OF A PUBLIC UTILITY THAT PROPOSES TO INTERCONNECT A
17 RETAIL DISTRIBUTED GENERATION RESOURCE TO THE PUBLIC UTILITY'S
18 SYSTEM.

19 **SECTION 16.** In Colorado Revised Statutes, 40-1-126, **add (2.5)**
20 as follows:

21 **40-2-126. Transmission facilities - biennial review - energy**
22 **resource zones - definitions - plans - approval - cost recovery -**
23 **powerline trail consideration. (2.5) IN REVIEWING A PLAN THAT AN**
24 **ELECTRIC UTILITY SUBMITS PURSUANT TO SUBSECTION (2)(b) OF THIS**
25 **SECTION, THE COMMISSION SHALL CONSIDER THE NEED FOR EXPANDED**
26 **TRANSMISSION CAPACITY IN THE STATE, INCLUDING THE ABILITY TO**
27 **EXPAND CAPACITY THROUGH THE CONSTRUCTION OF NEW TRANSMISSION**

1 LINES, IMPROVEMENTS TO EXISTING TRANSMISSION LINES, AND
2 CONNECTIONS TO ORGANIZED WHOLESALE MARKETS, AS DEFINED IN
3 SECTION 40-5-108 (1)(a).

4
5 SECTION 17. In Colorado Revised Statutes, 40-2-114, amend
6 (2)(a)(III) as follows:

7 40-2-114. Disposition of fees collected - telecommunications
8 utility fund - fixed utility fund - appropriation. (2) (a) Money in the
9 funds created in subsection (1) of this section shall be expended only to
10 defray the full amount determined by the general assembly for:

11 (III) With regard only to expenditures from the public utilities
12 commission fixed utility fund created in subsection (1)(b) of this section,
13 the administrative expenses, not to exceed five hundred thousand dollars
14 annually, incurred by the Colorado electric transmission authority in
15 carrying out its duties under article 42 of this title 40. The Colorado
16 electric transmission authority shall remit to the PUBLIC UTILITIES
17 COMMISSION fixed utility fund any amounts it receives in excess of its
18 actual administrative expenses plus a ~~fifteen~~ FIFTY percent reserve
19 margin.

20 SECTION 18. In Colorado Revised Statutes, amend 40-2-135 as
21 follows:

22 40-2-135. Retail distributed generation - customers' rights -
23 rules. (1) A retail electric utility customer is entitled to generate,
24 consume, store, and export electricity produced from eligible energy
25 resources to the electric grid through the use of customer-sited retail
26 distributed generation, as defined in section 40-2-124 (1)(a)(VIII), subject
27 to reliability standards, interconnection rules, and procedures, as

1 determined by the commission.

2 (2) (a) A RETAIL ELECTRIC UTILITY VIOLATES THIS SECTION IF THE
3 UTILITY FAILS TO PROVIDE REASONABLE, GOOD FAITH, AND TIMELY
4 SERVICE TO AN INTERCONNECTION CUSTOMER AND SUCH VIOLATION MAY
5 RESULT IN COMMISSION ACTION, INCLUDING THE ASSESSMENT OF
6 MONETARY FINES AGAINST THE RETAIL ELECTRIC UTILITY. IF A RETAIL
7 ELECTRIC UTILITY FAILS TO PROVIDE TIMELY SERVICE AND ADHERE TO
8 TIMELINES THAT THE COMMISSION ESTABLISHES AS PART OF THE
9 COMMISSION'S INTERCONNECTION RULES, THE RETAIL ELECTRIC UTILITY
10 MAY BE SUBJECT TO PENALTIES OF UP TO TWO THOUSAND DOLLARS PER
11 DAY FOR EACH DAY THAT THE VIOLATION OCCURRED.

12 (b) THE COMMISSION SHALL ADOPT RULES TO ANNUALLY ADJUST
13 THE PENALTY AMOUNT SET FORTH IN SUBSECTION (2)(a) OF THIS SECTION
14 BASED ON THE ANNUAL PERCENTAGE CHANGE IN THE UNITED STATES
15 DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS CONSUMER PRICE
16 INDEX FOR THE DENVER-AURORA-LAKEWOOD AREA FOR ALL ITEMS PAID
17 BY ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX.

18 (c) (I) FOR A RETAIL DISTRIBUTED GENERATION RESOURCE THAT
19 IS TWENTY-FIVE KILOWATTS OR LESS, A PUBLIC UTILITY SHALL PROVIDE AN
20 INTERCONNECTION CUSTOMER AN EXECUTED INTERCONNECTION
21 AGREEMENT NO MORE THAN THIRTY BUSINESS DAYS AFTER RECEIVING
22 PAYMENT OF AN INTERCONNECTION FEE FROM THE INTERCONNECTION
23 CUSTOMER.

24 (II) FOLLOWING THE CONSTRUCTION OF A RETAIL DISTRIBUTED
25 GENERATION RESOURCE, A PUBLIC UTILITY MUST PROVIDE
26 INTERCONNECTION OF THE CUSTOMER'S RETAIL DISTRIBUTED GENERATION
27 RESOURCE NO MORE THAN THIRTY BUSINESS DAYS AFTER THE

1 INTERCONNECTION CUSTOMER SUBMITS TO THE PUBLIC UTILITY A
2 CERTIFICATE OF COMPLETION.

3 (III) IF THE SUM OF A PUBLIC UTILITY'S COMPLIANCE WITH THESE
4 TIMES SET FORTH IN THIS SUBSECTION (2)(c) EXCEEDS SIXTY DAYS, THE
5 PUBLIC UTILITY MAY BE SUBJECT TO PENALTIES CONSISTENT WITH THIS
6 SUBSECTION (2).

7 (d) A PUBLIC UTILITY IS NOT SUBJECT TO PENALTIES UNDER THIS
8 SUBSECTION (2) IF THE PUBLIC UTILITY CAN DEMONSTRATE THAT:

9 (I) THE INTERCONNECTION CUSTOMER FAILED TO TIMELY REMEDY
10 ANY MATERIAL DEFECTS IN THE COMPLETION OF THE INTERCONNECTION
11 CUSTOMER'S APPLICATION FOR INTERCONNECTION AND THE PUBLIC
12 UTILITY IDENTIFIED THE DEFECTS DURING ITS REVIEW OF THE
13 APPLICATION;

14 (II) THE RETAIL DISTRIBUTED GENERATION RESOURCE CANNOT BE
15 SAFELY INTERCONNECTED TO THE PUBLIC UTILITY'S SYSTEM IN A MANNER
16 CONSISTENT WITH THE COMMISSION'S INTERCONNECTION RULES; OR

17 (III) OTHER EXTENUATING CIRCUMSTANCES CAUSED A DELAY IN
18 INTERCONNECTION.

19 (3) (a) AN INTERCONNECTION CUSTOMER MAY FILE A COMPLAINT
20 WITH THE COMMISSION IN ACCORDANCE WITH SECTION 40-6-108 ALLEGING
21 THAT A PUBLIC UTILITY HAS VIOLATED SUBSECTION (2) OF THIS SECTION.

22 (b) IN CONSIDERING A COMPLAINT FILED PURSUANT TO THIS
23 SUBSECTION (3), THE COMMISSION MAY ORDER THE PUBLIC UTILITY TO
24 REFUND INTERCONNECTION STUDY FEES CHARGED TO THE
25 INTERCONNECTION CUSTOMER. IF A PUBLIC UTILITY IS ORDERED TO
26 REFUND SUCH INTERCONNECTION STUDY FEES, SUCH REFUND IS NOT AN
27 EXPENSE THAT THE PUBLIC UTILITY MAY RECOVER FROM ITS RATEPAYERS.

1 (4) THE COMMISSION SHALL ONLY ASSESS THE PENALTIES SET
2 FORTH IN SUBSECTION (2)(a) OF THIS SECTION AGAINST A PUBLIC UTILITY
3 IF:

4 (a) AN INTERCONNECTION CUSTOMER OR COMMISSION STAFF HAS
5 FILED, AND THE COMMISSION HAS ADJUDICATED, A COMPLAINT PURSUANT
6 TO SECTION 40-6-108; AND

7 (b) THE PUBLIC UTILITY HAS A TARIFF ON FILE WITH THE
8 COMMISSION THAT PROVIDES INCENTIVES AND PENALTIES TO PROVIDE
9 INTERCONNECTION SERVICE AND THE PUBLIC UTILITY HAS EXCEEDED THE
10 TIMELINES ESTABLISHED IN THE TARIFF FILING.

11 (5) IN JURISDICTIONS THAT ALLOW INTERCONNECTION WITHOUT A
12 PUBLIC UTILITY PRESENT, AN INTERCONNECTION CUSTOMER MAY INSTALL
13 ALL NECESSARY METERING EQUIPMENT AND ENERGIZE THE SYSTEM
14 FOLLOWING INSTALLATION IF:

15 (a) THE INTERCONNECTION CUSTOMER HAS AN INTERCONNECTION
16 AGREEMENT WITH A PUBLIC UTILITY AND A CERTIFICATE OF COMPLETION
17 FROM A LOCAL GOVERNMENT'S BUILDING CODE ENFORCEMENT
18 AUTHORITY; AND

19 (b) THE INSTALLATION AND ENERGIZING WORK IS OVERSEEN BY A
20 LICENSED MASTER ELECTRICIAN.

21 (6) A PUBLIC UTILITY MAY RECOVER ITS PRUDENTLY INCURRED
22 COSTS TO FACILITATE A TIMELY INTERCONNECTION, WHICH COSTS MAY
23 INCLUDE THE COST OF EQUIPMENT THAT THE PUBLIC UTILITY PROCURES
24 FOR FUTURE UPGRADES NEEDED TO INTERCONNECT RETAIL DISTRIBUTED
25 GENERATION RESOURCES. A PUBLIC UTILITY MAY RECOVER THE COSTS OF
26 ANY SUCH EQUIPMENT INVENTORY AS CAPITAL WORK IN PROGRESS IF THE
27 INVENTORY IS PROJECTED TO BE USED WITHIN FIVE YEARS OF ITS

1 PROCUREMENT AND WITH A RETURN AT THE MOST RECENTLY AUTHORIZED
2 WEIGHTED AVERAGE COST OF CAPITAL.

3 **SECTION 19.** In Colorado Revised Statutes, 40-5-107, **add** (2.5)
4 as follows:

5 **40-5-107. Electric vehicle programs - service connection cost**
6 **recovery - definitions - repeal.** (2.5) AN ELECTRIC PUBLIC UTILITY MAY
7 RECOVER ITS PRUDENTLY INCURRED COSTS TO FACILITATE A TIMELY
8 ELECTRIC VEHICLE CHARGING SERVICE CONNECTION, WHICH COSTS MAY
9 INCLUDE THE COSTS OF EQUIPMENT THAT THE ELECTRIC PUBLIC UTILITY
10 PROCURES FOR FUTURE UPGRADES NEEDED TO PROVIDE SERVICE
11 CONNECTIONS FOR ELECTRIC VEHICLE CHARGING. AN ELECTRIC PUBLIC
12 UTILITY MAY RECOVER THE COSTS OF ANY SUCH EQUIPMENT INVENTORY
13 AS CAPITAL WORK IN PROGRESS IF THE INVENTORY IS PROJECTED TO BE
14 USED WITHIN THREE YEARS OF ITS PROCUREMENT AND WITH A RETURN AT
15 THE MOST RECENTLY AUTHORIZED WEIGHTED AVERAGE COST OF CAPITAL.

16 **SECTION 20.** In Colorado Revised Statutes, 40-7-105, amend
17 (1); and add (1.5) and (4) as follows:

18 **40-7-105. Violations - penalty - separate offenses - rules.**
19 (1) Any public utility which THAT violates or fails to comply with any
20 provision of the state constitution or of articles 1 to 7 of this title TITLE 40
21 or which THAT fails, omits, or neglects to obey, observe, or comply with
22 any order, decision, decree, rule, direction, demand, or requirement of the
23 commission or any part or provision thereof, except an order for the
24 payment of money, in a case in which a penalty has not been provided for
25 such THE public utility, is subject to a penalty of not more than two
26 TWENTY thousand dollars for each PER offense FOR EACH DAY THAT THE
27 OFFENSE CONTINUES.

1 (1.5) (a) ANY PROPOSED PENALTY IS SUBJECT TO A FINDING BY THE
2 COMMISSION OF CUSTOMER HARM THAT IS COMMENSURATE WITH THE
3 AMOUNT OF THE PENALTY LEVIED. IN DETERMINING THE AMOUNT OF A
4 PENALTY OR WHETHER ANY PENALTY IS LEVIED, THE COMMISSION SHALL
5 ALSO CONSIDER FACTORS INCLUDING:

- 6 (I) THE SIZE OF THE UTILITY;
- 7 (II) FACTORS INFLUENCING THE VIOLATION;
- 8 (III) THE UTILITY'S PREVIOUS HISTORY OF ANY SIMILAR
9 VIOLATIONS;
- 10 (IV) REMEDIAL MEASURES; AND
- 11 (V) ANY OTHER FACTORS THAT MAY MITIGATE ANY HARM TO
12 CUSTOMERS.

13 (b) THE COMMISSION SHALL ADOPT RULES TO ANNUALLY ADJUST
14 THE MAXIMUM PER-DAY PENALTY AMOUNT SET FORTH IN SUBSECTION (1)
15 OF THIS SECTION BASED ON THE ANNUAL PERCENTAGE CHANGE IN THE
16 UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR STATISTICS
17 CONSUMER PRICE INDEX FOR THE DENVER-AURORA-LAKEWOOD AREA FOR
18 ALL ITEMS PAID BY ALL URBAN CONSUMERS, OR ITS SUCCESSOR INDEX.

19 (4) ANY PENALTY THAT THE COMMISSION ASSESSES AGAINST A
20 UTILITY UNDER THIS SECTION IS NOT RECOVERABLE AS AN EXPENSE
21 PAYABLE BY THE UTILITY'S RATEPAYERS.

22 **SECTION 21.** In Colorado Revised Statutes, 40-3.2-108, amend
23 (2)(a)(II) and (2)(p) introductory portion as follows:

24 **40-3.2-108. Clean heat targets - legislative declaration -**
25 **definitions - plans - rules - reports. (2) Definitions.** As used in this
26 section, unless the context otherwise requires:

27 (a) "Biomethane":

1 (II) Includes biomethane recovered from manure management
2 systems or anaerobic digesters, INCLUDING FROM OPERATIONS FOR DAIRY
3 COWS, BEEF CATTLE, POULTRY, SWINE, OR SHEEP, that has been processed
4 to meet pipeline quality.

5 (p) "Recovered methane protocol" means a documented set of
6 procedures and requirements established by the air quality control
7 commission to quantify ongoing greenhouse gas emission reductions or
8 greenhouse gas removal enhancements achieved by a recovered methane
9 project and to calculate the project baseline. A RECOVERED METHANE
10 PROTOCOL THAT THE AIR QUALITY CONTROL COMMISSION ADOPTS FOR
11 BIOMETHANE FROM MANURE MANAGEMENT SYSTEMS MUST ALLOW FOR
12 THE USE OF MANURE FROM BEEF CATTLE OPERATIONS. THE AIR QUALITY
13 CONTROL COMMISSION MAY ALSO ADOPT A RECOVERED METHANE
14 PROTOCOL THAT IS SPECIFIC TO MANURE MANAGEMENT FROM BEEF
15 CATTLE OPERATIONS. A recovered methane protocol must:

16 **SECTION 22.** In Colorado Revised Statutes, 40-42-102, **amend**
17 (14) as follows:

18 **40-42-102. Definitions.** As used in this article 42, unless the
19 context otherwise requires:

20 (14) "Project" means an undertaking by the authority to finance
21 or to:

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

24 (b) RENOVATE, REBUILD, OR RECONDITION EXISTING ELIGIBLE
25 FACILITIES, THAT ARE LOCATED PARTLY OR ENTIRELY WITHIN COLORADO
26 AND ARE APPROVED THROUGH A LOCAL GOVERNMENT'S LAND-USE
27 APPLICATION PROCESS, TO UPGRADE AND OPTIMIZE THE EXISTING

1 FACILITIES.

2 == ==

3 **SECTION 23.** In Colorado Revised Statutes, 40-42-104, **add**
4 (4.5) as follows:

5 **40-42-104. General and specific powers and duties of the**
6 **authority.** (4.5) ON AND AFTER JULY 1, 2024, THE AUTHORITY SHALL
7 OPERATE ON A FISCAL YEAR THAT ALIGNS WITH THE STATE FISCAL YEAR.

8 **SECTION 24.** In Colorado Revised Statutes, 40-42-107, **amend**
9 (1) introductory portion as follows:

10 **40-42-107. Labor standards - apprenticeship - supervision.**

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

17 **SECTION 25.** In Colorado Revised Statutes, add 40-42-109 as
18 follows:

19 **40-42-109. Study on expanding transmission capacity -**
20 **reporting - repeal.** (1) THE AUTHORITY SHALL EXPEND MONEY FROM THE
21 OPERATIONAL FUND CREATED IN SECTION 40-42-106 TO STUDY THE NEED
22 FOR EXPANDED TRANSMISSION CAPACITY IN THE STATE, INCLUDING:

23 (a) THE ABILITY TO EXPAND CAPACITY THROUGH THE
24 CONSTRUCTION OF NEW TRANSMISSION LINES, IMPROVEMENTS TO
25 EXISTING TRANSMISSION LINES, AND CONNECTIONS TO ORGANIZED
26 WHOLESALE MARKETS, AS DEFINED IN SECTION 40-5-108 (1)(a);

27 (b) WHETHER AND HOW EXPANDED TRANSMISSION CAPACITY WILL:

1 (I) IMPROVE THE SYSTEM RELIABILITY OF THE ELECTRIC GRID AND
2 PROVIDE OPTIMAL UTILIZATION OF ELECTRICITY FLOWS IN THE STATE;

3 (II) SUPPORT THE STATE'S EMISSION REDUCTION GOALS SET FORTH
4 IN SECTION 25-7-102 (2)(g);

5 (III) SUPPORT THE STATE'S FORECASTED ELECTRICITY NEEDS; AND

6 (IV) REDUCE LAND IMPACTS BY USING EXISTING RIGHTS-OF-WAY,
7 INCLUDING FOR LARGE CAPACITY TRANSMISSION LINES; CO-LOCATING
8 MULTIPLE TRANSMISSION LINES; RECONDUCTORING TRANSMISSION LINES;
9 AND STRATEGICALLY SITING NEW TRANSMISSION CORRIDORS.

10 (2) THE AUTHORITY SHALL PREPARE:

11 (a) AN INITIAL REPORT OF THE STUDY, INCLUDING ANY
12 RECOMMENDATIONS, AND PRESENT THE INITIAL REPORT TO THE
13 COMMISSION ON OR BEFORE SEPTEMBER 1, 2024; AND

14 (b) A FINAL REPORT OF THE STUDY, INCLUDING ANY
15 RECOMMENDATIONS, AND PRESENT THE FINAL REPORT TO THE JOINT
16 COMMITTEE OF THE HOUSE OF REPRESENTATIVES ENERGY AND
17 ENVIRONMENT COMMITTEE AND THE SENATE TRANSPORTATION AND
18 ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, ON OR BEFORE
19 JANUARY 31, 2025.

20 (3) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2025.

21 **SECTION 26.** In Colorado Revised Statutes, 29-20-104, **amend**
22 (1)(h) introductory portion, (1)(h)(II), (2)(b), and (2)(c); and **add** (2)(d)
23 as follows:

24 **29-20-104. Powers of local governments - definition.**

25 (1) Except as expressly provided in section 29-20-104.5, the power and
26 authority granted by this section does not limit any power or authority
27 presently exercised or previously granted. Each local government within

1 its respective jurisdiction has the authority to plan for and regulate the use
2 of land by:

3 (h) Regulating the surface impacts of oil and gas operations AND
4 CLASS VI INJECTION WELLS in a reasonable manner to address matters
5 specified in this subsection (1)(h) and to protect and minimize adverse
6 impacts to public health, safety, and welfare and the environment.
7 Nothing in this subsection (1)(h) is intended to alter, expand, or diminish
8 the authority of local governments to regulate air quality under section
9 25-7-128. For purposes of this subsection (1)(h), "minimize adverse
10 impacts" means, to the extent necessary and reasonable, to protect public
11 health, safety, and welfare and the environment by avoiding adverse
12 impacts from oil and gas operations AND CLASS VI INJECTION WELLS and
13 minimizing and mitigating the extent and severity of those impacts that
14 cannot be avoided. The following matters are covered by this subsection
15 (1)(h):

16 (II) The location and siting of oil and gas facilities and oil and gas
17 locations, as those terms are defined in section 34-60-103 (6.2) and (6.4)
18 AND THE LOCATION AND SITING OF CLASS VI INJECTION WELLS;

19 (2) To implement the powers and authority granted in subsection
20 (1)(h) of this section, a local government within its respective jurisdiction
21 has the authority to:

22 (b) Impose fines for leaks, spills, and emissions; and

23 (c) Impose fees on operators or owners to cover the reasonably
24 foreseeable direct and indirect costs of permitting and regulation and the
25 costs of any monitoring and inspection program necessary to address the
26 impacts of development and to enforce local governmental requirements;

27 AND

1 (d) IMPOSE FEES TO ENHANCE EMERGENCY PREPAREDNESS AND
2 EMERGENCY RESPONSE CAPABILITIES IF A CARBON DIOXIDE RELEASE
3 OCCURS. ALLOWABLE EXPENDITURES OF THE FEES COLLECTED INCLUDE:

4 (I) PREPARING EMERGENCY RESPONSE PLANS FOR A CARBON
5 DIOXIDE RELEASE;

6 (II) PURCHASING ELECTRIC EMERGENCY RESPONSE VEHICLES;

7 (III) DEVELOPING OR MAINTAINING A TEXT MESSAGE OR OTHER
8 EMERGENCY COMMUNICATION ALERT SYSTEM;

9 (IV) PURCHASING DEVICES THAT ASSIST IN THE DETECTION OF A
10 CARBON DIOXIDE RELEASE;

11 (V) EQUIPMENT FOR FIRST RESPONDERS, LOCAL RESIDENTS, AND
12 MEDICAL FACILITIES THAT ASSIST IN THE PREPARATION FOR, DETECTION
13 OF, OR RESPONSE TO THE RELEASE OF CARBON DIOXIDE OR OTHER TOXIC
14 OR HAZARDOUS MATERIALS; AND

15 (VI) TRAINING AND TRAINING MATERIALS FOR FIRST RESPONDERS,
16 LOCAL RESIDENTS, BUSINESSES, AND OTHER LOCAL ENTITIES TO PREPARE
17 FOR AND RESPOND TO THE RELEASE OF CARBON DIOXIDE OR OTHER TOXIC
18 OR HAZARDOUS MATERIALS.

19 SECTION 27. In Colorado Revised Statutes, 29-20-108, add (7)
20 as follows:

21 29-20-108. Local government regulation - location,
22 construction, or improvement of major electrical or natural gas
23 facilities - powerline trail notification - expedited review for certain
24 transmission line projects - legislative declaration - definitions. (7) A
25 LOCAL GOVERNMENT SHALL EXPEDITE, AS PRACTICABLE, ITS REVIEW OF A
26 LAND USE APPLICATION WITH REGARD TO A PROPOSED PROJECT TO
27 RENOVATE, REBUILD, OR RECONDITION A TRANSMISSION LINE IN

1 ACCORDANCE WITH SECTION 40-42-104 (3)(c).

2 **SECTION 28.** In Colorado Revised Statutes, 25-7-105, **amend**
3 (1)(e)(II) as follows:

4 **25-7-105. Duties of commission - technical secretary - rules -**
5 **legislative declaration - definitions.** (1) Except as provided in sections
6 25-7-130 and 25-7-131, the commission shall promulgate rules that are
7 consistent with the legislative declaration set forth in section 25-7-102
8 and necessary for the proper implementation and administration of this
9 article 7, including:

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

22 **SECTION 29. Appropriation.** (1) For the 2023-24 state fiscal
23 year, \$338,270 is appropriated to the department of natural resources for
24 use by the oil and gas conservation commission. This appropriation is
25 from the oil and gas conservation and environmental response fund
26 created in section 34-60-122 (5)(a), C.R.S. To implement this act, the
27 commission may use this appropriation as follows:

1 (a) \$317,122 for program costs, which amount is based on an
2 assumption that the commission will require an additional 3.2 FTE; and

3 (b) \$21,148 for legal services.

4 (2) For the 2023-24 state fiscal year, \$14,706 is appropriated to
5 the department of public health and environment for use by the air
6 pollution control division. This appropriation is from the general fund,
7 and is based on an assumption that the division will require an additional
8 0.2 FTE. To implement this act, the division may use this appropriation
9 for personal services related to stationary sources.

10 (3) For the 2023-24 state fiscal year, \$21,148 is appropriated to
11 the department of law. This appropriation is from reappropriated funds
12 received from the department of natural resources under subsection (1)(b)
13 of this section and is based on an assumption that the department of law
14 will require an additional 0.1 FTE. To implement this act, the department
15 of law may use this appropriation to provide legal services for the
16 department of natural resources.

17

18 **SECTION 30. Act subject to petition - effective date.** This act
19 takes effect at 12:01 a.m. on the day following the expiration of the
20 ninety-day period after final adjournment of the general assembly; except
21 that, if a referendum petition is filed pursuant to section 1 (3) of article V
22 of the state constitution against this act or an item, section, or part of this
23 act within such period, then the act, item, section, or part will not take
24 effect unless approved by the people at the general election to be held in
25 November 2024 and, in such case, will take effect on the date of the
26 official declaration of the vote thereon by the governor.

27