

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

PREAMENDED

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

LLS NO. 23-0213.01 Jennifer Berman x3286

SENATE BILL 23-016

SENATE SPONSORSHIP

Hansen,

HOUSE SPONSORSHIP

McCormick and Sirota,

Senate Committees

Transportation & Energy
Finance
Appropriations

House Committees

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.*

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.

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6 **SECTION 2.** In Colorado Revised Statutes, **amend** 24-51-220 as
7 follows:

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

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

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

25 (b) THE CURRENT OR ANTICIPATED FUTURE RISKS THAT CLIMATE
26 CHANGE POSES TO THE ASSOCIATION'S INVESTMENT PORTFOLIO, THE
27 IMPACT THAT CLIMATE CHANGE HAS ON THE ASSOCIATION'S INVESTMENT

1 STRATEGIES, AND ANY STRATEGY CHANGES THAT THE ASSOCIATION HAS
2 IMPLEMENTED IN RESPONSE TO SUCH IMPACT;

3 (c) ACTIONS THAT THE ASSOCIATION IS TAKING TO MANAGE THE
4 RISKS THAT CLIMATE CHANGE POSES TO THE ASSOCIATION'S OPERATIONS;
5 AND

6 (d) THE ASSOCIATION'S USE AND CONSIDERATION OF ANY
7 CLIMATE-RELATED REPORTING THAT THE FEDERAL SECURITIES AND
8 EXCHANGE COMMISSION REQUIRES.

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

11 **25-6.5-201. Definitions.** As used in this part 2, unless the context
12 otherwise requires:

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

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

20 (I) Gas or wind turbines and associated compressors or
21 equipment;

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

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

27 (IV) WASTEWATER THERMAL ENERGY EQUIPMENT.

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

5 **SECTION 4.** In Colorado Revised Statutes, 40-3.2-108, **amend**
6 (2)(c)(V); and **add** (2)(c)(V.5) and (2)(r) as follows:

7 **40-3.2-108. Clean heat targets - legislative declaration -**
8 **definitions - plans - rules - reports. (2) Definitions.** As used in this
9 section, unless the context otherwise requires:

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

11 (V) Pyrolysis of tires if the pyrolysis meets a recovered methane
12 protocol; and

13 (V.5) WASTEWATER THERMAL ENERGY; AND

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

17 **SECTION 5.** In Colorado Revised Statutes, 25-7-102, **amend**
18 (2)(g) as follows:

19 **25-7-102. Legislative declaration. (2)** It is further declared that:

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

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

26 (B) A fifty percent reduction in statewide greenhouse gas
27 pollution by 2030;

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

3 (D) AN EIGHTY PERCENT REDUCTION IN STATEWIDE GREENHOUSE
4 GAS POLLUTION BY 2040;

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

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

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

11 **SECTION 6.** In Colorado Revised Statutes, 34-60-106, **amend**
12 (9)(a) and (9)(b)(I); and **add** (9)(c) and (9)(d) as follows:

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

26 (II) IN PERFORMING ACTS FOR THE PURPOSE OF ENSURING THE SAFE
27 AND EFFECTIVE SEQUESTRATION OF GREENHOUSE GASES PURSUANT TO

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

9 (b) The commission shall:

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

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

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

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

22 (II) THE COMMISSION MAY ISSUE AND ENFORCE PERMITS AS
23 NECESSARY FOR THE PURPOSE SET FORTH IN THIS SUBSECTION (9)(c) AFTER
24 THE COMMISSION MAKES THE DETERMINATION AND HOLDS THE HEARING
25 SET FORTH IN SUBSECTION (9)(c)(I) OF THIS SECTION AND THE COMMISSION
26 AND THE GOVERNOR SATISFY THE REQUIREMENTS SET FORTH IN
27 SUBSECTION (9)(a) OF THIS SECTION. IN ISSUING AND ENFORCING PERMITS

1 PURSUANT TO THIS SUBSECTION (9)(c), THE COMMISSION SHALL ENSURE
2 THAT THE PERMITTING OF A CLASS VI INJECTION WELL:

3 (A) DOES NOT DISPROPORTIONATELY AFFECT THE HEALTH AND
4 WELL-BEING OF DISPROPORTIONATELY IMPACTED COMMUNITIES; AND

5 (B) COMPLIES WITH A LOCAL GOVERNMENT'S SITING OF THE
6 PROPOSED CLASS VI INJECTION WELL LOCATION.

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

20 **38-30-168. Unreasonable restrictions on renewable energy**
21 **generation devices - definitions. (1) (b) As used in this section,**
22 **"renewable energy generation device" means:**

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

26 **(III) A geothermal energy device; OR**

27 **(IV) A HEAT PUMP SYSTEM, AS DEFINED IN SECTION 39-26-732**

1 (2)(c).

2 SECTION 8. In Colorado Revised Statutes, 38-33.3-106.7,

3 amend (1)(b)(VI) as follows:

4 38-33.3-106.7. Unreasonable restrictions on energy efficiency
5 measures - definitions. (1) (b) As used in this section, "energy
6 efficiency measure" means a device or structure that reduces the amount
7 of energy derived from fossil fuels that is consumed by a residence or
8 business located on the real property. "Energy efficiency measure" is
9 further limited to include only the following types of devices or
10 structures:

11 (VI) A heat pump SYSTEM, AS DEFINED IN SECTION 39-26-732

12 (2)(c).

13 SECTION 9. In Colorado Revised Statutes, **add** 39-22-549 as
14 follows:

15 **39-22-549. Tax credit for reducing emissions from certain**
16 **lawn equipment - report - legislative declaration - definitions - repeal.**

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

18 (I) GASOLINE-POWERED LAWN EQUIPMENT, SUCH AS LAWN
19 MOWERS, LEAF BLOWERS, TRIMMERS, AND SNOWBLOWERS, EMITS HIGH
20 LEVELS OF AIR POLLUTANTS, INCLUDING NITROGEN OXIDES AND VOLATILE
21 ORGANIC COMPOUNDS THAT, TOGETHER, FORM OZONE AND PARTICULATE
22 MATTER;

23 (II) REPLACING SUCH GASOLINE-POWERED LAWN EQUIPMENT WITH
24 ELECTRIC-POWERED LAWN EQUIPMENT CAN REDUCE OZONE POLLUTION;
25 AND

26 (III) THE PURPOSE OF THE TAX CREDIT IN SUBSECTION (3) OF THIS
27 SECTION IS TO INCENTIVIZE THE VOLUNTARY TRANSITION FROM

1 GASOLINE-POWERED TO ELECTRIC-POWERED LAWN EQUIPMENT.

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

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

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

19 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
20 REQUIRES:

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

23 (b) "PURCHASE PRICE" HAS THE MEANING SET FORTH IN SECTION
24 39-26-102 (7).

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

27 (d) "TAXPAYER" HAS THE MEANING SET FORTH IN SECTION

1 39-21-101 (4).

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

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

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

19 (4) IF THE AMOUNT OF A TAX CREDIT UNDER SUBSECTION (3) OF
20 THIS SECTION EXCEEDS A TAXPAYER'S ACTUAL TAX LIABILITY FOR AN
21 INCOME TAX YEAR, THE AMOUNT OF THE TAX CREDIT NOT USED TO OFFSET
22 INCOME TAX LIABILITY FOR THAT INCOME TAX YEAR IS NOT REFUNDED TO
23 THE TAXPAYER. THE TAXPAYER MAY CARRY FORWARD AND APPLY THE
24 UNUSED TAX CREDIT AGAINST THE INCOME TAX THAT THE TAXPAYER
25 OWES IN EACH OF THE FIVE SUCCEEDING INCOME TAX YEARS, BUT THE
26 TAXPAYER SHALL APPLY THE TAX CREDIT AGAINST THE INCOME TAX DUE
27 FOR THE EARLIEST OF THE INCOME TAX YEARS POSSIBLE. ANY AMOUNT OF

1 THE TAX CREDIT THAT REMAINS AFTER THIS PERIOD IS NOT REFUNDABLE
2 AND SHALL NOT BE CREDITED TO THE TAXPAYER.

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

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

19 **SECTION 10. 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 11. 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 12. In Colorado Revised Statutes, 40-3.2-108, amend
21 (2)(a)(II) and (2)(p) introductory portion as follows:

22 40-3.2-108. Clean heat targets - legislative declaration -
23 definitions - plans - rules - reports. (2) Definitions. As used in this
24 section, unless the context otherwise requires:

25 (a) "Biomethane":
26 (II) Includes biomethane recovered from manure management
27 systems or anaerobic digesters, INCLUDING FROM OPERATIONS FOR DAIRY

1 COWS, BEEF CATTLE, POULTRY, SWINE, OR SHEEP, that has been processed
2 to meet pipeline quality.

3 (p) "Recovered methane protocol" means a documented set of
4 procedures and requirements established by the air quality control
5 commission to quantify ongoing greenhouse gas emission reductions or
6 greenhouse gas removal enhancements achieved by a recovered methane
7 project and to calculate the project baseline. IF A RECOVERED METHANE
8 PROTOCOL DOES NOT EXIST FOR A SOURCE OF RECOVERED METHANE
9 IDENTIFIED IN SUBSECTION (2)(n) OF THIS SECTION, THE AIR QUALITY
10 CONTROL COMMISSION SHALL ESTABLISH A RECOVERED METHANE
11 PROTOCOL THAT IS CONSISTENT WITH THE LEGISLATIVE DECLARATION SET
12 FORTH IN SUBSECTION (1) OF THIS SECTION. A recovered methane protocol
13 must:

14 **SECTION 13.** In Colorado Revised Statutes, 40-42-102, **amend**
15 (14) as follows:

16 **40-42-102. Definitions.** As used in this article 42, unless the
17 context otherwise requires:

18 (14) "Project" means an undertaking by the authority to finance
19 or to:

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

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

27 ==

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

3 **40-42-107. Labor standards - apprenticeship - supervision.**

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

10 **SECTION 15.** In Colorado Revised Statutes, **add 40-42-109 as**
11 **follows:**

12 **40-42-109. Study on expanding transmission capacity -**
13 **reporting - repeal.** (1) **THE AUTHORITY SHALL EXPEND MONEY FROM THE**
14 **OPERATIONAL FUND CREATED IN SECTION 40-42-106 TO STUDY THE NEED**
15 **FOR EXPANDED TRANSMISSION CAPACITY IN THE STATE, INCLUDING:**

16 **(a) THE ABILITY TO EXPAND CAPACITY THROUGH THE**
17 **CONSTRUCTION OF NEW TRANSMISSION LINES, IMPROVEMENTS TO**
18 **EXISTING TRANSMISSION LINES, AND CONNECTIONS TO ORGANIZED**
19 **WHOLESALE MARKETS, AS DEFINED IN SECTION 40-5-108 (1)(a);**

20 **(b) WHETHER AND HOW EXPANDED TRANSMISSION CAPACITY WILL:**

21 **(I) IMPROVE THE SYSTEM RELIABILITY OF THE ELECTRIC GRID AND**
22 **PROVIDE OPTIMAL UTILIZATION OF ELECTRICITY FLOWS IN THE STATE;**

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

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

26 **(IV) REDUCE LAND IMPACTS BY USING EXISTING RIGHTS-OF-WAY,**
27 **INCLUDING FOR LARGE CAPACITY TRANSMISSION LINES; CO-LOCATING**

1 MULTIPLE TRANSMISSION LINES; RECONDUCTORING TRANSMISSION LINES;
2 AND STRATEGICALLY SITING NEW TRANSMISSION CORRIDORS.

3 (2) THE AUTHORITY SHALL PREPARE:

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

7 (b) A FINAL REPORT OF THE STUDY, INCLUDING ANY
8 RECOMMENDATIONS, AND PRESENT THE FINAL REPORT TO THE JOINT
9 COMMITTEE OF THE HOUSE OF REPRESENTATIVES ENERGY AND
10 ENVIRONMENT COMMITTEE AND THE SENATE TRANSPORTATION AND
11 ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES, ON OR BEFORE
12 JANUARY 31, 2025.

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

14 **SECTION 16.** In Colorado Revised Statutes, 29-20-108, **add** (7)
15 as follows:

16 **29-20-108. Local government regulation - location,**
17 **construction, or improvement of major electrical or natural gas**
18 **facilities - powerline trail notification - expedited review for certain**
19 **transmission line projects - legislative declaration - definitions. (7) A**
20 LOCAL GOVERNMENT SHALL EXPEDITE, AS PRACTICABLE, ITS REVIEW OF A
21 LAND USE APPLICATION WITH REGARD TO A PROPOSED PROJECT TO
22 RENOVATE, REBUILD, OR RECONDITION A TRANSMISSION LINE IN
23 ACCORDANCE WITH SECTION 40-42-104 (3)(c).

24 **SECTION 17.** In Colorado Revised Statutes, 25-7-105, **amend**
25 (1)(e)(II) as follows:

26 **25-7-105. Duties of commission - technical secretary - rules -**
27 **legislative declaration - definitions. (1) Except as provided in sections**

1 25-7-130 and 25-7-131, the commission shall promulgate rules that are
2 consistent with the legislative declaration set forth in section 25-7-102
3 and necessary for the proper implementation and administration of this
4 article 7, including:

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

17 **SECTION 18. Appropriation.** (1) For the 2023-24 state fiscal
18 year, \$191,790 is appropriated to the department of natural resources for
19 use by the oil and gas conservation commission. This appropriation is
20 from the oil and gas conservation and environmental response fund
21 created in section 34-60-122 (5)(a), C.R.S. To implement this act, the
22 commission may use this appropriation as follows:

23 (a) \$151,142 for program costs, which amount is based on an
24 assumption that the commission will require an additional 1.6 FTE;

25 (b) \$19,500 for the underground injection program; and

26 (c) \$21,148 for the purchase of legal services.

27 (2) For the 2023-24 state fiscal year, \$288,016 is appropriated to

1 the department of public health and environment for use by the air
2 pollution control division. This appropriation is from the general fund. To
3 implement this act, the division may use this appropriation as follows:

4 (a) \$135,054 for personal services related to stationary sources,
5 which amount is based on an assumption that the subdivision will require
6 an additional 1.4 FTE;

7 (b) \$15,500 for operating expenses related to stationary sources;
8 and

9 (c) \$137,462 for the purchase of legal services.

10 (3) For the 2023-24 state fiscal year, \$99,769 is appropriated to
11 the department of revenue. This appropriation is from the general fund.
12 To implement this act, the division may use this appropriation as follows:

13 (a) \$44,327 for use by taxation services for personal services,
14 which amount is based on an assumption that the division will require an
15 additional 0.7 FTE;

16 (b) \$15,007 for use by taxation services for operating expenses;
17 and

18 (c) \$40,435 for use by administration for tax administration IT
19 system (GenTax) support.

20 (4) For the 2023-24 state fiscal year, \$158,610 is appropriated to
21 the department of law. This appropriation is from reappropriated funds
22 received from the departments of natural resources and public health and
23 environment under subsections (1)(c) and (2)(c) of this section and is
24 based on an assumption that the department of law will require an
25 additional 0.8 FTE. To implement this act, the department of law may use
26 this appropriation to provide legal services for the departments of natural
27 resources and public health and environment.

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