



**Senate Bill 181: The Statewide Cost of Prohibitions, Restrictions and
Regulatory Uncertainty in Colorado's Energy Sector**

KEY FINDINGS:

- Despite the stated intentions of the sponsors of SB 181, the provisions of the bill would allow for any number of new rules at both the state and local level that significantly reduce the size of the oil and gas industry in Colorado.
- The fiscal note accompanying the bill states that Senate Bill 181 authorizes restrictions up to and including, "an outright prohibition of oil and gas development."
- The current language of the bill also removes the requirement that technical feasibility and cost-effectiveness be used as part of the criteria for future permitting decisions and regulations over oil and natural gas.
- The bill grants exclusive authority to the Director of the COGCC to refuse any permit that he or she flags for additional review. COGCC has released 19 broad criteria for flagging permits for further review that includes a proposed well in a municipality, within 2,500 ft of a municipality or county line; in a location added by the governor's office; in a location that attracts comments from environmental groups; or any permit otherwise considered "hairy, sticky or likely to stand out."
- Given the uncertainty surrounding the bill, in hours of committee testimony concerned Coloradans questioned the economic risk. To estimate the impacts of different possible outcomes, including a worst case 100% reduction in new production, several scenarios were run to quantify the dynamic fiscal and economic impacts. Here are summary results for just 2 of the 7 scenarios included in the report.
 - If SB-181 shuts down 50% of new oil and gas production the impacts by 2030 include:
 - 120,000 fewer jobs across all sectors
 - Over \$8 billion in lost state and local tax revenue from 2020 through 2030
 - Over \$158 billion in lost GDP from 2020 through 2030
 - If SB-181 shuts down 100% of new oil and gas production the impacts by 2030 include:
 - 185,000 fewer jobs across all sectors
 - Over \$13.5 billion in lost state and local tax revenue from 2020 through 2030
 - Over \$257 billion in lost GDP from 2020 through 2030

March 2019

www.remipartnership.org