

SB280 L.003

SENATE COMMITTEE OF REFERENCE AMENDMENT
Committee on Transportation & Energy.

SB25-280 be amended as follows:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 **"SECTION 1.** In Colorado Revised Statutes, **add** part 8 to article
4 48.5 of title 24 as follows:

PART 8

DATA CENTER DEVELOPMENT AND INCENTIVES

24-48.5-801. Short title. THE SHORT TITLE OF THIS PART 8 IS THE "COLORADO DATA CENTER DEVELOPMENT AND INCENTIVE PROGRAM ACT".

11 **24-48.5-802. Legislative declaration.** (1) THE GENERAL
12 ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT:

13 (a) COLORADO'S CONTINUED ECONOMIC GROWTH AND
14 TECHNOLOGICAL ADVANCEMENT DEPEND ON THE DEVELOPMENT OF
15 MODERN DIGITAL INFRASTRUCTURE THAT CAN SUPPORT EMERGING
16 TECHNOLOGIES WHILE ENSURING GRID RELIABILITY, AFFORDABILITY OF
17 ELECTRIC SERVICE FOR ALL CUSTOMERS, AND ENVIRONMENTAL
18 SUSTAINABILITY;

19 (b) COLORADO FACES INTERRELATED CHALLENGES IN:

20 (I) ACHIEVING ITS CLEAN ENERGY AND GREENHOUSE GAS
21 REDUCTION GOALS WHILE MAINTAINING GRID SYSTEM RELIABILITY;

22 (II) MODERNIZING CRITICAL ELECTRICAL GRID INFRASTRUCTURE
23 TO SUPPORT INCREASING ELECTRIFICATION;

24 (III) ENSURING EQUITABLE ECONOMIC DEVELOPMENT ACROSS
25 URBAN, SUBURBAN, AND RURAL COMMUNITIES; AND

26 (IV) MAINTAINING ECONOMIC COMPETITIVENESS IN AN EVOLVING
27 TECHNOLOGICAL LANDSCAPE;

28 (c) THE COLORADO ELECTRIC TRANSMISSION AUTHORITY HAS
29 IDENTIFIED CRITICAL TRANSMISSION CAPACITY NEEDS REQUIRING

30 APPROXIMATELY FOUR AND ONE-HALF BILLION DOLLARS IN
31 INFRASTRUCTURE INVESTMENT THROUGH 2045, WITH SIGNIFICANT
32 REQUIREMENTS FOR GRID MODERNIZATION, RELIABILITY ENHANCEMENT,
33 AND RENEWABLE AND CLEAN ENERGY INTEGRATION;

34 (d) DATA CENTERS REPRESENT A TRANSFORMATIVE OPPORTUNITY
35 TO:

36 (I) ACCELERATE GRID MODERNIZATION THROUGH STRATEGIC
37 INVESTMENT CONTRIBUTIONS INTO TRANSMISSION AND DISTRIBUTION
38 INFRASTRUCTURE;

39 (II) CREATE HIGH-WAGE EMPLOYMENT OPPORTUNITIES ACROSS

1 THE STATE, PARTICULARLY IN AREAS TRANSITIONING FROM TRADITIONAL
2 ENERGY ECONOMIES; AND

3 (III) STRENGTHEN LOCAL TAX BASES WHILE DRIVING
4 TECHNOLOGICAL INNOVATION;

5 (e) COLORADO'S EXISTING TAX STRUCTURE DOES NOT
6 ADEQUATELY REFLECT THE UNIQUE OPERATIONAL CHARACTERISTICS AND
7 INFRASTRUCTURE REQUIREMENTS OF MODERN DATA CENTER
8 DEVELOPMENT;

9 (f) THE STATE'S CURRENT TAX FRAMEWORK CREATES UNINTENDED
10 BARRIERS TO CRITICAL DIGITAL INFRASTRUCTURE INVESTMENT,
11 PARTICULARLY REGARDING:

12 (I) LARGE-SCALE CAPITAL INVESTMENT IN TECHNOLOGICAL
13 EQUIPMENT;

14 (II) ONGOING GRID INFRASTRUCTURE MODERNIZATION; AND

15 (III) RENEWABLE AND CLEAN ENERGY DEPLOYMENT;

16 (g) DATA CENTERS REPRESENT A DISTINCT CLASS OF
17 INFRASTRUCTURE THAT:

18 (I) REQUIRES SIGNIFICANT UP-FRONT CAPITAL INVESTMENT;

19 (II) DRIVES SUBSTANTIAL GRID MODERNIZATION;

20 (III) CREATES HIGH-WAGE TECHNOLOGY EMPLOYMENT; AND

21 (IV) GENERATES LONG-TERM ECONOMIC BENEFITS;

22 (h) UNDER COLORADO'S CURRENT TAX FRAMEWORK, THE STATE
23 RISKS LOSING BILLIONS OF DOLLARS IN POTENTIAL INVESTMENT OVER THE
24 NEXT DECADE DESPITE SIGNIFICANT COMPETITIVE ADVANTAGES IN
25 CLIMATE, WORKFORCE, AND RENEWABLE AND CLEAN RESOURCES;

26 (i) NEIGHBORING STATES HAVE ESTABLISHED COMPREHENSIVE
27 INCENTIVE PROGRAMS THAT PLACE COLORADO AT A COMPETITIVE
28 DISADVANTAGE;

29 (j) COLORADO'S UNIQUE GEOGRAPHIC AND RESOURCE
30 ADVANTAGES CREATE OPPORTUNITIES FOR LEADERSHIP IN SUSTAINABLE
31 DATA CENTER DEVELOPMENT;

32 (k) EMERGING LARGE LOAD CUSTOMERS HAVE THE POTENTIAL TO
33 DRIVE SIGNIFICANT INVESTMENT IN COLORADO'S ENERGY
34 INFRASTRUCTURE; AND

35 (l) A TARGETED AND TRANSPARENT RESOURCE ACQUISITION
36 FRAMEWORK CAN ENABLE UTILITIES TO EFFICIENTLY SERVE THESE
37 CUSTOMERS WHILE PRESERVING AFFORDABILITY, PROTECTING EXISTING
38 RATEPAYERS, AND MEETING THE STATE'S DECARBONIZATION AND GRID
39 RELIABILITY GOALS.

40 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT
41 A STRUCTURED, PERFORMANCE-BASED APPROACH TO DATA CENTER
42 DEVELOPMENT WILL:

43 (a) ACCELERATE GRID MODERNIZATION THROUGH PRIVATE

1 INVESTMENT;
2 (b) ENSURE RESPONSIBLE DEVELOPMENT THAT BENEFITS LOCAL
3 COMMUNITIES;
4 (c) ADVANCE MULTIPLE STATE POLICY OBJECTIVES;
5 (d) CREATE HIGH-WAGE TECHNOLOGY JOBS;
6 (e) STRENGTHEN LOCAL TAX BASES, PARTICULARLY IN RURAL
7 AREAS; AND
8 (f) ENHANCE COLORADO'S POSITION AS A LEADER IN
9 TECHNOLOGICAL INNOVATION.

10 **24-48.5-803. Definitions.** AS USED IN THIS PART 8, UNLESS THE
11 CONTEXT OTHERWISE REQUIRES:

12 (1) "CERTIFICATION" MEANS RECOGNITION GRANTED TO A DATA
13 CENTER BY THE OFFICE PURSUANT TO SECTION 24-48.5-807, UPON
14 DETERMINATION THAT THE DATA CENTER MEETS THE REQUIREMENTS
15 SPECIFIED IN SECTION 24-48.5-805.

16 (2) "CERTIFIED DATA CENTER" MEANS A DATA CENTER THAT HAS
17 RECEIVED CERTIFICATION FROM THE OFFICE PURSUANT TO SECTION
18 24-48.5-807.

19 (3) "COMMISSION" MEANS THE COLORADO PUBLIC UTILITIES
20 COMMISSION CREATED IN SECTION 40-2-101.

21 (4) "DATA CENTER" MEANS A FACILITY WITH ONE OR MORE
22 BUILDINGS INCLUDING CORRESPONDING ELECTRICAL INFRASTRUCTURE
23 THAT:

24 (a) HOUSES INFORMATION TECHNOLOGY EQUIPMENT USED FOR
25 DATA PROCESSING, DATA STORAGE, OR TELECOMMUNICATIONS; AND

26 (b) HAS A PRIMARY FUNCTION OF DELIVERING INFORMATION
27 TECHNOLOGY SERVICES INCLUDING:

28 (I) PROVIDING DATA STORAGE, PROCESSING, AND TRANSPORT
29 SERVICES;

30 (II) SUPPORTING THE DELIVERY OF CLOUD COMPUTING SERVICES;

31 (III) PROVIDING NETWORK CONNECTIVITY SERVICES; AND

32 (IV) SUPPORTING ARTIFICIAL INTELLIGENCE, MACHINE LEARNING,
33 OR SIMILAR COMPUTATIONAL SERVICES.

34 (5) "DATA CENTER OPERATOR" MEANS ANY PERSON OR ENTITY
35 THAT:

36 (a) OWNS, LEASES, OR OPERATES A DATA CENTER IN COLORADO;

37 (b) IS A CLIENT OR COLLOCATION TENANT OR LICENSEE OF A DATA
38 CENTER, INCLUDING ENTITIES THAT LEASE, RENT, OR OTHERWISE ENTER
39 INTO A CONTRACTUAL AGREEMENT FOR THE USE OF DATA CENTER SPACE
40 OR SERVICES; OR

41 (c) CO-LOCATES INFORMATION TECHNOLOGY EQUIPMENT WITHIN
42 A QUALIFYING DATA CENTER FACILITY.

43 (6) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

(7) "ENERGY OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101.

(8) "OFFICE" MEANS THE OFFICE OF ECONOMIC DEVELOPMENT CREATED IN SECTION 24-48.5-101.

(9) "PROGRAM" MEANS THE DATA CENTER DEVELOPMENT INCENTIVE PROGRAM CREATED IN THIS PART 8.

(10) "QUALIFIED PURCHASE" MEANS THE PURCHASE, ON OR AFTER JULY 1, 2025, OR THE EFFECTIVE DATE OF THIS PART 8,WHICHEVER IS LATER, OF:

(a) INFORMATION TECHNOLOGY INFRASTRUCTURE INCLUDING:

(I) COMPUTER EQUIPMENT OR SOFTWARE USED IN THE OPERATION FOR THE BENEFIT OF THE CERTIFIED DATA CENTER;

(II) SOFTWARE SERVERS, ROUTERS, CONNECTIONS, MONITORING AND SECURITY SYSTEMS, AND OTHER ENABLING MACHINERY, EQUIPMENT, SOFTWARE, AND HARDWARE, REGARDLESS OF WHETHER THE PROPERTY IS AFFIXED TO OR INCORPORATED INTO REAL PROPERTY;

(III) DATA STORAGE SYSTEMS; AND

(IV) NETWORK INFRASTRUCTURE;

(b) DATA CENTER INFRASTRUCTURE AND TRANSMISSION AND GENERATION SYSTEM ASSETS INCLUDING:

(I) ENVIRONMENTAL CONTROL SYSTEMS;

(II) ON-SITE ENERGY STORAGE SYSTEMS;

(III) ON-SITE RENEWABLE AND CLEAN ENERGY SYSTEMS; AND

(IV) BUILDING MATERIALS FOR DATA CEN

(c) MECHANICAL SYSTEMS; OR

(d) OTHER EQUIPMENT ESSENTIAL TO DATA CENTER OPERATIONS.

(11) "RENEWABLE AND CLEAN ENERGY" MEANS ELECTRICITY GENERATED FROM:

(a) SOURCES QUALIFYING AS ELIGIBLE ENERGY RESOURCES PURSUANT TO SECTIONS 30-20-1202 (2) AND 40-2-124, INCLUDING BUT NOT LIMITED TO:

(I) SOLAR;

(II) WIND;

(III) GEOTHERMAL;

(IV) BIOMASS;

(V) HYDROELECTRIC;

(VI) RECYCLED ENERGY;

(VII) BATTERY ENERGY STOR

(VIII) NUCLEAR ENERGY; AND
(IX) COAL MINE METHANE WHEN THE COMMISSION DETERMINES
IT IS CAPTURED IN A MANNER THAT CONFORMS WITH ENVIRONMENTAL
REGULATIONS.

(b) OTHER CLEAN ENERGY RESOURCES AS DETERMINED BY THE

1 COMMISSION, INCLUDING:
2 (I) GREEN HYDROGEN; AND
3 (II) OTHER EMERGING ZERO-CARBON TECHNOLOGIES; OR
4 (c) ANY COMBINATION OF RESOURCES SPECIFIED IN THIS
5 SUBSECTION (11).

6 **24-48.5-804. Data center development incentive program.**

7 (1) THE DATA CENTER DEVELOPMENT INCENTIVE PROGRAM IS CREATED
8 IN THE OFFICE TO FACILITATE EFFICIENT DATA CENTER DEVELOPMENT BY
9 ALLOWING TAX RELIEF TO A DATA CENTER OPERATOR THAT EITHER OWNS
10 OR OPERATES A DATA CENTER OR CO-LOCATES INFORMATION
11 TECHNOLOGY EQUIPMENT WITHIN A DATA CENTER THAT OBTAINS
12 CERTIFICATION PURSUANT TO THIS PART 8.

13 (2) THE OFFICE SHALL ADMINISTER THE PROGRAM AND
14 COORDINATE WITH THE COMMISSION AND THE ENERGY OFFICE AS
15 NECESSARY TO MAXIMIZE THE EFFECTIVENESS OF THE PROGRAM.

16 (3) THE OFFICE SHALL PERFORM AN EVALUATION OF THE PROGRAM
17 IN 2031 TO EVALUATE THE EFFECTIVENESS OF THE PROGRAM AND TO
18 DETERMINE IF ANY MODIFICATIONS TO THE PROGRAM ARE REQUIRED.

19 (4) (a) THE OFFICE SHALL RECEIVE AND EVALUATE APPLICATIONS
20 THAT ARE SUBMITTED BY DATA CENTER OPERATORS TO OBTAIN THE
21 FOLLOWING:

22 (I) CERTIFICATION FOR A DATA CENTER, WHICH ALLOWS THE DATA
23 CENTER OPERATOR A SALES AND USE TAX EXEMPTION FOR QUALIFIED
24 PURCHASES IN CONNECTION WITH THE DATA CENTER PURSUANT TO
25 SECTIONS 24-48.5-808 AND 39-26-735; AND

26 (II) A BENEFIT EXTENSION PURSUANT TO SECTION 24-48.5-814 FOR
27 A DATA CENTER THAT HAS OBTAINED CERTIFICATION.

28 (b) TO OBTAIN CERTIFICATION FOR A DATA CENTER OR TO OBTAIN
29 A BENEFIT EXTENSION, A DATA CENTER OPERATOR MUST FILE A
30 COMPLETED APPLICATION WITH THE OFFICE PURSUANT TO SECTION
31 24-48.5-806.

32 (3) THE OFFICE SHALL BEGIN PROCESSING APPLICATIONS FOR
33 CERTIFICATION AS SPECIFIED IN SECTION 24-48.5-807 WITHIN ONE
34 HUNDRED EIGHTY DAYS AFTER THE EFFECTIVE DATE OF THIS PART 8. THE
35 OFFICE SHALL COMPLETE ITS REVIEW OF ANY APPLICATION THAT IS
36 SUBMITTED ON OR BEFORE DECEMBER 31, 2034, PURSUANT TO THE
37 POLICIES, PROCEDURES, AND GUIDELINES ESTABLISHED PURSUANT TO THIS
38 PART 8.

39 (4) IF THE OFFICE APPROVES A DATA CENTER FOR CERTIFICATION,
40 THE OFFICE SHALL USE THE REPORTS THAT A DATA CENTER OPERATOR IS
41 REQUIRED TO SUBMIT TO THE OFFICE PURSUANT TO SECTION 24-48.5-809
42 TO MONITOR THE CERTIFIED DATA CENTER TO ENSURE THAT THE CERTIFIED
43 DATA CENTER REMAINS IN COMPLIANCE WITH PROGRAM REQUIREMENTS.

6 (6) IN IMPLEMENTING THE PROGRAM, THE OFFICE SHALL
7 FACILITATE EFFICIENT DATA CENTER DEVELOPMENT BY ESTABLISHING
8 CLEAR QUALIFICATION CRITERIA AND CONSISTENTLY ADMINISTERING A
9 PREDICTABLE APPLICATION, REVIEW, AND APPROVAL PROCESS.

10 (7) THE OFFICE MAY CREATE AND MODIFY POLICIES, PROCEDURES,
11 AND GUIDELINES AS NECESSARY TO IMPLEMENT THE PROGRAM AND THE
12 TAX AND OTHER BENEFITS THAT MAY BE CLAIMED PURSUANT TO THIS PART
13 8.

24-48.6-805. Certification - data center operators - minimum requirements. (1) To QUALIFY FOR DATA CENTER CERTIFICATION

15 **requirements.** (1) To QUALIFY FOR DATA CENTER CERTIFICATION
16 PURSUANT TO THIS PART 8, A DATA CENTER OPERATOR SHALL COMMIT TO:

17 (a) MAKING A MINIMUM CAPITAL INVESTMENT OF TWO HUNDRED
18 FIFTY MILLION DOLLARS IN DATA CENTER FACILITY CONSTRUCTION AND
19 EQUIPMENT WITHIN SIXTY MONTHS OF OBTAINING DATA CENTER
20 CERTIFICATION;

27 (c) VERIFYING THAT THE DATA CENTER WILL NOT RESULT IN
28 UNREASONABLE COST IMPACTS TO OTHER UTILITY RATEPAYERS. THIS
29 REQUIREMENT MAY BE SATISFIED BY:

38 (III) PROVIDING DOCUMENTATION OF AN EXECUTED
39 INTERCONNECTION AGREEMENT, ELECTRIC SERVICE AGREEMENT, OR
40 SIMILAR AGREEMENT THAT IDENTIFIES REQUIRED UTILITY
41 INFRASTRUCTURE UPGRADES AND CONFIRMS THAT THE DATA CENTER
42 OPERATOR HAS AGREED TO PAY FOR THOSE UPGRADES; OR

43 (IV) ANOTHER PATHWAY IDENTIFIED THROUGH THE RULEMAKING

1 FOR LARGE NEW LOADS PURSUANT TO SECTION 40-2-141.

2 (d) IMPLEMENTING AN ENVIRONMENTAL SUSTAINABILITY PLAN FOR
3 THE DATA CENTER THAT INCLUDES:

4 (I) WATER STEWARDSHIP MEASURES THAT OPTIMIZE OPERATIONAL
5 WATER MANAGEMENT THROUGH ONE OR MORE OF THE FOLLOWING:

6 (A) IMPLEMENTATION OF CLOSED-LOOP COOLING SYSTEMS;

7 (B) USE OF AVAILABLE RECYCLED WATER SOURCES OR WATER
8 RIGHTS PREVIOUSLY RESERVED FOR RETIRING THERMAL POWER UNITS; OR

9 (C) DEPLOYMENT OF WATER-EFFICIENT TECHNOLOGIES;

10 (II) CERTIFICATION UNDER ONE OF THE FOLLOWING STANDARDS
11 WITHIN TWENTY-FOUR MONTHS OF THE DATA CENTER BEING PLACED IN
12 SERVICE OR THE RECEIPT OF A FINAL CERTIFICATE OF OCCUPANCY:

13 (A) LEED FOR DATA CENTERS AT SILVER LEVEL OR HIGHER;

14 (B) ENERGY STAR CERTIFICATION;

15 (C) GREEN GLOBES CERTIFICATION;

16 (D) ISO 50001 ENERGY MANAGEMENT CERTIFICATION;

17 (E) ISO 14001 STANDARD FOR ENVIRONMENTAL MANAGEMENT
18 SYSTEMS; OR

19 (F) OTHER EQUIVALENT STANDARDS APPROVED BY THE OFFICE; OR

20 (III) CONSULTING WITH THE DEPARTMENT OF NATURAL
21 RESOURCES REGARDING WILDLIFE AREAS, WILDFIRE AND URBAN
22 INTERFACE, AND WATER.

23 (e) BREAKING GROUND ON THE DATA CENTER WITHIN SIXTY
24 MONTHS OF OBTAINING CERTIFICATION;

25 (f) COMPLYING WITH THE CRAFT LABOR REQUIREMENTS IN PART
26 3 OF ARTICLE 92 OF THIS TITLE 24, IF THE DATA CENTER IS AN ENERGY
27 SECTOR PUBLIC WORKS PROJECT, AS DEFINED IN SECTION 24-92-303 (5);

28 (g) COMPLYING WITH THE APPRENTICESHIP UTILIZATION
29 REQUIREMENTS IN SECTION 24-92-115 AND THE PREVAILING WAGE
30 REQUIREMENTS IN PART 2 OF ARTICLE 92 OF THIS TITLE 24 AS IF THE DATA
31 CENTER SATISFIED THE CRITERIA FOR A PUBLIC PROJECT AS DESCRIBED IN
32 SECTIONS 24-92-115 (1) AND 24-92-203 (1); AND

33 (h) COMMITTING TO SATISFYING THE DATA CENTER REQUIREMENTS
34 AFTER CERTIFICATION SPECIFIED IN SECTION 24-48.5-812.

35 (2) UPON RECEIPT OF AN APPLICATION FOR CERTIFICATION FROM
36 A DATA CENTER OPERATOR, THE OFFICE SHALL REVIEW THE APPLICATION
37 PURSUANT TO SECTION 24-48.5-807. IF THE OFFICE APPROVES THE DATA
38 CENTER FOR CERTIFICATION, THE DATA CENTER OPERATOR BECOMES
39 ELIGIBLE, AS OF THE DATE OF CERTIFICATION, FOR THE BENEFITS SPECIFIED
40 IN SECTION 24-48.5-808.

41 **24-48.5-806. Application process - data center operators -**
42 **requirements.** (1) A DATA CENTER OPERATOR SEEKING CERTIFICATION
43 FOR A DATA CENTER PURSUANT TO THIS PART 8 MUST SUBMIT AN

1 APPLICATION TO THE OFFICE, IN A FORM AND MANNER DETERMINED BY THE
2 OFFICE, THAT INCLUDES THE FOLLOWING:

3 (a) INFORMATION ABOUT THE DATA CENTER FOR WHICH THE DATA
4 CENTER OPERATOR IS SEEKING CERTIFICATION INCLUDING:

5 (I) THE IDENTITY AND QUALIFICATIONS OF THE DATA CENTER
6 OPERATOR TO OWN OR OPERATE A DATA CENTER;
7 (II) EVIDENCE OF SITE CONTROL OR A PATHWAY TO SITE CONTROL;
8 (III) A PROPOSED DEVELOPMENT TIMELINE AND PHASING;
9 (IV) AN ESTIMATED TIMELINE FOR CAPITAL INVESTMENTS IN DATA
10 CENTER CONSTRUCTION AND EQUIPMENT REACHING A MINIMUM OF TWO
11 HUNDRED FIFTY MILLION DOLLARS WITHIN THIRTY-SIX MONTHS OF THE
12 DATA CENTER BEING PLACED IN SERVICE OR RECEIPT OF A FINAL
13 CERTIFICATE OF OCCUPANCY;

14 (V) AN ESTIMATED JOB CREATION PLAN SHOWING AT LEAST
15 TWENTY-FIVE NEW FULL-TIME EQUIVALENT POSITIONS, WITHIN SIXTY
16 MONTHS OF THE DATA CENTER BEING PLACED IN SERVICE OR RECEIPT OF
17 A FINAL CERTIFICATE OF OCCUPANCY, WITH COMPENSATION OF AT LEAST
18 ONE HUNDRED TEN PERCENT OF THE COUNTY AVERAGE WAGE FOR THE
19 COUNTY IN WHICH THE DATA CENTER WILL BE LOCATED; AND

20 (VI) AN ENVIRONMENTAL SUSTAINABILITY PLAN FOR THE DATA
21 CENTER THAT INCLUDES:

22 (A) A FACILITY CERTIFICATION COMMITMENT, INCLUDING LEED,
23 ENERGY STAR, GREEN GLOBES, ISO 50001, ISO 14001, OR THE
24 EQUIVALENT; AND

25 (B) CONSULTATION WITH DEPARTMENT OF NATURAL RESOURCES;
26 (b) THE IDENTITY OF THE UTILITY OR UTILITIES THAT WILL SERVE
27 THE DATA CENTER; AND

28 (c) LOCAL GOVERNMENT DOCUMENTATION IN CONNECTION WITH
29 THE DATA CENTER INCLUDING:

30 (I) DOCUMENTATION OF THE STATUS OF THE APPLICATION FROM
31 THE LOCAL GOVERNMENTAL ENTITY THAT WILL PROVIDE THE PERMIT FOR
32 THE DATA CENTER, IF AVAILABLE;

33 (II) A DESCRIPTION OF APPLICABLE LOCAL INCENTIVES; AND
34 (III) THE STATUS OF LOCAL PERMITS AND APPROVALS.

35 **24-48.5-807. Application review and certification process.**

36 (1) THE OFFICE SHALL REVIEW ALL APPLICATIONS SUBMITTED PURSUANT
37 TO SECTION 24-48.5-806. THE OFFICE SHALL DETERMINE WHETHER AN
38 APPLICATION IS COMPLETE WITHIN THIRTY DAYS AFTER THE OFFICE'S
39 RECEIPT OF THE APPLICATION. WITHIN NINETY DAYS OF DETERMINING
40 THAT AN APPLICATION IS COMPLETE, THE OFFICE SHALL CONDUCT A FULL
41 APPLICATION REVIEW.

42 (2) IF THE OFFICE DETERMINES THAT AN APPLICATION IS DEFICIENT,
43 THE OFFICE SHALL PROVIDE WRITTEN NOTIFICATION TO THE APPLICANT

1 THAT IDENTIFIES THE SPECIFIC DEFICIENCIES. THE OFFICE SHALL ALLOW
2 THIRTY DAYS FOR THE APPLICANT TO CURE ANY DEFICIENCIES IN THE
3 APPLICATION AND COMPLETE A REVIEW OF THE REVISED APPLICATION
4 WITHIN THIRTY DAYS AFTER RECEIPT.

5 (3) THE OFFICE SHALL APPROVE AN APPLICATION FOR
6 CERTIFICATION FOR A DATA CENTER IF IT HAS MET OR WILL MEET ALL OF
7 THE APPLICATION CRITERIA IN SECTION 24-48.5-805.

8 (4) THE OFFICE MAY REJECT AN APPLICATION ONLY IF:

9 (a) THE OFFICE FINDS THAT THE DATA CENTER OPERATOR
10 MATERIALLY MISREPRESENTED FACTS IN THE APPLICATION;

11 (b) THE OFFICE FINDS THAT THE DATA CENTER OPERATOR FAILED
12 TO PROVIDE REQUIRED DOCUMENTATION AFTER THE OFFICE PROVIDED AN
13 OPPORTUNITY TO CURE PURSUANT TO SUBSECTION (2) OF THIS SECTION; OR

14 (c) THE OFFICE DETERMINES THAT THE APPLICANT DOES NOT MEET
15 MINIMUM CERTIFICATION REQUIREMENTS UNDER SECTION 24-48.5-805.

16 (5) BEFORE REJECTING ANY APPLICATION THAT MEETS THE
17 MINIMUM INVESTMENT AND JOB CREATION THRESHOLDS SET FORTH IN
18 SECTION 24-48.5-805 (1)(a), THE OFFICE MUST:

19 (a) PROVIDE THE APPLICANT AN OPPORTUNITY TO ADDRESS THE
20 OFFICE'S CONCERNS; AND

21 (b) EXPLORE ALTERNATIVE PATHS TO APPROVAL WITH CONDITIONS
22 IF POSSIBLE.

23 (6) THE OFFICE MAY REVOKE CERTIFICATION THAT IT HAS
24 AWARDED PURSUANT TO THIS SECTION IF THE OFFICE DETERMINES THAT
25 THE DATA CENTER OPERATOR:

26 (a) HAS FAILED TO MAKE SUBSTANTIAL PROGRESS TOWARD
27 SATISFYING THE REQUIREMENTS SPECIFIED IN SECTION 24-48.5-805
28 WITHIN TWO YEARS OF THE DATA CENTER BEING PLACED IN SERVICE OR
29 RECEIPT OF A FINAL CERTIFICATE OF OCCUPANCY;

30 (b) HAS MATERIALLY CHANGED THE DATA CENTER IN A WAY THAT
31 WOULD HAVE DISQUALIFIED IT FROM CERTIFICATION; OR

32 (c) HAS FAILED TO MAINTAIN COMPLIANCE WITH THE CRITERIA
33 THAT FORMED THE BASIS OF APPROVAL.

34 **24-48.5-808. Certification benefits - state sales and use tax
35 exemption.** (1) (a) A DATA CENTER THAT HAS OBTAINED CERTIFICATION
36 IS ELIGIBLE FOR A ONE-HUNDRED-PERCENT STATE SALES AND USE TAX
37 EXEMPTION ON QUALIFIED PURCHASES PURSUANT TO SECTION 39-26-735.

38 (b) A DATA CENTER THAT OBTAINS CERTIFICATION AND IS ELIGIBLE
39 TO CLAIM A STATE SALES AND USE TAX EXEMPTION PURSUANT TO
40 SUBSECTION (1)(a) OF THIS SECTION IS ELIGIBLE FOR THE EXEMPTION FOR
41 TWENTY YEARS FROM THE DATE THAT THE DATA CENTER RECEIVED
42 CERTIFICATION, SO LONG AS THE DATA CENTER:

43 (I) MAINTAINS THE QUALIFYING EMPLOYMENT LEVELS SPECIFIED

1 IN SECTION 24-48.5-805 (1)(b); AND

2 (II) SUBMITS ANNUAL COMPLIANCE REPORTS TO THE OFFICE AS
3 REQUIRED IN SECTION 24-48.5-809 (2).

4 **24-48.5-809. Certified data center - qualification - compliance**
5 **reports.** (1) THE OFFICE SHALL ISSUE A STATE SALES AND USE TAX
6 EXEMPTION CERTIFICATE TO A DATA CENTER OPERATOR THAT HAS
7 OBTAINED CERTIFICATION FOR A DATA CENTER AS EVIDENCE THAT THE
8 DATA CENTER OPERATOR IS ELIGIBLE FOR A ONE-HUNDRED-PERCENT SALES
9 AND USE TAX EXEMPTION FOR QUALIFIED PURCHASES PURSUANT TO
10 SECTIONS 24-48.5-808 AND 39-26-735. THE SALES AND USE TAX
11 EXEMPTION CERTIFICATE MUST SPECIFY THAT THE DATA CENTER
12 OPERATOR IS ENTITLED TO THE SALES AND USE TAX EXEMPTION FOR
13 TWENTY YEARS, BEGINNING ON THE DATE THAT THE CERTIFICATE IS
14 ISSUED. A STATE SALES AND USE TAX EXEMPTION CERTIFICATE IS
15 NONTRANSFERABLE. THE OFFICE SHALL CERTIFY TO THE DEPARTMENT OF
16 REVENUE THE NAME OF EACH DATA CENTER OPERATOR THAT RECEIVES A
17 STATE SALES AND USE TAX EXEMPTION CERTIFICATE AND OTHER
18 RELEVANT INFORMATION RELATING TO THE SALES AND USE TAX
19 EXEMPTION.

20 (2) A DATA CENTER OPERATOR OF A DATA CENTER THAT HAS
21 OBTAINED CERTIFICATION SHALL SUBMIT AN ANNUAL COMPLIANCE REPORT
22 TO THE OFFICE, IN A FORM AND MANNER TO BE DETERMINED BY THE
23 OFFICE, TO VERIFY THAT THE DATA CENTER OPERATOR IS MAKING TIMELY
24 PROGRESS IN SATISFYING THE REQUIREMENTS OF SECTION 24-48.5-805
25 AND IS ON TRACK TO SATISFY THE REQUIREMENTS WITHIN THE PERIODS
26 SPECIFIED IN THAT SECTION. A DATA CENTER OPERATOR SHALL SUBMIT
27 THE REPORT REQUIRED IN THIS SUBSECTION (2) TO MAINTAIN
28 CERTIFICATION. THE DATA CENTER OPERATOR SHALL INCLUDE IN THE
29 REPORT THE TOTAL AMOUNT OF THE SALES AND USE TAX EXEMPTION
30 CLAIMED EACH YEAR AND ANY OTHER INFORMATION REQUESTED BY THE
31 OFFICE.

32 (3) IF THE OFFICE REVOKE~~S~~ THE CERTIFICATION PURSUANT TO
33 SECTION 24-48.5-807 (6), THE DATA CENTER OPERATOR IS REQUIRED TO
34 PAY THE ENTIRE AMOUNT OF THE SALES AND USE TAX ON ANY QUALIFIED
35 PURCHASE FOR WHICH THE SALES AND USE TAX EXEMPTION WAS CLAIMED
36 PURSUANT TO THIS PART 8.

37 **24.48.5-810. Targeted resource acquisition framework.**

38 (1) BEFORE SUBMITTING AN APPLICATION FOR CERTIFICATION FOR A DATA
39 CENTER, A DATA CENTER OPERATOR SHALL:

40 (a) CONDUCT AND DOCUMENT A PRELIMINARY CONSULTATION
41 WITH THE ELECTRIC UTILITY THAT WILL PROVIDE ELECTRICITY FOR THE
42 DATA CENTER REGARDING INTERCONNECTION FEASIBILITY, CAPACITY, AND
43 INFRASTRUCTURE REQUIREMENTS; AND

1 (b) OBTAIN A WRITTEN FEASIBILITY ASSESSMENT FROM THE
2 UTILITY THAT WILL PROVIDE ELECTRICITY FOR THE DATA CENTER
3 INCLUDING A TIMELINE OF SERVICE.

15 (4) A DATA CENTER OPERATOR SHALL INCLUDE THE
16 DOCUMENTATION OF THE CONSULTATION AND THE WRITTEN FEASIBILITY
17 ASSESSMENT OBTAINED PURSUANT TO SUBSECTION (1) OF THIS SECTION IN
18 THE DATA CENTER OPERATOR'S APPLICATION TO THE OFFICE.

32 **24-48.5-812. Data center requirements after certification -**
33 **community benefit requirements - workforce development -**
34 **economic development integration.** (1) A DATA CENTER THAT HAS
35 OBTAINED CERTIFICATION SHALL PARTICIPATE IN AT LEAST ONE STATE
36 WORKFORCE DEVELOPMENT PROGRAM, INCLUDING:

37 (a) PARTNERSHIPS WITH LOCAL EDUCATIONAL INSTITUTIONS
38 INCLUDING:

39 (I) TECHNICAL TRAINING PROGRAMS;
40 (II) APPRENTICESHIP INITIATIVES;
41 (III) CAREER PATHWAY DEVELOPMENT; AND
42 (IV) SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH (STEM)
43 EDUCATION SUPPORT; AND

(b) LOCAL WORKFORCE INITIATIVES INCLUDING:

(I) JOB TRAINING PROGRAMS;

(II) SKILLS DEVELOPMENT WORKSHOPS;

(III) PROFESSIONAL CERTIFICATION SUPPORT; AND

(IV) CAREER ADVANCEMENT OPPORTUNITIES.

(2) A DATA CENTER THAT HAS OBTAINED CERTIFICATION SHALL PARTICIPATE IN ECONOMIC DEVELOPMENT INTEGRATION BY:

(a) PARTICIPATING IN REGIONAL ECONOMIC PLANNING;

(b) SUPPORTING SUPPLY CHAIN DEVELOPMENT;

(c) ENABLING TECHNOLOGY CLUSTER FORMATION; AND

(d) FOSTERING INNOVATION ECOSYSTEM GROWTH.

(3) A DATA CENTER THAT HAS OBTAINED CERTIFICATION SHALL:

(a) COMPLY WITH THE APPRENTICESHIP UTILIZATION REQUIREMENTS IN SECTION 24-92-115 AND THE PREVAILING WAGE REQUIREMENTS IN PART 2 OF ARTICLE 92 OF THIS TITLE 24 AS IF THE DATA CENTER SATISFIED THE CRITERIA FOR A PUBLIC PROJECT AS DESCRIBED IN SECTIONS 24-92-115 (1) AND 24-92-203 (1); AND

(b) COMPLY WITH THE CRAFT LABOR REQUIREMENTS IN PART 3 OF ARTICLE 92 OF THIS TITLE 24, IF THE DATA CENTER IS AN ENERGY SECTOR PUBLIC WORKS PROJECT AS DEFINED IN SECTION 24-92-303 (5).

24-48.5-813. Preservation of existing data center certification.

22 (1) A DATA CENTER THAT IS CERTIFIED PRIOR TO JANUARY 1, 2035, IS
23 REQUIRED TO COMPLY WITH THE FOLLOWING REQUIREMENTS TO MAINTAIN
24 ITS CERTIFICATION:

25 (a) MAINTAIN ALL COMMITMENTS THROUGH ITS TWENTY-YEAR
26 BENEFIT PERIOD;

27 (b) RETAIN ELIGIBILITY FOR EXTENSIONS PURSUANT TO SECTION
28 24-48.5-814;

29 (c) CONTINUE COMPLIANCE OBLIGATIONS; AND

30 (d) SUBMIT THE PERFORMANCE REPORTS REQUIRED IN SECTION
31 24-48.5-809 (2).

24-48.5-814. Benefit extension and modification - duration - extension eligibility - extension terms. (1) A DATA CENTER OPERATOR THAT HAS OBTAINED CERTIFICATION FOR A DATA CENTER MAY APPLY TO THE OFFICE FOR AN EXTENSION OF THE CERTIFICATION BENEFITS. TO BE ELIGIBLE FOR A BENEFIT EXTENSION, A DATA CENTER OPERATOR MUST DEMONSTRATE THAT:

(c) THE CERTIFIED DATA CENTER CONTINUES TO COMPLY WITH ENVIRONMENTAL REQUIREMENTS; AND

(d) THE CERTIFIED DATA CENTER HAS SATISFIED ITS COMMUNITY BENEFIT COMMITMENTS PURSUANT TO SECTION 24-48.5-812.

(2) A CERTIFIED DATA CENTER THAT IS APPROVED FOR A BENEFIT EXTENSION PURSUANT TO THIS SECTION IS ELIGIBLE FOR:

(a) AN ADDITIONAL TEN YEARS OF ELIGIBILITY TO CLAIM THE SALES AND USE TAX EXEMPTION ALLOWED PURSUANT TO THIS PART 8; AND

(b) THE ABILITY OF THE CERTIFIED DATA CENTER TO MAINTAIN THE REQUIREMENTS OF ITS CERTIFICATION.

11 **24-48.5-815. Program cost recovery.** (1) (a) TO RECOVER THE
12 DIRECT COSTS OF ESTABLISHING AND IMPLEMENTING THE PROGRAM, THE
13 OFFICE MAY:

14 (I) ESTABLISH AND COLLECT A NONREFUNDABLE APPLICATION FEE
15 NOT TO EXCEED TEN THOUSAND DOLLARS FOR EACH APPLICATION FOR
16 CERTIFICATION SUBMITTED PURSUANT TO THIS PART 8; AND

17 (II) ESTABLISH AND COLLECT A NONREFUNDABLE CERTIFICATION
18 FEE NOT TO EXCEED TWENTY THOUSAND DOLLARS FOR EACH
19 CERTIFICATION AWARDED PURSUANT TO THIS PART 8.

20 (b) THE OFFICE SHALL DEPOSIT ALL FEES COLLECTED PURSUANT TO
21 SUBSECTION (1)(a) OF THIS SECTION INTO THE COLORADO ECONOMIC
22 DEVELOPMENT FUND CREATED IN SECTION 24-46-105.

23 (2) THE OFFICE SHALL:

24 (a) SET THE AMOUNT OF ANY FEES ESTABLISHED PURSUANT TO
25 SUBSECTION (1) OF THIS SECTION AT THE MINIMUM AMOUNT NECESSARY
26 TO OFFSET THE OFFICE'S DIRECT COSTS OF IMPLEMENTING ITS
27 RESPONSIBILITIES UNDER THIS PART 8; AND

28 (b) REVIEW THE FEES ANNUALLY AND ADJUST THE AMOUNTS AS
29 NECESSARY TO ENSURE THAT THE FEES DO NOT EXCEED THE DIRECT COSTS
30 OF IMPLEMENTATION.

31 **SECTION 2.** In Colorado Revised Statutes, **add** 40-2-140 and
32 40-2-141 as follows:

33 **40-2-140. Targeted resource acquisition - emerging large load**
34 **customers - process - funding. (1) Eligibility for targeted resource**
35 **acquisition.** A UTILITY REGULATED UNDER THE COMMISSION'S RESOURCE
36 PLANNING AUTHORITY MAY SUBMIT TO THE COMMISSION A TARGETED
37 RESOURCE ACQUISITION APPLICATION DESCRIBING HOW THE UTILITY
38 INTENDS TO MEET ENERGY AND CAPACITY NEEDS CREATED BY ONE OR
39 MORE EMERGING LARGE LOAD CUSTOMERS. EMERGING LARGE LOAD
40 CUSTOMERS MUST:

41 (a) HAVE PROJECTED LOAD REQUIREMENTS OF AT LEAST ONE
42 HUNDRED MEGAWATTS, EITHER INDIVIDUALLY OR IN THE AGGREGATE,
43 THROUGH CO-LOCATED CUSTOMERS;

(b) ENTER INTO A CONTRACTUAL AGREEMENT WITH THE UTILITY, WHICH AGREEMENT INCLUDES:

(I) MINIMUM DEMAND, DURATION, AND BILLING COMMITMENTS;
OR

(II) PARTICIPATION IN ANY APPLICABLE LARGE LOAD TARIFF INTENDED TO BALANCE LOAD FACTOR;

(c) AGREE TO EXIT FEE PROVISIONS THAT ADDRESS EARLY DEPARTURE OR REDUCED DEMAND, INCLUDING BUT NOT LIMITED TO A THREE-YEAR EXIT FEE STRUCTURE TO ENSURE REVENUE STABILITY;

(d) PROVIDE APPROPRIATE CREDIT SECURITIZATION; AND

(e) DEMONSTRATE SITE CONTROL AND SUBMIT SIGNED DEVELOPMENT AGREEMENTS TO THE UTILITY.

(2) **Resource acquisition process.** (a) PRIOR TO FILING A

TARGETED RESOURCE ACQUISITION APPLICATION UNDER THIS SECTION, A UTILITY MAY ISSUE A COMPETITIVE SOLICITATION TO IDENTIFY POTENTIAL RESOURCES TO SERVE THE EMERGING LOAD.

(b) AS PART OF THE TARGETED RESOURCE ACQUISITION APPLICATION, THE UTILITY MAY PROPOSE SYSTEM ASSETS FUNDED IN WHOLE OR IN PART BY THE EMERGING LARGE-LOAD CUSTOMER. ALL SUCH ASSETS MUST:

(I) OPERATE AS SYSTEM ASSETS FOR THE BENEFIT OF ALL CUSTOMERS;

(II) PROVIDE NET ADDITIONAL CLEAN OR RENEWABLE ENERGY RESOURCES BEYOND WHAT IS ALREADY REQUIRED UNDER THE RENEWABLE ENERGY STANDARD ESTABLISHED IN SECTION 40-2-124; AND

(III) MAINTAIN ALIGNMENT WITH THE RESOURCE ELIGIBILITY AND EMISSIONS REDUCTION OBJECTIVES OF THE RENEWABLE ENERGY STANDARD AND OTHER APPLICABLE CLEAN ENERGY LAWS.

(c) ANY RESOURCES PROPOSED IN THE TARGETED RESOURCE ACQUISITION APPLICATION MUST HAVE SUFFICIENT CUMULATIVE ACCREDITED CAPACITY, AS DETERMINED BY THE UTILITY, TO MEET THE NEEDS OF THE EMERGING LARGE LOAD WITHIN THE REQUIRED INTERCONNECTION TIME FRAME, WHICH TIME FRAME MAY BE PHASED AS THE LOAD SCALES.

(d) THE UTILITY MUST:

(I) USE THE REQUEST FOR PROPOSAL DOCUMENTS MOST RECENTLY APPROVED BY THE COMMISSION, WITH CUSTOMIZATION ALLOWED TO REFLECT THE SPECIFIC SOLICITATION AND AVOID COST SHIFTS TO OTHER CUSTOMERS; AND

(II) BE PERMITTED TO BRING FORWARD RECENT BIDS RECEIVED WITHIN THE PAST TWO YEARS IF THE BID PRICES REMAIN GENERALLY CONSISTENT WITH THE PREVIOUSLY SUBMITTED TERMS.

(e) THE UTILITY MUST INCLUDE AN UPDATED EMISSIONS

1 WORKBOOK THAT REFLECTS:

2 (I) TOTAL MEGAWATT-HOURS AND ASSOCIATED EMISSIONS
3 ATTRIBUTABLE TO THE EMERGING LOAD; AND

4 (II) SEPARATE REPORTING FOR EACH DISCRETE EMERGING LOAD IN
5 THE CASE OF CO-LOCATED ARRANGEMENTS, TO THE EXTENT PRACTICABLE.

6 (f) APPROVAL OF A TARGETED RESOURCE ACQUISITION
7 APPLICATION UNDER THIS SECTION CREATES A PRESUMPTION OF PRUDENCE
8 FOR ALL INFRASTRUCTURE OR RESOURCE INVESTMENTS NECESSARY TO
9 SERVE THE EMERGING LOAD.

10 (g) THE STANDARD OF REVIEW FOR THE TARGETED RESOURCE
11 ACQUISITION APPLICATION IS WHETHER THE PROPOSED ACQUISITION AND
12 ASSOCIATED INFRASTRUCTURE ARE IN THE PUBLIC INTEREST.

13 (h) THE UTILITY NEED NOT OBTAIN A CERTIFICATE OF PUBLIC
14 CONVENIENCE AND NECESSITY PURSUANT TO SECTION 40-5-102 FOR
15 SPECIFIC RESOURCES IDENTIFIED IN AND APPROVED THROUGH THE
16 APPLICATION.

17 (i) THE COMMISSION SHALL ACT ON THE APPLICATION WITHIN ONE
18 HUNDRED TWENTY DAYS OF FILING. THE PERIOD FOR OTHER PERSONS TO
19 INTERVENE IN THE MATTER IS TEN DAYS.

20 (3) **Funding and cost recovery.** (a) A UTILITY MAY INCLUDE
21 PRE-FUNDING COMMITMENTS FROM THE EMERGING LARGE LOAD
22 CUSTOMER FOR PRE-DEVELOPMENT AND EARLY CONSTRUCTION COSTS OF
23 RESOURCES OR INFRASTRUCTURE, INCLUDING TRANSMISSION AND
24 DISTRIBUTION.

25 (b) THE COSTS MAY BE ENTIRELY BORNE BY THE EMERGING LARGE
26 LOAD CUSTOMER, BUT THE UTILITY MAY ALSO PROPOSE PARTIAL
27 REIMBURSEMENT THROUGH AN EXISTING COST-RECOVERY MECHANISM.

28 (c) (I) THE COMMISSION SHALL APPROVE THE REIMBURSEMENT IF
29 THE ACQUIRED RESOURCES OR INFRASTRUCTURE PROVIDE SYSTEM-WIDE
30 BENEFITS.

31 (II) COSTS ASSOCIATED WITH APPROVED RESOURCES MAY BE
32 RECOVERED THROUGH AN ADJUSTMENT CLAUSE UNTIL INCLUDED IN THE
33 RATE BASE IN A FUTURE RATE CASE. TRANSMISSION COSTS MAY BE
34 RECOVERED THROUGH A TRANSMISSION ADJUSTMENT CLAUSE AND
35 DISTRIBUTION COSTS MAY BE RECOVERED THROUGH A GRID
36 MODERNIZATION ADJUSTMENT CLAUSE.

37 (4) **Advanced energy technologies fund.** (a) A UTILITY MAY
38 PROPOSE THE CREATION OF A FUND FOR ADVANCED ENERGY
39 TECHNOLOGIES, TO WHICH FUND CUSTOMERS THAT NECESSITATE
40 EMERGING NEW LARGE LOADS MAY CONTRIBUTE VOLUNTARILY.

41 (b) A UTILITY MAY USE THE FUND TO:

42 (I) COVER PRE-DEVELOPMENT AND EARLY CONSTRUCTION COSTS
43 FOR SYSTEM RESOURCES AND INFRASTRUCTURE;

(II) SUPPORT UTILITY EXPLORATION OR DEPLOYMENT OF CLEAN FIRM DISPATCHABLE TECHNOLOGIES;

(III) ALLOW CUSTOMERS THAT NECESSITATE EMERGING NEW LARGE LOADS TO BENEFIT FROM CLEAN FIRM CAPACITY LOCATED NEAR THEIR OPERATIONS IN EXCHANGE FOR THEIR CONTRIBUTIONS; AND

(IV) MITIGATE OR ALLOCATE TECHNOLOGY PERFORMANCE RISK ASSOCIATED WITH ADVANCED RESOURCES, SUBJECT TO THE COMMISSION'S REVIEW AND APPROVAL.

14 **40-2-141. Rule-making for large new loads.** (1) ON OR BEFORE
15 JUNE 30, 2027, THE COMMISSION SHALL BEGIN A RULE-MAKING
16 PROCEDURE TO ESTABLISH OVERSIGHT, REPORTING REQUIREMENTS, AND
17 COST ALLOCATION PRINCIPLES RELATED TO INVESTOR-OWNED UTILITIES
18 SERVING LARGE LOAD CUSTOMERS. AT A MINIMUM, THE RULES MUST:

27 (I) SYSTEM INVESTMENTS AND UPGRADES NEEDED TO
28 ACCOMMODATE THE LOAD:

29 (II) THE POTENTIAL TO ENHANCE SYSTEM RELIABILITY AND GRID
30 FLEXIBILITY:

31 (III) OPPORTUNITIES TO REDUCE TRANSMISSION AND DISTRIBUTION
32 LINE LOSSES, IMPROVE VOLTAGE SUPPORT, AND ALLEVIATE CONGESTION;
33 (IV) OPPORTUNITIES TO SERVE LARGE LOAD CUSTOMERS WITH

34 ZERO-EMISSION RESOURCES, INCLUDING CONTINUOUS CLEAN ENERGY
35 SUPPLY OPTIONS AND CURTAILED RENEWABLE TARIFFS; AND
36 (V) THE IMPACT OF SERVING LARGE LOAD CUSTOMERS ON THE
37 UTILITY'S ABILITY TO MEET ITS CLEAN ENERGY TARGETS UNDER APPROVED
38 CLEAN ENERGY PLANS, AND AVOID DELAYS IN ACHIEVING BENEFICIAL

39 ELECTRIFICATION, HOUSING, OR RESILIENCE OBJECTIVE

40 (c) REQUIRE UTILITIES TO REPORT REGARDING:
41 (I) PAYMENTS, CONTRACTS, OR FINANCIAL CONTRIBUTIONS MADE
42

42 BY LARGE LOAD CUSTOMERS;
42 (II) S

1 LARGE LOAD CUSTOMERS; AND

2 (III) THE MANNER IN WHICH THE INVESTMENTS ALIGN WITH

3 RENEWABLE ENERGY STANDARD REQUIREMENTS SET FORTH IN SECTION

4 40-2-124 AND GRID MODERNIZATION OBJECTIVES;

5 (d) ESTABLISH PRINCIPLES TO ENSURE THAT RATE STRUCTURES

6 AND TARIFFS:

7 (I) ARE JUST AND REASONABLE FOR ALL CUSTOMERS;

8 (II) AVOID COST SHIFTS TO NONPARTICIPATING CUSTOMERS;

9 (III) PROMOTE RATE STABILITY;

10 (IV) ENSURE THAT UTILITIES CAN FULLY RECOVER INVESTMENTS

11 FROM A LARGE LOAD CUSTOMER IF THE CUSTOMER REDUCES USAGE OR

12 CEASES OPERATIONS, INCLUDING, AS APPROPRIATE, THROUGH MINIMUM

13 CONTRACT LENGTHS, TERMINATION FEES, REASONABLE UP-FRONT

14 PAYMENTS DIRECTLY TIED TO UTILITY INVESTMENTS OR UPGRADES

15 NECESSARY TO SERVE THE LOAD, OR MINIMUM DEMAND OR

16 INFRASTRUCTURE-RELATED CHARGES; AND

17 (V) ENABLE CONSIDERATION OF CUSTOMER-SPECIFIC TARIFFS OR

18 COST-SHARING ARRANGEMENTS, INCLUDING CONTINUOUS CLEAN POWER

19 TARIFFS, CURTAILED RENEWABLE TARIFFS, OR MICROGRID FRAMEWORKS,

20 WHEN CONSISTENT WITH COST CONTAINMENT AND NONDISCRIMINATORY

21 PRINCIPLES, INCLUDING COMPENSATION STRUCTURES FOR GRID SERVICES,

22 OPERATION FRAMEWORKS, OR TARIFF DESIGN FOR MICROGRID-ENABLED

23 CUSTOMERS;

24 (e) ENCOURAGE UTILITY PLANNING AND CUSTOMER INTEGRATION

25 PRACTICES THAT MAXIMIZE THE VALUE OF NEW LOAD FOR GRID STABILITY,

26 EMISSIONS REDUCTIONS, AND EQUITABLE COST RECOVERY;

27 (f) ENSURE A TRANSPARENT PROCESS FOR STAKEHOLDER

28 PARTICIPATION IN UTILITY PROCEEDINGS INVOLVING LARGE LOAD

29 INTERCONNECTIONS; AND

30 (g) SUPPORT ECONOMIC AND BUSINESS DEVELOPMENT IN THE

31 STATE.

32 (2) EACH INVESTOR-OWNED UTILITY SHALL SUBMIT AN ANNUAL

33 REPORT TO THE COMMISSION SUMMARIZING:

34 (a) NEW OR ANTICIPATED LARGE LOAD INTERCONNECTIONS;

35 (b) INFRASTRUCTURE INVESTMENTS AND THEIR STATUS;

36 (c) TARIFF STRUCTURES AND COST RECOVERY MECHANISMS; AND

37 (d) IMPACTS ON EMISSIONS, RENEWABLE ENERGY COMPLIANCE,

38 AND SYSTEM RESILIENCE.

39 (3) THE COMMISSION SHALL ESTABLISH STANDARDS FOR

40 MAINTAINING CONFIDENTIALITY OF PROPRIETARY OR COMPETITIVE

41 BUSINESS INFORMATION.

42 (4) (a) RULES ADOPTED UNDER THIS SECTION MUST COMPLEMENT

43 AND NOT CONFLICT WITH EXISTING REQUIREMENTS UNDER SECTIONS

1 40-2-124, 40-2-125.5, AND 40-3-101, AND SUPPORT COLORADO'S CLEAN
2 ENERGY, ECONOMIC DEVELOPMENT, AND GRID RELIABILITY GOALS.

3 (b) ANY INCREMENTAL COST OF SERVING A LARGE LOAD
4 CUSTOMER THAT IS PAID DIRECTLY BY THE CUSTOMER IS EXCLUDED FROM
5 THE MAXIMUM RATE IMPACT CALCULATION USED IN EVALUATING A RETAIL
6 UTILITY'S CLEAN ENERGY PLAN UNDER SECTION 40-2-125.5.

7 (5) PRIOR TO THE ADOPTION OF FINAL RULES UNDER THIS SECTION,
8 THE COMMISSION SHALL CONSIDER THE PRINCIPLES OUTLINED IN THIS
9 SECTION IN ANY ELECTRIC RESOURCE PLANNING OR INFRASTRUCTURE
10 PROCEEDING INVOLVING A LARGE LOAD CUSTOMER, INCLUDING PENDING
11 SECOND-STAGE RATE CASE FILINGS INITIATED PRIOR TO THE EFFECTIVE
12 DATE OF THIS SECTION.

13 **SECTION 3.** In Colorado Revised Statutes, 29-2-105, **add**
14 (1)(d)(V) as follows:

15 **29-2-105. Contents of sales tax ordinances and proposals.**

16 (1) The sales tax ordinance or proposal of any incorporated town, city,
17 or county adopted pursuant to this article 2 shall be imposed on the sale
18 of tangible personal property at retail or the furnishing of services, as
19 provided in subsection (1)(d) of this section. Any countywide or
20 incorporated town or city sales tax ordinance or proposal shall include the
21 following provisions:

22 (d)(V) THE EXEMPTION FOR SALES OF INFORMATION TECHNOLOGY
23 INFRASTRUCTURE, DATA CENTER INFRASTRUCTURE, MECHANICAL
24 SYSTEMS, OR OTHER EQUIPMENT ESSENTIAL TO DATA CENTER OPERATIONS
25 AS SPECIFIED IN SECTION 29-26-735 (3).

26 **SECTION 4.** In Colorado Revised Statutes, **add** 39-26-735 as
27 follows:

28 **39-26-735. Certified data centers - qualified purchases -**
29 **information technology infrastructure - data center infrastructure -**
30 **electric grid enhancement equipment - tax preference performance**
31 **statement - legislative declaration - definitions.** (1) (a) IN
32 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
33 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE
34 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE
35 DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE
36 PURPOSES OF THE TAX EXPENDITURE CREATED IN SUBSECTION (3) OF THIS
37 SECTION ARE TO:

38 (I) IMPROVE INDUSTRY COMPETITIVENESS, SPECIFICALLY IN DATA
39 CENTER DEVELOPMENT AND ELECTRIC GRID MODERNIZATION; AND

40 (II) PROVIDE TAX RELIEF TO CERTAIN BUSINESSES, SPECIFICALLY
41 DATA CENTER OPERATORS THAT OWN OR OPERATE A CERTIFIED DATA
42 CENTER IN THE STATE.

43 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL

1 MEASURE THE EFFECTIVENESS OF THE TAX EXPENDITURE IN ACHIEVING
2 THE PURPOSES SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION BASED ON
3 THE NUMBER OF CERTIFIED DATA CENTERS THAT ARE CONSTRUCTED AND
4 PLACED IN SERVICE IN THE STATE AND THE NUMBER AND VALUE OF THE
5 EXEMPTIONS CLAIMED PURSUANT TO THIS SECTION. THE COLORADO
6 OFFICE OF ECONOMIC DEVELOPMENT SHALL PROVIDE THE STATE AUDITOR
7 WITH ANY AVAILABLE INFORMATION THAT WOULD ASSIST THE STATE
8 AUDITOR'S ANALYSIS.

9 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
10 REQUIRES:

11 (a) "CERTIFIED DATA CENTER" MEANS A DATA CENTER THAT HAS
12 OBTAINED CERTIFICATION FROM THE COLORADO OFFICE OF ECONOMIC
13 DEVELOPMENT PURSUANT TO PART 8 OF ARTICLE 48.5 OF TITLE 24.

14 (b) "STATE SALES AND USE TAX EXEMPTION CERTIFICATE" MEANS
15 A CERTIFICATE ISSUED BY THE COLORADO OFFICE OF ECONOMIC
16 DEVELOPMENT TO A CERTIFIED DATA CENTER PURSUANT TO PART 8 OF
17 ARTICLE 48.5 OF TITLE 24.

18 (3) BEGINNING JANUARY 1, 2026, ALL SALES, STORAGE, AND USE
19 OF INFORMATION TECHNOLOGY INFRASTRUCTURE, DATA CENTER
20 INFRASTRUCTURE, MECHANICAL SYSTEMS, OR OTHER EQUIPMENT
21 ESSENTIAL TO DATA CENTER OPERATIONS AS DESCRIBED IN SECTION
22 24-48.5-803 (12) THAT WILL BE USED IN CONNECTION WITH A CERTIFIED
23 DATA CENTER THAT HAS A STATE SALES AND USE TAX EXEMPTION
24 CERTIFICATE IS EXEMPT FROM TAXATION UNDER PARTS 1 AND 2 OF THIS
25 ARTICLE 26.

26 (4) NOTWITHSTANDING SECTION 39-21-304 (4), THE EXEMPTION
27 ALLOWED PURSUANT TO THIS SECTION CONTINUES INDEFINITELY.

28 **SECTION 5. Applicability.** This act applies to data centers for
29 which building or the purchase of equipment or regulated resource
30 acquisitions commence on or after the effective date of this act.

31 **SECTION 6. Safety clause.** The general assembly finds,
32 determines, and declares that this act is necessary for the immediate
33 preservation of the public peace, health, or safety or for appropriations for
34 the support and maintenance of the departments of the state and state
35 institutions.".
*** * * * * *