

HOUSE COMMITTEE OF REFERENCE AMENDMENT  
Committee on Finance.

SB22-138 be amended as follows:

1 Amend reengrossed bill, page 6, strike line 14 and substitute "(1)(e)(IX)  
2 and (1)(e)(XIII) introductory portion; and **add** (1)(e)(IX.3) and  
3 (1)(e)(IX.5) as follows:".

4 Page 6, strike line 20 and substitute:

5 "(e) (IX) (A) In addressing greenhouse gas emissions from an  
6 energy-intensive, trade-exposed manufacturing source, the commission  
7 shall require the source to execute an energy and emission control audit,  
8 according to criteria established by the commission, of the source's  
9 operations every five years through at least 2035. A qualified third party,  
10 as determined by the commission, shall conduct the audit and submit the  
11 results to the commission.

12 (B) If the commission determines that the source currently  
13 employs best available emission control technologies for greenhouse gas  
14 emissions and best available energy efficiency practices, the commission  
15 shall not impose a direct nonadministrative cost on the source directly  
16 associated with at least ninety-five percent of the source's greenhouse gas  
17 emissions attributable to manufacturing a good in this state for a period  
18 of five years, if the source's emissions are not greater than the emissions  
19 associated with use of the best available emission control technologies as  
20 determined by the commission.

21 (C) The commission shall consider how program design as  
22 relevant to those sources can further mitigate the cost of reducing  
23 emissions for such manufacturers while providing an incentive to  
24 improve efficiency and reduce emissions. Specifically, the commission  
25 shall design the program as relevant to those sources such that as the  
26 sources are subject to emission reduction requirements, those sources will  
27 have, under the program, a pathway to obtain equivalent lower-cost  
28 emission reductions at other regulated sources to satisfy their compliance  
29 obligations.

30 (B) (IX.3) As used in this subsection (1)(e)(IX) OF THIS SECTION,  
31 "energy-intensive, trade-exposed manufacturing source" means ~~an~~ ANY  
32 entity, INCLUDING AN entity that principally manufactures iron, steel,  
33 aluminum, pulp, paper, or cement, ~~and~~ that is engaged in the manufacture  
34 of goods through one or more emissions-intensive, trade-exposed  
35 processes, as determined by the commission UPON A PETITION BY SUCH  
36 ENTITY, USING THE FOLLOWING DEFINITIONS:

37 (A) "EMISSIONS-INTENSIVE" MEANS THAT AN ENTITY REPORTS  
38 DIRECT GREENHOUSE GAS EMISSIONS EQUAL TO OR GREATER THAN  
39 TWENTY-FIVE THOUSAND METRIC TONS OF CARBON DIOXIDE EQUIVALENT

1 PER YEAR UNDER FEDERAL REGULATIONS OR STATE RULES.

2 (B) "TRADE-EXPOSED" MEANS THAT AN ENTITY THAT  
3 MANUFACTURES GOODS IN THE INDUSTRIAL AND MANUFACTURING SECTOR  
4 INCURS COSTS TO COMPLY WITH STATE RULES TO WHICH OUT-OF-STATE  
5 COMPETITORS ARE NOT SUBJECT OR THAT SUCH ENTITY WOULD OTHERWISE  
6 BE DISADVANTAGED COMPETITIVELY IF REQUIRED TO COMPLY WITH THE  
7 RULES THAT THE COMMISSION ADOPTS PURSUANT TO SUBSECTION  
8 (1)(e)(XIII) OF THIS SECTION.

9 (IX.5) ON OR BEFORE AUGUST 1, 2023, THE COMMISSION SHALL  
10 MODIFY ANY RULES ADOPTED PURSUANT TO SUBSECTION (1)(e)(IX) OF  
11 THIS SECTION TO REFLECT THE DEFINITIONS SET FORTH IN SUBSECTION  
12 (1)(e)(IX.3) OF THIS SECTION.

13 (XIII) In implementing this subsection (1)(e), the commission".

\*\*\* \*\*\* \*\*\* \*\*\* \*