

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

April 11, 2024
Date

Committee on Energy & Environment.

After consideration on the merits, the Committee recommends the following:

SB24-150 be amended as follows, and as so amended, be referred to the Committee on Finance with favorable recommendation:

1 Amend reengrossed bill, page 2, strike lines 15 through 22.

2 Strike pages 3 and 4.

3 Page 5, strike lines 1 through 6 and substitute:

4 "(2) The general assembly therefore determines that it is in the
5 best interest of the state to:

6 (a) Prohibit combustion units from being eligible for any
7 state-level incentives; and

8 (b) Require pyrolysis and gasification processes to be regulated
9 at the state and local level as solid waste-to-energy incineration systems.

10 **SECTION 2.** In Colorado Revised Statutes, **add** 25-17-109 as
11 follows:

12 **25-17-109. Units that combust municipal solid waste not**
13 **eligible for state-level incentives - definitions.** (1) AS USED IN THIS
14 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

15 (a) "BIOCHAR" MEANS A CHARCOAL THAT IS PRODUCED BY
16 PYROLYSIS OF BIOMASS AND THAT MAY BE USED AS A SOIL AMENDMENT.

17 (b) "BIOSOLIDS" HAS THE MEANING SET FORTH IN SECTION
18 25-8-103 (1.4).

19 (c) "COMBUSTION UNIT" MEANS A MUNICIPAL WASTE COMBUSTION
20 UNIT, AS DEFINED IN 40 CFR 60.2977, OR OTHER SOLID WASTE
21 INCINERATION (OSWI) UNIT, AS DEFINED IN 40 CFR 60.2977, THAT
22 COMBUSTS MUNICIPAL SOLID WASTE.

23 (d) "CREMATORY INCINERATOR" MEANS ANY INCINERATOR
24 DESIGNED AND USED SOLELY FOR THE BURNING OF ANATOMICAL
25 PATHOLOGICAL WASTE, WHICH INCINERATOR MAY ALSO BURN INCIDENTAL

1 ITEMS NORMALLY CREMATED AS PART OF THE FUNERAL PROCESS, OR AS
2 OTHERWISE DEFINED BY AIR QUALITY CONTROL COMMISSION RULE.

3 (e) "HAZARDOUS WASTE" HAS THE MEANING SET FORTH IN
4 SECTION 25-15-101 (6).

5 (f) "MUNICIPAL SOLID WASTE" MEANS SOLID WASTE FROM
6 HOUSEHOLD, COMMUNITY, COMMERCIAL, OR INDUSTRIAL SOURCES THAT
7 DOES NOT CONTAIN HAZARDOUS WASTE.

8 (g) (I) "STATE INCENTIVE" MEANS ANY STATE-LEVEL GRANT,
9 LOAN, TAX CREDIT, TAX EXEMPTION, SUBSIDY, OR OTHER FINANCIAL
10 INCENTIVE.

11 (II) "STATE INCENTIVE" DOES NOT INCLUDE THE TAX CREDIT
12 ALLOWED PURSUANT TO SECTION 39-22-556.

13 (2) NOTWITHSTANDING ANY LAW TO THE CONTRARY:

14 (a) ON AND AFTER JULY 1, 2024, EXCEPT AS SET FORTH IN
15 SUBSECTION (5) OF THIS SECTION, A COMBUSTION UNIT IS NOT ELIGIBLE
16 FOR ANY STATE INCENTIVES; EXCEPT THAT THIS SUBSECTION (2)(a) DOES
17 NOT APPLY TO:

18 (I) OPERATIONS TO EXCLUSIVELY TREAT SOURCE-SEPARATED
19 ORGANIC MATERIALS FOR THE PRODUCTION OF SOIL AMENDMENTS,
20 INCLUDING COMPOST, BIOSOLIDS, AND BIOCHAR;

21 (II) OPERATIONS TO CONDUCT ANAEROBIC DIGESTION;

22 (III) AIR CURTAIN INCINERATORS USED FOR WILDFIRE MITIGATION
23 OR INCINERATION OF THE MATERIALS LISTED IN 40 CFR 60.2888 (b)(1) TO
24 (b)(4);

25 (IV) UNITS THAT COMBUST CONTRABAND OR PROHIBITED GOODS,
26 AS DEFINED IN 40 CFR 60.2887 (p);

27 (V) UNITS OPERATING AS A CREMATORY INCINERATOR; OR

28 (VI) BIOMASS BOILERS FIRING MATERIALS LISTED IN 40 CFR
29 60.2888 (b)(1) TO (b)(4) OR OTHER APPROVED FUELS;

30 (b) ON AND AFTER JANUARY 1, 2025, COMBUSTION IS NOT
31 CONSIDERED "RECYCLING", "RENEWABLE ENERGY", "CLEAN ENERGY",
32 "GREEN ENERGY", "CLIMATE-FRIENDLY", "CARBON-FREE", "BIOFUEL",
33 "ZERO-CARBON", OR ANY OTHER SIMILAR TERM FOR THE PURPOSE OF A
34 PROGRAM ESTABLISHED BY STATE LAW OR RULES; AND

35 (c) ON AND AFTER JANUARY 1, 2025, A COMBUSTION UNIT DOES
36 NOT MEET A "RENEWABLE PORTFOLIO STANDARD", "LOW CARBON FUEL
37 STANDARD", "RENEWABLE FUEL STANDARD", OR ANY OTHER SIMILAR
38 STANDARD ESTABLISHED BY STATE LAW OR RULES.

39 (3) NOTHING IN THIS SECTION PROHIBITS STATE INCENTIVES FOR
40 ENTITIES PARTICIPATING IN THE WASTE TIRE CLEANUP PROGRAM, AS
41 DEFINED IN SECTION 30-20-1402 (13).

42 (4) NOTWITHSTANDING SECTION 39-22-556, AN APPLICANT FOR
43 THE TAX CREDIT ALLOWED PURSUANT TO SECTION 39-22-556, WHICH TAX

1 CREDIT IS FOR THE COSTS TO CONSTRUCT, RECONSTRUCT, OR ERECT A
2 COMBUSTION UNIT, MUST SUBMIT THE APPLICATION DESCRIBED IN SECTION
3 39-22-556 (4)(a) TO THE COLORADO ENERGY OFFICE BEFORE JANUARY 1,
4 2027, TO BE ELIGIBLE FOR THE TAX CREDIT.

5 (5) TECHNOLOGICAL UPGRADES TO COMBUSTION UNITS THAT ARE
6 IN EXISTENCE IN THE STATE ON OR BEFORE JULY 1, 2024, ARE ELIGIBLE FOR
7 A STATE INCENTIVE IF THE STATE AGENCY RESPONSIBLE FOR ISSUING THE
8 STATE INCENTIVE DETERMINES THAT THE STATE INCENTIVE IMPROVES THE
9 HEALTH AND SAFETY OF WORKERS, PROMOTES WORKFORCE
10 DEVELOPMENT, REDUCES NEGATIVE IMPACTS OF OPERATIONS OF THE
11 COMBUSTION UNIT, AND ENCOURAGES INVESTMENT IN THE COMMUNITY OF
12 THE COMBUSTION UNIT.

13 **SECTION 3.** In Colorado Revised Statutes, 30-20-902, **amend**
14 (1) as follows:

15 **30-20-902. Definitions.** As used in this part 9, unless the context
16 otherwise requires:

17 (1) (a) "Solid waste-to-energy incineration system" means the use
18 of flammable waste material as a primary or supplemental fuel for the
19 conversion of heat into steam, electrical power, or any other form of
20 energy.

21 (b) "SOLID WASTE-TO-ENERGY INCINERATION SYSTEM" INCLUDES
22 PYROLYSIS AND GASIFICATION PROCESSES.

23 **SECTION 4.** In Colorado Revised Statutes, 31-15-1002, **amend**
24 (1) as follows:

25 **31-15-1002. Definitions.** As used in this part 10, unless the
26 context otherwise requires:

27 (1) (a) "Solid waste-to-energy incineration system" means the use
28 of flammable waste material as a primary or supplemental fuel for the
29 conversion of heat into steam, electrical power, or any other form of
30 energy.

31 (b) "SOLID WASTE-TO-ENERGY INCINERATION SYSTEM" INCLUDES
32 PYROLYSIS AND GASIFICATION PROCESSES."

33 Renumber succeeding sections accordingly.

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