

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

February 27, 2025
Date

Committee on Energy & Environment.

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

HB25-1165 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend printed bill, page 3, line 6, after "2030," insert "a 65% reduction
2 by 2035, a 75% reduction by 2040, a 90% reduction by 2045,".

3 Page 5, after line 11 insert:

4 "SECTION 2. In Colorado Revised Statutes, **amend** 34-60-101
5 as follows:

6 **34-60-101. Short title.** THE SHORT TITLE OF this ~~article shall be~~
7 ~~known and may be cited as~~ ARTICLE 60 IS the "Oil and Gas Conservation
8 "ENERGY AND CARBON MANAGEMENT Act".".

9 Renumber succeeding sections accordingly.

10 Page 9, line 21, strike "IMPOSING AND DETERMINING" and substitute
11 "DETERMINING".

12 Page 9, line 25, strike "AND" and substitute "AND, AS NECESSARY,".

13 Page 9, strike line 27 and substitute "IF THE COMMISSION, AFTER NOTICE
14 AND A HEARING, DETERMINES THAT AVAILABLE".

15 Page 12, strike lines 26 and 27.

16 Page 13, strike lines 1 through 4 and substitute:

17 "(III) CONSIDER THE IMPORTANCE OF FINANCIAL PREDICTABILITY
18 FOR OPERATORS WHEN DETERMINING THE FREQUENCY OF CHANGES TO THE
19 STEWARDSHIP FEE AMOUNT;".

1 Page 14, strike lines 1 through 3 and substitute "RELATED TO THE
2 CONDUCT OF THE AFFAIRS OF THE ENTERPRISE. THE ENTERPRISE MAY
3 CONTRACT WITH THE DEPARTMENT FOR THE".

4 Page 14, strike lines 6 and 7 and substitute:

5 "(e) TO SEEK, ACCEPT, AND EXPEND GIFTS, GRANTS, DONATIONS,
6 OR OTHER PAYMENTS FROM PRIVATE OR PUBLIC SOURCES FOR THE
7 PURPOSES OF THIS SECTION, SO LONG AS THE TOTAL AMOUNT OF ALL
8 GRANTS FROM COLORADO STATE AND LOCAL GOVERNMENTS RECEIVED IN
9 ANY STATE FISCAL YEAR IS LESS THAN TEN PERCENT OF THE ENTERPRISE'S
10 TOTAL ANNUAL REVENUE FOR THE STATE FISCAL YEAR. ALL MONEY
11 RECEIVED AS GIFTS, GRANTS, AND DONATIONS SHALL BE CREDITED TO THE
12 GEOLOGIC STORAGE STEWARDSHIP ENTERPRISE CASH FUND.

13 "(f) TO CREATE AND IMPOSE UPON GEOLOGIC STORAGE OPERATORS
14 AN ADDITIONAL FEE TO ADDRESS PLUGGING, ABANDONING, RECLAIMING,
15 AND REMEDIATING OF ORPHANED GEOLOGIC STORAGE FACILITIES, WHICH
16 FEE IS IN AN AMOUNT THAT IS REASONABLY RELATED TO THE OVERALL
17 COST OF PLUGGING, ABANDONING, RECLAIMING, AND REMEDIATING
18 ORPHANED GEOLOGIC STORAGE FACILITIES, SO LONG AS THE ENTERPRISE
19 BOARD FINDS THAT:

20 (I) GEOLOGIC STORAGE OPERATIONS IN THE STATE ARE LIKELY TO
21 CREATE ORPHANED GEOLOGIC STORAGE FACILITIES IN THE FUTURE;

22 (II) FINANCIAL ASSURANCE PROVIDED BY OPERATORS WILL BE
23 INSUFFICIENT TO ADDRESS ORPHANED GEOLOGIC STORAGE FACILITIES; AND

24 (III) STEWARDSHIP FEES DEPOSITED INTO THE GEOLOGIC STORAGE
25 STEWARDSHIP CASH FUND WILL BE INSUFFICIENT TO ADDRESS BOTH
26 LONG-TERM STEWARDSHIP AND ORPHANED GEOLOGIC STORAGE
27 FACILITIES;".

28 Reletter succeeding paragraphs accordingly.

29 Page 15, line 14, strike "AND".

30 Page 15, strike line 15 and substitute:

31 "(III) ANY GIFTS, GRANTS, OR DONATIONS RECEIVED PURSUANT TO
32 SUBSECTION (5)(e) OF THIS SECTION; AND

33 (IV) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY".

34 Page 16, line 10, after "PLUGGING," insert "ABANDONING,".

35 Page 16, line 12, strike the second "DIRECTOR" and substitute

- 1 "COMMISSION, AFTER NOTICE AND A HEARING,".
- 2 Page 18, line 23, strike "VIOLATED" and substitute "WAS IN MATERIAL
3 VIOLATION OF".
- 4 Page 18, line 26, after "CLOSURE" insert "AND HAS NOT BEEN REMEDIED
5 SINCE THAT TIME,".
- 6 Page 19, line 3, after "THE" insert "APPROVAL OF".
- 7 Page 19, line 22, strike "VIOLATED" and substitute "WAS IN MATERIAL
8 VIOLATION OF".
- 9 Page 19, line 24, strike "CLOSURE" and substitute "CLOSURE, THE
10 MATERIAL VIOLATION HAS NOT BEEN REMEDIED,".
- 11 Page 20, after line 10 insert:
- 12 **"SECTION 5.** In Colorado Revised Statutes, 34-60-140, **amend**
13 **(2)(a)(II)** introductory portion as follows:
14 **34-60-140. Ownership of geologic storage resources and**
15 **injection carbon dioxide - legislative declaration.** (2) (a) Except as set
16 forth in subsection (5) of this section:
17 (II) UNTIL ownership of injection carbon dioxide and the facilities
18 and equipment that store injection carbon dioxide in the state TRANSFER
19 TO THE STATE PURSUANT TO SECTION 34-60-106 (9.4)(c)(I), SUCH
20 OWNERSHIP is vested in:".
- 21 Renumber succeeding sections accordingly.
- 22 Page 23, strike lines 20 and 21 and substitute "THE SAME AQUIFER AND
23 MORE THAN ONE MILE FROM A PRIOR GEOTHERMAL OPERATION.".
- 24 Page 24, line 8, after "AND" insert "IF".
- 25 Page 24, strike lines 9 through 11 and substitute "IS LOCATED WITHIN ONE
26 MILE OF A PRIOR GEOTHERMAL OPERATION, AND THE STATE ENGINEER
27 NOTIFIES THE PRIOR GEOTHERMAL OPERATION'S DESIGNATED INDIVIDUALS
28 BY CERTIFIED MAIL AND THE ENERGY AND".
- 29 Page 24, line 13, strike "FRAME".
- 30 Page 24, strike lines 21 and 22 and substitute "proposed well AND TO ALL

1 OWNERS OR OPERATORS OF PRIOR GEOTHERMAL OPERATIONS WITHIN ONE
2 MILE OF THE PROPOSED WELL;"

3 Page 25, strike line 1 and substitute "OTHERWISE REQUIRES:

4 (I) "MATERIAL INJURY" OR "MATERIALLY INJURE" MEANS
5 "MATERIALLY INJURE A VALID PRIOR GEOTHERMAL OPERATION", AS
6 DEFINED IN SECTION 37-90.5-106 (1)(c).

7 (II) "PRIOR GEOTHERMAL OPERATION" HAS THE".

8 Page 25, after line 23 insert:

9 "SECTION 10. In Colorado Revised Statutes, 37-90.5-102,
10 **amend** (1)(b) as follows:

11 **37-90.5-102. Legislative declaration.** (1) The general assembly
12 hereby declares that:

13 (b) The development of geothermal resources should be
14 undertaken in such a manner as to safeguard life, health, property, public
15 welfare, HISTORIC GEOTHERMAL HOT SPRINGS, and the environment,
16 including wildlife resources; encourage the maximum economic recovery
17 of each resource and prevent its waste; and protect associated correlative
18 rights."

19 Renumber succeeding sections accordingly.

20 Page 26, strike line 16 and substitute:

21 "(14.5) "PRIOR GEOTHERMAL OPERATION" MEANS:

22 (a) A GEOTHERMAL".

23 Page 26, strike line 19 and substitute "PURSUANT TO THIS ARTICLE 90.5;
24 OR

25 (b) A COMMERCIAL GEOTHERMAL HOT SPRING WITH VESTED
26 WATER RIGHTS."

27 Page 28, line 4, strike "(2)(c)" and substitute "(1)(c), (2)(c), and (7)".

28 Page 28, line 23, strike "AND".

29 Page 28, strike line 26 and substitute "GEOTHERMAL OPERATION; AND

30 (C) SHALL REQUIRE EACH APPLICANT FOR A PERMIT CONCERNING
31 DEEP GEOTHERMAL OPERATIONS TO PROVIDE NOTICE OF THE APPLICATION
32 TO ANY OWNERS OR OPERATORS OF PRIOR GEOTHERMAL OPERATIONS
33 REGISTERED PURSUANT TO SUBSECTION (7) OF THIS SECTION AND LOCATED

1 WITHIN ONE MILE OF THE PROPOSED DEEP GEOTHERMAL OPERATIONS.
2 (c) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
3 REQUIRES, "MATERIALLY INJURE A VALID PRIOR GEOTHERMAL OPERATION"
4 MAY INCLUDE A DIMINUTION OR ALTERATION IN THE AVAILABLE WATER
5 SUPPLY OR TEMPERATURE ONLY IF THE DIMINUTION OR ALTERATION
6 ADVERSELY AFFECTS THE PRIOR GEOTHERMAL OPERATION."

7 Page 30, after line 4 insert:

8 "(7) AN OWNER OR OPERATOR OF PRIOR GEOTHERMAL OPERATIONS
9 SHALL REGISTER THEIR LOCATIONS AND DESIGNATED INDIVIDUALS TO
10 RECEIVE ELECTRONIC MAIL NOTIFICATIONS FROM THE STATE ENGINEER
11 AND THE COMMISSION AS DESCRIBED IN SECTION 37-90-137 (2) AND
12 SUBSECTION (1)(b)(III)(C) OF THIS SECTION."

13 Page 30, line 11, strike "OR 37-90-137." and substitute "37-90-137, OR
14 37-90.5-106."

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