A BILL FOR AN ACT

CONCERNING THE COLLECTION OF GREENHOUSE GAS EMISSIONS DATA TO FACILITATE THE IMPLEMENTATION OF MEASURES THAT WOULD MOST COST-EFFECTIVELY ALLOW THE STATE TO MEET ITS GREENHOUSE GAS EMISSIONS REDUCTION GOALS.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov.)

The bill requires the air quality control commission in the department of public health and environment to collect greenhouse gas emissions data from greenhouse gas-emitting entities, report on the data,
including a forecast of future emissions, and propose a draft rule to address the emissions by July 1, 2020.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. In Colorado Revised Statutes, add 25-7-140 as follows:

25-7-140. Greenhouse gas emissions - data collection - legislative declaration - rules - reporting - forecasting - public information - definitions. (1) Legislative declaration. The General Assembly hereby:

(a) Finds that:

(I) Greenhouse gas emissions reporting requirements were first established in Colorado in 2008 with Executive Order D 004-08. The policies established by this Executive Order were continued under the next Governor and require the Department of Public Health and Environment to report every five years on estimates of greenhouse gas emissions by sector. The last report by the Department was issued in 2014 and the next report is due in 2019.

(II) Executive Order D 2017-015 directed the Department to propose a state greenhouse gas reporting rule that mirrors the current federal reporting rule, 40 CFR 98, by December 30, 2018, and established the following goals:

(A) Reducing greenhouse gas emissions statewide by more than twenty-six percent below 2005 levels by 2025;

(B) Reducing carbon dioxide emissions from the electricity sector by twenty-five percent below 2012 levels by 2025 and thirty-five percent below 2012 levels by 2030; and
(C) REDUCING ELECTRICITY SALES BY TWO PERCENT BY 2020 THROUGH COST-EFFECTIVE ENERGY EFFICIENCY MEASURES;

(b) DETERMINES THAT:

(I) IT IS IN THE STATE'S INTEREST TO LEVERAGE DATA COLLECTED AND ANALYSES CONDUCTED FOR ITS GREENHOUSE GAS EMISSIONS INVENTORIES AND FORECASTS AND MAKE DATA SETS AVAILABLE TO LOCAL GOVERNMENTS;

(II) WHILE OTHER STATES HAVE IDENTIFIED AND ADOPTED GREENHOUSE GAS EMISSIONS REPORTING, INVENTORY, AND FORECAST METHODOLOGIES THAT MORE EFFECTIVELY ACHIEVE THE FOLLOWING PURPOSES, THE 2014 INVENTORY PERFORMED BY THE DEPARTMENT DID NOT UTILIZE DATA THAT:

(A) MOST ACCURATELY ACCOUNTED FOR GREENHOUSE GAS EMISSIONS IN CERTAIN SECTORS;

(B) EFFECTIVELY TRACKED PROGRESS ON REDUCING EMISSIONS;

OR

(C) ENABLED IDENTIFICATION OF EFFECTIVE STRATEGIES;

(III) WITH ONLY TWO MORE REPORTS ON GREENHOUSE GAS EMISSIONS COMING DUE, IN 2019 AND 2024, BEFORE THE 2025 TARGET OF EXECUTIVE ORDER D 2017-015, THERE IS INSUFFICIENT INFORMATION TO ACCURATELY MEASURE PROGRESS AND IDENTIFY STEPS TO ACHIEVE THE GOALS ESTABLISHED IN THE GOVERNOR'S 2017 ORDER;

(IV) BY COLLECTING AND DISSEMINATING BETTER INFORMATION ON GREENHOUSE GAS EMISSIONS, COLORADO CAN MORE EFFECTIVELY QUANTIFY EMISSIONS TRENDS, TRACK PROGRESS, AND IDENTIFY POTENTIAL AREAS OF GREATEST IMPACT ON THE STATE'S GREENHOUSE GAS EMISSIONS PROFILE TO FACILITATE THE IMPLEMENTATION OF MEASURES
THAT WOULD MOST COST-EFFECTIVELY ALLOW THE STATE TO MEET ITS GREENHOUSE GAS EMISSIONS REDUCTION GOALS; AND

(V) DATA COLLECTION SHOULD:

(A) BE BOTH TIMELY AND ACCURATE, AND THE COLLECTED DATA SHOULD BE MADE AVAILABLE TO THE PUBLIC; AND

(B) SUPPORT EMISSIONS TRACKING AND INFORM POTENTIAL APPROACHES TO ACHIEVING THE STATE'S GREENHOUSE GAS EMISSIONS REDUCTION GOALS; AND

(c) DECLARES THAT IT IS IN THE STATE'S INTEREST TO OBTAIN ACCURATE MEASUREMENTS OF GREENHOUSE GAS EMISSIONS IN ORDER TO TRACK PROGRESS AND IDENTIFY THE MOST EFFECTIVE STRATEGIES FOR THE STATE TO ACHIEVE EXISTING AND FUTURE TARGETS FOR POLLUTION REDUCTION.

(2) Rules. The Commission shall:

(a) By December 30, 2019, promulgate rules modeled on 40 CFR 98 to require the submission of the best information available from emitting entities while also using data that is already being collected, including pursuant to federal law, and information that is already available to make the data collection as efficient as possible. The rules must:

(I) Define the class of emitting entities that must report greenhouse gas emissions and, for this purpose, the rules may use the entities that are subject to reporting pursuant to 40 CFR 98 or may expand that class;

(II) Implement measures to collect and report statewide and economy-wide greenhouse gas emissions information on an annual basis; and
(III) IMPLEMENT MEASURES TO COLLECT THE BEST INFORMATION REASONABLY AVAILABLE FROM Emitting entities in order to inventory and track emissions with a high degree of accuracy.

(b) By July 1, 2020, publish a notice of proposed rule-making that proposes rules to implement measures that would most cost-effectively allow the state to meet its greenhouse gas emissions reduction goals.

(3) Reporting. In carrying out its duties pursuant to this section, the commission or, if appropriate, the division:

(a) May require emitting entities to:

(I) report their greenhouse gas emissions and other associated information to the state on a timely, annual, and economy-wide basis;

(II) report the best reasonably available data that is already being collected, including pursuant to federal law;

(b) May establish a reporting requirement threshold that is appropriate for Colorado; and

(c) Shall:

(I) conduct an annual, statewide and economy-wide inventory of greenhouse gas emissions by sector;

(II) identify the most cost-effective mechanisms for tracking the data collected while ensuring the highest level of data accuracy that is reasonable to obtain;

(III) produce the first comprehensive inventory on or before December 30, 2020, for emissions in calendar year 2018 and then annually thereafter;

(IV) when adopting an inventory reporting methodology,
ATTEMPT TO:

(A) Achieve high accuracy in the measurement of greenhouse gas emissions, except with regard to emissions that only slightly exceed the reporting threshold so that high accuracy would not produce more actionable results;

(B) Ensure sufficient granularity to reflect changes resulting from actions taken on a statewide basis to address climate change;

(C) Consider the carbon sequestration and emissions implications of forestry and agricultural land use practices;

(D) Produce useful and actionable results;

(E) Create data that is comparable with inventories from previous years;

(F) Enable greenhouse gas emissions forecasting; and

(G) Make state-level foundational data available to local jurisdictions and in other ways enable those jurisdictions to improve the quality of their own local emissions inventories;

(V) Recalculate the 2005, 2007, and 2014 emissions inventories, to the extent possible, using the inventory reporting methodology adopted pursuant to subsection (3)(c)(IV) of this section; and

(VI) Perform additional recalculations if the commission makes subsequent changes to the methodology that would significantly affect previous inventory results.

(4) Forecasting. (a) The division shall forecast Colorado's greenhouse gas emissions for every year through 2050 using the inventory reporting methodology adopted pursuant to
SUBSECTION (3)(c)(IV) OF THIS SECTION. THE FORECAST MUST CONSIDER
AT LEAST THREE SCENARIOS, INCLUDING NO ADDITIONAL ACTION TAKEN
ON A STATEWIDE BASIS TO ADDRESS CLIMATE CHANGE, A LOW LEVEL OF
ACTION TAKEN ON A STATEWIDE BASIS TO ADDRESS CLIMATE CHANGE,
AND A HIGH LEVEL OF ACTION TAKEN ON A STATEWIDE BASIS TO ADDRESS
CLIMATE CHANGE.

(b) IN SELECTING A METHODOLOGY TO CONDUCT THE FORECAST,
THE DIVISION SHALL:

(I) PROVIDE FORECASTS AT MULTIPLE MILESTONE YEARS,
INCLUDING 2030 AND 2050;

(II) USE LOCAL DATA TO FORECAST STATEWIDE TRENDS WHEN
POSSIBLE;

(III) INCLUDE CONSIDERATION OF FORECASTS FOR POPULATION
GROWTH AND CURRENT LOCAL AND STATE DATA ON HOUSING, MOBILITY,
AND OTHER DEMOGRAPHIC CRITERIA; AND

(IV) CHOOSE A METHODOLOGY THAT:

(A) CAN BE READILY USED TO MODEL MULTIPLE SCENARIOS; AND

(B) IS TRANSPARENT ABOUT WHICH FACTORS HAVE THE MOST
INFLUENCE OVER THE FORECAST RESULTS.

(5) Public information. The division shall:

(a) PUBLICLY RELEASE THE FINDINGS OF THE ANNUAL INVENTORY
ON THE DIVISION'S WEBSITE AND MAINTAIN THE DATA THROUGH AT LEAST
2030; AND

(b) NOTWITHSTANDING 24-1-136 (11), REPORT THE FINDINGS TO
THE GOVERNOR, THE PUBLIC UTILITIES COMMISSION, AND THE GENERAL
ASSEMBLY.

(6) Definition. For the purposes of this section, "GREENHOUSE
GAS" MEANS CARBON DIOXIDE (CO₂), METHANE (CH₄), NITROUS OXIDE (N₂O), HYDROFLUOROCARBONS (HFCs), PERFLUOROCARBONS (PFCs), SULFUR HEXAFLUORIDE (SF₆), AND NITROGEN TRIFLUORIDE (NF₃).

SECTION 2. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.