A BILL FOR AN ACT

CONCERNING MEASURES TO INCREASE BIOMASS UTILIZATION
THROUGHOUT THE STATE.

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 state forest service to conduct a study of biomass utilization by identifying the potential costs and benefits of increasing biomass utilization throughout the state and any administrative or statutory changes needed to increase biomass utilization. In conducting the study, the state forest service shall engage in shared stewardship by consulting with various state agencies, local officials who serve
communities in the wildland-urban interface, and other interested stakeholders. On or before March 1, 2022, the state forest service shall submit a report summarizing its findings and recommendations from the study to the governor and the legislative committees with jurisdiction over agriculture and natural resources matters.

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

SECTION 1. In Colorado Revised Statutes, add 23-31-317 as follows:

23-31-317. Biomass utilization study - legislative declaration - report - definitions - repeal. (1) THE GENERAL ASSEMBLY:

(a) FINDS AND DETERMINES THAT:

(I) THREE OF THE LARGEST WILDFIRES IN COLORADO'S HISTORY OCCURRED IN 2020, WITH MORE THAN SIX HUNDRED TWENTY-FIVE THOUSAND ACRES BURNED ACROSS THE STATE;

(II) IT IS ESTIMATED THAT TWO HUNDRED FOURTEEN MILLION DOLLARS WAS SPENT IN COLORADO IN 2020 TO FIGHT FOREST FIRES;

(III) WITH ALMOST THREE MILLION PEOPLE IN COLORADO RESIDING IN THE WILDLAND-URBAN INTERFACE, THESE WILDFIRES THREATEN HUMAN LIFE AS WELL AS PRIVATE PROPERTY, PUBLIC INFRASTRUCTURE, AND THE ENVIRONMENT;

(IV) THE FOREST SERVICE HAS IMPLEMENTED A NUMBER OF STRATEGIES TO HELP MITIGATE THE RISK OF WILDFIRE, INCLUDING ENGAGING IN EDUCATIONAL OUTREACH, PROVIDING TECHNICAL ASSISTANCE TO COMMUNITIES IN THE WUI WITH THE DEVELOPMENT OF COMMUNITY WILDFIRE PROTECTION PLANS, AND TREATING FORESTED LANDS TO REDUCE THE AMOUNT OF FUEL;

(V) ONE PROMISING STRATEGY FOR WILDFIRE MITIGATION IS TO INCREASE THE UTILIZATION OF BIOMASS TO REDUCE FUEL;
(VI) Increased biomass utilization would provide other environmental benefits such as:

(A) Using biomass for electric and heat generation as a means to further diversify Colorado's renewable energy portfolio and, in furtherance of the Governor's "Greenhouse Gas Pollution Reduction Roadmap" released on January 14, 2021, provide a carbon-neutral alternative energy source to fossil fuels; and

(B) Applying biochar to soil as a means to improve soil health and provide carbon sequestration; and

(VII) Through a collaborative effort between state agencies, local officials, and interested stakeholders that embodies the principle of shared stewardship, a study should be conducted to determine how best to increase biomass utilization throughout the state; and

(b) Declares that the Forest Service should study the costs and benefits of increasing biomass utilization throughout the state to help identify how best to bring Colorado to the forefront of biomass utilization as a means to innovate wildfire mitigation, renewable energy development, soil health, climate change mitigation, and carbon sequestration.

(2) As used in this section, unless the context otherwise requires:

(a) "Air curtain incinerator":

(I) Has the meaning set forth in 40 CFR 60.51b; and

(II) Is also known as an "air curtain burner".

(b) "Biochar" means a charcoal that is produced by
PYROLYSIS OF BIOMASS AND IS USED AS A SOIL AMENDMENT.

(c) "BIOMASS" HAS THE MEANING SET FORTH IN SECTION 40-2-124 (1)(a)(I).

(d) "FOREST SERVICE" HAS THE MEANING SET FORTH IN SECTION 23-31-310 (2)(c).

(e) "FUEL" HAS THE MEANING SET FORTH IN SECTION 23-31-310 (2)(d).

(f) "PYROLYSIS" HAS THE MEANING SET FORTH IN SECTION 40-2-124 (1)(a)(V).

(g) "SHARED STEWARDSHIP" MEANS THE PRINCIPLES OF COLLABORATION THAT THE UNITED STATES FOREST SERVICE PROMOTES WITH RESPECT TO IDENTIFYING PRIORITIES FOR ITS WORK TO INCREASE CRITICAL FOREST TREATMENTS, SUPPORT COMMUNITIES, AND IMPROVE FOREST CONDITIONS.

(h) "WILDLAND-URBAN INTERFACE" OR "WUI" HAS THE MEANING SET FORTH IN SECTION 23-31-310 (2)(f).

(3) (a) AS SOON AS PRACTICABLE, THE FOREST SERVICE SHALL COMMENCE A STUDY TO IDENTIFY:

(I) THE ENVIRONMENTAL AND ECONOMIC BENEFITS OF INCREASING BIOMASS UTILIZATION THROUGHOUT THE STATE, INCLUDING POTENTIAL:

(A) WILDFIRE PREVENTION AND MITIGATION BENEFITS DERIVED FROM ITS UTILIZATION;

(B) ENERGY BENEFITS DERIVED FROM INCREASING BIOMASS ENERGY GENERATION; AND

(C) AGRICULTURAL BENEFITS FROM INCREASING ITS USAGE AS BIOCHAR;

(II) THE ANTICIPATED COSTS INVOLVED IN INCREASING SUPPLY
AND DEMAND FOR BIOMASS UTILIZATION THROUGHOUT THE STATE, INCLUDING POTENTIAL:

(A) COSTS TO THE STATE TO PURCHASE ONE OR MORE AIR CURTAIN INCINERATORS;

(B) REDUCTIONS IN STATE REVENUE IF TAX CREDITS RELATED TO BIOMASS GENERATION AND UTILIZATION ARE CREATED OR THE STATE SALES TAX EXEMPTION IN SECTION 39-26-723 FOR BEETLE-KILLED WOOD PRODUCTS IS CONTINUED; AND

(C) COSTS TO UPDATE EXISTING DATA REGARDING STATEWIDE MARKETS FOR WOOD PRODUCTS; AND

(III) POTENTIAL BARRIERS TO INCREASING UTILIZATION, INCLUDING THE IDENTIFICATION OF ANY ADMINISTRATIVE OR STATUTORY CHANGES NEEDED TO EFFECTUATE INCREASED BIOMASS UTILIZATION THROUGHOUT THE STATE.

(b) IN CONDUCTING THE STUDY, THE FOREST SERVICE SHALL ENGAGE IN SHARED STEWARDSHIP BY WORKING COLLABORATIVELY WITH THE DEPARTMENT OF AGRICULTURE, THE DIVISION OF FIRE PREVENTION AND CONTROL IN THE DEPARTMENT OF PUBLIC SAFETY, ANY OTHER INTERESTED STATE AGENCIES, LOCAL OFFICIALS WHO SERVE COMMUNITIES IN THE WUI, AND ANY OTHER INTERESTED STAKEHOLDERS.

REPORT ON ITS WEBSITE.

(5) THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2022.

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; 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 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.