# First Regular Session Seventy-third General Assembly STATE OF COLORADO

# PREAMENDED

This Unofficial Version Includes Committee Amendments Not Yet Adopted on Second Reading

LLS NO. 21-0072.01 Jennifer Berman x3286

HOUSE BILL 21-1286

#### **HOUSE SPONSORSHIP**

**Kipp and Valdez A.,** Bernett, Amabile, Benavidez, Bird, Boesenecker, Cutter, Duran, Froelich, Gonzales-Gutierrez, Gray, Hooton, Jackson, Jodeh, Lontine, McCormick, Michaelson Jenet, Mullica, Ricks, Sirota, Woodrow

## SENATE SPONSORSHIP

**Priola and Pettersen**,

House Committees Energy & Environment Finance Appropriations Senate Committees Finance Appropriations

# A BILL FOR AN ACT

101	CONCERNING MEASURES TO IMPROVE ENERGY EFFICIENCY, AND, IN
102	CONNECTION THEREWITH, REQUIRING OWNERS OF LARGE
103	BUILDINGS TO COLLECT AND REPORT ON ENERGY-USE
104	BENCHMARKING DATA AND COMPLY WITH <u>RULES REGARDING</u>
105	PERFORMANCE STANDARDS RELATED TO ENERGY AND
106	GREENHOUSE GAS EMISSIONS AND MODIFYING STATUTORY
107	REQUIREMENTS REGARDING ENERGY PERFORMANCE
108	CONTRACTS.

### **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 HOUSE 3rd Reading Unamended May 26, 2021

> Amended 2nd Reading May 24, 2021

HOUSE

## http://leg.colorado.gov.)

Section 1 of the bill requires owners of certain large buildings (covered buildings), on an annual basis, to collect and report to the Colorado energy office (office) the covered building's energy use. The bill establishes a process requiring certain electric and gas utilities to provide energy-use data to a covered building owner when requested by the covered building owner.

Section 1 also requires that, on or before June 1, 2027, a covered building owner demonstrate that, in 2026, the covered building met performance standards set forth in the bill. A covered building owner must demonstrate compliance with the performance standards every 5 years after June 1, 2027. The air quality control commission (commission) is required to adopt rules in 2026 or 2027 that extend or modify the performance standards. Thereafter, the commission may, as the commission deems necessary, modify the performance standards by rule.

Section 2 requires the office to assist covered building owners with the reporting requirements set forth in section 1 by:

- Creating a database of covered buildings and owners required to comply with section 1;
- Developing publicly available, digitally interactive maps and lists showing the energy-use and performance-standard data reported;
- Coordinating with any local government that implements its own energy benchmarking requirements or energy performance program, including coordination of reporting requirements; and
- Collecting an annual fee from owners of covered buildings of \$100 per covered building. The office is required to transfer the fees collected to the state treasurer, who will credit the fees to the climate change mitigation and adaptation fund (fund) created in section 2.

**Section 3** imposes penalties for violations of section 1, ranging from \$500 to \$5,000, depending on whether the violations are first violations or subsequent violations, and requires that the civil penalty payments be credited to the fund. Certain subsequent violations are also subject to a penalty of 2 cents per square foot of gross floor area of the covered building for each day that the violations continue.

Section 4 modifies the definition of an "energy performance contract" that a governing body of a municipality, county, special district, or school district (board) enters into for evaluation, recommendations, or implementation of energy-saving measures to remove requirements that a board's payment for goods and services pursuant to the contract be made within a certain number of years of the contract's execution. 1 Be it enacted by the General Assembly of the State of Colorado:

2 SECTION 1. In Colorado Revised Statutes, add 25-7-142 as
3 follows:

25-7-142. Energy benchmarking - data collection and access
utility requirements - <u>task force</u> - rules - reports - definitions legislative declaration - repeal. (1) Legislative declaration. The
GENERAL ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT THE
REGULATION OF BUILDING PERFORMANCE IS A MATTER OF STATEWIDE
CONCERN BECAUSE:

10 (a) As of 2020, Buildings represented a significant source
11 OF GREENHOUSE GAS POLLUTION IN THE STATE OF COLORADO;

(b) ENERGY CONSUMPTION AND GREENHOUSE GAS EMISSIONS
ASSOCIATED WITH A BUILDING PRODUCE IMPACTS FAR BEYOND ITS WALLS
AND THE BOUNDARIES OF THE LOCAL GOVERNMENT WITHIN WHICH THE
BUILDING IS LOCATED, INCLUDING COSTS TO UTILITY RATEPAYERS FOR
INCREASED ENERGY PRODUCTION, COMMUNITY HEALTH COSTS
ASSOCIATED WITH AIR POLLUTION, AND BROADER SOCIETAL COSTS OF
ANTHROPOGENIC CLIMATE CHANGE;

19 (c) MANY BUILDING OWNERS HAVE MADE PROACTIVE EFFORTS TO
 20 REDUCE THE ENERGY USE AND GREENHOUSE GAS EMISSIONS OF THEIR
 21 BUILDINGS, YET MORE REMAINS TO BE DONE TO HELP THE STATE MEET ITS
 22 GREENHOUSE GAS REDUCTION GOALS;
 23 (d) BUILDING TENANTS THAT PAY ENERGY BILLS OFTEN LACK THE

ABILITY TO IMPLEMENT BUILDING UPGRADES THAT COULD IMPROVE
 PERFORMANCE, REDUCE EMISSIONS, AND REDUCE THOSE COSTS;

26 (e) THE COMMISSION HAS BOTH THE STATUTORY AUTHORITY AND

-3-

OBLIGATION TO REQUIRE A REDUCTION OF GREENHOUSE GAS EMISSIONS IN
 THE STATE IN EVERY SECTOR INCLUDING BUILDINGS;

3 (<u>f</u>)(I) BENCHMARKING AND BUILDING PERFORMANCE STANDARDS
4 WILL SUPPORT JOB GROWTH IN COLORADO. ACCORDING TO THE UNITED
5 STATES CLIMATE ALLIANCE, BEFORE JANUARY 1, 2020, THE FASTEST
6 GROWING CLEAN ENERGY INDUSTRIES IN COLORADO INCLUDED:

7 (A) TRADITIONAL HEATING, VENTILATION, AND AIR CONDITIONING,
8 TOTALING TEN THOUSAND FOUR HUNDRED THIRTY-EIGHT JOBS; AND

9 (B) ENERGY STAR AND EFFICIENT LIGHTING, TOTALING ELEVEN
10 THOUSAND ONE HUNDRED FIFTY-SIX JOBS.

(II) ADDITIONALLY, ANALYSIS CONDUCTED BY ADVANCED
ENERGY ECONOMY IDENTIFIED MORE THAN SIXTY THOUSAND ADVANCED
ENERGY JOBS IN COLORADO, WITH MORE THAN FIFTY PERCENT OF THOSE
JOBS IN ENERGY EFFICIENCY.

15 (g) THE STATE OF COLORADO PROVIDES MANY LOW- AND NO-COST
16 OPTIONS FOR COLORADO PROPERTY OWNERS TO FINANCE BUILDING
17 PERFORMANCE IMPROVEMENTS, INCLUDING:

(I) PROPERTY-ASSESSED CLEAN ENERGY FINANCING THAT THE
COLORADO NEW ENERGY IMPROVEMENT DISTRICT CREATED IN SECTION
32-20-104 PROVIDES, WHEREBY QUALIFYING ENERGY EFFICIENCY AND
RENEWABLE ENERGY IMPROVEMENTS ARE PAID BACK VIA AN ASSESSMENT
ON ANNUAL PROPERTY TAXES; AND

23 (II) PERFORMANCE CONTRACTING, WHEREBY IMPROVEMENTS ARE
24 PAID FOR BY CONTRACTUALLY GUARANTEED SAVINGS FROM EFFICIENCY
25 UPGRADES;

26 (h) MANY PUBLIC UTILITIES IN THE STATE ALSO PROVIDE
 27 TECHNICAL ASSISTANCE AND FINANCIAL INCENTIVES TO HELP PROPERTY

-4-

1 OWNERS IMPLEMENT BUILDING PERFORMANCE IMPROVEMENTS; AND

(i) IT IS IN THE INTEREST OF THE STATE TO:

3 (I) ESTABLISH A PROGRAM TO HELP COLORADO CITIZENS
4 UNDERSTAND AND TRACK ENERGY USE AND GREENHOUSE GAS EMISSIONS
5 FROM LARGE BUILDINGS; AND

6 (II) <u>Develop</u> performance standards necessary to meet
7 STATE GREENHOUSE-GAS-EMISSION-REDUCTION GOALS.

8 (2) Definitions. As used in this section, unless the context
9 OTHERWISE REQUIRES:

10 (a) "AGGREGATED DATA" MEANS ELECTRIC OR GAS METER DATA
11 FROM WHICH ANY UNIQUE IDENTIFIER OR OTHER PERSONAL INFORMATION
12 HAS BEEN REMOVED AND THAT A QUALIFYING UTILITY COLLECTS AND
13 AGGREGATES IN AT LEAST MONTHLY INTERVALS FOR AN ENTIRE COVERED
14 BUILDING.

(b) "AGGREGATION THRESHOLD" MEANS, FOR EACH QUALIFYING
UTILITY, THE MINIMUM NUMBER OF CUSTOMER ACCOUNTS ASSOCIATED
WITH A COVERED BUILDING FOR WHICH THE QUALIFYING UTILITY MAY
PROVIDE THE OWNER OF THE COVERED BUILDING WITH AGGREGATED DATA
UPON REQUEST WITHOUT REQUIRING EACH CUSTOMER'S CONSENT TO HAVE
THE CUSTOMER'S ENERGY-USE DATA ACCESSED OR SHARED.

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(c) "BENCHMARK" MEANS TO INPUT BENCHMARKING DATA INTO
A BENCHMARKING TOOL TO MEASURE AND ASSESS THE ENERGY
PERFORMANCE AND GREENHOUSE GAS POLLUTION FOR A COVERED
BUILDING FOR THE REPORTING YEAR.

26 (d) EXCEPT AS THE COMMISSION MAY MODIFY BY RULE PURSUANT
 27 TO SUBSECTION (7) OF THIS SECTION, "BENCHMARKING DATA" MEANS THE

-5-

1 INFORMATION RELATED TO A COVERED BUILDING THAT IS INPUT INTO OR 2 CALCULATED BY A BENCHMARKING TOOL AND INCLUDES, AT A MINIMUM: 3 (I) A PHYSICAL DESCRIPTION OF THE COVERED BUILDING AND 4 DESCRIPTIONS OF ITS OPERATIONAL CHARACTERISTICS, INCLUDING: 5 (A) THE NAME OF THE COVERED BUILDING, IF ANY; 6 (B) THE ADDRESS OF THE COVERED BUILDING; 7 (C) THE PRIMARY USES OF THE COVERED BUILDING; 8 (D) THE COVERED BUILDING'S GROSS FLOOR AREA; AND 9 (E) THE YEARS IN WHICH THE COVERED BUILDING HAS BEEN 10 CERTIFIED BY ENERGY STAR AND THE MOST RECENT DATE OF 11 CERTIFICATION, IF APPLICABLE; AND 12 (II) DATA GENERATED BY THE BENCHMARKING TOOL, INCLUDING: 13 (A) THE ENERGY STAR SCORE, IF AVAILABLE; 14 (B) MONTHLY ENERGY USE BY FUEL TYPE; 15 (C) SITE AND SOURCE ENERGY-USE INTENSITY; 16 (D) WEATHER-NORMALIZED SITE AND SOURCE ENERGY-USE 17 INTENSITY; 18 (E) CONFIRMATION THAT DATA QUALITY HAS BEEN CHECKED; 19 (F) ANNUAL MAXIMUM ELECTRICITY DEMAND, IN KILOWATTS; 20 (G) IF AVAILABLE FOR REPORTING THROUGH THE BENCHMARKING 21 TOOL, MONTHLY PEAK ELECTRICITY DEMAND; AND 22 (H) GREENHOUSE GAS EMISSIONS, INCLUDING TOTAL, INDIRECT, 23 AND DIRECT EMISSIONS. 24 (e) EXCEPT AS THE COMMISSION MAY MODIFY BY RULE PURSUANT 25 TO SUBSECTION (7) OF THIS SECTION, "BENCHMARKING TOOL" MEANS THE ENERGY STAR PORTFOLIO MANAGER® OR A SUCCESSOR ONLINE RESOURCE 26 27 USED TO TRACK AND ASSESS THE PERFORMANCE OF CERTAIN PROPERTIES 1 RELATIVE TO SIMILAR PROPERTIES.

2 (f) "BIOMEDICAL RESEARCH LABORATORY" MEANS A SCIENTIFIC 3 LABORATORY USED TO CONDUCT RESEARCH RELATING TO BOTH BIOLOGY 4 AND MEDICINE. 5 (g) "CAMPUS" MEANS TWO OR MORE ADJACENT BUILDINGS THAT 6 ARE OWNED AND OPERATED BY THE SAME PERSON AND HAVE A SINGLE, 7 SHARED PRIMARY FUNCTION. (h) "COLORADO ENERGY OFFICE" OR "OFFICE" MEANS THE 8 9 COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101. 10 (i) "CORRECTIONAL FACILITY" MEANS: 11 (I) A CORRECTIONAL FACILITY, AS DEFINED IN SECTION 17-1-102 12 (1.7);13 (II) A PRIVATE CONTRACT PRISON, AS DEFINED IN SECTION 14 17-1-102 (7.3); 15 (III) A LOCAL JAIL AS DEFINED IN SECTION 17-1-102 (7); 16 (IV) A MUNICIPAL JAIL AS AUTHORIZED IN SECTION 31-15-401 17 (1)(j); AND 18 (V) A JUVENILE DETENTION FACILITY GOVERNED BY PART 4 OF 19 ARTICLE 2 OF TITLE 19. 20 (i) (I) EXCEPT AS THE COMMISSION MAY MODIFY BY RULE 21 PURSUANT TO SUBSECTION (7) OF THIS SECTION, "COVERED BUILDING" 22 MEANS A BUILDING COMPRISING A GROSS FLOOR AREA OF FIFTY THOUSAND 23 SQUARE FEET OR MORE THAT IS OCCUPIED BY A SINGLE OCCUPANT OR 24 GROUP OF TENANTS. (II) "COVERED BUILDING" DOES NOT INCLUDE: 25 26 (A) A STORAGE FACILITY, STAND-ALONE PARKING GARAGE, OR 27 AIRPLANE HANGAR THAT LACKS HEATING AND COOLING;

(B) A BUILDING IN WHICH MORE THAN HALF OF THE GROSS FLOOR
 AREA IS USED FOR MANUFACTURING, INDUSTRIAL, OR AGRICULTURAL
 PURPOSES; OR

(C) A SINGLE-FAMILY HOME, DUPLEX, OR TRIPLEX.

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5 (k) "ENERGY STAR" MEANS THE FEDERAL PROGRAM AUTHORIZED
6 BY 42 U.S.C. SEC. 6294a, AS AMENDED, TO HELP CUSTOMERS, BUSINESSES,
7 AND INDUSTRY SAVE MONEY AND PROTECT THE ENVIRONMENT THROUGH
8 THE ADOPTION OF ENERGY-EFFICIENT PRODUCTS AND PRACTICES.

9 (1) "ENERGY STAR SCORE" MEANS THE ONE-TO-ONE-HUNDRED
10 NUMERIC RATING GENERATED BY THE ENERGY STAR PORTFOLIO
11 MANAGER<sup>®</sup> AS A MEASUREMENT OF A BUILDING'S ENERGY EFFICIENCY.

12 (<u>m</u>) "ENERGY-USE INTENSITY" MEANS A BUILDING'S ENERGY USE,
 13 EXPRESSED AS TOTAL SITE ENERGY USE PER SQUARE FOOT PER YEAR.

14 (n) "FINANCIAL HARDSHIP" MEANS THAT A PROPERTY IS
 15 EXPERIENCING AT LEAST ONE OF THE FOLLOWING CONDITIONS:

16 (I) THE PROPERTY HAS BEEN INCLUDED ON A CITY'S, COUNTY'S, OR
17 CITY AND COUNTY'S ANNUAL TAX LIEN SALE LIST WITHIN THE PREVIOUS
18 TWO YEARS;

(II) THE PROPERTY IS AN ASSET SUBJECT TO A COURT-APPOINTED
 RECEIVER THAT CONTROLS THE ASSET DUE TO FINANCIAL STRESS;

21 (III) THE PROPERTY IS OWNED BY A FINANCIAL INSTITUTION AS A
22 RESULT OF A DEFAULT BY A BORROWER;

23 (IV) THE PROPERTY HAS BEEN ACQUIRED BY A DEED IN LIEU OF
24 FORECLOSURE;

25 (V) THE PROPERTY IS THE SUBJECT OF A SENIOR MORTGAGE
26 SUBJECT TO A NOTICE OF DEFAULT; OR

27 (VI) DUE TO THE GOVERNOR DECLARING A DISASTER EMERGENCY

-8-

1	PURSUANT TO SECTION $24-33.5-704(4)$ , THE PROPERTY, IN AT LEAST TWO
2	OF THE PREVIOUS FIVE YEARS, GENERATED ANNUAL RENTAL INCOME OR
3	REVENUE THAT TOTALS SIXTY PERCENT OR LESS OF THE FIVE-YEAR
4	AVERAGE IMMEDIATELY PRECEDING THE DISASTER EMERGENCY
5	DECLARATION.
6	(0) "GREENHOUSE GAS" HAS THE MEANING SET FORTH IN SECTION
7	25-7-140 (6).
8	(p) "GROSS FLOOR AREA" MEANS THE TOTAL BUILDING AREA, AS
9	MEASURED FROM THE OUTSIDE SURFACE OF EACH EXTERIOR WALL OF THE
10	BUILDING, INCLUDING ABOVE-GRADE AND BELOW-GRADE SPACE.
11	
12	(q) "LOCAL GOVERNMENT" MEANS A STATUTORY OR HOME RULE
13	MUNICIPALITY, COUNTY, OR CITY AND COUNTY.
14	$(\underline{r})$ "Owner" means a person possessing title to a property
15	OR THE PERSON'S DESIGNATED AGENT.
16	(s) "Performance standards" means standards that the
17	<u>COMMISSION ESTABLISHES BY RULE PURSUANT TO SUBSECTION (8)(b) OF</u>
18	THIS SECTION WITH WHICH OWNERS OF COVERED BUILDINGS ARE REQUIRED
19	TO COMPLY.
20	(t) "PUBLIC BUILDING" MEANS A COVERED BUILDING OWNED BY:
21	(I) THE STATE;
22	(II) A LOCAL GOVERNMENT;
23	(III) A DISTRICT OR SPECIAL DISTRICT REGULATED UNDER TITLE
24	<u>32:</u>
25	(IV) A STATE INSTITUTION OF HIGHER EDUCATION;
26	(V) A private institution of higher education as defined in
27	SECTION 23-18-102 (9);

1	(VI) A SCHOOL DISTRICT CREATED PURSUANT TO ARTICLE 30 OF
2	<u>TITLE 22; AND</u>
3	(VII) A CHARTER SCHOOL AUTHORIZED PURSUANT TO PART 1 OF
4	ARTICLE 30.5 OF TITLE 22.
5	(u) "QUALIFYING UTILITY" MEANS:
6	(I) AN ELECTRIC OR GAS UTILITY WITH FIVE THOUSAND OR MORE
7	ACTIVE COMMERCIAL AND INDUSTRIAL SERVICE CONNECTIONS, ACCOUNTS,
8	OR CUSTOMERS IN THE STATE, INCLUDING:
9	(A) AN INVESTOR-OWNED ELECTRIC OR GAS UTILITY;
10	(B) A COOPERATIVE ELECTRIC ASSOCIATION; OR
11	(C) A MUNICIPALLY OWNED ELECTRIC OR GAS UTILITY; OR
12	(II) A NATURAL GAS SUPPLIER WITH FIVE OR MORE ACTIVE
13	COMMERCIAL OR INDUSTRIAL CONNECTIONS, ACCOUNTS, OR CUSTOMERS
14	IN THE STATE.
15	
16	$(\underline{v})$ "STATE INSTITUTION OF HIGHER EDUCATION":
17	(I) Has the meaning set forth in section $23-1-108$ (7)(g)(II);
18	(II) INCLUDES THE AURARIA HIGHER EDUCATION CENTER,
19	GOVERNED PURSUANT TO ARTICLE $70$ of title $23$ ; and
20	(III) DOES NOT INCLUDE A BIOMEDICAL RESEARCH LABORATORY.
21	$(\underline{w})$ "Tenant" means a person that, pursuant to a rental or
22	LEASE AGREEMENT, OCCUPIES OR HOLDS POSSESSION OF A BUILDING OR
23	PART OF A BUILDING OR PREMISES.
24	$(\underline{x})$ "Unique identifier" means a customer's contact
25	INFORMATION DISPLAYED ON A UTILITY BILL SUCH AS THE CUSTOMER'S
26	NAME, MAILING ADDRESS, TELEPHONE NUMBER, OR E-MAIL ADDRESS.
27	$(\underline{y})$ "Utility customer" means the building owner or tenant

LISTED ON THE UTILITY'S RECORDS AS THE CUSTOMER LIABLE FOR
 PAYMENT OF THE UTILITY SERVICE OR ADDITIONAL CHARGES ASSESSED ON
 THE UTILITY ACCOUNT.

4 (3) Benchmarking requirements on owners. (a) ON OR BEFORE
5 DECEMBER 1, 2022, AND ON OR BEFORE JUNE 1 OF EACH SUBSEQUENT
6 YEAR, THE OWNER OF A COVERED BUILDING SHALL SUBMIT A REPORT OF
7 THE BENCHMARKING DATA FOR THE PREVIOUS CALENDAR YEAR TO THE
8 OFFICE.

9 (b) BEFORE PROVIDING A BENCHMARKING REPORT PURSUANT TO
10 SUBSECTION (3)(a) OF THIS SECTION, AN OWNER SHALL RUN ANY
11 AUTOMATED DATA CHECKING FUNCTION OF THE BENCHMARKING TOOL
12 AND CORRECT ANY ERRORS DISCOVERED.

13 (c) THE FOLLOWING OWNERS MAY COMPLY WITH THIS SUBSECTION
14 (3) COLLECTIVELY AT THE CAMPUS-WIDE LEVEL:

(I) THE OWNER OF MULTIPLE COVERED BUILDINGS THAT ARE PART
OF A MASTER METERED GROUP OF BUILDINGS WITHOUT SUBMETERING;

17 <u>(II) THE OWNER OF A CORRECTIONAL FACILITY; AND</u>

18 (III) THE OWNER OF A PUBLIC BUILDING THAT IS A COVERED
19 <u>BUILDING.</u>

20 (4) Utility data requirements. (a) ON OR BEFORE JUNE 1, 2022,
21 A QUALIFYING UTILITY SHALL:

(I) ESTABLISH AN AGGREGATION THRESHOLD THAT IS FOUR ORFEWER UTILITY CUSTOMER ACCOUNTS;

24 (II) PUBLISH ITS AGGREGATION THRESHOLD ON ITS PUBLIC25 WEBSITE; AND

26 (III) UPON REQUEST OF AN OWNER OF A COVERED BUILDING, BEGIN
27 PROVIDING ENERGY-USE DATA TO THE OWNER.

(b) ENERGY-USE DATA THAT A QUALIFYING UTILITY PROVIDES AN
 OWNER PURSUANT TO THIS SUBSECTION (4) MUST BE:

3 (I) AVAILABLE ON, OR ABLE TO BE REQUESTED THROUGH, AN
4 EASILY NAVIGABLE WEB PORTAL OR ONLINE REQUEST FORM USING
5 UP-TO-DATE STANDARDS FOR DIGITAL AUTHENTICATION, INCLUDING
6 SINGLE ONE-TIME PASSWORDS OR MULTI-FACTOR AUTHENTICATION;

7 (II) PROVIDED TO THE OWNER WITHIN:

8 (A) NINETY DAYS AFTER RECEIVING THE OWNER'S VALID WRITTEN
9 OR ELECTRONIC REQUEST IF THE REQUEST IS RECEIVED IN 2022;

10 (B) THIRTY DAYS AFTER RECEIVING THE OWNER'S VALID WRITTEN
11 OR ELECTRONIC REQUEST IF THE REQUEST IS RECEIVED IN 2023 OR LATER;
12 (III) DIRECTLY UPLOADED TO THE OWNER'S BENCHMARKING TOOL
13 ACCOUNT, DELIVERED IN THE SPREADSHEET TEMPLATE SPECIFIED BY THE

BENCHMARKING TOOL, OR DELIVERED IN ANOTHER FORMAT APPROVED BYTHE OFFICE;

16 (IV) PROVIDED TO THE OWNER ON AT LEAST AN ANNUAL BASIS
17 UNTIL THE OWNER REVOKES THE REQUEST FOR ENERGY-USE DATA OR
18 SELLS THE COVERED BUILDING;

(V) PROVIDED IN ACCORDANCE WITH THIS SUBSECTION (4),
REGARDLESS OF WHETHER THE OWNER IS NAMED ON THE UTILITY
ACCOUNT FOR THE COVERED BUILDING; AND

(VI) IF THE QUALIFYING UTILITY IS AN INVESTOR-OWNED UTILITY,
 PROVIDED IN ACCORDANCE WITH THE PUBLIC UTILITIES COMMISSION'S
 RULES CONCERNING CUSTOMER DATA AND PERSONALLY IDENTIFYING
 INFORMATION.

26 (c) FOR COVERED BUILDINGS THAT DO NOT MEET THE QUALIFYING
27 UTILITY'S AGGREGATION THRESHOLD, AND THUS REQUIRE UTILITY

-12-

CUSTOMER CONSENT TO ACCESS OR SHARE ENERGY-USE DATA, THE
 CONSENT:

3 (I) MAY BE IN WRITTEN OR ELECTRONIC FORM; 4 (II) MAY BE PROVIDED IN A LEASE AGREEMENT PROVISION; 5 (III) IS VALID UNTIL THE UTILITY CUSTOMER REVOKES IT; AND 6 (IV) IS NOT REQUIRED IF A UTILITY CUSTOMER VACATES THE 7 COVERED BUILDING BEFORE EXPLICITLY DENYING THE OWNER CONSENT TO 8 ACCESS AND SHARE THE UTILITY CUSTOMER'S ENERGY-USE DATA. 9 (d) TO MEET THE REQUIREMENTS OF THIS SUBSECTION (4), A 10 QUALIFYING UTILITY THAT IS NOT AN INVESTOR-OWNED UTILITY MAY SEEK 11 AND USE GRANT FUNDING FROM THE COLORADO CLEAN ENERGY FUND, A 12 NONPROFIT CORPORATION, OR THE ENERGY FUND CREATED IN SECTION 13 24-38.5-102.4 (1)(a)(I). 14 (5) Benchmarking waivers and extensions of time. (a) AN 15 OWNER OF A COVERED BUILDING MAY SEEK A WAIVER FROM THE 16 BENCHMARKING REQUIREMENTS SET FORTH IN SUBSECTION (3) OF THIS 17 SECTION IF THE OWNER SUBMITS DOCUMENTATION TO, AND RECEIVES 18 APPROVAL FROM, THE OFFICE, WHICH DOCUMENTATION ESTABLISHES THAT 19 THE COVERED BUILDING HAS MET ONE OR MORE OF THE FOLLOWING 20 CONDITIONS FOR THE CALENDAR YEAR TO BE BENCHMARKED:

21 (I) THE COVERED BUILDING WAS UNOCCUPIED FOR AT LEAST
22 THIRTY CONSECUTIVE DAYS OF THE YEAR;

23 (II) A DEMOLITION PERMIT WAS ISSUED FOR THE ENTIRE COVERED
24 BUILDING;

(III) THE COVERED BUILDING MET ONE OR MORE OF THE
CONDITIONS FOR FINANCIAL HARDSHIP;

27 (IV) The covered building does not meet a qualifying

-13-

1 UTILITY'S AGGREGATION THRESHOLD, ONE OR MORE OF THE UTILITY 2 CUSTOMERS REFUSED TO PROVIDE THE OWNER WITH PERMISSION TO 3 ACCESS THE UTILITY CUSTOMER'S RELEVANT ENERGY-USE DATA, THE 4 OWNER PROVIDES PROOF TO THE OFFICE THAT IT REQUESTED PERMISSION 5 FROM THE UTILITY CUSTOMER OR UTILITY CUSTOMERS WITHHOLDING 6 CONSENT AT LEAST THIRTY DAYS BEFORE THE BENCHMARKING REPORT 7 WAS DUE, AND THE OWNER SUBMITS A PLAN TO INCLUDE AN ENERGY-USE 8 DATA SHARING PERMISSION PROVISION IN THE NEXT LEASE RENEWAL; OR 9  $(\mathbf{V})$ THE COVERED BUILDING HAS FOUR OR MORE UTILITY

(v) THE COVERED BUILDING HAS FOUR OR MORE UTILITY
CUSTOMERS, IS NOT LOCATED WITHIN A QUALIFYING UTILITY'S SERVICE
TERRITORY, AND IS UNABLE TO GET AGGREGATED DATA FROM THE UTILITY
THAT SERVES THE COVERED BUILDING.

13 (b) AN OWNER OF A COVERED BUILDING MAY REQUEST A TIME 14 EXTENSION FROM THE OFFICE TO SUBMIT A BENCHMARKING REPORT IF THE 15 OWNER SUBMITS DOCUMENTATION TO THE OFFICE DEMONSTRATING THAT, 16 DESPITE THE OWNER'S GOOD-FAITH EFFORT, THE OWNER WAS UNABLE TO 17 COMPLETE THE BENCHMARKING REPORT IN A TIMELY MANNER BECAUSE OF 18 THE FAILURE OR REFUSAL OF A QUALIFYING UTILITY OR A UTILITY 19 CUSTOMER TO PROVIDE THE NECESSARY INFORMATION OR PERMISSION, AS 20 APPLICABLE.

21 (c) THE OFFICE SHALL NOTIFY THE DIVISION OF ALL APPROVED
22 WAIVERS AND EXTENSIONS OF TIME, THE APPROVAL OF WHICH IS SOLELY
23 WITHIN THE OFFICE'S DISCRETION.

(d) PURSUANT TO SUBSECTION (7) OF THIS SECTION, THE
COMMISSION MAY, BY RULE, MODIFY THE REQUIREMENTS FOR OBTAINING
A WAIVER OR EXTENSION OF TIME PURSUANT TO THIS SUBSECTION (5).

27

(6) Requirements upon sale or lease of a covered building.

-14-

(a) AT THE TIME OF LISTING A COVERED BUILDING OR A PORTION OF A
 COVERED BUILDING FOR SALE OR LEASE, THE OWNER OF THE COVERED
 BUILDING SHALL FURNISH AN ELECTRONIC COPY OF REPORTED
 BENCHMARKING DATA FROM THE PREVIOUS CALENDAR YEAR OR FROM THE
 MOST RECENT TWELVE-MONTH PERIOD OF CONTINUOUS OCCUPANCY TO
 THE FOLLOWING:

7 (I) PROSE

(I) PROSPECTIVE BUYERS OR LESSEES;

8 (II) ANY BROKERS, AS DEFINED IN SECTION 12-10-201 (6), WHO
9 MAKE INQUIRY ABOUT THE PROPERTY; AND

10 (III) MAJOR COMMERCIAL REAL ESTATE LISTING SERVICES ON
11 WHICH THE PROPERTY IS LISTED.

(b) UPON RECEIPT OF THE BENCHMARKING DATA, A COMMERCIAL
REAL ESTATE LISTING SERVICE THAT LISTS PROPERTIES IN THE STATE
SHALL INCLUDE IN THE PROPERTY'S LISTING, AT A MINIMUM, THE
PROPERTY'S ENERGY STAR SCORE, IF APPLICABLE, AND THE PROPERTY'S
ENERGY-USE INTENSITY.

17 (c) IF A COVERED BUILDING CHANGES OWNERSHIP, THE FORMER 18 OWNER SHALL MAKE AVAILABLE TO THE NEW OWNER THE ENERGY-USE 19 DATA; UTILITY CUSTOMER CONSENT DOCUMENTATION, IF ANY; AND ANY 20 OTHER INFORMATION ABOUT THE PROPERTY THAT IS NECESSARY TO 21 BENCHMARK THE COVERED BUILDING. THE FORMER OWNER SHALL 22 TRANSFER TO THE NEW OWNER BOTH THE RECORD REPRESENTING THE 23 COVERED BUILDING WITHIN THE BENCHMARKING TOOL AND THE REQUEST 24 TO A QUALIFIED UTILITY FOR AGGREGATED DATA. THE NEW OWNER MAY 25 REQUEST AND RECEIVE FROM A QUALIFYING UTILITY THE AGGREGATED 26 DATA NECESSARY TO FULFILL BENCHMARKING REPORTING REQUIREMENTS. 27 (7) **Benchmarking rules.** THE COMMISSION MAY PROMULGATE

1 RULES TO IMPLEMENT THE BENCHMARKING PROGRAM SET FORTH IN THIS 2 SECTION. ADDITIONALLY, THE COMMISSION MAY, BY RULE, MODIFY THE 3 FOLLOWING: 4 (a) THE PROVISIONS REGARDING WAIVERS AND EXTENSIONS OF 5 TIME SET FORTH IN SUBSECTION (5) OF THIS SECTION; (b) THE DEFINITION OF "BENCHMARKING DATA", BUT ONLY IF THE 6 7 MODIFIED DEFINITION CONCERNS DATA THAT: 8 (I) IS CAPABLE OF BEING RECORDED BY THE BENCHMARKING TOOL; 9 AND 10 (II) INCLUDES THE GREENHOUSE GAS EMISSIONS, THE ENERGY 11 STAR SCORE, IF APPLICABLE, AND ENERGY-USE INTENSITY; 12 (c) THE BENCHMARKING TOOL THAT OWNERS ARE REQUIRED TO 13 USE TO BENCHMARK; 14 (d) DATA VERIFICATION REQUIREMENTS; AND 15 (e) AFTER JUNE 1, 2029, THE MINIMUM GROSS FLOOR AREA 16 INCLUDED IN THE DEFINITION OF "COVERED BUILDING". 17 18 (8) Task force recommendations for implementation - rules -19 repeal. (a) (I) NO LATER THAN OCTOBER 1, 2021, THE DIRECTOR OF THE 20 OFFICE SHALL APPOINT AND CONVENE A TASK FORCE TO DEVELOP AND 21 PROVIDE RECOMMENDATIONS TO THE COMMISSION, THE GENERAL 22 ASSEMBLY, AND THE GOVERNOR ON PERFORMANCE STANDARDS FOR 23 COVERED BUILDINGS. ANY RECOMMENDATIONS MUST BE APPROVED BY AT 24 LEAST TWO-THIRDS OF THE MEMBERS APPOINTED TO THE TASK FORCE. 25 26 THE TASK FORCE SHALL DEVELOP RECOMMENDATIONS (II) 27 REGARDING THE RULES THAT THE COMMISSION SHALL PROMULGATE

1	PURSUANT TO SUBSECTION (8)(b) OF THIS SECTION, FOR:
2	(A) INTERIM PERFORMANCE STANDARDS THAT WOULD ACHIEVE A
3	REDUCTION IN GREENHOUSE GAS EMISSIONS OF SEVEN PERCENT BY 2026
4	AS COMPARED TO 2021 LEVELS AS REPORTED IN 2022 FOR 2021
5	BENCHMARKING DATA;
6	(B) Performance standards that would achieve a
7	REDUCTION IN GREENHOUSE GAS EMISSIONS OF TWENTY PERCENT BY $2030$
8	AS COMPARED TO 2021 LEVELS; AND
9	(C) THE PROCESS FOR ADVISING, SOLICITING PUBLIC INPUT ON, AND
10	MAKING RECOMMENDATIONS TO THE COMMISSION ON PERFORMANCE
11	<u>STANDARDS FOR 2030 TO 2050.</u>
12	(III) IN DEVELOPING RECOMMENDATIONS, THE TASK FORCE SHALL:
13	(A) SOLICIT FEEDBACK FROM A BROAD RANGE OF INDUSTRIES AND
14	BUILDING OWNERS; AND
15	(B) Examine building types with unique energy needs
16	INCLUDING AVIATION FACILITIES, NURSING HOMES, AND HOSPITALS.
17	(IV) IN CALCULATING GREENHOUSE GAS REDUCTIONS PURSUANT
18	TO THIS SUBSECTION (8), THE CALCULATION MUST NOT INCLUDE SAVINGS
19	FROM STATEWIDE DECARBONIZATION OF ELECTRICITY OR NATURAL GAS
20	UTILITY GRIDS, BUT MAY INCLUDE SAVINGS FROM UTILITIES' OR LOCAL
21	GOVERNMENTS' ENERGY EFFICIENCY PROGRAMS.
22	(V) ADDITIONALLY, THE TASK FORCE MAY CONSIDER MAKING
23	RECOMMENDATIONS RELATED TO:
24	(A) WORKFORCE AVAILABILITY AND DEVELOPMENT RELATED TO
25	BUILDING ENERGY PERFORMANCE;
26	(B) FINANCIAL AND NONFINANCIAL COSTS AND BENEFITS OF
27	UPGRADED BUILDING ENERGY PERFORMANCE;

1	(C) AVAILABILITY OF PROGRAMS, TECHNICAL ASSISTANCE, AND
2	INCENTIVES TO SUPPORT BUILDING OWNERS, UTILITIES, AND LOCAL
3	GOVERNMENTS;
4	(D) OPPORTUNITIES TO IMPROVE COMMERCIAL BUILDING ENERGY
5	USE IN <u>COLORADO; AND</u>
6	(E) How regulations and agency support could help
7	ENSURE BUILDING OWNERS AVOID FINES THROUGH COMPLIANCE WITH
8	PERFORMANCE STANDARDS.
9	(VI) IN DEVELOPING ITS RECOMMENDATIONS, THE TASK FORCE
10	MAY CONSIDER:
11	(A) BENCHMARKING DATA REPORTED PURSUANT TO SUBSECTION
12	(3) OF THIS SECTION;
13	(B) BENCHMARKING DATA FROM COMMUNITIES THAT ARE
14	CURRENTLY CONDUCTING COMMERCIAL BUILDING BENCHMARKING;
15	(C) ANY OTHER PUBLICLY AVAILABLE BUILDING BENCHMARKING
16	DATA THROUGH WHICH BENCHMARKING IS REPORTED TO A BUILDING
17	BENCHMARKING PROGRAM IN COLORADO; AND
18	(D) ANY OTHER INFORMATION THAT THE OFFICE DETERMINES IS
19	AVAILABLE REGARDING ENERGY USE IN COMMERCIAL BUILDINGS IN
20	COLORADO.
21	(b) On or before October 1, 2022, the task force shall
22	DELIVER TO THE DIRECTOR OF THE OFFICE ANY FINAL RECOMMENDATIONS
23	DEVELOPED. THE DIRECTOR OF THE OFFICE SHALL SEND COPIES OF THE
24	TASK FORCE'S FINAL RECOMMENDATIONS TO THE COMMISSION, THE
25	GENERAL ASSEMBLY, AND THE GOVERNOR.
26	$(\underline{c})$ (I) IF AT LEAST TWO-THIRDS OF THE MEMBERS APPOINTED TO
27	THE TASK FORCE AGREE ON RECOMMENDATIONS PURSUANT TO

1286

1	SUBSECTION $(8)(a)(I)$ of this section, and the director of the office
2	IN CONSULTATION WITH THE DIVISION DETERMINES THAT THE
3	RECOMMENDATIONS MEET THE GREENHOUSE GAS EMISSION REDUCTION
4	REQUIREMENTS SET FORTH IN SUBSECTION $(8)(a)(II)$ of this section, the
5	DIVISION SHALL, ON OR BEFORE NOVEMBER 15, 2022, REQUEST THAT THE
6	<u>COMMISSION</u> PUBLISH A NOTICE OF PROPOSED RULE-MAKING TO ADOPT
7	RULES TO <u>IMPLEMENT PERFORMANCE STANDARDS. ON OR BEFORE MAY 1,</u>
8	2023, THE COMMISSION, UPON CAREFUL CONSIDERATION OF THE
9	RECOMMENDATIONS OF THE TASK FORCE AS PRESENTED BY THE DIVISION,
10	SHALL PROMULGATE RULES TO ESTABLISH PERFORMANCE STANDARDS.
11	THE COMMISSION SHALL ALSO ADOPT RULES REGARDING WAIVERS AND
12	EXTENSIONS OF TIME REGARDING THE PERFORMANCE STANDARD
13	REQUIREMENTS. THE COMMISSION'S RULES MUST INCLUDE A PROVISION
14	THAT AN OWNER OF A PUBLIC BUILDING NEED ONLY COMPLY WITH
15	PERFORMANCE STANDARDS WITH REGARD TO WORK ON A CONSTRUCTION
16	OR RENOVATION PROJECT THAT:
17	(A) Has an estimated cost of at least five hundred
18	THOUSAND DOLLARS;
19	(B) IMPACTS AT LEAST TWENTY-FIVE PERCENT OF THE COVERED
20	BUILDING'S SQUARE FOOTAGE; AND
21	(C) Excludes upgrades such as painting, flooring, or
22	TENANT FINISHES THAT DO NOT IMPACT ENERGY USE.
23	(II) IF TWO-THIRDS OF THE MEMBERS OF THE TASK FORCE CANNOT
24	AGREE ON RECOMMENDATIONS OR IF THE DIRECTOR OF THE OFFICE IN
25	CONSULTATION WITH THE COMMISSION DETERMINES THAT THE TASK
26	FORCE'S RECOMMENDATIONS DO NOT MEET THE GREENHOUSE GAS
27	EMISSION REDUCTION REQUIREMENTS SET FORTH IN SUBSECTION $(8)(a)(II)$

1	OF THIS SECTION, THE COMMISSION, ON OR BEFORE MAY 1, 2023, SHALL,
2	BY RULE, ADOPT PERFORMANCE STANDARDS THAT MEET THE GREENHOUSE
3	GAS EMISSION REDUCTION REQUIREMENTS SET FORTH IN SUBSECTION
4	(8)(a)(II) OF THIS SECTION. THE COMMISSION SHALL ALSO ADOPT RULES
5	REGARDING WAIVERS AND EXTENSIONS OF TIME REGARDING THE
6	<u>performance standard requirements. The commission's rules</u>
7	MUST INCLUDE A PROVISION THAT AN OWNER OF A PUBLIC BUILDING NEED
8	ONLY COMPLY WITH PERFORMANCE STANDARDS WITH REGARD TO WORK
9	ON A CONSTRUCTION OR RENOVATION PROJECT THAT:
10	(A) Has an estimated cost of at least five hundred
11	THOUSAND DOLLARS;
12	(B) IMPACTS AT LEAST TWENTY-FIVE PERCENT OF THE COVERED
13	BUILDING'S SQUARE FOOTAGE; AND
14	(C) EXCLUDES UPGRADES SUCH AS PAINTING, FLOORING, OR
15	TENANT FINISHES THAT DO NOT IMPACT ENERGY USE.
16	(III) THE COMMISSION SHALL NOT ADOPT RULES TO RESCIND OR
17	MODIFY THE EXEMPTIONS FOR OWNERS OF PUBLIC BUILDINGS FROM
18	PAYMENT OF THE ANNUAL FEE, AS SET FORTH IN SECTION 24-38.5-110
19	(1)(e)(II), OR FROM PAYMENT OF CIVIL PENALTIES, AS SET FORTH IN
20	<u>SECTION 25-7-122 (1)(i).</u>
21	(IV) THE COMMISSION SHALL, AS NECESSARY, ADOPT RULES TO
22	MODIFY OR CONTINUE THE PERFORMANCE STANDARDS UNTIL 2050 IN
23	ORDER TO ACHIEVE OR EXCEED GREENHOUSE GAS EMISSION REDUCTION
24	TARGETS SET FORTH IN SECTION 25-7-102 (2)(g).
25	(d) THE TASK FORCE CONSISTS OF THE FOLLOWING MEMBERS, ALL
26	OF WHOM, EXCEPT THE REPRESENTATIVES OF THE OFFICE AND THE
27	DIVISION, ARE VOTING MEMBERS:

1	(I) THE DIRECTOR OF THE OFFICE OR THE DIRECTOR'S DESIGNEE;
2	(II) THE DIRECTOR OF THE DIVISION OR THE DIRECTOR'S DESIGNEE;
3	(III) TWO MEMBERS WHO ARE OWNERS OF COMMERCIAL COVERED
4	BUILDINGS OR WHO REPRESENT OWNERS OF COMMERCIAL COVERED
5	BUILDINGS;
6	(IV) ONE MEMBER WHO IS A BUILDING OPERATING ENGINEER;
7	(V) ONE MEMBER WHO IS AN OWNER OF A MULTIFAMILY
8	RESIDENTIAL COVERED BUILDING OR WHO REPRESENTS OWNERS OF
9	MULTIFAMILY RESIDENTIAL COVERED BUILDINGS;
10	(VI) ONE MEMBER WHO REPRESENTS AN AFFORDABLE HOUSING
11	ORGANIZATION;
12	(VII) TWO MEMBERS WHO HAVE DIRECT EXPERIENCE IN, OR ARE
13	MEMBERS OF ORGANIZATIONS REPRESENTING WORKERS IN, MECHANICAL,
14	PLUMBING, OR ELECTRICAL WORK;
15	(VIII) ONE MEMBER REPRESENTING ARCHITECTS;
16	(IX) ONE MEMBER REPRESENTING PROFESSIONAL ENGINEERS WITH
17	EXPERIENCE WORKING ON SYSTEMS FOR BUILDINGS;
18	(X) ONE MEMBER REPRESENTING DEVELOPERS, CONSTRUCTION
19	ORGANIZATIONS, OR BUILDING CONTRACTORS;
20	(XI) ONE MEMBER REPRESENTING AN ELECTRIC UTILITY, A GAS
21	UTILITY, OR A COMBINED ELECTRIC AND GAS UTILITY;
22	(XII) Two members of environmental conservation or
23	ENVIRONMENTAL JUSTICE GROUPS WITH EXPERIENCE IN ENERGY
24	EFFICIENCY OR THE BUILT ENVIRONMENT;
25	(XIII) ONE MEMBER FROM A LOCAL GOVERNMENT THAT HAS
26	ENACTED OR ADOPTED A BENCHMARKING OR BUILDING ENERGY
27	PERFORMANCE ORDINANCE OR RESOLUTION;

1 (XIV) ONE MEMBER FROM A LOCAL GOVERNMENT THAT HAS NOT 2 ENACTED OR ADOPTED A BENCHMARKING OR BUILDING ENERGY 3 PERFORMANCE ORDINANCE OR RESOLUTION; AND 4 (XV) THREE MEMBERS WITH RELEVANT BUILDING PERFORMANCE 5 EXPERTISE, AS DETERMINED BY THE DIRECTOR OF THE OFFICE. 6 (e) AN APPLICANT FOR THE TASK FORCE MUST SUBMIT WITH THE 7 APPLICATION A RECOMMENDATION FROM A RELEVANT MEMBER OR TRADE 8 ORGANIZATION, IF SUCH MEMBER OR TRADE ORGANIZATION EXISTS. IN 9 MAKING APPOINTMENTS TO THE TASK FORCE, THE DIRECTOR OF THE OFFICE 10 SHALL STRIVE TO ENSURE GEOGRAPHIC DIVERSITY. 11 (f) SUBSECTIONS (8)(a), (8)(b), (8)(d), AND (8)(e), AND THIS 12 SUBSECTION (8)(f) ARE REPEALED, EFFECTIVE JULY 1, 2025. 13 14 (9) Saving clause. This section does not restrict: 15 (a) THE ABILITY OF A QUALIFYING UTILITY TO PROVIDE INCENTIVES 16 OR OTHER ENERGY EFFICIENCY PROGRAM SERVICES FOR COVERED 17 BUILDINGS; 18 (b) THE ABILITY OF AN INVESTOR-OWNED UTILITY TO TAKE CREDIT, 19 AS DEEMED APPROPRIATE BY THE PUBLIC UTILITIES COMMISSION, FOR 20 ENERGY OR GREENHOUSE GAS EMISSION SAVINGS ACHIEVED FOR COVERED 21 BUILDINGS: 22 (c) THE ABILITY OF A QUALIFIED UTILITY TO SET AN AGGREGATION 23 THRESHOLD THAT IS LESS THAN FOUR; OR 24 (d) A LOCAL GOVERNMENT FROM ADOPTING OR IMPLEMENTING AN 25 ORDINANCE OR RESOLUTION THAT IMPOSES MORE STRINGENT 26 BENCHMARKING OR PERFORMANCE STANDARD REQUIREMENTS. 27 **SECTION 2.** In Colorado Revised Statutes, 24-38.5-102.4,

-22-

1 amend (2)(b)(VII); and add (2)(b)(VII.5) as follows: 2 24-38.5-102.4. Energy fund - creation - use of fund -3 **definitions - repeal.** (2) (b) The Colorado energy office may expend 4 money from the energy fund: 5 (VII) To educate the general public on energy issues and 6 opportunities; and 7 (VII.5) TO IMPLEMENT THE BUILDING PERFORMANCE PROGRAM 8 DEFINED IN SECTION 24-38.5-110(2)(b) and described in that section 9 AND SECTION 25-7-142; AND 10 **SECTION 3.** In Colorado Revised Statutes, add 24-38.5-102.6 11 and 24-38.5-110 as follows: 12 24-38.5-102.6. Climate change mitigation and adaptation fund 13 - creation - use. (1) THE CLIMATE CHANGE MITIGATION AND ADAPTATION 14 FUND, REFERRED TO IN THIS SECTION AS THE "FUND", IS HEREBY CREATED 15 IN THE STATE TREASURY. THE FUND CONSISTS OF: 16 (a) CIVIL PENALTIES CREDITED TO THE FUND PURSUANT TO 17 SECTION 25-7-122 (1)(i)(III); 18 (b) BUILDING PERFORMANCE PROGRAM FEES CREDITED TO THE 19 FUND PURSUANT TO SECTION 24-38.5-110 (1)(e), WHICH FEES MUST BE 20 SEPARATELY ACCOUNTED FOR IN THE FUND; 21 (c) GIFTS, GRANTS, AND DONATIONS MADE TO THE COLORADO 22 ENERGY OFFICE TO HELP FINANCE ITS ADMINISTRATION OF CLIMATE 23 CHANGE MITIGATION OR ADAPTATION PROGRAMS AND POLICIES; 24 (d) ANY MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE 25 OR TRANSFER TO THE FUND; AND 26 (e) ANY OTHER MONEY CREDITED TO THE FUND. 27 (2) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE

COLORADO ENERGY OFFICE FOR THE PURPOSE OF FINANCING AND
 ADMINISTERING THE BUILDING PERFORMANCE PROGRAM DEFINED IN
 SECTION 24-38.5-110 (3)(b) AND DESCRIBED IN THAT SECTION AND
 SECTION 25-7-142.

5 (3) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
6 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
7 FUND TO THE FUND.

8 24-38.5-110. Building performance program - duties of the
9 office - county assessor records database - fees - definitions. (1) THE
10 COLORADO ENERGY OFFICE SHALL IMPLEMENT A BUILDING PERFORMANCE
11 PROGRAM AS FOLLOWS:

12 (a) BASED ON COUNTY ASSESSOR RECORDS AND OTHER AVAILABLE
13 SOURCES OF INFORMATION, THE OFFICE SHALL ADMINISTER THE BUILDING
14 PERFORMANCE PROGRAM BY:

(I) CREATING A DATABASE OF COVERED BUILDINGS AND OF
OWNERS REQUIRED TO COMPLY WITH THE BUILDING PERFORMANCE
PROGRAM;

(II) TRACKING COMPLIANCE WITH THE BUILDING PERFORMANCE
 PROGRAM:

20 (III) MAINTAINING A LIST OF NONCOMPLIANT OWNERS; AND

(IV) IN A FORM AND MANNER DETERMINED BY THE OFFICE, IN
CONSULTATION WITH THE DIVISION OF ADMINISTRATION IN THE
DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT, PERIODICALLY
PROVIDING THE DIVISION WITH A LIST OF NONCOMPLIANT OWNERS FOR THE
DIVISION'S ENFORCEMENT OF THE BUILDING PERFORMANCE PROGRAM
PURSUANT TO SECTION 25-7-122 (1)(i).

27 (b) UPON REQUEST OF THE OFFICE, A COUNTY ASSESSOR SHALL, IF

FEASIBLE USING EXISTING RESOURCES, PROVIDE READILY AVAILABLE
 PROPERTY DATA FROM EXISTING RECORDS TO THE OFFICE AS NECESSARY
 FOR IMPLEMENTATION OF THIS SECTION.

4 (c) THE OFFICE SHALL MAKE PUBLICLY AVAILABLE, THROUGH
5 DIGITALLY INTERACTIVE MAPS, LISTS, OR OTHER TECHNOLOGY AS
6 DETERMINED BY THE OFFICE, BENCHMARKING DATA FOR ALL COVERED
7 BUILDINGS THAT HAVE REPORTED IN EACH YEAR PURSUANT TO SECTION
8 25-7-142 (3). THE PUBLICLY AVAILABLE DATA MUST NOT INCLUDE ANY
9 CONTACT INFORMATION FOR A COVERED BUILDING THAT IS NOT
10 OTHERWISE PUBLICLY AVAILABLE.

11 (d) THE OFFICE SHALL COORDINATE WITH ANY LOCAL
12 GOVERNMENT THAT IMPLEMENTS ITS OWN ENERGY BENCHMARKING OR
13 ENERGY PERFORMANCE PROGRAM, INCLUDING THE COORDINATION OF
14 REPORTING REQUIREMENTS.

15 (e) (I) EXCEPT AS PROVIDED IN SUBSECTION (1)(e)(II) OF THIS 16 SECTION, TO FINANCE THE OFFICE'S ADMINISTRATION OF THE BUILDING 17 PERFORMANCE PROGRAM, THE OFFICE SHALL COLLECT FROM EACH OWNER 18 OF A COVERED BUILDING AN ANNUAL FEE OF ONE HUNDRED DOLLARS PER 19 COVERED BUILDING. THE OFFICE SHALL TRANSFER THE FEES COLLECTED 20 TO THE STATE TREASURER, WHO SHALL CREDIT THEM TO THE CLIMATE 21 CHANGE MITIGATION AND ADAPTATION FUND CREATED IN SECTION 22 24-38.5-102.6.

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(II) THE OWNER OF A PUBLIC BUILDING IS EXEMPT FROM PAYING
 THE ANNUAL FEE DESCRIBED IN SUBSECTION (1)(e)(I) OF THIS SECTION.
 (2) TO IMPLEMENT THE BUILDING PERFORMANCE PROGRAM, THE
 COLORADO ENERGY OFFICE SHALL ASSIST BUILDING OWNERS TO INCREASE

1 ENERGY EFFICIENCY AND REDUCE GREENHOUSE GAS EMISSIONS FROM 2 THEIR BUILDINGS, INCLUDING BY PROVIDING OUTREACH, TRAINING, 3 TECHNICAL ASSISTANCE, AND GRANTS TO BUILDING OWNERS TO HELP 4 THEIR BUILDINGS COME INTO COMPLIANCE WITH THE BUILDING 5 PERFORMANCE PROGRAM. 6 (3) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE 7 **REOUIRES:** 8 (a) "BENCHMARKING DATA" HAS THE MEANING SET FORTH IN 9 SECTION 25-7-142 (2)(d). 10 (b)"BUILDING PERFORMANCE PROGRAM" MEANS THE 11 BENCHMARKING REQUIREMENTS SET FORTH IN SECTION 25-7-142(3) AND 12 PERFORMANCE STANDARD REQUIREMENTS SET BY THE COMMISSION BY 13 RULE PURSUANT TO SECTION 25-7-142 (8)(b). 14 "COLORADO ENERGY OFFICE" OR "OFFICE" MEANS THE (c) 15 COLORADO ENERGY OFFICE CREATED IN SECTION 24-38.5-101. (d) "COMMISSION" MEANS THE AIR QUALITY CONTROL COMMISSION 16 17 <u>CREATED IN SECTION 25-7-104 (1).</u> 18 (e) "COVERED BUILDING" HAS THE MEANING SET FORTH IN SECTION 19 25-7-142 <u>(2)(j)</u>. 20 (f) "OWNER" HAS THE MEANING SET FORTH IN SECTION 25-7-142 21 (2)(r). 22 **SECTION 4.** In Colorado Revised Statutes, 25-7-122, add (1)(i) 23 as follows: 24 25-7-122. Civil penalties - rules - definitions. (1) Upon 25 application of the division, the division may collect penalties as 26 determined under this article 7 by instituting an action in the district court 27 for the district in which the air pollution source affected is located, in 1 accordance with the following provisions:

2 (i) (I) ON AND AFTER JANUARY 1, 2024, AND EXCEPT AS PROVIDED 3 IN SUBSECTION (1)(i)(II) OF THIS SECTION, AN OWNER OF A COVERED 4 BUILDING THAT VIOLATES SECTION 25-7-142 (3) OR (6) IS SUBJECT TO A 5 CIVIL PENALTY OF UP TO FIVE HUNDRED DOLLARS FOR A FIRST VIOLATION 6 AND UP TO TWO THOUSAND DOLLARS FOR EACH SUBSEQUENT VIOLATION. 7 AS PART OF THE REQUIREMENT THAT THE COMMISSION ADOPT RULES TO 8 ESTABLISH PERFORMANCE STANDARDS PURSUANT TO SECTION 25-7-142 9 (8)(b), THE COMMISSION SHALL ESTABLISH BY RULE, WITH REGARD TO A 10 VIOLATION OF THE PERFORMANCE STANDARDS, CIVIL PENALTIES IN AN 11 AMOUNT NOT TO EXCEED TWO THOUSAND DOLLARS FOR A FIRST 12 VIOLATION AND FIVE THOUSAND DOLLARS FOR A SUBSEQUENT VIOLATION. 13 (II) THE DIVISION SHALL NOT ASSESS A CIVIL PENALTY FOR A 14 VIOLATION RELATED TO A PUBLIC BUILDING. 15 (III) NOTWITHSTANDING SECTION 25-7-129, THE DIVISION SHALL 16 TRANSMIT CIVIL PENALTIES COLLECTED PURSUANT TO THIS SUBSECTION 17 (1)(i) TO THE STATE TREASURER, WHO SHALL CREDIT THEM TO THE 18 CLIMATE CHANGE MITIGATION AND ADAPTATION FUND CREATED IN 19 SECTION 24-38.5-102.6. 20 (IV) AS USED IN THIS SUBSECTION (1)(i): 21 (A) "COVERED BUILDING" HAS THE MEANING SET FORTH IN 22 SECTION 25-7-142 (2)(j). 23 24 (B) "OWNER" HAS THE MEANING SET FORTH IN SECTION 25-7-142 25 <u>(2)(r).</u> 26 SECTION 5. In Colorado Revised Statutes, 29-12.5-101, amend 27 (3) introductory portion, (3)(f), and (3)(h); and repeal (3)(g) as follows:

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#### **29-12.5-101. Definitions.** As used in this article 12.5:

(3) "Energy performance contract" means a contract for
evaluations, recommendations, or implementation of one or more energy
saving measures designed to produce utility costs COST savings, operation
and maintenance cost savings, or vehicle fleet operational and fuel cost
savings, which contract:

(f) Requires such A board, upon termination or expiration of the
contract, to return to such THE party any moneys MONEY THAT THE PARTY
deposited with such THE board that are AND DID not forfeited FORFEIT to
such THE board pursuant to paragraph (e) of this subsection (3)
SUBSECTION (3)(e) OF THIS SECTION; AND

(g) Requires that not less than one-tenth of all payments, except
 payments for maintenance and repairs and obligations on the termination
 of the contract prior to expiration, to be made by such board shall be
 made within two years from the date of execution of the contract; and

(h) Requires that the remaining such payments to be made by such
board shall be made within twelve years from the date of execution of the
contract; except that the maximum term of the payments shall THAT THE
BOARD MAKES MUST be less than the cost-weighted average useful life of
energy cost-savings equipment for which the contract is made, not to
exceed twenty-five years.

SECTION 6. Act subject to petition - effective date applicability. (1) 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.

- 5 (2) This act applies to conduct occurring on or after the applicable
- 6 effective date of this act.