A BILL FOR AN ACT

CONCERNING ALTERNATIVE ENERGY SOURCES, AND, IN CONNECTION THEREWITH, REQUIRING A FEASIBILITY STUDY FOR THE USE OF SMALL MODULAR NUCLEAR REACTORS AS A SOURCE OF CARBON-FREE ENERGY AND FOR RECYCLED ENERGY, SPECIFYING THE MAXIMUM NAMEPLATE CAPACITY OF A GENERATION UNIT FOR PUMPED HYDROELECTRICITY.

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 director of the office of economic

Shading denotes HOUSE amendment  Double underlining denotes SENATE amendment
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.
development (office) or the director's designee to conduct or cause to be conducted a study (feasibility study) regarding the feasibility of using small modular nuclear reactors as a carbon-free energy source for the state and includes specific items that must be included in the feasibility study.

By July 1, 2024, the director of the office is required to provide a written report to the committees of the senate and house of representatives having jurisdiction over energy matters regarding the findings and conclusions from the feasibility study. The bill appropriates $500,000 from the general fund to the office for the 2022-23 fiscal year to be used for the purposes of the feasibility study.

In addition, current law defines recycled energy as energy produced by a generation unit with a nameplate capacity of not more than 15 megawatts. For pumped hydroelectricity generation only, the bill specifies that the energy be produced by a generation unit with a nameplate capacity of not more than 400 megawatts.

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

SECTION 1. In Colorado Revised Statutes, add 24-48.5-132 as follows:


(1) As used in this section, unless the context otherwise requires, "small modular nuclear reactor" means a nuclear reactor that:

(a) has a rated capacity of not more than three hundred megawatts of electricity;

(b) can be constructed and operated in combination with other similar reactors at a single site if additional reactors are necessary; and

(c) has been licensed by the United States Nuclear Regulatory Commission and is in compliance with all requirements and conditions imposed by the commission.
(2) The Director of the Office of Economic Development or
the Director's designee shall conduct or cause to be conducted
a study regarding the feasibility of using small modular
nuclear reactors as a carbon-free energy source for the state.
The study must include:

(a) An evaluation of current state laws and regulations
that would need to be amended to enable the construction and
operation of small modular nuclear reactors;

(b) An evaluation of the economic feasibility of replacing
carbon-based energy sources with small modular nuclear
reactors while accounting for the net present value of revenue
requirements that would result from the retirement of
coal-fired plants;

(c) An evaluation of the safety of and the waste stream
resulting from the construction and operation of small
modular nuclear reactors;

(d) An evaluation of the property tax benefits to
counties, school districts, and special taxing districts in
connection with the use of small modular nuclear reactors;

(e) An estimate of the number of jobs that could be
created and the overall impact to local economies in
connection with the use of small modular nuclear reactors;

(f) A comparison of the reliability and cost of small
modular nuclear reactors and the reliability and cost of
natural gas, wind, and solar energy production;

(g) Identification of local government permitting
requirements or approvals that would be required for the
OPERATION OF SMALL MODULAR NUCLEAR REACTORS; AND

(h) ANY OTHER INFORMATION DEEMED NECESSARY BY THE
DIRECTOR OF THE OFFICE OF ECONOMIC DEVELOPMENT OR THE DIRECTOR'S
DESIGNEE.

(3) ON OR BEFORE JULY 1, 2024, THE DIRECTOR OF THE OFFICE OF
ECONOMIC DEVELOPMENT OR THE DIRECTOR'S DESIGNEE SHALL PROVIDE
TO THE COMMITTEES OF THE SENATE AND HOUSE OF REPRESENTATIVES
HAVING JURISDICTION OVER ENERGY MATTERS A WRITTEN REPORT OF THE
FINDINGS AND CONCLUSIONS FROM THE FEASIBILITY STUDY REQUIRED IN
SUBSECTION (2) OF THIS SECTION, INCLUDING ANY CONCLUSIONS OR
RECOMMENDATIONS REGARDING THE POTENTIAL FOR SMALL MODULAR
NUCLEAR REACTORS TO PROVIDE ENERGY IN THE STATE AND ANY
RECOMMENDATIONS FOR ADMINISTRATIVE OR LEGISLATIVE ACTION TO
PROMOTE THEIR USE.

(4) FOR THE 2022-23 STATE FISCAL YEAR, THE GENERAL
ASSEMBLY SHALL APPROPRIATE FIVE HUNDRED THOUSAND DOLLARS FROM
THE GENERAL FUND TO THE OFFICE OF ECONOMIC DEVELOPMENT FOR THE
PURPOSES OF THIS SECTION.

(5) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2025.

SECTION 2. In Colorado Revised Statutes, 40-2-124, amend
(1)(a)(VI)(A) as follows:

40-2-124. Renewable energy standards - qualifying retail and
wholesale utilities - net metering - rules - legislative declaration -
definitions. (1) Each provider of retail electric service in the state of
Colorado, other than municipally owned utilities that serve forty thousand
customers or fewer, is a qualifying retail utility. Each qualifying retail
utility, with the exception of cooperative electric associations that have
voted to exempt themselves from commission jurisdiction pursuant to section 40-9.5-104 and municipally owned utilities, is subject to the rules established under this article 2 by the commission. No additional regulatory authority is provided to the commission other than that specifically contained in this section. In accordance with article 4 of title 24, the commission shall revise or clarify existing rules to establish the following:

(a) Definitions of eligible energy resources that can be used to meet the standards. "Eligible energy resources" means recycled energy, renewable energy resources, and renewable energy storage. In addition, resources using coal mine methane and synthetic gas produced by pyrolysis of waste materials are eligible energy resources if the commission determines that the electricity generated by those resources is greenhouse gas neutral. The commission shall determine, following an evidentiary hearing, the extent to which such electric generation technologies utilized in an optional pricing program may be used to comply with this standard. A fuel cell using hydrogen derived from an eligible energy resource is also an eligible electric generation technology. Fossil and nuclear fuels and their derivatives are not eligible energy resources. As used in this section:

(VI) (A) "Recycled energy" means energy produced by a generation unit with a nameplate capacity of not more than fifteen megawatts, OR FOR PUMPED HYDROELECTRICITY GENERATION, PRODUCED BY A GENERATION UNIT WITH A NAMEPLATE CAPACITY OF NOT MORE THAN FOUR HUNDRED MEGAWATTS, that either converts the otherwise lost energy from the heat from exhaust stacks or pipes to electricity and does not combust additional fossil fuel or is pumped hydroelectricity.
generation that does not combust fossil fuel to pump water; is not located
on a natural waterway; includes measures to prevent fish mortality in the
facility; does not impact any decreed in-stream flow; and does not cause
any violation of state water quality standards when operated.

SECTION 3. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, or safety.