

Second Regular Session  
Seventy-third General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 22-1027.01 Jery Payne x2157

HOUSE BILL 22-1381

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HOUSE SPONSORSHIP

Titone and McKean, Soper

SENATE SPONSORSHIP

Winter,

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House Committees  
Energy & Environment

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING THE CREATION OF A GEOTHERMAL ENERGY GRANT  
102 PROGRAM TO FACILITATE THE DEVELOPMENT OF GEOTHERMAL  
103 ENERGY RESOURCES.

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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 creates the geothermal energy grant program (grant program) in the Colorado energy office (office) within the office of the governor. The grant program offers 3 types of grants:

- The single-structure geothermal grant, which is awarded to applicants that are constructing new buildings and that are

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.

installing a geothermal system as the primary heating system for the building;

- The community district heating grant, which is awarded to support ground-source, water-source, or multisource thermal systems that serve more than one building; and
- The geothermal electricity generation grant, which is awarded to support the development of geothermal electricity generation and hydrogen generation produced from geothermal energy.

The bill sets qualifications, limits, and standards for awarding the grants.

A grantee is prohibited from using the money for any purpose not specified in statute or in the grant application. Using the grant money for another purpose subjects the grantee to a civil action seeking repayment.

The bill creates the geothermal energy grant fund (fund). The grant money in the fund is allocated in the following percentages:

- Up to 40% of the total money in the fund may be awarded in grants for cost-matching public-private partnerships to support the development of geothermal electricity generation and resource development, which may include hydrogen generation produced from geothermal energy;
- Up to 60% of the total money in the fund may be awarded in grants for constructing new buildings and remodeling existing buildings using geothermal heating, and one-fourth of the money must be awarded to eligible entities from or projects in low-income, disproportionately impacted, or just transition communities; and
- Up to 25% of the total money in the fund may be awarded in grants to support the development of district heating systems in new construction or to retrofit existing buildings.

The money in the fund is continuously appropriated to implement the grant program. The state treasurer will transfer \$20 million from the general fund to the fund.

The office administers the grant program and, in doing so, must develop and apply criteria for evaluating and awarding grant applications that:

- Prioritize projects in low-income, disproportionately impacted, or just transition communities; and
- Maximize the number of additional projects that would otherwise not occur without grant money.

Each grantee must submit an annual report to the office for 2 years following receipt of a grant award. By February 1, 2024, and each year thereafter, the office must submit a report to the transportation and energy committee of the senate and the energy and environment committee of the house of representatives. The report must include:

- The grant expenditures;
- The percentage of each type of grant awarded;
- The total amount of matching funds that grantees provided to receive a grant;
- The percentage of grants awarded to and for projects in low-income, disproportionately impacted, or just transition communities; and
- To the extent available, the effects of the grants on gas use, electricity use, emissions, and energy costs.

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

2           **SECTION 1.** In Colorado Revised Statutes, **add** 24-38.5-113 as  
 3 follows:

4           **24-38.5-113. Geothermal energy grant program - creation -**  
 5 **procedures - fund - report - definitions - repeal. (1) Legislative**  
 6 **declaration.** THE GENERAL ASSEMBLY HEREBY FINDS AND DECLARES  
 7 THAT:

8           (a) THE DEVELOPMENT OF GEOTHERMAL ENERGY RESOURCES IS AN  
 9 AVAILABLE AND PROMISING TECHNOLOGY IN THE TRANSITION FROM FOSSIL  
 10 FUELS TO RENEWABLE ENERGY;

11           (b) THE DEVELOPMENT OF GEOTHERMAL ENERGY RESOURCES,  
 12 INCLUDING FOR HEATING, COOLING, AND ELECTRICITY GENERATION, HAS  
 13 THE POTENTIAL TO CREATE JOBS AND HELP ADDRESS MOBILITY FOR  
 14 WORKERS IN ENERGY PRODUCTION AND TRANSMISSION, ESPECIALLY IN  
 15 PIPELINE-RELATED WORK;

16           (c) BUILDING NEW GEOTHERMAL SYSTEMS IN HOMES AND  
 17 BUSINESSES WILL PROVIDE A STABLE, PREDICTABLE COST TO CONSUMERS;

18           (d) STATE INVESTMENT IS IMPORTANT TO SUPPORT PUBLIC  
 19 AGENCIES IN ENCOURAGING INVESTMENT IN GEOTHERMAL ENERGY FOR  
 20 HOMES, BUILDINGS, AND ENERGY PRODUCTION;

1 (e) GEOTHERMAL ELECTRICITY GENERATION CAN PROVIDE  
2 OPPORTUNITIES FOR ZERO-POLLUTION, RENEWABLE ELECTRICITY  
3 GENERATION THAT IS NOT INTERMITTENT, INCREASING BASELOAD  
4 RELIABILITY FOR THE ELECTRIC GRID; AND

5 (f) GEOTHERMAL ELECTRICITY GENERATION MAY BE PAIRED WITH  
6 ELECTROLYZERS TO GENERATE HYDROGEN FROM WATER, PROVIDING  
7 ADDITIONAL ECONOMIC OPPORTUNITIES AND ZERO-POLLUTION FUELS.

8 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
9 REQUIRES:

10 (a) "FUND" MEANS THE GEOTHERMAL ENERGY GRANT FUND  
11 CREATED IN SUBSECTION (7) OF THIS SECTION.

12 (b) "GRANT PROGRAM" MEANS THE GEOTHERMAL ENERGY GRANT  
13 PROGRAM CREATED IN SUBSECTION (3) OF THIS SECTION.

14 (c) "OFFICE" MEANS THE COLORADO ENERGY OFFICE.

15 (3) **Creation of grant program.** THERE IS HEREBY CREATED  
16 WITHIN THE OFFICE THE GEOTHERMAL ENERGY GRANT PROGRAM TO  
17 PROVIDE GRANTS TO BUILDING OWNERS, DEVELOPERS, LOCAL  
18 GOVERNMENTS, GEOTHERMAL INSTALLERS, CONTRACTORS, COMMUNITIES,  
19 GAS OR ELECTRIC SERVICE PUBLIC UTILITIES, OR OTHER ENTITIES  
20 APPROVED BY THE OFFICE FOR:

21 (a) THE DEVELOPMENT OF GEOTHERMAL ELECTRICITY  
22 GENERATION;

23 (b) THE INSTALLATION OF GEOTHERMAL EQUIPMENT FOR USE AS  
24 THE PRIMARY HEATING OR COOLING SYSTEMS IN NEW CONSTRUCTION OR  
25 TO RETROFIT EXISTING BUILDINGS; OR

26 (c) THE DEVELOPMENT OF COMMUNITY THERMAL SYSTEMS THAT  
27 ARE USED IN NEW CONSTRUCTION OR TO RETROFIT EXISTING BUILDINGS.

1           **(4) Grants - limitations - qualifications.** THE GRANT PROGRAM  
2 CONSISTS OF THREE TYPES OF GRANTS:

3           (a) THE SINGLE-STRUCTURE GEOTHERMAL GRANT, WHICH IS  
4 AWARDED TO APPLICANTS THAT ARE CONSTRUCTING A NEW BUILDING,  
5 INCLUDING A SINGLE-FAMILY OR MULTIFAMILY RESIDENCE, AND THAT ARE  
6 INSTALLING A GEOTHERMAL SYSTEM FOR USE AS THE PRIMARY HEATING  
7 AND COOLING SYSTEM FOR THE BUILDING. A SINGLE-STRUCTURE  
8 GEOTHERMAL GRANT IS SUBJECT TO THE FOLLOWING LIMITATIONS AND  
9 QUALIFICATIONS:

10           (I) A DEVELOPER OR GEOTHERMAL INSTALLER IS ELIGIBLE FOR  
11 GRANTS FOR THE CONSTRUCTION OF NO MORE THAN ONE HUNDRED  
12 RESIDENTIAL BUILDINGS;

13           (II) COMMERCIAL BUILDINGS AND STATE AND LOCAL GOVERNMENT  
14 BUILDINGS THAT ARE CONSTRUCTED USING GRANT MONEY MUST MEET THE  
15 STANDARDS OF THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE;

16           (III) DEVELOPERS, GEOTHERMAL INSTALLERS, OR COMMERCIAL  
17 BUILDING OWNERS THAT APPLY FOR A GRANT MUST ATTEST THAT THEY  
18 WILL USE LICENSED PLUMBING OR MECHANICAL CONTRACTORS THAT HAVE  
19 AN APPRENTICESHIP PROGRAM, AS DEFINED IN SECTION 8-83-308 (3)(a);

20           (IV) THE OFFICE SHALL DETERMINE THE AMOUNT OF EACH GRANT  
21 BASED ON PER-TON HEATING CAPACITY AS FOLLOWS; EXCEPT THAT THE  
22 OFFICE MAY CHANGE A GRANT AWARD AMOUNT AFTER THE FIRST YEAR IF  
23 THE OFFICE DETERMINES THAT CHANGES ARE NECESSARY TO ADVANCE  
24 GEOTHERMAL DEVELOPMENT:

25           (A) A NONRESIDENTIAL BUILDING CONSTRUCTED BY A FOR-PROFIT  
26 ENTITY QUALIFIES FOR UP TO ONE THOUSAND TWO HUNDRED DOLLARS PER  
27 TON OF HEATING CAPACITY;

1 (B) A NONRESIDENTIAL BUILDING CONSTRUCTED BY A NONPROFIT  
2 ENTITY QUALIFIES FOR UP TO TWO THOUSAND FIVE HUNDRED DOLLARS PER  
3 TON OF HEATING CAPACITY;

4 (C) A MULTIFAMILY RESIDENCE CONSTRUCTED BY A FOR-PROFIT  
5 ENTITY QUALIFIES FOR UP TO ONE THOUSAND TWO HUNDRED DOLLARS PER  
6 TON OF HEATING CAPACITY;

7 (D) A MULTIFAMILY RESIDENCE CONSTRUCTED BY A NONPROFIT  
8 ENTITY QUALIFIES FOR UP TO TWO THOUSAND FIVE HUNDRED DOLLARS PER  
9 TON OF HEATING CAPACITY; AND

10 (E) A SINGLE-FAMILY RESIDENCE, INCLUDING A RESIDENCE WITHIN  
11 A TOWNHOME OR CONDOMINIUM BUILDING, QUALIFIES FOR ONE THOUSAND  
12 FIVE HUNDRED DOLLARS PER TON OF HEATING CAPACITY; AND

13 (V) THE GRANTS ARE SUBJECT TO THE FOLLOWING LIMIT ON THE  
14 NUMBER OF TONS OF HEATING CAPACITY THAT QUALIFY A BUILDING FOR  
15 A GRANT; EXCEPT THAT THE OFFICE MAY CHANGE THE TONNAGE AMOUNT  
16 AFTER THE FIRST YEAR IF THE OFFICE FINDS THAT MEETING MARKET  
17 DEMANDS REQUIRES THE CHANGE:

18 (A) A GRANT FOR A SINGLE-FAMILY RESIDENCE IS LIMITED TO FIVE  
19 TONS; AND

20 (B) A GRANT FOR A NONRESIDENTIAL BUILDING IS LIMITED TO ONE  
21 HUNDRED TONS;

22 (b) THE COMMUNITY DISTRICT HEATING GRANT, WHICH IS  
23 AWARDED TO SUPPORT GROUND-SOURCE, WATER-SOURCE, OR  
24 MULTISOURCE THERMAL SYSTEMS THAT SERVE MORE THAN A SINGLE  
25 BUILDING. APPLICANTS MAY APPLY FOR GRANTS FOR A SCOPING STUDY, A  
26 DETAILED DESIGN STUDY, PROJECTS, OR A COMBINATION OF THESE  
27 OPTIONS. TEAMS CONSISTING OF BUILDING OWNERS, GEOTHERMAL

1 INSTALLERS, GAS OR ELECTRIC SERVICE PUBLIC UTILITIES, CONSULTANTS,  
2 DEVELOPERS, OR OTHER ENTITIES APPROVED BY THE OFFICE ARE ELIGIBLE  
3 TO SUBMIT A PROPOSAL FOR A SCOPING STUDY OR A DETAILED DESIGN  
4 STUDY. TO QUALIFY FOR A GRANT FOR THE PROJECT, AN APPLICANT MUST  
5 SUCCESSFULLY COMPLETE A STUDY AND SHOW PROOF OF A VIABLE  
6 PROJECT. A COMMUNITY DISTRICT HEATING GRANT IS SUBJECT TO THE  
7 FOLLOWING LIMITATIONS AND QUALIFICATIONS:

8 (I) UP TO ONE HUNDRED THOUSAND DOLLARS PER PROJECT TO  
9 CONDUCT A SCOPING STUDY TO DETERMINE IF A COMMUNITY THERMAL  
10 SYSTEM WOULD HELP LOWER GREENHOUSE GAS EMISSIONS AND PROVIDE  
11 A REASONABLE-COST APPROACH TO HEATING AND COOLING A GROUP OF  
12 BUILDINGS; AND

13 (II) UP TO FIVE HUNDRED THOUSAND DOLLARS PER PROJECT TO  
14 PERFORM A DETAILED DESIGN STUDY EVALUATING ISSUES, INCLUDING THE  
15 FINANCIAL AND LEGAL RESPONSIBILITIES, OF THE BUILDING OWNERS THAT  
16 WISH TO JOIN THE COMMUNITY THERMAL SYSTEM; AND

17 (c) THE GEOTHERMAL ELECTRICITY GENERATION GRANT, WHICH  
18 IS AWARDED TO SUPPORT THE DEVELOPMENT OF GEOTHERMAL  
19 ELECTRICITY GENERATION AND PROJECTS THAT PAIR GEOTHERMAL  
20 ELECTRICITY GENERATION WITH ELECTROLYZERS FOR THE PRODUCTION OF  
21 HYDROGEN FROM GEOTHERMAL GENERATION. A PERSON MAY APPLY FOR  
22 MORE THAN ONE COST-MATCHING GRANT IN A YEAR. A GEOTHERMAL  
23 ELECTRICITY GENERATION GRANT IS SUBJECT TO THE FOLLOWING  
24 LIMITATIONS AND QUALIFICATIONS:

25 (I) LOCAL GOVERNMENTS, CORPORATIONS, AND GAS OR ELECTRIC  
26 SERVICE PUBLIC UTILITIES ARE ELIGIBLE TO APPLY FOR AND RECEIVE THE  
27 GRANT;

1 (II) FOR APPLICATIONS FOR A GRANT TO HELP FUND A STUDY TO  
2 IDENTIFY AND EXPLORE RESOURCES THAT MAY BE SUITABLE FOR  
3 GEOTHERMAL ELECTRICITY GENERATION, COSTING UP TO ONE MILLION  
4 DOLLARS, THE OFFICE MAY AWARD A GRANT OF UP TO FIFTY PERCENT OF  
5 THE STUDY COST; EXCEPT THAT, IF THE PROJECT INCLUDES THE  
6 PRODUCTION OF HYDROGEN FROM ELECTRICITY GENERATED USING  
7 GEOTHERMAL ENERGY, THE OFFICE MAY AWARD A GRANT OF UP TO SIXTY  
8 PERCENT OF THE STUDY COST;

9 (III) FOR APPLICATIONS FOR A GRANT TO HELP FUND A STUDY TO  
10 IDENTIFY AND EXPLORE RESOURCES THAT MAY BE SUITABLE FOR  
11 GEOTHERMAL ELECTRICITY GENERATION OR HYDROGEN GENERATION  
12 FROM ELECTRICITY GENERATED USING GEOTHERMAL ENERGY, COSTING  
13 MORE THAN ONE MILLION DOLLARS, THE OFFICE MAY AWARD A GRANT OF  
14 UP TO FIVE HUNDRED THOUSAND DOLLARS PER PROJECT; AND

15 (IV) FOR PROJECTS THAT CONCERN AN IDENTIFIED POTENTIAL  
16 GEOTHERMAL RESOURCE BUT NEED CONFIRMATION THROUGH DRILLING  
17 AND TESTING OR THAT ARE SEEKING TO DEVELOP A PROJECT GENERATION  
18 SITE:

19 (A) THE OFFICE MAY AWARD A GRANT OF UP TO FIFTY PERCENT OF  
20 THE FIRST MILLION DOLLARS OF THE COSTS OF THE PROJECT;

21 (B) THE OFFICE MAY AWARD UP TO FIVE HUNDRED THOUSAND  
22 DOLLARS PER PROJECT IN ADDITION TO THE AMOUNT AWARDED IN  
23 SUBSECTION (4)(c)(IV)(A) OF THIS SECTION; AND

24 (C) A DEVELOPER MAY APPLY FOR NO MORE THAN TWO GRANTS  
25 PER YEAR.

26 (5) **Application.** TO RECEIVE A GRANT, A PERSON MUST SUBMIT AN  
27 APPLICATION TO THE OFFICE IN ACCORDANCE WITH THE POLICIES AND



1 PROCEDURES SPECIFIED BY THE OFFICE.

2 (6) **Use of grants.** A GRANTEE SHALL NOT USE THE MONEY  
3 RECEIVED THROUGH THE GRANT PROGRAM FOR ANY PURPOSE THAT IS NOT  
4 SPECIFIED IN SUBSECTION (4) OF THIS SECTION OR IN THE GRANT  
5 APPLICATION. IF A GRANTEE USES GRANT MONEY FOR ANY OTHER  
6 PURPOSE, THE GRANTEE IS SUBJECT TO A CIVIL ACTION TO RECOVER THE  
7 ENTIRE AMOUNT OF THE GRANT AWARD OR THE PORTION OF THE GRANT  
8 AWARD USED FOR THE OTHER PURPOSE.

9 (7) **Fund.** (a) (I) THE GEOTHERMAL ENERGY GRANT FUND IS  
10 HEREBY CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF  
11 MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE OR TRANSFER  
12 TO THE FUND.

13 (II) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND  
14 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE  
15 FUND TO THE FUND.

16 (III) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE  
17 OFFICE TO IMPLEMENT THIS SECTION.

18 (b) GRANTS MADE UNDER THIS SECTION ARE PAID OUT OF THE  
19 FUND.

20 (c) (I) WITHIN FIVE BUSINESS DAYS AFTER THE EFFECTIVE DATE OF  
21 THIS SECTION, THE STATE TREASURER SHALL TRANSFER TWENTY MILLION  
22 DOLLARS FROM THE GENERAL FUND TO THE FUND.

23 (II) THIS SUBSECTION (7)(c) IS REPEALED, EFFECTIVE JULY 1, 2023.

24 (8) **Administration.** (a) THE OFFICE SHALL ADMINISTER THE  
25 GRANT PROGRAM, AWARD GRANTS AS PROVIDED IN THIS SECTION, AND  
26 DEVELOP POLICIES AND PROCEDURES AS NECESSARY TO IMPLEMENT THE  
27 GRANT PROGRAM.

1 (b) THE OFFICE SHALL AWARD GRANTS FROM THE FUND IN  
2 ACCORDANCE WITH THE FOLLOWING PARAMETERS:

3 (I) UP TO FORTY PERCENT OF THE TOTAL MONEY IN THE FUND MAY  
4 BE AWARDED THROUGH GRANTS TO SUPPORT THE DEVELOPMENT OF  
5 GEOTHERMAL ELECTRICITY GENERATION AND RESOURCE DEVELOPMENT,  
6 WHICH MAY INCLUDE HYDROGEN GENERATION PRODUCED FROM  
7 GEOTHERMAL ENERGY;

8 (II) UP TO SIXTY PERCENT OF THE TOTAL MONEY IN THE FUND MAY  
9 BE AWARDED AS SINGLE-STRUCTURE GEOTHERMAL GRANTS, AND  
10 ONE-FOURTH OF THE GRANT MONEY AWARDED UNDER THIS SUBSECTION  
11 (8)(b)(II) MUST BE AWARDED TO ELIGIBLE ENTITIES FROM OR PROJECTS IN  
12 LOW-INCOME, DISPROPORTIONATELY IMPACTED, OR JUST TRANSITION  
13 COMMUNITIES, AS THOSE COMMUNITIES ARE DEFINED BY THE OFFICE; AND

14 (III) UP TO TWENTY-FIVE PERCENT OF THE TOTAL MONEY IN THE  
15 FUND MAY BE AWARDED AS COMMUNITY DISTRICT HEATING GRANTS,  
16 WHICH MAY INCLUDE:

- 17 (A) SINGLE-OWNER CAMPUSES;
- 18 (B) MEDICAL CAMPUSES;
- 19 (C) RESIDENTIAL CAMPUSES;
- 20 (D) MULTI-OWNER NODES; AND
- 21 (E) PUBLIC OR PRIVATE COLLEGE OR UNIVERSITY CAMPUSES.

22 (c) THE OFFICE SHALL DEVELOP AND APPLY CRITERIA FOR  
23 EVALUATING AND AWARDING GRANT APPLICATIONS THAT:

24 (I) PRIORITIZE PROJECTS IN LOW-INCOME, DISPROPORTIONATELY  
25 IMPACTED, OR JUST TRANSITION COMMUNITIES; AND

26 (II) MAXIMIZE THE NUMBER OF ADDITIONAL PROJECTS THAT  
27 WOULD OTHERWISE NOT OCCUR WITHOUT THE GRANT MONEY.

1           (9) **Reporting.** (a) EACH GRANTEE SHALL SUBMIT AN ANNUAL  
2 REPORT TO THE OFFICE FOR TWO YEARS FOLLOWING RECEIPT OF A GRANT  
3 AWARD. THE OFFICE SHALL DETERMINE THE CONTENTS OF THE REPORT.

4           (b) ON OR BEFORE FEBRUARY 1, 2024, AND ON OR BEFORE  
5 FEBRUARY 1 EACH YEAR THEREAFTER THROUGH FEBRUARY 1, 2026, THE  
6 OFFICE SHALL SUBMIT A REPORT TO THE TRANSPORTATION AND ENERGY  
7 COMMITTEE OF THE SENATE AND THE ENERGY AND ENVIRONMENT  
8 COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR ANY SUCCESSOR  
9 COMMITTEE, ON THE GEOTHERMAL ENERGY GRANT PROGRAM. AT A  
10 MINIMUM, THIS REPORT MUST INCLUDE:

11           (I) THE TOTAL AMOUNT OF GRANT MONEY AWARDED IN THE  
12 PRECEDING CALENDAR YEAR;

13           (II) THE TOTAL NUMBER OF GRANTS AWARDED IN THE PRECEDING  
14 CALENDAR YEAR, INCLUDING THE AMOUNT OF EACH GRANT;

15           (III) THE TOTAL AMOUNT OF GRANT MONEY AWARDED TO EACH  
16 GRANTEE IN THE PRECEDING CALENDAR YEAR;

17           (IV) THE TOTAL AMOUNT OF MATCHING FUNDS THAT GRANTEES  
18 PROVIDED TO RECEIVE A GRANT;

19           (V) THE PERCENTAGE OF THE TOTAL AMOUNT OF GRANT MONEY  
20 AWARDED IN THE PRECEDING CALENDAR YEAR THAT WAS AWARDED AS  
21 EACH TYPE OF GRANT DESCRIBED IN THIS SECTION;

22           (VI) THE PERCENTAGE OF THE TOTAL AMOUNT OF GRANT MONEY  
23 AWARDED IN THE PRECEDING CALENDAR YEAR THAT WAS AWARDED TO OR  
24 FOR PROJECTS IN LOW-INCOME, DISPROPORTIONATELY IMPACTED, OR JUST  
25 TRANSITION COMMUNITIES; AND

26           (VII) TO THE EXTENT AVAILABLE, THE EFFECTS OF THE GRANTS ON  
27 GAS USE, ELECTRICITY USE, EMISSIONS, AND ENERGY COSTS.

1 (c) THIS SUBSECTION (9)(c) AND SUBSECTION (9)(b) OF THIS  
2 SECTION ARE REPEALED, EFFECTIVE JULY 1, 2026.

3 (10) TO THE EXTENT THAT A GAS OR ELECTRIC SERVICE UTILITY  
4 CONTRIBUTES TO A PROJECT OR PARTNERS WITH AN ELIGIBLE ENTITY  
5 UNDERTAKING A PROJECT AWARDED UNDER THE GRANT PROGRAM, THE  
6 UTILITY MAY COUNT MASS-BASED EMISSIONS REDUCTIONS ASSOCIATED  
7 WITH THE PROJECT TOWARD COMPLIANCE WITH THE REQUIREMENTS  
8 IMPOSED BY:

9 (a) RULES PROMULGATED UNDER SECTION 25-7-105 (1)(e)(X.7);

10 (b) SECTION 40-3.2-108 (3)(b); OR

11 (c) ANY SIMILAR GREENHOUSE GAS EMISSION REDUCTION  
12 PROGRAM OR REQUIREMENT IMPOSED BY RULE OR STATUTE.

13 **SECTION 2.** In Colorado Revised Statutes, 24-75-402, **add**  
14 (5)(vv) as follows:

15 **24-75-402. Cash funds - limit on uncommitted reserves -**  
16 **reduction in the amount of fees - exclusions - definitions.**

17 (5) Notwithstanding any provision of this section to the contrary, the  
18 following cash funds are excluded from the limitations specified in this  
19 section:

20 (vv) THE GEOTHERMAL ENERGY GRANT FUND CREATED IN SECTION  
21 24-38.5-113 (7).

22 **SECTION 3. Act subject to petition - effective date.** This act  
23 takes effect at 12:01 a.m. on the day following the expiration of the  
24 ninety-day period after final adjournment of the general assembly; except  
25 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
26 of the state constitution against this act or an item, section, or part of this  
27 act within such period, then the act, item, section, or part will not take

1 effect unless approved by the people at the general election to be held in  
2 November 2022 and, in such case, will take effect on the date of the  
3 official declaration of the vote thereon by the governor.