

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0807.01 Sarah Lozano x3858

HOUSE BILL 24-1330

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HOUSE SPONSORSHIP

Bacon and Willford, Kipp

SENATE SPONSORSHIP

Cutter,

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House Committees  
Energy & Environment

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING MODIFICATIONS OF PROCESSES TO OBTAIN PERMITS FOR  
102 ACTIVITIES THAT IMPACT AIR QUALITY.

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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>.)*

**Section 1** of the bill clarifies that a request for general permit registration does not constitute having a valid construction permit (permit).

**Section 1** also requires the division of administration in the department of public health and environment (division) or the air quality control commission (commission), in evaluating a permit application for

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.

an emitting source (source) that includes an oil and gas system (oil and gas system), to:

- Aggregate emissions from the oil and gas system; and
- Include emissions from exploration and preproduction activities.

**Section 2** requires that the division or the commission only grant permits for certain proposed sources in a nonattainment area if:

- The division or commission determines that the proposed source will not contribute to an exceedance of any applicable national ambient air quality standard (determination);
- The owner or operator of the proposed source achieves emissions reductions of each air pollutant for which the nonattainment area is in nonattainment that are equal to or greater than the anticipated emissions of the proposed source; and
- The proposed source is not in a disproportionately impacted community.

On and after January 1, 2025, the division or commission must base any determination on the modeling of air quality impacts from emissions (air quality modeling).

If a permit is granted after air quality modeling is conducted:

- Any assumption used in the air quality modeling must be included in the permit as a permit condition; and
- Any averaging time utilized for a permit condition must be no greater than the averaging time for any applicable national ambient air quality standard.

**Section 3** requires the energy and carbon management commission to require that an oil and gas operator obtain a permit from the division or the commission before making a final determination on an oil and gas permit application.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend 25-7-114.2**  
3 as follows:

4 **25-7-114.2. Construction permits - oil and gas operations -**  
5 **definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT  
6 OTHERWISE REQUIRES:

7 (a) "OIL AND GAS FACILITY" HAS THE MEANING SET FORTH IN

1 SECTION 34-60-103 (6.2).

2 (b) "OIL AND GAS LOCATION" HAS THE MEANING SET FORTH IN  
3 SECTION 34-60-103 (6.4).

4 (c) "OIL AND GAS SYSTEM" INCLUDES ALL OF THE OIL AND GAS  
5 FACILITIES THAT ARE UNDER COMMON CONTROL OF AN OPERATOR AND  
6 THAT ARE EITHER:

7 (I) LOCATED AT THE SAME OIL AND GAS LOCATION; OR

8 (II) LOCATED AT DIFFERENT OIL AND GAS LOCATIONS THAT ARE  
9 WITHIN TWO MILES OF EACH OTHER, MEASURED FROM THE EDGE OF EACH  
10 OIL AND GAS LOCATION, AND THAT USE SHARED EQUIPMENT.

11 (d) "OPERATOR" HAS THE MEANING SET FORTH IN SECTION  
12 34-60-103 (6.8).

13 (e) "SHARED EQUIPMENT" INCLUDES STORAGE TANKS, PHASE  
14 SEPARATORS, NATURAL GAS DEHYDRATORS, FLOWLINES, BOILERS, SPARK  
15 IGNITION AND COMPRESSION IGNITION ENGINES, GLYCOL DEHYDRATORS,  
16 AMINE SWEETENING UNITS, EMISSIONS CONTROL DEVICES, PIPELINE  
17 COMPRESSORS, UNDERGROUND INJECTION WELLS, AND PUMP STATIONS.

18 (2) (a) ~~No~~ A person shall NOT construct or substantially alter any  
19 building, facility, structure, or installation, except single-family  
20 residential structures, or install any machine, equipment, or other device,  
21 or commence the conduct of any ~~such activity~~ OF THESE ACTIVITIES, or  
22 commence performance of any combinations ~~thereof~~ OF THESE  
23 ACTIVITIES, or commence operations of any of ~~the same which~~ THESE  
24 ACTIVITIES THAT will or do constitute a new stationary source or a new  
25 indirect air pollution source without first obtaining or having a valid  
26 construction permit ~~therefor~~ FOR THESE ACTIVITIES from the division or  
27 commission, as the case may be; except that ~~no~~ A construction permit

1 ~~shall be~~ IS NOT required for new indirect air pollution sources until  
2 ~~regulations~~ RULES regarding construction permits for ~~such~~ NEW INDIRECT  
3 AIR POLLUTION sources have been promulgated by the commission, but ~~in~~  
4 ~~no event shall~~ ~~regulations~~ RULES governing indirect air pollution sources  
5 MUST NOT be more stringent than those required for compliance with the  
6 federal act and final rules and regulations adopted pursuant ~~thereto~~ TO  
7 THE FEDERAL ACT.

8 (b) Any emission permit validly issued prior to July 1, 1992,  
9 pursuant to section 25-7-114, as ~~said~~ THAT section existed prior to July 1,  
10 1992, and in effect on or after July 1, 1992, ~~shall be~~ IS deemed to be a  
11 valid construction permit issued pursuant to this section. The commission  
12 shall designate by ~~regulation~~ RULE those classes of minor or insignificant  
13 sources of air pollution ~~which~~ THAT are exempt from the requirement for  
14 a permit because of ~~their~~ THE MINOR OR INSIGNIFICANT SOURCE'S  
15 negligible impact on air quality.

16 (c) A REQUEST FOR GENERAL PERMIT REGISTRATION DOES NOT  
17 CONSTITUTE OBTAINING OR HAVING A VALID CONSTRUCTION PERMIT.

18 (3) IN EVALUATING A CONSTRUCTION PERMIT APPLICATION FOR A  
19 SOURCE THAT INCLUDES AN OIL AND GAS SYSTEM, INCLUDING IN  
20 DETERMINING WHETHER THE OIL AND GAS SYSTEM IS A MAJOR OR MINOR  
21 SOURCE AND INCLUDING IN ANY AIR QUALITY MODELING REQUIRED  
22 PURSUANT TO SECTION 25-7-114.9 (2)(b)(II)(A), THE DIVISION OR THE  
23 COMMISSION, AS APPLICABLE, SHALL:

24 (a) AGGREGATE EMISSIONS ACROSS THE OIL AND GAS SYSTEM; AND

25 (b) INCLUDE EMISSIONS FROM EXPLORATION AND PREPRODUCTION  
26 ACTIVITIES.

27 **SECTION 2.** In Colorado Revised Statutes, **add** 25-7-114.9 as

1 follows:

2 **25-7-114.9. Requirements for construction permit applications**

3 **in a nonattainment area - definitions.** (1) AS USED IN THIS SECTION,

4 UNLESS THE CONTEXT OTHERWISE REQUIRES:

5 (a) "AIR QUALITY MODELING" MEANS THE MODELING OF AIR  
6 QUALITY IMPACTS OF EMISSIONS FROM ALL EMISSION UNITS AT A  
7 STATIONARY SOURCE THAT IS CONDUCTED PURSUANT TO THE MOST  
8 RECENT VERSION OF APPENDIX W OF 40 CFR 51, OR ANY SUCCESSOR  
9 FEDERAL REGULATION, AND ANY RELEVANT FEDERAL ENVIRONMENTAL  
10 PROTECTION AGENCY GUIDANCE FOR OZONE AND FINE PARTICULATE  
11 MATTER PERMIT MODELING.

12 (b) "NONATTAINMENT AIR POLLUTANT" MEANS ANY AIR  
13 POLLUTANT, INCLUDING ANY PRECURSOR AIR POLLUTANTS, FOR WHICH A  
14 NONATTAINMENT AREA IS IN NONATTAINMENT WITH ANY APPLICABLE  
15 NATIONAL AMBIENT AIR QUALITY STANDARD.

16 (c) "NONATTAINMENT AREA" MEANS ANY AREA THAT IS  
17 DESIGNATED BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY AS  
18 BEING IN NONATTAINMENT WITH ANY APPLICABLE NATIONAL AMBIENT AIR  
19 QUALITY STANDARD.

20 (2) (a) FOR ANY PROPOSED SOURCE IN A NONATTAINMENT AREA  
21 THAT IS NOT A MAJOR SOURCE, THE DIVISION OR COMMISSION, AS  
22 APPLICABLE, MAY GRANT A CONSTRUCTION PERMIT APPLICATION  
23 PURSUANT TO THIS ARTICLE 7 ONLY IF:

24 (I) THE DIVISION OR COMMISSION DETERMINES THAT THE  
25 PROPOSED SOURCE WILL NOT CAUSE OR CONTRIBUTE TO AN EXCEEDANCE  
26 OF ANY APPLICABLE NATIONAL AMBIENT AIR QUALITY STANDARDS AND  
27 WILL COMPLY WITH ALL OTHER APPLICABLE FEDERAL REGULATIONS;

1           (II) THE OWNER OR OPERATOR OF THE PROPOSED SOURCE  
2 ACHIEVES EMISSIONS REDUCTIONS OF EACH NONATTAINMENT AIR  
3 POLLUTANT FROM EXISTING SOURCES IN THE NONATTAINMENT AREA THAT  
4 ARE EQUAL TO OR GREATER THAN THE ANTICIPATED EMISSIONS OF EACH  
5 NONATTAINMENT AIR POLLUTANT BY THE PROPOSED SOURCE; AND

6           (III) THE PROPOSED SOURCE IS NOT LOCATED IN A  
7 DISPROPORTIONATELY IMPACTED COMMUNITY.

8           (b) (I) ON AND AFTER JANUARY 1, 2025, THE DIVISION OR  
9 COMMISSION, AS APPLICABLE, SHALL BASE ANY DETERMINATION MADE  
10 PURSUANT TO SUBSECTION (2)(a)(I) OF THIS SECTION ON AIR QUALITY  
11 MODELING, WHICH DETERMINATION MUST NOT BE BASED ON AIR QUALITY  
12 MONITORING IN LIEU OF AIR QUALITY MODELING.

13           (II) THE AIR QUALITY MODELING DESCRIBED IN SUBSECTION  
14 (2)(b)(I) OF THIS SECTION MUST INCLUDE:

15           (A) IF APPLICABLE, MODELING OF THE AIR QUALITY IMPACTS OF  
16 THE EMISSIONS DESCRIBED IN SECTION 25-7-114.2 (3); AND

17           (B) MODELING TO EXAMINE COMPLIANCE WITH THE ONE-HOUR  
18 NITROGEN DIOXIDE NATIONAL AMBIENT AIR QUALITY STANDARDS.

19           (c) IF A CONSTRUCTION PERMIT APPLICATION IS GRANTED BY THE  
20 DIVISION OR COMMISSION, AS APPLICABLE, BASED ON AIR QUALITY  
21 MODELING PURSUANT TO SUBSECTION (2)(b)(I) OF THIS SECTION:

22           (I) ANY ASSUMPTION USED IN THE AIR QUALITY MODELING MUST  
23 BE INCLUDED IN THE CONSTRUCTION PERMIT AS AN ENFORCEABLE PERMIT  
24 CONDITION; AND

25           (II) ANY AVERAGING TIME UTILIZED FOR AN ENFORCEABLE PERMIT  
26 CONDITION DESCRIBED IN SUBSECTION (2)(c)(I) OF THIS SECTION MUST BE  
27 NO GREATER THAN THE AVERAGING TIME FOR ANY APPLICABLE NATIONAL

1 AMBIENT AIR QUALITY STANDARD.

2 **SECTION 3.** In Colorado Revised Statutes, 34-60-106, **amend**  
3 (1)(i) and (1)(j); and **add** (1)(k) as follows:

4 **34-60-106. Additional powers of commission - rules -**  
5 **definitions - repeal.** (1) The commission also shall require:

6 (i) Certificates of clearance in connection with the transportation  
7 and delivery of oil and gas or any product; ~~and~~

8 (j) Metering or other measuring of oil, gas, or product in pipelines,  
9 gathering systems, loading racks, refineries, or other places; AND

10 (k) THAT AN OPERATOR APPLYING FOR A PERMIT FROM THE  
11 COMMISSION OBTAIN ANY CONSTRUCTION PERMIT REQUIRED BY ARTICLE  
12 7 OF TITLE 25 FOR THE APPLICABLE OIL AND GAS LOCATION FROM THE  
13 DIVISION OF ADMINISTRATION IN THE DEPARTMENT OF PUBLIC HEALTH AND  
14 ENVIRONMENT OR THE AIR QUALITY CONTROL COMMISSION, AS  
15 APPLICABLE, BEFORE MAKING A FINAL DETERMINATION ON THE PERMIT  
16 APPLICATION.

17 **SECTION 4. Applicability.** This act applies to conduct occurring  
18 on or after the effective date of this act, including determinations of  
19 applications pending on the effective date.

20 **SECTION 5. Safety clause.** The general assembly finds,  
21 determines, and declares that this act is necessary for the immediate  
22 preservation of the public peace, health, or safety or for appropriations for  
23 the support and maintenance of the departments of the state and state  
24 institutions.