

First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 25-0742.03 Nicole Myers x4326

SENATE BILL 25-280

SENATE SPONSORSHIP

Hinrichsen and Lundeen, Mullica

HOUSE SPONSORSHIP

Brown and Valdez, Lindstedt

Senate Committees

Transportation & Energy

House Committees

A BILL FOR AN ACT

101 CONCERNING BENEFITS TO FACILITATE DATA CENTER DEVELOPMENT
102 WHILE SUPPORTING ELECTRIC GRID INFRASTRUCTURE, AND, IN
103 CONNECTION THEREWITH, CREATING THE "COLORADO DATA
104 CENTER DEVELOPMENT AND GRID MODERNIZATION ACT".

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 data center development and grid modernization program (program) in the Colorado office of economic development (office). To facilitate efficient data center development and

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.

grid modernization, the program allows tax and utility benefits to a data center operator that applies to the office to have a data center project certified at one of 2 levels and that satisfies certain eligibility criteria for certification.

The first level of data center project certification created in the bill is base certification. In connection with base certification, the bill specifies that:

- To obtain base certification, a data center operator must commit, through the application process with the office, to making a \$250 million minimum capital investment in data center facility construction and equipment within 5 years, creating 25 full-time jobs that satisfy specified criteria, and breaking ground on the data center project within 5 years of obtaining base certification;
- In addition to the investment and job creation requirements, to obtain base certification a data center operator must also commit to implementing basic grid support capabilities, obtaining certification under one of several energy efficiency standards, implementing water stewardship strategies that optimize operational water management, sourcing at least 50% of the data center project's energy consumption from renewable and clean sources, supporting clean integration by implementing energy storage solutions that align with the data center project's needs and operations, agreeing to certain post-certification requirements, and agreeing to submit annual compliance reports to the office;
- A data center operator must apply to the office, in a form and manner to be determined by the office, for base certification before taking action to satisfy any of the eligibility criteria;
- The office is required to review a data center operator's application for base certification and award base certification to data center operators that have demonstrated that they will satisfy the base certification criteria;
- A data center operator that obtains base certification for a data center project is eligible for a 100% sales and use tax exemption on the purchase, use, and storage of information technology infrastructure, data center infrastructure, and electrical grid enhancement equipment (qualified purchases) for 20 years from the date that the data center project was certified, so long as the data center project satisfies ongoing compliance requirements; and
- In addition to the sales and use tax credit, a data center

operator that obtains base certification for a data center project is eligible for standard utility rate incentives as negotiated between the data center operator and the utility.

The second level of data center certification created in the bill is enhancement certification. A data center operator that has obtained base certification for a data center project may apply for enhancement certification for the same data center. In connection with enhancement certification, the bill specifies that:

- To obtain enhancement certification, a data center operator must invest a minimum of \$10 million in grid enhancement and modernization, invest in workforce development or other community benefit programs, agree to certain post-certification requirements, and agree to submit annual compliance reports to the office;
- A data center operator must apply to the office, in a form and manner to be determined by the office, for enhancement certification either before or after making the required minimum grid enhancement and modernization investment;
- The office is required to review a data center operator's application for enhancement certification and award enhancement certification to data center operators that have demonstrated that they will satisfy the enhancement certification criteria;
- For income tax years commencing on or after 2026, a data center operator that obtains enhancement certification for a data center project is eligible for an income tax credit in an amount equal to 10% of the amount of any grid enhancement and modernization investment made by the data center operator and an additional amount equal to 5% of the amount of such investment if the investment is made in a rural area (grid enhancement credit);
- A data center operator is not eligible to claim the grid enhancement credit until the data center operator has made the required minimum grid enhancement and modernization investment; and
- In addition to the grid enhancement credit, a data center operator that obtains enhancement certification for a data center project is eligible for enhanced utility benefits as negotiated between the data center operator and the utility.

Before submitting an application for certification for a data center project, a data center operator is required to conduct and document a preliminary consultation with the utility that will provide electricity for the data center project regarding interconnection feasibility, capacity, and infrastructure requirements and obtain a written feasibility assessment

1 ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT:

2 (a) COLORADO'S CONTINUED ECONOMIC GROWTH AND
3 TECHNOLOGICAL ADVANCEMENT DEPEND ON THE DEVELOPMENT OF
4 MODERN DIGITAL INFRASTRUCTURE THAT CAN SUPPORT EMERGING
5 TECHNOLOGIES WHILE ENSURING GRID RELIABILITY, AFFORDABILITY OF
6 ELECTRIC SERVICE FOR ALL CUSTOMERS, AND ENVIRONMENTAL
7 SUSTAINABILITY;

8 (b) COLORADO FACES INTERRELATED CHALLENGES IN:

9 (I) ACHIEVING ITS CLEAN ENERGY AND GREENHOUSE GAS
10 REDUCTION GOALS WHILE MAINTAINING GRID SYSTEM RELIABILITY;

11 (II) MODERNIZING CRITICAL ELECTRICAL GRID INFRASTRUCTURE
12 TO SUPPORT INCREASING ELECTRIFICATION;

13 (III) ENSURING EQUITABLE ECONOMIC DEVELOPMENT ACROSS
14 URBAN, SUBURBAN, AND RURAL COMMUNITIES; AND

15 (IV) MAINTAINING ECONOMIC COMPETITIVENESS IN AN EVOLVING
16 TECHNOLOGICAL LANDSCAPE;

17 (c) THE COLORADO ELECTRIC TRANSMISSION AUTHORITY HAS
18 IDENTIFIED CRITICAL TRANSMISSION CAPACITY NEEDS REQUIRING
19 APPROXIMATELY FOUR AND ONE-HALF BILLION DOLLARS IN
20 INFRASTRUCTURE INVESTMENT THROUGH 2045, WITH SIGNIFICANT
21 REQUIREMENTS FOR GRID MODERNIZATION, RELIABILITY ENHANCEMENT,
22 AND RENEWABLE AND CLEAN ENERGY INTEGRATION;

23 (d) DATA CENTERS REPRESENT A TRANSFORMATIVE OPPORTUNITY
24 TO:

25 (I) ACCELERATE GRID MODERNIZATION THROUGH STRATEGIC
26 INVESTMENT CONTRIBUTIONS INTO TRANSMISSION AND DISTRIBUTION
27 INFRASTRUCTURE;

1 (II) CREATE HIGH-WAGE EMPLOYMENT OPPORTUNITIES ACROSS
2 THE STATE, PARTICULARLY IN AREAS TRANSITIONING FROM TRADITIONAL
3 ENERGY ECONOMIES; AND

4 (III) STRENGTHEN LOCAL TAX BASES WHILE DRIVING
5 TECHNOLOGICAL INNOVATION;

6 (e) COLORADO'S EXISTING TAX STRUCTURE DOES NOT
7 ADEQUATELY REFLECT THE UNIQUE OPERATIONAL CHARACTERISTICS AND
8 INFRASTRUCTURE REQUIREMENTS OF MODERN DATA CENTER
9 DEVELOPMENT;

10 (f) THE STATE'S CURRENT TAX FRAMEWORK CREATES UNINTENDED
11 BARRIERS TO CRITICAL DIGITAL INFRASTRUCTURE INVESTMENT,
12 PARTICULARLY REGARDING:

13 (I) LARGE-SCALE CAPITAL INVESTMENT IN TECHNOLOGICAL
14 EQUIPMENT;

15 (II) ONGOING GRID INFRASTRUCTURE MODERNIZATION; AND

16 (III) RENEWABLE AND CLEAN ENERGY DEPLOYMENT;

17 (g) DATA CENTERS REPRESENT A DISTINCT CLASS OF
18 INFRASTRUCTURE THAT:

19 (I) REQUIRES SIGNIFICANT UP-FRONT CAPITAL INVESTMENT;

20 (II) DRIVES SUBSTANTIAL GRID MODERNIZATION;

21 (III) CREATES HIGH-WAGE TECHNOLOGY EMPLOYMENT; AND

22 (IV) GENERATES LONG-TERM ECONOMIC BENEFITS;

23 (h) COLORADO'S CURRENT TAX FRAMEWORK HAS RESULTED IN THE
24 STATE CAPTURING ONLY TWO PERCENT OF NATIONAL DATA CENTER
25 INVESTMENT, AND THE STATE RISKS LOSING THREE TO FOUR BILLION
26 DOLLARS IN POTENTIAL INVESTMENT OVER THE NEXT DECADE DESPITE
27 SIGNIFICANT COMPETITIVE ADVANTAGES IN CLIMATE, WORKFORCE, AND

1 RENEWABLE AND CLEAN RESOURCES;

2 (i) NEIGHBORING STATES HAVE ESTABLISHED COMPREHENSIVE
3 INCENTIVE PROGRAMS THAT PLACE COLORADO AT A COMPETITIVE
4 DISADVANTAGE;

5 (j) COLORADO'S BROAD FRAMEWORK OF BOLD ENERGY POLICY
6 GOALS CREATES A UNIQUE OPPORTUNITY TO DRIVE DATA CENTER
7 INVESTMENT INTO INCREASINGLY CLEAN ENERGY MIXES LIKE THAT OF
8 COLORADO;

9 (k) COLORADO'S UNIQUE GEOGRAPHIC AND RESOURCE
10 ADVANTAGES CREATE OPPORTUNITIES FOR LEADERSHIP IN SUSTAINABLE
11 DATA CENTER DEVELOPMENT;

12 (l) A STRUCTURED, PERFORMANCE-BASED APPROACH TO DATA
13 CENTER DEVELOPMENT CAN ADVANCE MULTIPLE STATE POLICY
14 OBJECTIVES WHILE ENSURING RESPONSIBLE DEVELOPMENT AND
15 COMMUNITY BENEFIT; AND

16 (m) THE INTEGRATION OF DATA CENTER DEVELOPMENT WITH
17 TRANSMISSION PLANNING AND UTILITY OPERATIONS CAN ACCELERATE
18 CRITICAL INFRASTRUCTURE IMPROVEMENTS NECESSARY FOR COLORADO'S
19 CLEAN ENERGY TRANSITION.

20 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT:

21 (a) A STRUCTURED, PERFORMANCE-BASED APPROACH TO DATA
22 CENTER DEVELOPMENT WILL:

23 (I) ACCELERATE GRID MODERNIZATION THROUGH PRIVATE
24 INVESTMENT;

25 (II) ENSURE RESPONSIBLE DEVELOPMENT THAT BENEFITS LOCAL
26 COMMUNITIES;

27 (III) ADVANCE MULTIPLE STATE POLICY OBJECTIVES WHILE

- 1 MAINTAINING SYSTEM RELIABILITY;
- 2 (IV) CREATE HIGH-WAGE TECHNOLOGY JOBS;
- 3 (V) STRENGTHEN LOCAL TAX BASES, PARTICULARLY IN RURAL
- 4 AREAS; AND
- 5 (VI) ENHANCE COLORADO'S POSITION AS A LEADER IN
- 6 TECHNOLOGICAL INNOVATION;
- 7 (b) A COMPREHENSIVE FRAMEWORK FOR DATA CENTER
- 8 DEVELOPMENT SHOULD:
- 9 (I) SUPPORT THE EFFICIENT USE AND ENHANCEMENT OF
- 10 ELECTRICAL GRID RESOURCES;
- 11 (II) PROMOTE ENVIRONMENTAL SUSTAINABILITY AND CLEAN
- 12 ENERGY DEPLOYMENT;
- 13 (III) PRESERVE LOCAL GOVERNMENT AUTONOMY WHILE
- 14 PROVIDING CONSISTENT STATEWIDE STANDARDS; AND
- 15 (IV) CREATE PREDICTABLE AND FLEXIBLE REGULATORY
- 16 FRAMEWORKS THAT ENCOURAGE LONG-TERM INVESTMENT; AND
- 17 (c) A MODERNIZED TAX STRUCTURE FOR DATA CENTERS SHOULD:
- 18 (I) REFLECT THE INFRASTRUCTURE-INTENSIVE NATURE OF DATA
- 19 CENTER OPERATIONS;
- 20 (II) SUPPORT EFFICIENT GRID MODERNIZATION AND USE;
- 21 (III) ALIGN WITH STATE CLEAN ENERGY OBJECTIVES; AND
- 22 (IV) ENABLE PREDICTABLE, LONG-TERM INVESTMENT.

23 **24-48.5-803. Definitions.** AS USED IN THIS PART 8, UNLESS THE

24 CONTEXT OTHERWISE REQUIRES:

25 (1) "AUTHORITY" MEANS THE COLORADO ELECTRIC TRANSMISSION

26 AUTHORITY CREATED IN SECTION 40-42-103.

27 (2) "BASE CERTIFICATION" MEANS CERTIFICATION GRANTED TO A

1 DATA CENTER PROJECT THAT SATISFIES THE FUNDAMENTAL
2 QUALIFICATION CRITERIA ESTABLISHED IN SECTION 24-48.5-809.

3 (3) "CERTIFIED DATA CENTER PROJECT" MEANS A DATA CENTER
4 PROJECT THAT HAS BEEN CERTIFIED BY THE OFFICE PURSUANT TO SECTION
5 24-48.5-806.

6 (4) "COMMISSION" MEANS THE COLORADO PUBLIC UTILITIES
7 COMMISSION CREATED IN SECTION 40-2-101.

8 (5) "DATA CENTER" MEANS A FACILITY THAT:

9 (a) HOUSES INFORMATION TECHNOLOGY EQUIPMENT USED FOR
10 DATA PROCESSING, DATA STORAGE, OR TELECOMMUNICATIONS; AND

11 (b) HAS A PRIMARY FUNCTION OF DELIVERING INFORMATION
12 TECHNOLOGY SERVICES INCLUDING:

13 (I) PROVIDING DATA STORAGE, PROCESSING, AND TRANSPORT
14 SERVICES;

15 (II) SUPPORTING THE DELIVERY OF CLOUD COMPUTING SERVICES;

16 (III) PROVIDING NETWORK CONNECTIVITY SERVICES; AND

17 (IV) SUPPORTING ARTIFICIAL INTELLIGENCE, MACHINE LEARNING,
18 OR SIMILAR COMPUTATIONAL SERVICES.

19 (6) "DATA CENTER OPERATOR" MEANS ANY PERSON OR ENTITY
20 THAT:

21 (a) OWNS OR OPERATES A DATA CENTER IN COLORADO;

22 (b) IS A CLIENT OR CO-LOCATION TENANT OR LICENSEE OF A DATA
23 CENTER; OR

24 (c) COLLOCATES INFORMATION TECHNOLOGY EQUIPMENT WITHIN
25 A QUALIFYING DATA CENTER FACILITY.

26 (7) "DATA CENTER PROJECT" MEANS A DESIGNATED AREA THAT
27 AGGREGATES AND CO-LOCATES ELECTRIC LOADS, INCLUDING ONE OR

1 MORE DATA CENTERS AND RELATED INFRASTRUCTURE, NEAR CLEAN
2 ENERGY RESOURCES TO OPTIMIZE GRID RESOURCES AND DELIVER
3 ECONOMIC BENEFITS TO THE COMMUNITY.

4 (8) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

5 (9) "EMERGING NEW LOAD" MEANS A NEW CUSTOMER LOAD OR
6 CO-LOCATED CUSTOMER LOADS THAT:

7 (a) EXCEED ONE HUNDRED MEGAWATTS IN THE AGGREGATE;

8 (b) REQUIRE GRID INFRASTRUCTURE INVESTMENT; AND

9 (c) HAVE A TIMELINE NECESSITATING EXPEDITED RESOURCE
10 PLANNING.

11 (10) "ENERGY OFFICE" MEANS THE COLORADO ENERGY OFFICE
12 CREATED IN SECTION 24-38.5-101.

13 (11) "ENHANCEMENT CERTIFICATION" MEANS CERTIFICATION
14 GRANTED TO A DATA CENTER PROJECT THAT VOLUNTARILY EXCEEDS THE
15 BASE CERTIFICATION REQUIREMENTS AND SATISFIES THE ADDITIONAL
16 QUALIFICATION CRITERIA ESTABLISHED IN SECTION 24-48.5-811.

17 (12) "GRID ENHANCEMENT INVESTMENT" MEANS CAPITAL
18 INVESTMENT IN ELECTRICAL INFRASTRUCTURE THAT:

19 (a) IMPROVES THE CAPACITY, RELIABILITY, OR EFFICIENCY OF THE
20 ELECTRICAL GRID;

21 (b) SUPPORTS THE INTEGRATION OF RENEWABLE AND CLEAN
22 ENERGY RESOURCES;

23 (c) ENHANCES GRID MONITORING, CONTROL, OR OPERATIONAL
24 CAPABILITIES;

25 (d) REDUCES TRANSMISSION CONSTRAINTS OR CONGESTION; AND

26 (e) MEETS SPECIFICATIONS ESTABLISHED BY THE COMMISSION
27 PURSUANT TO THIS PART 8.

1 (13) "OFFICE" MEANS THE OFFICE OF ECONOMIC DEVELOPMENT
2 CREATED IN SECTION 24-48.5-101.

3 (14) "PROGRAM" MEANS THE DATA CENTER DEVELOPMENT AND
4 GRID MODERNIZATION PROGRAM CREATED IN THIS PART 8.

5 (15) "QUALIFIED PURCHASE" MEANS THE PURCHASE OF:

6 (a) INFORMATION TECHNOLOGY INFRASTRUCTURE INCLUDING:

7 (I) COMPUTER EQUIPMENT AND SOFTWARE;

8 (II) DATA STORAGE SYSTEMS; AND

9 (III) NETWORK INFRASTRUCTURE;

10 (b) DATA CENTER INFRASTRUCTURE AND TRANSMISSION AND
11 GENERATION SYSTEM ASSETS INCLUDING:

12 (I) ENVIRONMENTAL CONTROL SYSTEMS;

13 (II) ON-SITE ENERGY STORAGE SYSTEMS;

14 (III) ON-SITE RENEWABLE AND CLEAN ENERGY SYSTEMS; AND

15 (IV) BUILDING MATERIALS FOR DATA CENTER CONSTRUCTION;

16 (c) MECHANICAL SYSTEMS; OR

17 (d) OTHER EQUIPMENT ESSENTIAL TO DATA CENTER OPERATIONS.

18 (16) "RENEWABLE AND CLEAN ENERGY" MEANS ELECTRICITY
19 GENERATED FROM:

20 (a) SOURCES QUALIFYING AS ELIGIBLE ENERGY RESOURCES
21 PURSUANT TO SECTIONS 30-20-1202 (2) AND 40-2-124, INCLUDING BUT
22 NOT LIMITED TO:

23 (I) SOLAR;

24 (II) WIND;

25 (III) GEOTHERMAL;

26 (IV) BIOMASS;

27 (V) HYDROELECTRIC;

1 (VI) RECYCLED ENERGY;
2 (VII) NUCLEAR ENERGY; AND
3 (VIII) COAL MINE METHANE WHEN THE COMMISSION DETERMINES
4 IT IS CAPTURED IN A MANNER THAT CONFORMS WITH ENVIRONMENTAL
5 REGULATIONS;

6 (b) OTHER CLEAN ENERGY RESOURCES AS DETERMINED BY THE
7 COMMISSION, INCLUDING:

8 (I) GREEN HYDROGEN; AND

9 (II) OTHER EMERGING ZERO-CARBON TECHNOLOGIES; AND

10 (c) ANY COMBINATION OF RESOURCES SPECIFIED IN THIS
11 SUBSECTION (16).

12 (17) "RURAL" MEANS:

13 (a) A COUNTY WITH A POPULATION DENSITY OF LESS THAN ONE
14 HUNDRED PERSONS PER SQUARE MILE ACCORDING TO THE MOST RECENT
15 FEDERAL CENSUS; OR

16 (b) ANY AREA WITHIN A COUNTY THAT IS:

17 (I) LOCATED OUTSIDE OF A METROPOLITAN STATISTICAL AREA AS
18 DEFINED BY THE UNITED STATES OFFICE OF MANAGEMENT AND BUDGET;

19 (II) LOCATED AT LEAST FIFTEEN MILES FROM THE CENTRAL
20 BUSINESS DISTRICT OF A CITY WITH A POPULATION OF FIFTY THOUSAND OR
21 MORE; OR

22 (III) DESIGNATED AS AN ENTERPRISE ZONE PURSUANT TO SECTION
23 39-30-103.

24 **24-48.5-804. Data center development and grid modernization**
25 **program - creation - administration - agency coordination.** (1) THE
26 DATA CENTER DEVELOPMENT AND GRID MODERNIZATION PROGRAM IS
27 CREATED IN THE OFFICE TO FACILITATE EFFICIENT DATA CENTER

1 DEVELOPMENT AND GRID MODERNIZATION BY ALLOWING TAX AND UTILITY
2 BENEFITS TO A DATA CENTER OPERATOR THAT EITHER OWNS OR OPERATES
3 A DATA CENTER PROJECT OR COLLECTS INFORMATION TECHNOLOGY
4 EQUIPMENT WITHIN A DATA CENTER PROJECT THAT OBTAINS BASE
5 CERTIFICATION OR ENHANCEMENT CERTIFICATION PURSUANT TO THIS PART
6 8. THE OFFICE SHALL ADMINISTER THE PROGRAM AND SHALL COORDINATE
7 AND SHARE RELEVANT INFORMATION WITH THE COMMISSION, THE ENERGY
8 OFFICE, AND THE AUTHORITY TO MAXIMIZE THE EFFECTIVENESS OF THE
9 PROGRAM.

10 (2) (a) THE OFFICE SHALL RECEIVE AND EVALUATE APPLICATIONS
11 THAT ARE SUBMITTED BY DATA CENTER OPERATORS TO OBTAIN THE
12 FOLLOWING:

13 (I) BASE CERTIFICATION FOR A DATA CENTER PROJECT, WHICH
14 ALLOWS THE DATA CENTER OPERATOR A SALES AND USE TAX EXEMPTION
15 FOR QUALIFIED PURCHASES IN CONNECTION WITH THE DATA CENTER
16 PROJECT PURSUANT TO SECTIONS 24-48.5-810 AND 39-26-735 AND
17 STANDARD UTILITY RATE INCENTIVES PURSUANT TO SECTION 24-48.5-810;

18 (II) ENHANCEMENT CERTIFICATION FOR A DATA CENTER PROJECT,
19 WHICH ALLOWS A DATA CENTER OPERATOR TO BE ELIGIBLE TO CLAIM A
20 GRID ENHANCEMENT INVESTMENT INCOME TAX CREDIT PURSUANT TO
21 SECTIONS 24-48.5-812 AND 39-22-571 AND ENHANCED UTILITY BENEFITS
22 PURSUANT TO SECTION 24-48.5-812; AND

23 (III) A BENEFIT EXTENSION PURSUANT TO SECTION 24-48.5-813
24 FOR A DATA CENTER PROJECT THAT HAS OBTAINED BASE CERTIFICATION
25 OR ENHANCEMENT CERTIFICATION.

26 (b) TO OBTAIN BASE CERTIFICATION OR ENHANCEMENT
27 CERTIFICATION FOR A DATA CENTER PROJECT, OR TO OBTAIN A BENEFIT

1 EXTENSION, A DATA CENTER OPERATOR MUST FILE A COMPLETED
2 APPLICATION WITH THE OFFICE PURSUANT TO SECTION 24-48.5-805.

3 (3) THE OFFICE SHALL BEGIN PROCESSING APPLICATIONS FOR
4 CERTIFICATION AS SPECIFIED IN SECTION 24-48.5-806 WITHIN NINETY DAYS
5 AFTER THE EFFECTIVE DATE OF THIS PART 8. THE OFFICE SHALL COMPLETE
6 ITS REVIEW OF ANY APPLICATION THAT IS SUBMITTED ON OR BEFORE
7 DECEMBER 31, 2034, PURSUANT TO THE POLICIES, PROCEDURES, AND
8 GUIDELINES ESTABLISHED PURSUANT TO THIS PART 8.

9 (4) IF THE OFFICE APPROVES A DATA CENTER PROJECT FOR BASE
10 CERTIFICATION OR ENHANCEMENT CERTIFICATION, THE OFFICE SHALL USE
11 THE REPORTS THAT A DATA CENTER OPERATOR IS REQUIRED TO SUBMIT TO
12 THE OFFICE PURSUANT TO SECTIONS 24-48.5-809 (5) AND 24-48.5-811 (5)
13 TO MONITOR THE CERTIFIED DATA CENTER TO ENSURE THAT THE CERTIFIED
14 DATA CENTER REMAINS IN COMPLIANCE WITH PROGRAM REQUIREMENTS.

15 (5) THE OFFICE SHALL ISSUE STATE SALES AND USE TAX
16 EXEMPTION CERTIFICATES AND TAX CREDIT CERTIFICATES REQUIRED FOR
17 A DATA CENTER OPERATOR THAT OBTAINS BASE CERTIFICATION,
18 ENHANCEMENT CERTIFICATION, OR A CERTIFIED DATA CENTER PROJECT
19 BENEFIT EXTENSION TO CLAIM THE SALES AND USE TAX EXEMPTION
20 ALLOWED IN SECTIONS 24-48.5-810 AND 39-26-735 AND THE INCOME TAX
21 CREDITS ALLOWED IN SECTIONS 24-48.5-812 AND 39-22-571.

22 (6) IN IMPLEMENTING THE PROGRAM, THE OFFICE SHALL:

23 (a) FACILITATE EFFICIENT DATA CENTER PROJECT DEVELOPMENT
24 BY ESTABLISHING CLEAR QUALIFICATION CRITERIA AND A PREDICTABLE
25 APPLICATION, REVIEW, AND APPROVAL PROCESS THAT IS ADMINISTERED
26 CONSISTENTLY; AND

27 (b) SUPPORT STATE POLICY PRIORITIES BY:

- 1 (I) ENABLING STRATEGIC INFRASTRUCTURE INVESTMENT;
 - 2 (II) BENEFITING THE BROADER CUSTOMER BASE;
 - 3 (III) OPTIMIZING GRID INFRASTRUCTURE USE;
 - 4 (IV) ACCELERATING RENEWABLE AND CLEAN ENERGY
 - 5 DEPLOYMENT;
 - 6 (V) CREATING HIGH-WAGE EMPLOYMENT OPPORTUNITIES;
 - 7 (VI) GENERATING ECONOMIC BENEFITS FOR HOST COMMUNITIES;
 - 8 (VII) DRIVING TECHNOLOGICAL INNOVATION; AND
 - 9 (VIII) ENHANCING ENVIRONMENTAL SUSTAINABILITY.
- 10 (7) THE OFFICE MAY CREATE AND MODIFY POLICIES, PROCEDURES,
- 11 AND GUIDELINES AS NECESSARY TO IMPLEMENT THE PROGRAM AND THE
- 12 TAX AND OTHER BENEFITS THAT MAY BE CLAIMED PURSUANT TO THIS PART
- 13 8.

14 **24-48.5-805. Application process - data center operators -**

15 **requirements.** (1) A DATA CENTER OPERATOR SEEKING CERTIFICATION

16 FOR A DATA CENTER PROJECT PURSUANT TO THIS PART 8 SHALL SUBMIT AN

17 APPLICATION TO THE OFFICE, IN A FORM AND MANNER DETERMINED BY THE

18 OFFICE, THAT INCLUDES THE FOLLOWING:

- 19 (a) INFORMATION ABOUT THE DATA CENTER PROJECT FOR WHICH
- 20 THE DATA CENTER OPERATOR IS SEEKING CERTIFICATION INCLUDING:
 - 21 (I) THE IDENTITY AND QUALIFICATIONS OF THE DATA CENTER
 - 22 OPERATOR TO OWN OR OPERATE A DATA CENTER;
 - 23 (II) DETAILED GEOGRAPHIC BOUNDARIES OF THE DATA CENTER
 - 24 PROJECT AND A SITE PLAN;
 - 25 (III) EVIDENCE OF SITE CONTROL OR A PATHWAY TO SITE
 - 26 CONTROL;
 - 27 (IV) DEVELOPMENT TIMELINE AND PHASING; AND

- 1 (V) UTILITY LOAD REQUIREMENTS;
- 2 (b) AN INFRASTRUCTURE ASSESSMENT IN CONNECTION WITH THE
3 DATA CENTER PROJECT INCLUDING:
- 4 (I) THE PROXIMITY OF THE DATA CENTER PROJECT TO EXISTING
5 AND PLANNED TRANSMISSION CAPACITY;
- 6 (II) THE PROXIMITY OF THE DATA CENTER PROJECT TO CLEAN
7 ENERGY RESOURCES;
- 8 (III) WATER RESOURCE AVAILABILITY AND A WATER RESOURCES
9 MANAGEMENT PLAN; AND
- 10 (IV) TRANSPORTATION AND BROADBAND ACCESS;
- 11 (c) UTILITY DOCUMENTATION IN CONNECTION WITH THE DATA
12 CENTER PROJECT INCLUDING:
- 13 (I) THE IDENTITY OF THE UTILITY OR UTILITIES THAT WILL SERVE
14 THE DATA CENTER PROJECT;
- 15 (II) AN EXECUTED INTERCONNECTION AGREEMENT OR UTILITY
16 FEASIBILITY STATEMENT;
- 17 (III) A GRID INTEGRATION PLAN;
- 18 (IV) IDENTIFICATION OF NECESSARY GRID INVESTMENTS; AND
- 19 (V) BINDING COMMITMENTS FOR ALIGNMENT WITH THE HOST
20 UTILITY'S CLEAN ENERGY PLAN;
- 21 (d) INVESTMENT AND EMPLOYMENT COMMITMENTS IN
22 CONNECTION WITH THE DATA CENTER PROJECT INCLUDING:
- 23 (I) A TIMELINE FOR CAPITAL INVESTMENTS IN DATA CENTER
24 PROJECT CONSTRUCTION AND EQUIPMENT REACHING A MINIMUM OF TWO
25 HUNDRED FIFTY MILLION DOLLARS WITHIN SIXTY MONTHS;
- 26 (II) A TIMELINE FOR CAPITAL INVESTMENTS IN GRID
27 ENHANCEMENT AND MODERNIZATION REACHING A MINIMUM OF TEN

1 MILLION DOLLARS;

2 (III) A JOB CREATION PLAN SHOWING AT LEAST TWENTY-FIVE NEW
3 FULL-TIME EQUIVALENT POSITIONS WITH COMPENSATION OF AT LEAST ONE
4 HUNDRED TEN PERCENT OF THE COUNTY AVERAGE WAGE FOR THE COUNTY
5 IN WHICH THE DATA CENTER PROJECT WILL BE LOCATED; AND

6 (IV) CONSTRUCTION EMPLOYMENT PROJECTIONS;

7 (e) AN ENVIRONMENTAL SUSTAINABILITY PLAN FOR THE DATA
8 CENTER PROJECT THAT INCLUDES:

9 (I) A FACILITY CERTIFICATION COMMITMENT, INCLUDING LEED,
10 ENERGY STAR, GREEN GLOBES, ISO 50001, OR THE EQUIVALENT;

11 (II) A WATER STEWARDSHIP STRATEGY;

12 (III) A RENEWABLE ENERGY PROCUREMENT PLAN; AND

13 (IV) ENERGY STORAGE AND GRID SUPPORT CAPABILITIES;

14 (f) GRID ENHANCEMENT COMMITMENTS FOR THE DATA CENTER
15 PROJECT INCLUDING:

16 (I) AN EXECUTED AGREEMENT WITH THE HOST UTILITY FOR
17 PLANNED GRID INVESTMENTS;

18 (II) A DESCRIPTION OF PLANNED GRID INVESTMENTS;

19 (III) A TIMELINE FOR THE IMPLEMENTATION OF THE GRID
20 ENHANCEMENT COMMITMENTS;

21 (IV) INTEGRATION WITH UTILITY PLANNING; AND

22 (V) TECHNOLOGIES THAT WILL BE DEPLOYED;

23 (g) COMMUNITY BENEFIT COMMITMENTS IN CONNECTION WITH THE
24 DATA CENTER PROJECT INCLUDING:

25 (I) WORKFORCE DEVELOPMENT INITIATIVES;

26 (II) LOCAL SUPPLIER DEVELOPMENT;

27 (III) TECHNOLOGY TRAINING CENTERS;

1 (IV) CONSERVATION OR OPEN SPACE PROGRAMS; AND

2 (V) OTHER COMMUNITY INVESTMENTS; AND

3 (h) LOCAL GOVERNMENT DOCUMENTATION IN CONNECTION WITH
4 THE DATA CENTER PROJECT INCLUDING:

5 (I) A RESOLUTION OF SUPPORT FROM THE LOCAL GOVERNING BODY
6 THAT IS THE PERMITTING ENTITY AS REQUIRED BY SUBSECTION (3) OF THIS
7 SECTION;

8 (II) A DESCRIPTION OF APPLICABLE LOCAL INCENTIVES; AND

9 (III) THE STATUS OF LOCAL PERMITS AND APPROVALS.

10 (2) (a) AS PART OF THE APPLICATION PROCESS, A DATA CENTER
11 OPERATOR SHALL PROVIDE TO THE OFFICE AN ATTESTATION THAT:

12 (I) CERTIFIES THAT THE DATA CENTER PROJECT WOULD NOT HAVE
13 OCCURRED IN THE STATE WITHOUT THE INCENTIVES PROVIDED IN THIS
14 PART 8; AND

15 (II) ACKNOWLEDGES THAT THIS ATTESTATION MAY BE USED FOR
16 FISCAL IMPACT ANALYSIS PURPOSES.

17 (b) THE OFFICE SHALL KEEP A RECORD OF EACH ATTESTATION
18 SUBMITTED PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION.

19 (3) A DATA CENTER OPERATOR SHALL PROVIDE TO THE OFFICE, AS
20 PART OF THE APPLICATION PROCESS, A RESOLUTION OF SUPPORT FROM THE
21 LOCAL GOVERNMENT IN WHICH THE DATA CENTER WILL BE LOCATED THAT
22 IS THE PERMITTING ENTITY FOR THE DATA CENTER PROJECT. IF THE DATA
23 CENTER PROJECT WILL BE LOCATED IN AN INCORPORATED AREA, THE
24 INCORPORATED LOCAL GOVERNMENT IS THE PERMITTING ENTITY. IF THE
25 DATA CENTER PROJECT WILL BE LOCATED IN AN UNINCORPORATED AREA,
26 THE COUNTY IS THE PERMITTING ENTITY.

27 **24-48.5-806. Application review process - opportunity to cure**

1 **application - application approval - revocation of certification.**

2 (1) THE OFFICE SHALL REVIEW ALL APPLICATIONS SUBMITTED PURSUANT
3 TO SECTION 24-48.5-805. THE OFFICE SHALL DETERMINE WHETHER AN
4 APPLICATION IS COMPLETE WITHIN FIFTEEN DAYS AFTER THE OFFICE'S
5 RECEIPT OF THE APPLICATION. WITHIN SIXTY DAYS OF DETERMINING THAT
6 AN APPLICATION IS COMPLETE, THE OFFICE SHALL CONDUCT A FULL
7 APPLICATION REVIEW.

8 (2) IF THE OFFICE DETERMINES THAT AN APPLICATION IS DEFICIENT,
9 THE OFFICE SHALL PROVIDE WRITTEN NOTIFICATION TO THE APPLICANT
10 THAT IDENTIFIES THE SPECIFIC DEFICIENCIES. THE OFFICE SHALL ALLOW
11 THIRTY DAYS FOR THE APPLICANT TO CURE ANY DEFICIENCIES IN THE
12 APPLICATION AND COMPLETE A REVIEW OF THE REVISED APPLICATION
13 WITHIN THIRTY DAYS AFTER RECEIPT.

14 (3) THE OFFICE SHALL APPROVE AN APPLICATION FOR BASE OR
15 ENHANCEMENT CERTIFICATION FOR A DATA CENTER PROJECT IF IT
16 CONTAINS ALL OF THE FOLLOWING:

17 (a) A COMPLETE APPLICATION THAT INCLUDES ALL OF THE
18 COMPONENTS SPECIFIED IN SECTION 24-48.5-805;

19 (b) ATTESTATION AS SPECIFIED IN SECTION 24-48.5-805 (2) THAT
20 THE DATA CENTER PROJECT WOULD NOT HAVE OCCURRED IN THE STATE
21 WITHOUT APPROVAL FOR BASE OR ENHANCEMENT CERTIFICATION; AND

22 (c) DOCUMENTATION OF APPROVAL FROM THE LOCAL
23 GOVERNMENT IN WHICH THE DATA CENTER WILL BE LOCATED AS SPECIFIED
24 IN SECTION 24-48.5-805 (3).

25 (4) THE OFFICE MAY REJECT AN APPLICATION ONLY ON THE
26 FOLLOWING GROUNDS:

27 (a) THE OFFICE FINDS THAT THE DATA CENTER OPERATOR

1 MATERIALLY MISREPRESENTED FACTS IN THE APPLICATION;

2 (b) THE DATA CENTER OPERATOR FAILED TO PROVIDE REQUIRED
3 DOCUMENTATION AFTER THE OFFICE PROVIDED AN OPPORTUNITY TO CURE
4 PURSUANT TO SUBSECTION (2) OF THIS SECTION;

5 (c) THE OFFICE DETERMINES THAT THERE IS A DOCUMENTED
6 INABILITY OF LOCAL INFRASTRUCTURE TO SUPPORT THE DATA CENTER
7 PROJECT DESPITE COMMITMENTS FROM THE DATA CENTER OPERATOR; OR

8 (d) THE OFFICE DETERMINES THAT A CLEAR INCONSISTENCY EXISTS
9 BETWEEN THE DATA CENTER PROJECT AND STATUTORY CLEAN ENERGY
10 REQUIREMENTS.

11 (5) BEFORE REJECTING ANY APPLICATION THAT MEETS THE
12 MINIMUM INVESTMENT AND JOB CREATION THRESHOLDS SET FORTH IN
13 SECTION 24-48.5-805 (1)(d), THE OFFICE MUST:

14 (a) CONSULT WITH THE ENERGY OFFICE, THE COMMISSION, AND
15 THE DEPARTMENT OF NATURAL RESOURCES REGARDING THE APPLICATION;

16 (b) PROVIDE THE APPLICANT AN OPPORTUNITY TO ADDRESS THE
17 OFFICE'S CONCERNS; AND

18 (c) EXPLORE ALTERNATIVE PATHS TO APPROVAL WITH CONDITIONS
19 IF POSSIBLE.

20 (6) THE OFFICE MAY REVOKE CERTIFICATION THAT IT HAS
21 AWARDED PURSUANT TO THIS SECTION IF THE OFFICE DETERMINES THAT
22 THE DATA CENTER OPERATOR:

23 (a) HAS FAILED TO MAKE SUBSTANTIAL PROGRESS TOWARD
24 SATISFYING THE REQUIREMENTS SPECIFIED IN SECTION 24-48.5-805 (1)
25 WITHIN TWO YEARS OF DESIGNATION;

26 (b) HAS MATERIALLY CHANGED THE DATA CENTER PROJECT IN
27 WAYS THAT WOULD HAVE PREVENTED AUTOMATIC CERTIFICATION OF THE

1 DATA CENTER PROJECT; OR

2 (c) HAS FAILED TO MAINTAIN COMPLIANCE WITH THE CRITERIA
3 THAT FORMED THE BASIS OF APPROVAL.

4 **24-48.5-807. Public utilities commission integration.**

5 (1) (a) PRIOR TO SUBMITTING AN APPLICATION FOR CERTIFICATION FOR A
6 DATA CENTER PROJECT, A DATA CENTER OPERATOR SHALL:

7 (I) CONDUCT AND DOCUMENT A PRELIMINARY CONSULTATION
8 WITH THE UTILITY THAT WILL PROVIDE ELECTRICITY FOR THE DATA
9 CENTER PROJECT REGARDING INTERCONNECTION FEASIBILITY, CAPACITY,
10 AND INFRASTRUCTURE REQUIREMENTS; AND

11 (II) OBTAIN A WRITTEN FEASIBILITY ASSESSMENT FROM THE
12 UTILITY THAT WILL PROVIDE ELECTRICITY FOR THE DATA CENTER PROJECT
13 THAT INCLUDES:

14 (A) AVAILABLE TRANSMISSION AND DISTRIBUTION CAPACITY;

15 (B) POTENTIAL GRID CONSTRAINTS;

16 (C) A PRELIMINARY TIMELINE FOR INTERCONNECTION; AND

17 (D) A HIGH-LEVEL SUMMARY ESTIMATING REQUIRED SYSTEM
18 UPGRADES.

19 (b) A DATA CENTER OPERATOR SHALL INCLUDE THE
20 DOCUMENTATION OF THE CONSULTATION AND THE WRITTEN FEASIBILITY
21 ASSESSMENT OBTAINED PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION
22 IN THE DATA CENTER OPERATOR'S APPLICATION TO THE OFFICE SUBMITTED
23 PURSUANT TO SECTION 24-48.5-805.

24 (2) (a) UPON RECEIPT OF AN APPLICATION FOR CERTIFICATION OF
25 A DATA CENTER PROJECT THAT INCLUDES PROJECTS REQUIRING
26 COMMISSION REVIEW, THE OFFICE SHALL:

27 (I) WITHIN FIVE BUSINESS DAYS, NOTIFY THE COMMISSION OF THE

1 APPLICATION;

2 (II) PROVIDE RELEVANT PORTIONS OF THE APPLICATION TO THE
3 COMMISSION FOR CONCURRENT REVIEW; AND

4 (III) ESTABLISH A JOINT REVIEW TIMELINE THAT ALIGNS WITH THE
5 SIXTY-DAY APPLICATION REVIEW PERIOD SPECIFIED IN SECTION
6 24-48.5-806 (1).

7 (b) THE COMMISSION SHALL REVIEW ANY APPLICATION THAT THE
8 OFFICE PROVIDES TO THE COMMISSION PURSUANT TO SUBSECTION (2)(a)
9 OF THIS SECTION. IN ITS REVIEW, THE COMMISSION SHALL FOCUS
10 EXCLUSIVELY ON:

11 (I) THE TECHNICAL FEASIBILITY OF THE PROPOSED GRID
12 CONNECTIONS;

13 (II) SYSTEM RELIABILITY IMPACTS;

14 (III) THE APPROPRIATE COST ALLOCATION; AND

15 (IV) ALIGNMENT WITH CLEAN ENERGY REQUIREMENTS.

16 (c) THE COMMISSION SHALL PROVIDE ADVISORY INPUT TO THE
17 OFFICE WITHIN FORTY-FIVE DAYS AFTER RECEIVING NOTIFICATION
18 PURSUANT TO SUBSECTION (2)(a)(I) OF THIS SECTION.

19 (3) (a) FOR A DATA CENTER PROJECT THAT REQUIRES NEW
20 ELECTRIC GENERATION RESOURCES THAT WOULD REQUIRE COMMISSION
21 REVIEW, THE DATA CENTER OPERATOR AND SERVING UTILITY MAY JOINTLY
22 SUBMIT A SIMPLIFIED RESOURCE ACQUISITION APPLICATION TO THE
23 COMMISSION THAT INCLUDES:

24 (I) A DESCRIPTION OF THE PROPOSED GENERATION RESOURCES;

25 (II) A TIMELINE FOR DEPLOYMENT;

26 (III) A COST ALLOCATION FRAMEWORK; AND

27 (IV) AN UPDATED EMISSIONS WORKBOOK SHOWING THE IMPACT OF

1 THE NEW LOAD AND RESOURCES.

2 (b) THE COMMISSION SHALL REVIEW A SIMPLIFIED RESOURCE
3 ACQUISITION APPLICATION WITHIN NINETY DAYS AFTER RECEIPT.

4 (4) (a) FOR A DATA CENTER PROJECT THAT REQUIRES
5 TRANSMISSION OR DISTRIBUTION UPGRADES THAT WOULD REQUIRE
6 COMMISSION REVIEW, THE DATA CENTER OPERATOR HAS THE FOLLOWING
7 OPTIONS:

8 (I) A DATA CENTER OPERATOR-FUNDED OPTION UNDER WHICH THE
9 DATA CENTER OPERATOR FULLY FUNDS THE REQUIRED INFRASTRUCTURE
10 UPGRADES AND THE UPGRADES BECOME ASSETS OF THE UTILITY SYSTEM.
11 FOR THE DATA CENTER OPERATOR-FUNDED OPTION, THE COMMISSION'S
12 REVIEW IS LIMITED TO TECHNICAL STANDARDS AND SYSTEM INTEGRATION,
13 AND THE COMMISSION MUST REVIEW THE COMPLETED APPLICATION WITHIN
14 FORTY-FIVE DAYS AFTER RECEIPT.

15 (II) A CO-INVESTMENT OPTION UNDER WHICH THE DATA CENTER
16 OPERATOR AND THE UTILITY SHARE THE INVESTMENT COST, AND COSTS
17 ARE ALLOCATED BASED ON A SYSTEM BENEFITS ANALYSIS. FOR THE
18 CO-INVESTMENT OPTION, THE COMMISSION REVIEWS ONLY THE COST
19 ALLOCATION METHODOLOGY, AND THE COMMISSION MUST REVIEW THE
20 COMPLETED APPLICATION WITHIN SIXTY DAYS AFTER RECEIPT.

21 (III) A SYSTEM-FUNDED OPTION UNDER WHICH THE UTILITY FUNDS
22 INFRASTRUCTURE THROUGH TRADITIONAL RATEMAKING, AND THE DATA
23 CENTER OPERATOR PAYS SPECIAL FACILITIES CHARGES AS APPLICABLE.
24 FOR THE SYSTEM-FUNDED OPTION, THE COMMISSION REVIEWS THE RATE
25 IMPACTS AND SYSTEM BENEFITS, AND THE COMMISSION MUST REVIEW THE
26 COMPLETED APPLICATION WITHIN NINETY DAYS AFTER RECEIPT.

27 (5) THE DATA CENTER OPERATOR FOR A DATA CENTER PROJECT

1 THAT REQUIRES COMMISSION REVIEW SHALL SUBMIT A CLEAN ENERGY
2 COMPLIANCE PLAN TO THE COMMISSION. THE COMMISSION SHALL PROVIDE
3 VERIFICATION CRITERIA WITHIN THIRTY DAYS AFTER SUBMISSION OF A
4 CLEAN ENERGY COMPLIANCE PLAN. THE DATA CENTER OPERATOR FOR A
5 DATA CENTER PROJECT SHALL REPORT ANNUAL COMPLIANCE USING
6 STANDARDIZED METRICS.

7 (6) THE COMMISSION SHALL DESIGNATE A DATA CENTER PROJECT
8 COORDINATOR WHO SHALL:

9 (a) SERVE AS THE PRIMARY LIAISON FOR DATA CENTER
10 OPERATORS;

11 (b) COORDINATE THE INTERNAL COMMISSION REVIEW PROCESSES;

12 (c) FACILITATE COMMUNICATION BETWEEN DATA CENTER
13 OPERATORS, UTILITIES, AND COMMISSION STAFF;

14 (d) IDENTIFY POTENTIAL REGULATORY ISSUES EARLY IN THE
15 DEVELOPMENT PROCESS; AND

16 (e) RECOMMEND PROCESS IMPROVEMENTS BASED ON EXPERIENCE.

17 (7) FOR A DATA CENTER PROJECT LOCATED IN THE SERVICE
18 TERRITORY OF A MUNICIPALLY-OWNED UTILITY, A DATA CENTER
19 OPERATOR SHALL COMPLY WITH A SUBSTANTIALLY SIMILAR PROCESS TO
20 THE PROCESS DESCRIBED IN SUBSECTIONS (1) TO (6) OF THIS SECTION WITH
21 THE MUNICIPALLY-OWNED UTILITY.

22 **24-48.5-808. Targeted resource acquisition for emerging new**
23 **loads.** (1) A CERTIFIED DATA CENTER PROJECT THAT NECESSITATES AN
24 EMERGING NEW LOAD IS ELIGIBLE FOR TARGETED RESOURCE ACQUISITION
25 IF THE DATA CENTER OPERATOR:

26 (a) COMMITS TO MINIMUM DEMAND AND DURATION
27 REQUIREMENTS AND TO THE APPLICABLE REQUIREMENTS OF THIS PART 8;

1 (b) TO ALLOW FOR REVENUE RECOVERY, AGREES TO EXIT FEE
2 PARAMETERS, INCLUDING A THREE-YEAR STRUCTURE;

3 (c) PROVIDES APPROPRIATE CREDIT SECURITIZATION; AND

4 (d) DEMONSTRATES SITE CONTROL WITH SIGNED DEVELOPMENT
5 AGREEMENTS.

6 (2) (a) A UTILITY THAT IS SUBJECT TO THE JURISDICTION OF THE
7 COMMISSION AND THAT NEEDS TO ACQUIRE RESOURCES TO MEET THE
8 EMERGING NEW LOAD FOR A CERTIFIED DATA CENTER PROJECT MAY
9 SUBMIT A RESOURCE ACQUISITION APPLICATION TO THE COMMISSION.

10 (b) PRIOR TO FILING A RESOURCE ACQUISITION APPLICATION WITH
11 THE COMMISSION, A UTILITY MAY CONDUCT COMPETITIVE SOLICITATIONS
12 TO IDENTIFY POTENTIAL RESOURCES TO SERVE THE EMERGING NEW LOAD
13 WITH IDENTIFIED RESOURCES SOLICITATION RESPONSES. A UTILITY MAY
14 INCLUDE THE RESPONSES TO THE SOLICITATIONS IN THE RESOURCE
15 ACQUISITION APPLICATION.

16 (c) (I) EXCEPT AS PROVIDED IN SUBSECTION (2)(c)(II) OF THIS
17 SECTION, A UTILITY SHALL USE A COMPETITIVE PROCESS TO ACQUIRE
18 RESOURCES THAT REQUIRES:

19 (A) THE UTILITY TO WORK WITH THE OPERATOR OF THE DATA
20 CENTER PROJECT NECESSITATING EMERGING NEW LOAD TO IDENTIFY GRID
21 SYSTEM ASSETS THAT THE LOAD MAY FUND IN WHOLE OR IN PART;

22 (B) THAT THE ASSETS OPERATE FOR THE BENEFIT OF ALL
23 CUSTOMERS; AND

24 (C) THAT THE RESOURCES HAVE SUFFICIENT CAPACITY TO MEET
25 THE EMERGING NEW LOAD'S NEEDS, WHICH CAPACITY MAY BE STAGGERED
26 OVER TIME.

27 (II) A UTILITY MAY USE PREVIOUSLY IDENTIFIED RESOURCES, IN

1 LIEU OF A NEW REQUEST FOR PROPOSALS, IF THE BID FOR PREVIOUSLY
2 IDENTIFIED RESOURCES WAS SUBMITTED TO THE COMMISSION WITHIN THE
3 IMMEDIATELY PRECEDING TWO YEARS AND THE BID PRICE IS CONSISTENT.

4 (d) (I) THE UTILITY SHALL PROVIDE THE COMMISSION WITH AN
5 UPDATED EMISSIONS WORKBOOK THAT:

6 (A) SHOWS BOTH THE EMERGING NEW LOAD AND PROPOSED
7 RESOURCES IF THEY ARE A PART OF THE UTILITY'S APPLICATION;

8 (B) SHOWS TOTAL MEGAWATT HOURS AND GREENHOUSE GAS
9 EMISSIONS AS SEPARATE REPORTING CATEGORIES; AND

10 (C) REPORTS EACH EMERGING NEW LOAD FOR THE PURPOSE OF
11 CO-LOCATING EMERGING NEW LOADS TO THE EXTENT PRACTICABLE.

12 (e) IF THE COMMISSION APPROVES A UTILITY'S RESOURCE
13 ACQUISITION APPLICATION, THE APPROVAL ESTABLISHES A PRESUMPTION
14 OF PRUDENCE FOR ALL ACTIVITIES UNDERTAKEN FOR RESOURCE
15 ACQUISITION AND NECESSARY INFRASTRUCTURE DEVELOPMENT.

16 (f) THE STANDARD OF REVIEW OF THE COMMISSION'S DECISION ON
17 A UTILITY'S RESOURCE ACQUISITION APPLICATION IS WHETHER THE
18 RESOURCE ACQUISITION IS IN THE PUBLIC INTEREST.

19 (g) IF THE UTILITY IDENTIFIES SPECIFIC RESOURCES, THE UTILITY
20 IS NOT REQUIRED TO APPLY FOR OR OBTAIN A CERTIFICATE OF PUBLIC
21 CONVENIENCE AND NECESSITY PURSUANT TO SECTION 40-5-102.

22 (h) THE COMMISSION SHALL APPROVE, MODIFY, OR DENY
23 APPLICATIONS WITHIN ONE HUNDRED TWENTY DAYS AFTER FILING, WITH
24 TEN-DAY INTERVENTION PERIODS.

25 (3)(a) UTILITIES MAY INCLUDE PRE-FUNDING COMMITMENTS FROM
26 THE OPERATOR OF THE DATA CENTER PROJECT NECESSITATING EMERGING
27 NEW LOAD FOR PRE-DEVELOPMENT AND EARLY CONSTRUCTION COSTS

1 ASSOCIATED WITH RESOURCE ACQUISITION OR TRANSMISSION OR
2 DISTRIBUTION INFRASTRUCTURE TO SERVE THE EMERGING NEW LOAD.

3 (b) (I) THE COSTS SPECIFIED IN SUBSECTION (3)(a) OF THIS SECTION
4 MAY BE ABSORBED BY THE OPERATOR OF THE DATA CENTER PROJECT
5 NECESSITATING EMERGING NEW LOAD, OR THE UTILITY MAY PROPOSE
6 REIMBURSEMENT OF THE OPERATOR OF THE DATA CENTER PROJECT
7 NECESSITATING EMERGING NEW LOAD WITH ADJUSTMENT CLAUSE
8 RECOVERY IF THE RESOURCES BENEFIT THE ELECTRIC SYSTEM.

9 (II) THE COMMISSION SHALL APPROVE THE REIMBURSEMENT
10 RECOVERY IF THE COMMISSION FINDS THAT THE RESOURCES AND
11 INFRASTRUCTURE PROVIDE A BENEFIT TO THE ELECTRIC SYSTEM.

12 (III) ONCE COMMERCIAL OPERATION OF THE DATA CENTER BEGINS,
13 THE UTILITY MAY RECOVER ITS COSTS THROUGH APPROPRIATE
14 ADJUSTMENT CLAUSES UNTIL THE COSTS ARE ROLLED INTO THE RATE BASE
15 IN A FUTURE RATE CASE FILING.

16 (c) (I) A UTILITY MAY ESTABLISH AN ADVANCED ENERGY
17 TECHNOLOGIES FUND THAT ALLOWS OPERATORS OF DATA CENTER
18 PROJECTS NECESSITATING EMERGING NEW LOADS TO CONTRIBUTE MONEY
19 TO THE FUND AHEAD OF DEVELOPMENT, TO COVER PRE-DEVELOPMENT AND
20 EARLY CONSTRUCTION COSTS. CONTRIBUTIONS ARE NOT MANDATORY AND
21 ARE INTENDED TO ENSURE THE COMMITMENT OF OPERATORS OF DATA
22 CENTER PROJECTS NECESSITATING EMERGING NEW LOADS COMING ONLINE
23 AND TO STRENGTHEN THE CASE FOR APPROVAL BY THE COMMISSION.

24 (II) UPON APPROVAL OF THE COMMISSION, MONEY SHALL BE USED
25 TO:

26 (A) PAY FOR PRE-DEVELOPMENT AND EARLY CONSTRUCTION
27 COSTS;

1 (B) SUPPORT EXPLORATION OF CLEAN FIRM DISPATCHABLE
2 TECHNOLOGIES FOR THE BENEFIT OF THE OPERATOR OF THE DATA CENTER
3 PROJECT NECESSITATING EMERGING NEW LOAD; OR

4 (C) PROVIDE CUSTOMER COMPENSATION COSTS BORNE BY THE
5 UTILITY FOR INFRASTRUCTURE IF PROJECTS DO NOT MATERIALIZE.

6 (III) IN EXCHANGE FOR A CONTRIBUTION TO THE FUND BY THE
7 OPERATOR OF A DATA CENTER PROJECT NECESSITATING EMERGING NEW
8 LOAD, THE FUND MAY INCLUDE A PROVISION THAT THE OPERATOR OF THE
9 DATA CENTER PROJECT NECESSITATING EMERGING NEW LOAD HAVE
10 ADVANCED ENERGY TECHNOLOGIES LOCATED IN AREAS OF THE SYSTEM
11 WHERE THEY CAN BENEFIT FROM CLEAN DISPATCHABLE POWER.

12 (IV) THE FUND MAY BE USED TO MANAGE AND ALLOCATE
13 ADVANCED ENERGY TECHNOLOGY RISK IN AN APPROPRIATE MANNER.

14 (4) (a) THIS SECTION OPERATES IN COORDINATION WITH THE
15 COMMISSION INTEGRATION PROCEDURES SET FORTH IN SECTION
16 24-48.5-807.

17 (b) FOR CERTIFIED DATA CENTERS, THE UTILITY SHALL
18 COORDINATE WITH THE OFFICE TO ENSURE CONSISTENCY.

19 (c) NOTHING IN THIS SECTION LIMITS THE AUTHORITY OF THE
20 COMMISSION PURSUANT TO TITLE 40.

21 **24-48.5-809. Certified data center project status - base**
22 **certification - application - requirements - qualification.** (1) A DATA
23 CENTER OPERATOR MAY APPLY TO THE OFFICE PURSUANT TO SECTION
24 24-48.5-805 TO OBTAIN BASE CERTIFICATION FOR A DATA CENTER
25 PROJECT. A DATA CENTER OPERATOR MUST APPLY TO THE OFFICE FOR
26 BASE CERTIFICATION BEFORE SATISFYING ANY OF THE CRITERIA SPECIFIED
27 IN SUBSECTION (2) OF THIS SECTION.

1 (2) TO QUALIFY FOR BASE CERTIFICATION, A DATA CENTER
2 OPERATOR MUST DEMONSTRATE TO THE OFFICE THAT IT COMMITS TO:

3 (a) MAKE A MINIMUM CAPITAL INVESTMENT OF TWO HUNDRED
4 FIFTY MILLION DOLLARS IN DATA CENTER FACILITY CONSTRUCTION AND
5 EQUIPMENT WITHIN SIXTY MONTHS OF OBTAINING BASE CERTIFICATION
6 FROM THE OFFICE AS SPECIFIED IN SECTION 24-48.5-805 (1)(d);

7 (b) CREATE TWENTY-FIVE NEW FULL-TIME EQUIVALENT JOBS WITH
8 AN AVERAGE COMPENSATION OF AT LEAST ONE HUNDRED TEN PERCENT OF
9 THE COUNTY AVERAGE WAGE IN THE COUNTY IN WHICH THE DATA CENTER
10 PROJECT WILL BE CONSTRUCTED;

11 (c) IMPLEMENT BASIC GRID SUPPORT CAPABILITIES INCLUDING:

12 (I) INSTALLATION OF LOAD MANAGEMENT SYSTEMS; AND

13 (II) COORDINATION WITH TRANSMISSION PLANNING EFFORTS;

14 (d) OBTAIN CERTIFICATION UNDER ONE OF THE FOLLOWING
15 STANDARDS WITHIN TWENTY-FOUR MONTHS OF THE DATA CENTER PROJECT
16 BEING PLACED IN SERVICE:

17 (I) LEED FOR DATA CENTERS AT SILVER LEVEL OR HIGHER;

18 (II) ENERGY STAR CERTIFICATION;

19 (III) GREEN GLOBES CERTIFICATION;

20 (IV) ISO 50001 ENERGY MANAGEMENT CERTIFICATION;

21 (V) ISO 14001 STANDARD FOR ENVIRONMENTAL MANAGEMENT
22 SYSTEMS; OR

23 (VI) OTHER EQUIVALENT STANDARDS APPROVED BY THE OFFICE;

24 (e) IMPLEMENT WATER STEWARDSHIP STRATEGIES THAT OPTIMIZE
25 OPERATIONAL WATER MANAGEMENT THROUGH ONE OR MORE OF THE
26 FOLLOWING:

27 (I) IMPLEMENTATION OF CLOSED-LOOP COOLING SYSTEMS;

1 (II) USE OF AVAILABLE RECYCLED WATER SOURCES OR WATER
2 RIGHTS PREVIOUSLY RESERVED FOR RETIRING THERMAL POWER UNITS;

3 (III) DEPLOYMENT OF WATER-EFFICIENT TECHNOLOGIES; OR

4 (IV) REGULAR EFFICIENCY AUDITING AND IMPROVEMENT;

5 (f) ALIGN WITH THE ACTUAL ATTAINMENT OF THE CLEAN ENERGY
6 PLAN OF THE UTILITY THAT WILL SERVE THE DATA CENTER PROJECT, IF THE
7 ENERGY IS AVAILABLE, THROUGH THE UTILITY'S UPDATE TO ITS CEP
8 WORKBOOK, EITHER SUBMITTED TO THE COMMISSION OR APPROVED BY
9 THE UTILITY'S BOARD, WITHIN TEN YEARS OF THE DATA CENTER PROJECT
10 BEING PLACED IN SERVICE THROUGH ONE OR MORE OF THE FOLLOWING OR
11 OTHER SOURCES DESIGNATED BY THE COMMISSION OR MUNICIPAL OR
12 COOPERATIVE BOARD FOR NONJURISDICTIONAL UTILITIES:

13 (I) COLLOCATED RENEWABLE AND CLEAN ENERGY GENERATION
14 FACILITIES;

15 (II) DIRECT POWER PURCHASE AGREEMENTS WITH NEW
16 RENEWABLE AND CLEAN ENERGY FACILITIES LOCATED IN COLORADO;

17 (III) ENROLLMENT IN A UTILITY-ADMINISTERED VOLUNTARY
18 GREEN PRICING PROGRAM APPROVED BY THE COMMISSION;

19 (IV) EXECUTION OF A POWER PURCHASE AGREEMENT WITH A
20 MERCHANT POWER PRODUCER THAT SOURCES ELECTRICITY FROM
21 RENEWABLE OR CLEAN RESOURCES IN ALIGNMENT WITH THE STATE'S
22 CLEAN ENERGY GOALS;

23 (V) DIRECT OWNERSHIP OR PROCUREMENT OF BEHIND-THE-METER
24 RENEWABLE OR CLEAN ENERGY GENERATION, WITH VERIFIABLE TRACKING
25 OF ENERGY CONSUMPTION; OR

26 (VI) THE PURCHASE OF RENEWABLE ENERGY CERTIFICATES
27 ENSURING COMPLIANCE WITH THE STATE'S RENEWABLE ENERGY TARGETS;

1 (g) SUPPORT CLEAN ENERGY INTEGRATION THROUGH
2 COORDINATION WITH THE UTILITY OR THE IMPLEMENTATION OF ENERGY
3 STORAGE SOLUTIONS THAT ALIGN WITH FACILITY NEEDS AND OPERATIONS;

4 (h) BREAK GROUND ON THE DATA CENTER PROJECT WITHIN SIXTY
5 MONTHS OF OBTAINING BASE CERTIFICATION; AND

6 (i) COMMIT TO SATISFYING THE DATA CENTER PROJECT
7 REQUIREMENTS AFTER CERTIFICATION SPECIFIED IN SECTION 24-48.5-815.

8 (3)(a) UPON RECEIPT OF AN APPLICATION FOR BASE CERTIFICATION
9 FROM A DATA CENTER OPERATOR, THE OFFICE SHALL REVIEW THE
10 APPLICATION PURSUANT TO SECTION 24-48.5-806. IF THE OFFICE
11 APPROVES THE DATA CENTER PROJECT FOR BASE CERTIFICATION, THE
12 DATA CENTER OPERATOR BECOMES ELIGIBLE, AS OF THE DATE OF
13 CERTIFICATION, FOR THE BASE CERTIFICATION DATA CENTER PROJECT
14 BENEFITS SPECIFIED IN SECTION 24-48.5-810.

15 (b) AS PART OF ITS APPLICATION FOR BASE CERTIFICATION FOR A
16 DATA CENTER PROJECT, A DATA CENTER OPERATOR MAY EXPRESS INTENT
17 TO APPLY FOR ENHANCEMENT CERTIFICATION PURSUANT TO SECTION
18 24-48.5-811.

19 (4) THE OFFICE SHALL ISSUE A STATE SALES AND USE TAX
20 EXEMPTION CERTIFICATE TO A DATA CENTER OPERATOR THAT HAS
21 OBTAINED BASE CERTIFICATION FOR A DATA CENTER PROJECT, AS
22 EVIDENCE THAT THE DATA CENTER OPERATOR IS ELIGIBLE FOR A ONE
23 HUNDRED PERCENT SALES AND USE TAX EXEMPTION FOR QUALIFIED
24 PURCHASES PURSUANT TO SECTIONS 24-48.5-810 AND 39-26-735. THE
25 SALES AND USE TAX EXEMPTION CERTIFICATE SHALL SPECIFY THAT THE
26 DATA CENTER OPERATOR IS ENTITLED TO THE SALES AND USE TAX
27 EXEMPTION FOR TWENTY YEARS, BEGINNING ON THE DATE THAT THE

1 CERTIFICATE IS ISSUED. A STATE SALES AND USE TAX EXEMPTION
2 CERTIFICATE IS NONTRANSFERABLE. THE OFFICE SHALL CERTIFY TO THE
3 DEPARTMENT OF REVENUE THE NAME OF EACH DATA CENTER OPERATOR
4 THAT RECEIVES A STATE SALES AND USE TAX EXEMPTION CERTIFICATE
5 AND OTHER RELEVANT INFORMATION RELATING TO THE SALES AND USE
6 TAX EXEMPTION.

7 (5) A DATA CENTER OPERATOR OF A DATA CENTER PROJECT THAT
8 HAS OBTAINED BASE CERTIFICATION SHALL SUBMIT AN ANNUAL
9 COMPLIANCE REPORT TO THE OFFICE, IN A FORM AND MANNER TO BE
10 DETERMINED BY THE OFFICE, TO VERIFY THAT THE DATA CENTER
11 OPERATOR IS MAKING TIMELY PROGRESS IN SATISFYING THE
12 REQUIREMENTS OF SUBSECTION (2) OF THIS SECTION AND IS ON TRACK TO
13 SATISFY THE REQUIREMENTS WITHIN THE PERIODS SPECIFIED IN THIS
14 SECTION. A DATA CENTER OPERATOR SHALL SUBMIT THE REPORT
15 REQUIRED IN THIS SUBSECTION (5) FOR AS LONG AS THE DATA CENTER
16 PROJECT MAINTAINS BASE CERTIFICATION. THE DATA CENTER OPERATOR
17 SHALL INCLUDE IN THE REPORT THE TOTAL AMOUNT OF THE SALES AND
18 USE TAX EXEMPTION CLAIMED IN EACH YEAR AND ANY OTHER
19 INFORMATION REQUESTED BY THE OFFICE.

20 (6) IF THE OFFICE REVOKES THE BASE CERTIFICATION PURSUANT TO
21 SECTION 24-48.5-806 (6), THE DATA CENTER OPERATOR IS REQUIRED TO
22 PAY THE ENTIRE AMOUNT OF THE SALES AND USE TAX ON ANY QUALIFIED
23 PURCHASE FOR WHICH THE SALES AND USE TAX EXEMPTION WAS CLAIMED
24 PURSUANT TO THIS PART 8.

25 **24-48.5-810. Base certification benefits - state sales and use tax**
26 **exemption - utility rate incentives.** (1) (a) A DATA CENTER PROJECT
27 THAT HAS OBTAINED BASE CERTIFICATION IS ELIGIBLE FOR A

1 ONE-HUNDRED-PERCENT STATE SALES AND USE TAX EXEMPTION ON
2 QUALIFIED PURCHASES PURSUANT TO SECTION 39-26-735.

3 (b) A DATA CENTER PROJECT THAT OBTAINS BASE CERTIFICATION
4 AND IS ELIGIBLE TO CLAIM A STATE SALES AND USE TAX EXEMPTION
5 PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION IS ELIGIBLE FOR THE
6 EXEMPTION FOR TWENTY YEARS FROM THE DATE THAT THE DATA CENTER
7 PROJECT RECEIVED BASE CERTIFICATION, SO LONG AS THE DATA CENTER
8 PROJECT:

9 (I) MAINTAINS THE QUALIFYING EMPLOYMENT LEVELS SPECIFIED
10 IN SECTION 24-48.5-809 (2)(b);

11 (II) MEETS THE ENVIRONMENTAL AND GRID PERFORMANCE
12 STANDARDS SPECIFIED IN SECTION 24-48.5-809 (2)(c) TO (2)(g); AND

13 (III) SUBMITS ANNUAL COMPLIANCE REPORTS TO THE OFFICE AS
14 REQUIRED IN SECTION 24-48.5-809 (5).

15 (c) A DATA CENTER OPERATOR THAT OBTAINS BASE CERTIFICATION
16 AND IS ELIGIBLE TO CLAIM THE SALES AND USE TAX EXEMPTION PURSUANT
17 TO SUBSECTION (1)(a) OF THIS SECTION MAY APPLY TO THE OFFICE FOR A
18 BENEFIT EXTENSION PURSUANT TO SECTION 24-48.5-813 TO BE ELIGIBLE
19 FOR THE SALES AND USE TAX EXEMPTION FOR AN ADDITIONAL TEN YEARS.

20 (2) IN ADDITION TO THE SALES AND USE TAX EXEMPTION ALLOWED
21 PURSUANT TO SUBSECTION (1) OF THIS SECTION, A DATA CENTER
22 OPERATOR THAT OBTAINS BASE CERTIFICATION IS ELIGIBLE FOR ACCESS TO
23 APPLICABLE ECONOMIC DEVELOPMENT UTILITY RATES, SUBJECT TO THE
24 APPROVAL OF THE GOVERNING BOARD OF ANY MUNICIPAL UTILITY OR
25 COOPERATIVE ELECTRIC ASSOCIATION OR THE COMMISSION FOR AN
26 INVESTOR-OWNED UTILITY.

27 **24-48.5-811. Certified data center project status -**

1 **enhancement certification - application - requirements - qualification.**

2 (1) A DATA CENTER PROJECT THAT HAS OBTAINED BASE CERTIFICATION
3 MAY APPLY TO THE OFFICE FOR ENHANCEMENT CERTIFICATION.

4 (2) TO QUALIFY FOR ENHANCEMENT CERTIFICATION, A DATA
5 CENTER OPERATOR MUST COMMIT TO:

6 (a) INVESTING A MINIMUM OF TEN MILLION DOLLARS IN GRID
7 ENHANCEMENT AND MODERNIZATION NECESSARY TO MEET LARGE-LOAD
8 DATA CENTER NEEDS IN ONE OR A COMBINATION OF THE FOLLOWING:

- 9 (I) ADVANCED TRANSMISSION TECHNOLOGIES;
- 10 (II) ENERGY STORAGE SYSTEMS;
- 11 (III) SMART GRID INFRASTRUCTURE; OR
- 12 (IV) OTHER QUALIFYING INVESTMENTS AS DEFINED BY THE OFFICE;

13 (b) INVESTING IN COMMUNITY BENEFIT PROGRAMS INCLUDING:

- 14 (I) WORKFORCE DEVELOPMENT INITIATIVES;
- 15 (II) LOCAL SUPPLIER DEVELOPMENT;
- 16 (III) TECHNOLOGY TRAINING CENTERS; OR
- 17 (IV) CONSERVATION OR OPEN SPACE PROGRAMS; AND

18 (c) SATISFYING THE DATA CENTER PROJECT REQUIREMENTS AFTER
19 CERTIFICATION SPECIFIED IN SECTION 24-48.5-815.

20 (3) (a) UPON RECEIPT OF AN APPLICATION FOR ENHANCEMENT
21 CERTIFICATION FROM A DATA CENTER OPERATOR, THE OFFICE SHALL
22 REVIEW THE APPLICATION PURSUANT TO SECTION 24-48.5-806. IF THE
23 OFFICE APPROVES THE DATA CENTER OPERATOR FOR ENHANCEMENT
24 CERTIFICATION, THE DATA CENTER OPERATOR BECOMES ELIGIBLE, AS OF
25 THE DATE OF CERTIFICATION, FOR THE ENHANCEMENT CERTIFICATION
26 DATA CENTER BENEFITS SPECIFIED IN SECTION 24-48.5-812; EXCEPT THAT
27 THE DATA CENTER OPERATOR IS NOT ELIGIBLE TO CLAIM AN INCOME TAX

1 CREDIT ALLOWED FOR GRID ENHANCEMENT INVESTMENTS PURSUANT TO
2 SECTIONS 24-48.5-812 AND 39-22-571 UNTIL THE DATA CENTER OPERATOR
3 HAS MADE A TOTAL INVESTMENT OF AT LEAST TEN MILLION DOLLARS IN
4 GRID ENHANCEMENT AND MODERNIZATION PURSUANT TO SUBSECTION
5 (2)(a) OF THIS SECTION.

6 (b) (I) WHEN A DATA CENTER OPERATOR HAS MADE A TOTAL
7 INVESTMENT OF AT LEAST TEN MILLION DOLLARS IN GRID ENHANCEMENT
8 AND MODERNIZATION, THE DATA CENTER OPERATOR MUST SUBMIT PROOF
9 OF SUCH INVESTMENT, IN A MANNER TO BE DETERMINED BY THE OFFICE,
10 TO BE ELIGIBLE TO RECEIVE A TAX CREDIT CERTIFICATE FROM THE OFFICE
11 PURSUANT TO SUBSECTION (4) OF THIS SECTION. A DATA CENTER
12 OPERATOR MUST SUBMIT PROOF THAT IT MADE A TEN MILLION DOLLAR
13 INVESTMENT IN THE INCOME TAX YEAR IN WHICH THE INVESTMENT
14 REQUIREMENT WAS SATISFIED.

15 (II) A DATA CENTER OPERATOR MUST SUBMIT PROOF OF ANY
16 INVESTMENT IN GRID ENHANCEMENT AND MODERNIZATION MADE IN
17 ADDITION TO THE REQUIRED TEN MILLION DOLLAR INVESTMENT TO
18 RECEIVE A TAX CREDIT CERTIFICATE FOR THE ADDITIONAL INVESTMENT.
19 THE DATA CENTER OPERATOR MUST SUBMIT PROOF TO THE OFFICE OF THE
20 INVESTMENT IN THE INCOME TAX YEAR IN WHICH THE INVESTMENT WAS
21 MADE.

22 (4) (a) THE OFFICE SHALL ISSUE A TAX CREDIT CERTIFICATE TO A
23 DATA CENTER OPERATOR THAT HAS MADE A REQUIRED INVESTMENT OF AT
24 LEAST TEN MILLION DOLLARS IN GRID ENHANCEMENT AND
25 MODERNIZATION AND SHALL ISSUE A TAX CREDIT CERTIFICATE FOR ANY
26 ADDITIONAL INVESTMENT. THE TAX CREDIT CERTIFICATE SHALL STATE
27 THE AMOUNT OF THE GRID ENHANCEMENT INVESTMENT TAX CREDIT THAT

1 IS AUTHORIZED PURSUANT TO SECTIONS 24-48.5-812 AND 39-22-571. A
2 TAX CREDIT CERTIFICATE IS NON TRANSFERRABLE. THE OFFICE SHALL
3 CERTIFY TO THE DEPARTMENT THE NAME OF EACH DATA CENTER
4 OPERATOR WHO RECEIVES A TAX CREDIT CERTIFICATE, THE AMOUNT OF
5 THE TAX CREDIT ALLOWED, AND ANY OTHER RELEVANT INFORMATION
6 REGARDING THE TAX CREDIT.

7 (b) TO CLAIM A GRID ENHANCEMENT INVESTMENT TAX CREDIT, A
8 DATA CENTER OPERATOR MUST SUBMIT A COPY OF EACH TAX CREDIT
9 CERTIFICATE ISSUED BY THE OFFICE PURSUANT TO SUBSECTION (3) OF THIS
10 SECTION AS PART OF A TAX RETURN TO THE DEPARTMENT OF REVENUE IN
11 ACCORDANCE WITH SECTION 39-22-571 BY THE DUE DATE OF THE RETURN,
12 INCLUDING EXTENSIONS, FOR THE TAX YEAR DURING WHICH THE
13 INVESTMENT WAS MADE, OR, IN THE CASE OF THE REQUIRED TEN MILLION
14 DOLLAR INVESTMENT, FOR THE TAX YEAR DURING WHICH THE INVESTMENT
15 REQUIREMENT WAS SATISFIED.

16 (5) A DATA CENTER OPERATOR OF A DATA CENTER PROJECT THAT
17 HAS OBTAINED ENHANCEMENT CERTIFICATION SHALL SUBMIT AN ANNUAL
18 REPORT TO THE OFFICE, IN A FORM AND MANNER TO BE DETERMINED BY
19 THE OFFICE, TO VERIFY THAT THE DATA CENTER OPERATOR IS IN
20 COMPLIANCE WITH THE REQUIREMENTS OF SUBSECTION (2) OF THIS
21 SECTION. A DATA CENTER OPERATOR SHALL SUBMIT THE REPORT
22 REQUIRED IN THIS SUBSECTION (5) FOR AS LONG AS THE DATA CENTER
23 PROJECT MAINTAINS ENHANCEMENT CERTIFICATION. THE DATA CENTER
24 OPERATOR SHALL INCLUDE IN THE REPORT ANY INFORMATION REQUESTED
25 BY THE OFFICE.

26 (6) IF THE OFFICE REVOKES THE ENHANCEMENT CERTIFICATION
27 PURSUANT TO SECTION 24-48.5-806 (6), THE DATA CENTER OPERATOR IS

1 NOT QUALIFIED FOR FURTHER BENEFITS ALLOWED FOR A DATA CENTER
2 PROJECT THAT HAS OBTAINED ENHANCEMENT CERTIFICATION.

3 **24-48.5-812. Enhancement certification benefits - income tax**
4 **credit - enhanced utility benefits.** (1) A DATA CENTER PROJECT THAT
5 OBTAINS ENHANCEMENT CERTIFICATION IS ELIGIBLE FOR THE FOLLOWING
6 BENEFITS IN ADDITION TO THE BASE CERTIFICATION BENEFITS SPECIFIED IN
7 SECTION 24-48.5-810:

8 (a) (I) A STATE INCOME TAX CREDIT FOR GRID ENHANCEMENT
9 INVESTMENTS IN AN AMOUNT EQUAL TO TEN PERCENT OF THE AMOUNT OF
10 THE QUALIFYING GRID ENHANCEMENT INVESTMENT PURSUANT TO SECTION
11 39-22-571; EXCEPT THAT THE INCOME TAX CREDIT IS NOT ALLOWED UNTIL
12 A DATA CENTER OPERATOR HAS MADE THE INITIAL TEN-MILLION-DOLLAR
13 INVESTMENT AS SPECIFIED IN SECTION 24-48.5-811 (3); AND

14 (II) IN ADDITION TO THE CREDIT ALLOWED PURSUANT TO
15 SUBSECTION (1)(a)(I) OF THIS SECTION, FOR GRID ENHANCEMENT
16 INVESTMENTS IN A RURAL AREA, AN ADDITIONAL STATE INCOME TAX
17 CREDIT IN AN AMOUNT EQUAL TO FIVE PERCENT OF THE AMOUNT OF THE
18 GRID INVESTMENT PURSUANT TO SECTION 39-22-571; AND

19 (b) ACCESS TO ADDITIONAL UTILITY RATE STRUCTURES AND
20 COMPENSATION FOR GRID ENHANCEMENTS AS MAY BE APPROVED BY THE
21 GOVERNING BOARD OF ANY MUNICIPAL UTILITY OR COOPERATIVE
22 ELECTRIC ASSOCIATION OR BY THE COMMISSION FOR AN INVESTOR-OWNED
23 UTILITY.

24 **24-48.5-813. Benefit extension and modification - duration -**
25 **extension eligibility - extension terms.** (1) A DATA CENTER OPERATOR
26 THAT HAS OBTAINED BASE CERTIFICATION OR ENHANCEMENT
27 CERTIFICATION FOR A DATA CENTER PROJECT MAY APPLY TO THE OFFICE

1 FOR AN EXTENSION OF THE BASE CERTIFICATION BENEFITS OR THE
2 ENHANCEMENT CERTIFICATION BENEFITS. TO BE ELIGIBLE FOR A BENEFIT
3 EXTENSION, A DATA CENTER OPERATOR MUST DEMONSTRATE THAT:

4 (a) THE CERTIFIED DATA CENTER HAS MADE ADDITIONAL GRID
5 ENHANCEMENT INVESTMENTS IN A TOTAL AMOUNT OF AT LEAST FIVE
6 MILLION DOLLARS DURING THE INITIAL TWENTY-YEAR BENEFIT PERIOD;

7 (b) THE CERTIFIED DATA CENTER PROJECT HAS CREATED AT LEAST
8 TEN NEW QUALIFYING JOBS IN ADDITION TO THE JOBS THAT THE DATA
9 CENTER OPERATOR IS REQUIRED TO CREATE PURSUANT TO SECTION
10 24-48.5-809 (2)(b);

11 (c) THE CERTIFIED DATA CENTER PROJECT CONTINUES TO COMPLY
12 WITH ENVIRONMENTAL REQUIREMENTS; AND

13 (d) THE CERTIFIED DATA CENTER PROJECT HAS SATISFIED ITS
14 COMMUNITY BENEFIT COMMITMENTS PURSUANT TO SECTION 24-48.5-815.

15 (2) A CERTIFIED DATA CENTER PROJECT THAT IS APPROVED FOR A
16 BENEFIT EXTENSION PURSUANT TO THIS SECTION IS ELIGIBLE FOR:

17 (a) AN ADDITIONAL TEN YEARS OF ELIGIBILITY TO CLAIM THE
18 SALES AND USE TAX EXEMPTION AND THE INCOME TAX CREDIT ALLOWED
19 PURSUANT TO THIS PART 8; AND

20 (b) THE ABILITY OF THE CERTIFIED DATA CENTER TO MAINTAIN THE
21 REQUIREMENTS OF ITS ORIGINAL BASE OR ENHANCEMENT-LEVEL
22 CERTIFICATION.

23 **24-48.5-814. Local government authority and coordination. (1)**

24 THIS PART 8 DOES NOT LIMIT LOCAL GOVERNMENT AUTHORITY REGARDING
25 PROPERTY TAX INCENTIVES, LAND USE DECISIONS, DEVELOPMENT
26 AGREEMENTS, LOCAL PERMITS AND APPROVALS, OR RESTRICTION OF
27 ADDITIONAL LOCAL INCENTIVES INCLUDING UTILITY INCENTIVES IN THE

1 CASE OF A MUNICIPALLY-OWNED UTILITY. THIS PART 8 ALSO DOES NOT
2 REQUIRE LOCAL GOVERNMENTS TO PARTICIPATE IN THE PROGRAM.

3 (2) THE OFFICE MAY ESTABLISH PROCEDURES FOR COORDINATING
4 WITH LOCAL GOVERNMENTS REGARDING DATA CENTER PROJECT REVIEW,
5 INFRASTRUCTURE PLANNING, ENVIRONMENTAL COMPLIANCE, THE
6 PROVISION OF TECHNICAL ASSISTANCE, AND THE FACILITATION OF
7 INFORMATION SHARING BETWEEN JURISDICTIONS.

8 **24-48.5-815. Data center project requirements after**
9 **certification - community benefit requirements - workforce**
10 **development - economic development integration.** (1) A DATA CENTER
11 PROJECT THAT HAS OBTAINED BASE CERTIFICATION OR ENHANCEMENT
12 CERTIFICATION SHALL PARTICIPATE IN AT LEAST ONE STATE WORKFORCE
13 DEVELOPMENT PROGRAM, INCLUDING:

14 (a) PARTNERSHIPS WITH LOCAL EDUCATIONAL INSTITUTIONS
15 INCLUDING:

- 16 (I) TECHNICAL TRAINING PROGRAMS;
- 17 (II) APPRENTICESHIP INITIATIVES;
- 18 (III) CAREER PATHWAY DEVELOPMENT; AND
- 19 (IV) SCIENCE, TECHNOLOGY, ENGINEERING, AND MATH (STEM)
20 EDUCATION SUPPORT; AND

21 (b) LOCAL WORKFORCE INITIATIVES INCLUDING:

- 22 (I) JOB TRAINING PROGRAMS;
- 23 (II) SKILLS DEVELOPMENT WORKSHOPS;
- 24 (III) PROFESSIONAL CERTIFICATION SUPPORT; AND
- 25 (IV) CAREER ADVANCEMENT OPPORTUNITIES.

26 (2) A DATA CENTER PROJECT THAT HAS OBTAINED BASE
27 CERTIFICATION OR ENHANCEMENT CERTIFICATION SHALL PARTICIPATE IN

1 ECONOMIC DEVELOPMENT INTEGRATION BY:

- 2 (a) PARTICIPATING IN REGIONAL ECONOMIC PLANNING;
- 3 (b) SUPPORTING SUPPLY CHAIN DEVELOPMENT;
- 4 (c) ENABLING TECHNOLOGY CLUSTER FORMATION; AND
- 5 (d) FOSTERING INNOVATION ECOSYSTEM GROWTH.

6 **24-48.5-816. Preservation of existing data center project**

7 **certification.** (1) A DATA CENTER PROJECT THAT IS CERTIFIED PRIOR TO
8 JANUARY 1, 2035, IS REQUIRED TO COMPLY WITH THE FOLLOWING
9 REQUIREMENTS TO MAINTAIN ITS CERTIFICATION:

- 10 (a) MAINTAIN ALL COMMITMENTS THROUGH ITS TWENTY-YEAR
11 BENEFIT PERIOD;
- 12 (b) RETAIN ELIGIBILITY FOR EXTENSIONS PURSUANT TO SECTION
13 24-48.5-810;
- 14 (c) CONTINUE COMPLIANCE OBLIGATIONS; AND
- 15 (d) SUBMIT THE PERFORMANCE REPORTS REQUIRED IN SECTIONS
16 24-48.5-809 (5) AND 24-48.5-811 (5).

17 **24-48.5-817. Program cost recovery.** (1) (a) TO RECOVER THE
18 DIRECT COSTS OF ESTABLISHING AND IMPLEMENTING THE PROGRAM, THE
19 OFFICE MAY:

20 (I) ESTABLISH AND COLLECT A NONREFUNDABLE APPLICATION FEE
21 NOT TO EXCEED TEN THOUSAND DOLLARS FOR EACH APPLICATION FOR
22 BASE CERTIFICATION OR ENHANCEMENT CERTIFICATION SUBMITTED
23 PURSUANT TO THIS PART 8; AND

24 (II) ESTABLISH AND COLLECT A NONREFUNDABLE CERTIFICATION
25 FEE NOT TO EXCEED TWENTY THOUSAND DOLLARS FOR EACH BASE
26 CERTIFICATION OR ENHANCEMENT CERTIFICATION AWARDED PURSUANT
27 TO THIS PART 8.

1 (b) THE OFFICE SHALL DEPOSIT ALL FEES COLLECTED PURSUANT TO
2 SUBSECTION (1)(a) OF THIS SECTION INTO THE COLORADO ECONOMIC
3 DEVELOPMENT FUND CREATED IN SECTION 24-46-105.

4 (2) (a) TO RECOVER THE DIRECT COSTS OF ESTABLISHING AND
5 IMPLEMENTING THE PROGRAM, THE COMMISSION MAY:

6 (I) ESTABLISH AND COLLECT A NONREFUNDABLE REVIEW FEE NOT
7 TO EXCEED TWENTY-FIVE THOUSAND DOLLARS FOR EACH DATA CENTER
8 PROJECT APPLICATION THAT REQUIRES COMMISSION REVIEW PURSUANT TO
9 SECTION 24-48.5-807; AND

10 (II) ESTABLISH AND COLLECT ADDITIONAL REASONABLE FEES TO
11 RECOVER THE DIRECT COSTS OF REVIEWING ANY SIMPLIFIED RESOURCE
12 ACQUISITION APPLICATION SUBMITTED PURSUANT TO SECTION 24-48.5-807
13 (3) OR ANY TRANSMISSION OR DISTRIBUTION UPGRADE APPLICATION
14 SUBMITTED PURSUANT TO SECTION 24-48.5-807 (4).

15 (b) THE COMMISSION SHALL DEPOSIT ALL FEES COLLECTED
16 PURSUANT TO SUBSECTION (2)(a) OF THIS SECTION INTO THE PUBLIC
17 UTILITIES COMMISSION FIXED UTILITY FUND CREATED IN SECTION
18 40-2-114.

19 (3) THE OFFICE AND THE COMMISSION SHALL:

20 (a) SET THE AMOUNT OF ANY FEES ESTABLISHED PURSUANT TO
21 SUBSECTION (1) OR (2) OF THIS SECTION AT THE MINIMUM AMOUNT
22 NECESSARY TO OFFSET THE DIRECT COSTS OF IMPLEMENTING THEIR
23 RESPECTIVE RESPONSIBILITIES UNDER THIS PART 8; AND

24 (b) REVIEW THE FEES ANNUALLY AND ADJUST THE AMOUNTS AS
25 NECESSARY TO ENSURE THAT THE FEES DO NOT EXCEED THE DIRECT COSTS
26 OF IMPLEMENTATION.

27 (4) THE OFFICE AND THE COMMISSION SHALL NOT CHARGE THE

1 FEES ESTABLISHED PURSUANT TO THIS SECTION TO ANY DATA CENTER
2 OPERATOR AFTER DECEMBER 31, 2027, OR SET THE FEES AT AN AMOUNT
3 THAT WOULD DISCOURAGE PARTICIPATION IN THE PROGRAM.

4 **24-48.5-818. Implementation within existing resources.**

5 (1) EXCEPT AS OTHERWISE PROVIDED IN SECTION 24-48.5-817, THE OFFICE
6 SHALL IMPLEMENT THIS PART 8 USING EXISTING APPROPRIATIONS AND
7 PERSONNEL.

8 (2) EXCEPT AS OTHERWISE PROVIDED IN SECTION 24-48.5-817, THE
9 COMMISSION AND THE ENERGY OFFICE SHALL IMPLEMENT THEIR
10 RESPONSIBILITIES UNDER THIS PART 8 USING EXISTING APPROPRIATIONS
11 AND PERSONNEL.

12 (3) THE AUTHORITY SHALL IMPLEMENT ITS RESPONSIBILITIES
13 UNDER THIS PART 8 USING ITS EXISTING FUNDING AND PERSONNEL.

14 (4) THE OFFICE MAY:

15 (a) ESTABLISH REASONABLE APPLICATION AND CERTIFICATION
16 FEES TO OFFSET THE DIRECT COSTS OF PROGRAM ADMINISTRATION;

17 (b) STRUCTURE THE APPLICATION REVIEW PROCESSES TO
18 EFFICIENTLY USE EXISTING RESOURCES; AND

19 (c) COORDINATE WITH OTHER STATE AGENCIES TO LEVERAGE
20 EXISTING TECHNICAL EXPERTISE.

21 **SECTION 2.** In Colorado Revised Statutes, **add** 39-22-571 as
22 follows:

23 **39-22-571. Certified data center projects - grid enhancement**
24 **investments - tax credit - tax preference performance statement -**
25 **legislative declaration - definitions - repeal.** (1) (a) IN ACCORDANCE
26 WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL THAT CREATES
27 A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE PERFORMANCE

1 STATEMENT AS PART OF A STATUTORY LEGISLATIVE DECLARATION, THE
2 GENERAL ASSEMBLY FINDS AND DECLARES THAT THE PURPOSES OF THE
3 TAX EXPENDITURE CREATED IN SUBSECTION (3) OF THIS SECTION ARE TO:

4 (I) IMPROVE INDUSTRY COMPETITIVENESS, SPECIFICALLY IN DATA
5 CENTER PROJECT DEVELOPMENT AND ELECTRIC GRID MODERNIZATION;
6 AND

7 (II) PROVIDE TAX RELIEF FOR CERTAIN BUSINESSES, SPECIFICALLY
8 DATA CENTER OPERATORS THAT OWN OR OPERATE A CERTIFIED DATA
9 CENTER PROJECT IN THE STATE.

10 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
11 MEASURE THE EFFECTIVENESS OF THE TAX EXPENDITURE IN ACHIEVING
12 THE PURPOSES SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION BASED ON
13 THE NUMBER OF CERTIFIED DATA CENTER PROJECTS THAT ARE
14 CONSTRUCTED AND PLACED IN SERVICE IN THE STATE AND THE NUMBER
15 AND VALUE OF CREDITS CLAIMED PURSUANT TO THIS SECTION. THE
16 COLORADO OFFICE OF ECONOMIC DEVELOPMENT SHALL PROVIDE THE
17 STATE AUDITOR WITH ANY AVAILABLE INFORMATION THAT WOULD ASSIST
18 THE STATE AUDITOR'S ANALYSIS.

19 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
20 REQUIRES:

21 (a) "CERTIFIED DATA CENTER PROJECT" MEANS A DATA CENTER
22 PROJECT THAT HAS OBTAINED ENHANCEMENT CERTIFICATION STATUS
23 FROM THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT PURSUANT TO
24 PART 8 OF ARTICLE 48.5 OF TITLE 24.

25 (b) "GRID ENHANCEMENT INVESTMENT" HAS THE SAME MEANING
26 AS SET FORTH IN SECTION 24-48.5-803 (12).

27 (c) "GRID ENHANCEMENT INVESTMENT TAX CREDIT" MEANS THE

1 CREDIT AGAINST INCOME TAX CREATED IN THIS SECTION.

2 (d) "TAX CREDIT CERTIFICATE" MEANS A TAX CREDIT CERTIFICATE
3 ISSUED TO A DATA CENTER OPERATOR PURSUANT TO SECTION 24-48.5-809
4 (4).

5 (e) "TAXPAYER" MEANS A DATA CENTER OPERATOR AS DEFINED IN
6 SECTION 24-48.5-803 (6).

7 (3) FOR INCOME TAX YEARS COMMENCING ON OR AFTER JANUARY
8 1, 2026, A TAXPAYER THAT MAKES A GRID ENHANCEMENT INVESTMENT IN
9 CONNECTION WITH A CERTIFIED DATA CENTER PROJECT IS ALLOWED A
10 CREDIT AGAINST THE INCOME TAXES IMPOSED BY THIS ARTICLE 22 IN AN
11 AMOUNT SPECIFIED BY THE TAX CREDIT CERTIFICATE ISSUED BY THE
12 OFFICE OF ECONOMIC DEVELOPMENT PURSUANT TO PART 8 OF ARTICLE
13 48.5 OF TITLE 24.

14 (4) TO CLAIM THE GRID ENHANCEMENT INVESTMENT TAX CREDIT,
15 A TAXPAYER SHALL ATTACH TO THE TAXPAYER'S TAX RETURN A COPY OF
16 THE TAX CREDIT CERTIFICATE. A TAX CREDIT PURSUANT TO THIS SECTION
17 IS NOT ALLOWED UNLESS THE TAXPAYER PROVIDES A COPY OF THE TAX
18 CREDIT CERTIFICATE.

19 (5) IF THE ALLOWABLE GRID ENHANCEMENT INVESTMENT TAX
20 CREDIT EXCEEDS THE AMOUNT OF INCOME TAX DUE ON THE INCOME OF
21 THE TAXPAYER FOR THE TAX YEAR DURING WHICH THE INVESTMENT WAS
22 MADE, THE AMOUNT OF THE TAX CREDIT NOT USED AS AN OFFSET AGAINST
23 INCOME TAXES IN SUCH INCOME TAX YEAR IS NOT ALLOWED AS A REFUND.
24 THE TAXPAYER MAY CARRY FORWARD AND APPLY THE UNUSED CREDIT
25 AGAINST THE INCOME TAX DUE IN EACH OF THE FIVE SUCCEEDING INCOME
26 TAX YEARS, BUT THE TAXPAYER SHALL APPLY THE CREDIT AGAINST THE
27 INCOME TAX DUE FOR THE EARLIEST OF THE INCOME TAX YEARS POSSIBLE.

1 ANY AMOUNT OF THE TAX CREDIT THAT IS NOT USED AFTER THIS PERIOD
2 IS NOT REFUNDABLE.

3 (6) NOTWITHSTANDING SECTION 39-21-304 (4), THE CREDIT
4 ALLOWED PURSUANT TO THIS SECTION CONTINUES INDEFINITELY.

5 **SECTION 3.** In Colorado Revised Statutes, **add** 39-26-735 as
6 follows:

7 **39-26-735. Certified data center projects - qualified purchases**
8 **- information technology infrastructure - data center infrastructure**
9 **- electric grid enhancement equipment - tax preference performance**
10 **statement - legislative declaration - definitions - repeal.** (1) (a) IN

11 ACCORDANCE WITH SECTION 39-21-304 (1), WHICH REQUIRES EACH BILL
12 THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE A TAX PREFERENCE
13 PERFORMANCE STATEMENT AS PART OF A STATUTORY LEGISLATIVE
14 DECLARATION, THE GENERAL ASSEMBLY FINDS AND DECLARES THAT THE
15 PURPOSES OF THE TAX EXPENDITURE CREATED IN SUBSECTION (3) OF THIS
16 SECTION ARE TO:

17 (I) IMPROVE INDUSTRY COMPETITIVENESS, SPECIFICALLY IN DATA
18 CENTER PROJECT DEVELOPMENT AND ELECTRIC GRID MODERNIZATION;
19 AND

20 (II) PROVIDE TAX RELIEF TO CERTAIN BUSINESSES, SPECIFICALLY
21 DATA CENTER PROJECT OPERATORS THAT OWN OR OPERATE A CERTIFIED
22 DATA CENTER PROJECT IN THE STATE.

23 (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL
24 MEASURE THE EFFECTIVENESS OF THE TAX EXPENDITURE IN ACHIEVING
25 THE PURPOSES SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION BASED ON
26 THE NUMBER OF CERTIFIED DATA CENTER PROJECTS THAT ARE
27 CONSTRUCTED AND PLACED IN SERVICE IN THE STATE AND THE NUMBER

1 AND VALUE OF THE EXEMPTIONS CLAIMED PURSUANT TO THIS SECTION.
2 THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT SHALL PROVIDE THE
3 STATE AUDITOR WITH ANY AVAILABLE INFORMATION THAT WOULD ASSIST
4 THE STATE AUDITOR'S ANALYSIS.

5 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
6 REQUIRES:

7 (a) "CERTIFIED DATA CENTER PROJECT" MEANS A DATA CENTER
8 PROJECT THAT HAS OBTAINED EITHER BASE CERTIFICATION OR
9 ENHANCEMENT CERTIFICATION STATUS FROM THE COLORADO OFFICE OF
10 ECONOMIC DEVELOPMENT PURSUANT TO PART 8 OF ARTICLE 48.5 OF TITLE
11 24.

12 (b) "STATE SALES AND USE TAX EXEMPTION CERTIFICATE" MEANS
13 A CERTIFICATE ISSUED BY THE COLORADO OFFICE OF ECONOMIC
14 DEVELOPMENT TO A CERTIFIED DATA CENTER PURSUANT TO PART 8 OF
15 ARTICLE 48.5 OF TITLE 24.

16 (3) BEGINNING JANUARY 1, 2026, ALL SALES, STORAGE, AND USE
17 OF INFORMATION TECHNOLOGY INFRASTRUCTURE, DATA CENTER
18 INFRASTRUCTURE, MECHANICAL SYSTEMS, OR OTHER EQUIPMENT
19 ESSENTIAL TO DATA CENTER OPERATIONS AS DESCRIBED IN SECTION
20 24-48.5-803 (15) THAT WILL BE USED IN CONNECTION WITH A CERTIFIED
21 DATA CENTER PROJECT THAT HAS A STATE SALES AND USE TAX EXEMPTION
22 CERTIFICATE IS EXEMPT FROM TAXATION UNDER PARTS 1 AND 2 OF THIS
23 ARTICLE 26.

24 (4) NOTWITHSTANDING SECTION 39-21-304 (4), THE EXEMPTION
25 ALLOWED PURSUANT TO THIS SECTION CONTINUES INDEFINITELY.

26 **SECTION 4. Applicability.** This act applies to data center
27 projects for which building commences on or after the effective date of

1 this act.

2 **SECTION 5. Safety clause.** The general assembly finds,
3 determines, and declares that this act is necessary for the immediate
4 preservation of the public peace, health, or safety or for appropriations for
5 the support and maintenance of the departments of the state and state
6 institutions.