AN ACT

CONCERNING INCENTIVES FOR THE BENEFICIAL USE OF FOREST BIOMASS.

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

SECTION 1. Legislative declaration. The general assembly finds, determines, and declares that, due to recent droughts and insect infestations, Colorado now has over four million acres of forest land that need to be selectively cut to remove potentially hazardous fuels, including diseased timber, that represent an imminent threat to our communities, public utility infrastructure, and watersheds due to the risk of catastrophic wildfires. The removal of these hazardous fuels and their use as a feedstock for renewable energy generation and forest products industries to support regional economic development will substantially promote the public safety and welfare of Colorado communities in forested areas while benefiting the state's economy and building private-sector capacity to address these communities' long-term forest health needs.

SECTION 2. In Colorado Revised Statutes, 23-31-301, amend (2); and add (1) (i.5) as follows:

23-31-301. Legislative declaration. (1) The general assembly hereby finds that:

(i.5) THESE GOALS WILL BE FURTHER ADVANCED THROUGH THE COORDINATION OF EFFORTS TO CREATE COMMUNITY-BASED SOLUTIONS TO RESTORE COLORADO FOREST ECOSYSTEMS, PROMOTE FOREST INDUSTRIES, AND STIMULATE RURAL ECONOMIES THROUGH THE GENERATION OF CLEAN ENERGY FROM FOREST BIOMASS.

(2) (a) The general assembly hereby declares that it is the public policy of this state to encourage the health of forest ecosystems through responsible management
of the forest land of the state and through coordination with the United States
secretary of the interior and the United States secretary of agriculture to develop
management plans for federal lands within the state of Colorado pursuant to 16
following: The use of prescribed and natural ignition fires and other
pre-suppression activities, such as the harvest and profitable utilization of
materials, in order to preserve forest and other natural resources; enhance the
growth and maintenance of forests; conserve forest cover on watersheds; protect
recreational, wildlife, and other values; promote stability of forest-using industries;
and prevent loss of life and damage to property from wildfires and other
conflagrations.

(b) In addition to any other powers and duties conferred upon the
Colorado State Forest Service by law, the Colorado State Forest Service
may:

(I) Value forest materials on state lands using lowest market value
as an incentive to maximize the utilization of these products; and

(II) Collaborate with the United States Forest Service and the Bureau
of Land Management to contract for a reliable source of feedstock
consistent with Colorado communities' plans for utilization of forest
biomass described in section 23-31-312 (3.5).

SECTION 3. In Colorado Revised Statutes, 23-31-312, add (2) (c) and (3.5) as
follows:

23-31-312. Community wildfire protection plans - biomass utilization plans
- county governments - guidelines and criteria - legislative declaration -
definitions. (2) As used in this section, unless the context otherwise requires:

(c) "Red zone" means a wildland-urban interface area of high wildfire
risk in Colorado, identified by the red zone map originally created in
September 2004 by the Colorado State Forest Service and periodically
updated to show areas where a high risk of catastrophic wildfire
endangers homes, communities, utilities, and watersheds.

(3.5) When a community within a red zone adopts or updates a CWPP,
the community is encouraged to include, as an element of the CWPP, a
plan for community-based and sustainable utilization of forest biomass
for the production of energy, fuels, forest products, and other
applications, developed in consultation with the Colorado State Forest
Service. As part of the plan, the state forester or the state forester's
designee may offer assistance to the communities in identifying,
contracting for, and securing primarily from high-risk areas a reliable
source of feedstock in support of forest products industries.

SECTION 4. In Colorado Revised Statutes, 25-7-105, add (20) as follows:

25-7-105. Duties of commission - rules. (20) The commission may, within
existing resources:
(a) Analyze a range of residential, commercial, and industrial biomass equipment for air emissions standards;

(b) Identify biomass equipment that meets the emissions standards; and

(c) Publicly post a statement of the parameters for equipment fueled by biomass that is smaller than one million British thermal units, as defined in section 8-20-201 (1.3), C.R.S., per hour and include a list of biomass equipment that meets the emissions standards.

SECTION 5. In Colorado Revised Statutes, 37-95-103, amend (4.9) as follows:

37-95-103. Definitions. As used in this article:

(4.9) "Forest health project" means:

(a) An undertaking that improves the health of a forest, including, but not limited to:

- (Ⅰ) Reducing the threat of uncharacteristically large or intense insect diseases and epidemics;

- (Ⅱ) Reducing the impact of uncharacteristically large or high-intensity wildfires;

- (Ⅲ) Reducing the impact of undesirable nonnative species;

- (Ⅳ) Replanting trees in deforested areas; or

- (Ⅴ) Improving the use of, or adding value to, small diameter trees; AND

(b) A project to harvest woody vegetation for, or use woody vegetation in, the production of energy, fuels, forest products, or other applications. The project may, but need not, constitute all or part of a plan adopted by a community under section 23-31-312 (3.5), C.R.S.

SECTION 6. In Colorado Revised Statutes, 40-2-123, amend (1) (a) as follows:

40-2-123. New energy technologies - consideration by commission - incentives - demonstration projects - definitions - legislative declaration - repeal. (1) (a) The commission shall give the fullest possible consideration to the cost-effective implementation of new clean energy and energy-efficient technologies in its consideration of generation acquisitions for electric utilities, bearing in mind the beneficial contributions such technologies make to Colorado's energy security, economic prosperity, insulation from fuel price increases, and environmental protection, including risk mitigation in areas of high wildfire risk as designated by the State Forest Service. The commission shall consider utility investments in energy efficiency to be an acceptable use of ratepayer moneys.
SECTION 7. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Approved: June 5, 2013