

House Energy & Environment

02/27/2025 01:30 PM

HB25-1119 Require Disclosures of Climate Emissions

Typed Text of Testimony Submitted

Name, Position, Representing	Typed Text of Testimony
Benjamin Wolf For themselves	Please hold polluters accountable & pass this bill. Thank you!
Kelly Trombley For Ceres	<p>Ceres supports HB25-1119, a bill requiring companies with more than \$1 billion in revenues doing business in Colorado to disclose information concerning their greenhouse gas (GHG) emissions, as an important mechanism to promote corporate transparency. Investors have long demanded consistent, comparable information on companies' climate-related financial risks to help inform their capital allocation and investment stewardship decisions. Investors expect companies to disclose their Scope 1-3 GHG emissions in line with the Greenhouse Gas Protocol as a foundational component of climate-related reporting. This bill would help ensure the availability of this information for investors, consumers, and other stakeholders, who need these disclosures to inform responsible decision-making.</p> <p>Businesses also stand to benefit from standardized and consistent disclosure guidance. That is why a number of companies and investors shared their support for similar legislation in California (https://assets.ceres.org/sites/default/files/Asm%20Approps%20Major%20Companies%20and%20Institutions%20Support%20SB%20253.pdf). Their support, however, did hinge on the interoperability of state legislation with widely accepted voluntary standards and international disclosure requirements. Now that California has enacted SB 253, which will mandate the same information that HB25-1119 seeks to require of large companies doing business in Colorado, the support of the business community will be entirely contingent on the harmonization of Colorado's policies with California's reporting requirements, which are currently being implemented. HB25-1119 includes a provision clarifying that "a reporting entity is deemed to be in compliance...if the reporting entity is in compliance with the requirements of another state or country, which requirements are as stringent as or more stringent than the requirements" of HB 25-1119. Representative Rutinel has assured Ceres that this provision would ensure that California SB 253-compliant reports are treated as sufficient for compliance in Colorado, and we appreciate this harmonization of reporting requirements. Harmonization and interoperability will reduce duplicative efforts among reporting entities and guarantee the delivery of consistent information to the consumers of these disclosures.</p>

	<p>As a cosponsor of California’s climate disclosure legislation and an active participant in that state’s implementation efforts, Ceres offers its support to Colorado policymakers to pass similar legislation that ensures Colorado’s private sector actors are disclosing critical data, while aligning those requirements with California law to prevent unnecessary burdens on companies doing business in both states.</p> <p>Thank you for your consideration, and please do not hesitate if we may provide more information.</p>
<p>Reza Parsey For themselves</p>	<p>Dear members of the Committee,</p> <p>Please support the HB25-1119 bill today. According to the NOAA, the economic cost of climate change on the US in 2023 was \$92.9 billion dollars. I’ve sat in on previous committee hearings and heard about how Colorado is facing a budget crisis. If Colorado helps reduce the future costs of climate change, it could reduce the future bill that the state would have to pay to cover climate disasters. This bill would be a step in the right direction for climate action, as it could help hold polluters accountable for the costs that they cause the state and people to pay. Thank you very much.</p> <p>Sincerely, Reza Parsey</p>
<p>Finn Jackson For themselves</p>	<p>My name is Finn Jackson, and I’m writing today to urge the committee to vote YES on HB25-1119.</p> <p>Corporations are massive polluters, mostly because they are a large group of operations that require constant energy. As a result, large corporations are also some of the largest polluters around, generating carbon emissions at scales far higher than average consumers.</p> <p>As climate change impacts continue to get worse, corporations continue to generate lots of greenhouse gases, and the impacts of climate change hurt our communities more, it makes sense for the largest of corporations to disclose publicly the emissions they’re generating both directly and indirectly through their operations - the lifeblood of any company.</p> <p>This would not be violation any privacy, as the law itself only imposes consequences if reporting is failed. It does not impose consequences for certain results or benchmarks not being met. It also doesn’t require disclosure of sensitive information, only ghg emissions and impacts, which have a tangible effect on the public. Ergo, an argument can be made that the public is entitled to that information.</p>

	<p>Corporations understand what they are doing is wrong. This is why mechanisms like greenwashing exist - sneaky efforts to hide this stuff. Corporations should not be upset about this law because it isn't asking much. Either way, please side with the public and vote yes on this bill.</p> <p>Thanks you!</p>
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Colorado Livestock Association
3131 S Vaughn Way, Ste. 130
Aurora, CO 80014
(970) 378-0500
www.coloradolivestock.org

February 26, 2025

To the Honorable Chairperson, Representative Valdez, and Committee,

On behalf of the Colorado Livestock Association (CLA) we write to express our opposition to House Bill-1119. CLA represents dues paying members statewide and serves as the conduit for the concerns and interests of its members on matters that may cause undue harm to the industry under whatever auspices it is couched. CLA also serves to protect the animals and their stewards as well as the people who consume the food our members grow. When potential legislation bears negative consequences on the food growing families, this means negative unintended consequences for the preservation of agriculture in our state and an increased price of food in grocery stores or possible shortages.

Colorado Livestock Association at large is very concerned by the potential additional reporting of Scope 1- 3 emissions that this bill proposes. Not only does this bill take in agricultural operations of scale, but it requires reporting on information that far exceeds the scope of many operations. Using an antiquated baseline of measurement from 50 years ago in no way represents the efficiencies of modern agriculture. This type of legislation is only successfully passed through scare tactics. The agriculture industry supports progress where it concerns cleaning up the air and environment but adding additional arbitrary reporting requirements for emissions on top of what entities currently report places an undue additional burden on them. There has been much work done by food-producers and animal growers to comply with the plethora of regulations and be transparent about emissions and the reduction of them.

CLA is also concerned with the ramifications for noncompliance and the cost of implementation of personnel for collecting data and nonexistent technologies. Recognizing the important role that animal agriculture plays in local economies and that the costly burden this reporting could place on operations is not a "sustainable" pathway to emissions reductions by penalizing good businesses and their employees.

The additional costs for entities to continue to do business threaten the viability of the local and global food supply chain. With the prices for food increasing at a rapid rate it is disconcerting that a bill proposed by the legislature championing transparency could place a greater burden on households. Rural communities fall among those that have experienced less and less income. Any additional unintended cost to production would have devastating impacts on farm families and their ability to provide jobs in those communities as well as those that depend on affordable, available food supply.

It is imperative that this legislative body consider all the unintended consequences legislation of this nature will have under the auspices of gathering information pertaining to Greenhouse Gas emissions and potential reductions. All of us enjoy the most affordable, safest and readily obtainable food versus the rest of the world, where the largest emitters exist and remain unchanged. We want to work at furthering shared goals of a healthy environment and a strong economy; however, this is not the way to do so, Colorado Livestock Association opposes House Bill- 1119.

Sincerely,

A handwritten signature in black ink that reads "Zach Riley". The signature is written in a cursive, flowing style.

Zach Riley, Colorado Livestock Association, CEO

HB25-1119 Comments

House Energy and Environment Committee February 27, 2025

Scott Hudson

Mr. Chair and Committee Members,

My name is Scott Hudson, and I am an environmental attorney and resident of Parker, Colorado. I am concerned about climate change and the impacts of this threat to our communities and businesses. HB25-1119 is an important step forward for transparency, evaluating climate risks and as an essential element in Colorado's environmental protection framework. Specifically, the bill helps protect and prepare Colorado in the following ways:

First, in the formation of effective climate change strategies and meeting the state's GHG reduction goals. It is impossible to formulate effective climate change mitigation strategies without complete and reliable data. In this regard, the U.S. Environmental Protection Agency's (EPA's) Greenhouse Gas Reporting Program (GHGRP) falls short, since it requires mandatory reporting of only Scope 1 & 2 emissions and only for specified categories of reporters, namely large emission sources.¹ HB25-1119 applies more broadly and covers all corporations regardless of industry or type of emissions.

Second, the bill helps communities, shareholders and stakeholders assess risk. The current approach to corporate disclosure of climate-related financial risks and emissions data is largely voluntary, and it is inadequate to provide full transparency to investors and consumers in understanding and evaluating those risks.² Security and Exchange Commission rules only require disclosure for entities subject to the Security and Exchange Act and only for material Scope 1 & 2 emissions.³ SB25-1119 is broader applying to both public and private companies and including Scope 3 emissions.

Finally, it provides an incentive for businesses to voluntarily reduce their own emissions. One study found that firms affected by a disclosure rules reduced their emissions by 8% and experienced no significant changes in their gross margins.⁴ Additionally, by understanding where their emissions come from corporations can focus efforts on the most impactful areas for reduction.

For these reasons, I urge to support HB25-1119; Thank you for the opportunity to comment.

Scott Hudson

¹ Anne Kettler, The Promise and Peril of State Corporate Climate Disclosure Laws, *Environmental Law Reporter*, 54 ELR 10306 (2024); U.S. EPA, Greenhouse Gas Reporting Program (GHGRP), <https://www.epa.gov/ghgreporting> (last updated Feb. 5, 2024) [hereinafter GHGRP]; U.S. EPA, Learn About the Greenhouse Gas Reporting Program (GHGRP), <https://www.epa.gov/ghgreporting/learn-about-greenhouse-gas-reporting-program-ghgrp> (last updated June 20, 2023).

² Emile Abu-Shakra, Businesses and Investors at Odds Over Sustainability Efforts, *EY* (Nov. 11, 2022), https://www.ey.com/en_gl/news/2022/11/businesses-and-investors-at-odds-over-sustainability-efforts.

³ Sadie Frank, How Might California's New Climate Disclosure Law Impact Federal Rulemaking?, *Pub. Citizen* (Oct. 26, 2023), <https://www.citizen.org/article/california-sec-climate-disclosure-report/>.

⁴ Benedikt Downar et al., The Impact of Carbon Disclosure Mandates on Emissions and Financial Operating Performance (ZEW Discussion Paper No. 20-038, 2020), <https://ssrn.com/abstract=3693670>.

Submitted February 23, 2025

Written Testimony in the Matter of:

HOUSE BILL 25-1119, CONCERNING REQUIRING CERTAIN ENTITIES TO DISCLOSE INFORMATION CONCERNING GREENHOUSE GAS EMISSIONS.

To be heard before the House Committee of Energy and Environment, First Regular Session Seventy-fifth General Assembly of the State of Colorado, February 27, 2025.

The Clean Air Act (CAA) of 1970 was the culmination of a groundbreaking national effort to reduce air pollutants. However, the EPA announced during the George W. Bush Administration that the Clean Air Act did not address greenhouse gas emissions, and thereby could not address the larger problem of climate change related to those emissions (Salzman and Thompson 2019). This ruling was overturned by the 2007 Supreme Court opinion on *Massachusetts v. EPA*, in which the Court ruled that greenhouse gas emissions (GHGs) were, in fact, air pollutants under the CAA, and that those emissions “may reasonably be anticipated to endanger public health or welfare” (Salzman and Thompson 2019, 165). The Supreme Court’s ruling opened the door for the Obama Administration to issue a proposed endangerment finding in 2009 that resulted in Title 40, which sets emissions reporting requirements for source emitters and their suppliers that are above certain defined emissions thresholds (EPA 2009).

While Title 40 assesses emissions reporting requirements according to the actual tonnage of emissions, there are no economic thresholds mentioned in its reporting parameters (EPA 2009). Instead, investors and climate activists have turned to pressuring private industries to disclose their emissions voluntarily, through initiatives such as the Carbon Disclosure Project. As a result, a wide range of large corporations have established emissions reduction targets and provided their yearly emissions information to the public. These practices benefit corporations by reducing energy costs, improving corporate reputation and image, and potentially realizing credits for any future carbon trading legislation (Salzman and Thompson 2019, 172). However, this tangible benefit to private industries also increases

the chances of “greenwashing” within these companies’ public disclosures (Vandenbergh and Raker 2017).

Colorado House Bill 25-1119 mirrors California Senate Bills 253 and 261. The California Air Resources Board (CARB) states that the purpose of their proposed legislation is “to better inform the decision-making of California consumers, investors, and members of the public” by providing transparent information about the risks these companies face due to activities related to climate change (CARB 2024). As of 2024, Colorado HB 25-1119 would only apply to nine companies in Colorado (Alvarez 2024). However, this list is bound to grow in Colorado’s core economic sectors such as information technology, electronics manufacturing, healthcare, retail, and construction. These industries support a growing population in Colorado, which ranks 18th out of 50 states in population growth rate (IBISWorld n.d.).

I am submitting this testimony in support of Colorado House Bill 25-1119. House Bill 25-1119 would fill a gap in regulation not found under Title 40. HB 25-1119 would require companies to report emissions by the Greenhouse Gas Protocol Accounting and Reporting Standards and Value Chain Accounting and Reporting Standards, and the bill would leverage meaningful penalties for non-compliance (CO. General Assembly 2025). This proposed legislation would provide transparency for investors, public interest groups, and individuals who are concerned about the challenges that some of the largest companies in the world, the U.S. and Colorado face, due to greenhouse gas emissions and climate change.

Best Regards,

Jason DeNoto



jason.denoto@du.edu

References

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