

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

REVISED

*This Version Includes All Amendments Adopted
on Second Reading in the Second House*

LLS NO. 19-0339.01 Thomas Morris x4218

HOUSE BILL 19-1261

HOUSE SPONSORSHIP

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House Committees

Energy & Environment
Appropriations

Senate Committees

State, Veterans, & Military Affairs
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A BILL FOR AN ACT

101 **CONCERNING THE REDUCTION OF GREENHOUSE GAS POLLUTION, AND,**
102 **IN CONNECTION THEREWITH, ESTABLISHING STATEWIDE**
103 **GREENHOUSE GAS POLLUTION REDUCTION GOALS AND MAKING**
104 **AN APPROPRIATION.**

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 states that Colorado shall have statewide goals to reduce 2025 greenhouse gas emissions by at least 26%, 2030 greenhouse gas emissions by at least 50%, and 2050 greenhouse gas

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

SENATE
Amended 2nd Reading
April 30, 2019

HOUSE
3rd Reading Unamended
April 16, 2019

HOUSE
Amended 2nd Reading
April 15, 2019

emissions by at least 90% of the levels of greenhouse gas emissions that existed in 2005.

Section 3 specifies considerations that the air quality control commission is to take into account in implementing policies and promulgating rules to reduce greenhouse gas pollution, including the benefits of compliance and the equitable distribution of those benefits, the costs of compliance, opportunities to incentivize clean energy in transitioning communities, and the potential to enhance the resilience of Colorado's communities and natural resources to climate impacts. The commission will consult with the public utilities commission with regard to rules that affect the providers of retail electricity in Colorado.

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

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 25-7-102 as
3 follows:

4 **25-7-102. Legislative declaration.** (1) In order to foster the
5 health, welfare, convenience, and comfort of the inhabitants of the state
6 of Colorado and to facilitate the enjoyment and use of the scenic and
7 natural resources of the state, it is declared to be the policy of this state to
8 achieve the maximum practical degree of air purity in every portion of the
9 state, to attain and maintain the national ambient air quality standards, and
10 to prevent the significant deterioration of air quality in those portions of
11 the state where the air quality is better than the national ambient air
12 quality standards. To that end, it is the purpose of this ~~article~~ ARTICLE 7
13 to require the use of all available practical methods which are
14 technologically feasible and economically reasonable so as to reduce,
15 prevent, and control air pollution throughout the state of Colorado; to
16 require the development of an air quality control program in which the
17 benefits of the air pollution control measures utilized bear a reasonable
18 relationship to the economic, environmental, and energy impacts and
19 other costs of such measures; and to maintain a cooperative program

1 between the state and local units of government. It is further declared that
2 the prevention, abatement, and control of air pollution in each portion of
3 the state are matters of statewide concern and are affected with a public
4 interest and that the provisions of this ~~article~~ ARTICLE 7 are enacted in the
5 exercise of the police powers of this state for the purpose of protecting
6 the health, peace, safety, and general welfare of the people of this state.
7 The general assembly further recognizes that a current and accurate
8 inventory of actual emissions of air pollutants from all sources is essential
9 for the proper identification and designation of attainment and
10 nonattainment areas, the determination of the most cost-effective
11 regulatory strategy to reduce pollution, the targeting of regulatory efforts
12 to achieve the greatest health and environmental benefits, and the
13 achievement of a federally approved clean air program. In order to
14 achieve the most accurate inventory of air pollution sources possible, this
15 ~~article~~ ARTICLE 7 specifically provides incentives to achieve the most
16 accurate and complete inventory possible and to provide for the most
17 accurate enforcement program achievable based upon that inventory.

18 (2) IT IS FURTHER DECLARED THAT:

19 (a) CLIMATE CHANGE ADVERSELY AFFECTS COLORADO'S
20 ECONOMY, AIR QUALITY AND PUBLIC HEALTH, ECOSYSTEMS, NATURAL
21 RESOURCES, AND QUALITY OF LIFE;

22 (b) COLORADO IS ALREADY EXPERIENCING HARMFUL CLIMATE
23 IMPACTS, INCLUDING DECLINING SNOWPACK, PROLONGED DROUGHT, MORE
24 EXTREME HEAT, ELEVATED WILDFIRE RISK AND RISK TO FIRST
25 RESPONDERS, WIDESPREAD BEETLE INFESTATION DECIMATING FORESTS,
26 INCREASED RISK OF VECTOR-BORNE DISEASES, MORE FREQUENT AND
27 SEVERE FLOODING, MORE SEVERE GROUND-LEVEL OZONE POLLUTION

1 CAUSING RESPIRATORY DAMAGE AND LOSS OF LIFE, DECREASED ECONOMIC
2 ACTIVITY FROM OUTDOOR RECREATION AND AGRICULTURE, AND
3 DIMINISHED QUALITY OF LIFE. MANY OF THESE IMPACTS
4 DISPROPORTIONATELY AFFECT RURAL COMMUNITIES, COMMUNITIES OF
5 COLOR, YOUTH AND THE ELDERLY, AND WORKING FAMILIES. REDUCING
6 STATEWIDE GREENHOUSE GAS POLLUTION AS OUTLINED IN THIS
7 SUBSECTION (2) WILL PROTECT THESE FRONTLINE COMMUNITIES, FIRST
8 RESPONDERS, AND ALL COLORADO RESIDENTS FROM THESE AND OTHER
9 CLIMATE IMPACTS.

10 (c) WE MUST WORK TOGETHER TO REDUCE STATEWIDE
11 GREENHOUSE GAS POLLUTION IN ORDER TO LIMIT THE INCREASE IN THE
12 GLOBAL AVERAGE TEMPERATURE TO ONE AND ONE-HALF DEGREES
13 CELSIUS, WHICH SCIENTISTS AGREE WOULD PROVIDE A MORE STABLE AND
14 HOSPITABLE CLIMATE FOR CURRENT AND FUTURE GENERATIONS AND
15 MITIGATE THE RISK OF CATASTROPHIC CLIMATE IMPACTS IN COLORADO;

16 (d) BY REDUCING GREENHOUSE GAS POLLUTION, COLORADO WILL
17 ALSO REDUCE OTHER HARMFUL AIR POLLUTANTS WHICH WILL, IN TURN,
18 IMPROVE PUBLIC HEALTH, REDUCE HEALTH CARE COSTS, IMPROVE AIR
19 QUALITY, AND HELP SUSTAIN THE ENVIRONMENT;

20 (e) REDUCING GREENHOUSE GAS POLLUTION WILL CREATE NEW
21 MARKETS, SPUR INNOVATION, DRIVE INVESTMENTS IN LOW-CARBON
22 TECHNOLOGIES, AND PUT COLORADO SQUARELY ON THE PATH TO A
23 MODERN, RESILIENT, ONE-HUNDRED-PERCENT CLEAN ECONOMY. DELAY
24 IN PURSUING AND SECURING GREENHOUSE GAS REDUCTIONS AS OUTLINED
25 IN THIS SUBSECTION (2) WILL PREVENT COLORADO COMMUNITIES FROM
26 CAPTURING THE BENEFITS OF THESE NEW JOBS AND MARKETS, IN ADDITION
27 TO EXACERBATING THE CLIMATE IMPACTS THAT HARM COLORADANS. THE

1 CLEAN ENERGY ECONOMY IS ALREADY BRINGING TENS OF THOUSANDS OF
2 JOBS AND BILLIONS OF DOLLARS IN DIRECT INVESTMENT TO COUNTIES
3 ACROSS THE STATE, BENEFITTING WORKERS, FAMILIES, AND COMMUNITIES.
4 COLORADO CAN CONTINUE TO FACILITATE SUCH A TRANSITION TO A CLEAN
5 ENERGY ECONOMY. FOOD AND FIBER PRODUCTION HAS MADE SIGNIFICANT
6 ACHIEVEMENTS IN AREAS OF PRODUCTIVITY AND SUSTAINABILITY.
7 MODERN TECHNOLOGY IN THIS SECTOR CONTRIBUTES TO REDUCTIONS IN
8 GREENHOUSE GAS EMISSIONS BY SEQUESTERING CARBON IN THE SOIL AND
9 ENHANCING SUSTAINABILITY THROUGH TECHNOLOGIES THAT REDUCE
10 METHANE EMISSIONS AND PRODUCE RENEWABLE ENERGY. CONTINUING TO
11 ENCOURAGE THESE TYPES OF ACHIEVEMENTS IS BENEFICIAL.

12 (f) BY EXERCISING A LEADERSHIP ROLE, COLORADO WILL ALSO
13 POSITION ITS ECONOMY, TECHNOLOGY CENTERS, FINANCIAL INSTITUTIONS,
14 AND BUSINESSES TO BENEFIT FROM NATIONAL AND INTERNATIONAL
15 EFFORTS TO REDUCE GREENHOUSE GASES;

16 (g) ACCORDINGLY, COLORADO SHALL STRIVE TO INCREASE
17 RENEWABLE ENERGY GENERATION AND ELIMINATE STATEWIDE
18 GREENHOUSE GAS POLLUTION BY THE MIDDLE OF THE TWENTY-FIRST
19 CENTURY AND HAVE GOALS OF ACHIEVING, AT A MINIMUM, A
20 TWENTY-SIX-PERCENT REDUCTION IN STATEWIDE GREENHOUSE GAS
21 POLLUTION BY 2025, A FIFTY-PERCENT REDUCTION IN STATEWIDE
22 GREENHOUSE GAS POLLUTION BY 2030, AND A NINETY-PERCENT
23 REDUCTION IN STATEWIDE GREENHOUSE GAS POLLUTION BY 2050. THE
24 REDUCTIONS IDENTIFIED IN THIS SUBSECTION (2)(g) ARE MEASURED
25 RELATIVE TO 2005 STATEWIDE GREENHOUSE GAS POLLUTION LEVELS.

26 **SECTION 2.** In Colorado Revised Statutes, 25-7-103, **amend** the
27 introductory portion; and **add** (22.5) as follows:

1 **25-7-103. Definitions.** As used in this ~~article~~ ARTICLE 7, unless
2 the context otherwise requires:

3 (22.5) "STATEWIDE GREENHOUSE GAS POLLUTION" MEANS THE
4 TOTAL NET STATEWIDE ANTHROPOGENIC EMISSIONS OF CARBON DIOXIDE,
5 METHANE, NITROUS OXIDE, HYDROFLUOROCARBONS,
6 PERFLUOROCARBONS, NITROGEN TRIFLUORIDE, AND SULFUR
7 HEXAFLUORIDE, EXPRESSED AS CARBON DIOXIDE EQUIVALENT
8 CALCULATED USING A METHODOLOGY AND DATA ON RADIATIVE FORCING
9 AND ATMOSPHERIC PERSISTENCE DEEMED APPROPRIATE BY THE
10 COMMISSION.

11 **SECTION 3.** In Colorado Revised Statutes, 25-7-105, **amend** (1)
12 introductory portion; and **add** (1)(e) as follows:

13 **25-7-105. Duties of commission - rules - legislative declaration**
14 **- definitions.** (1) Except as provided in sections 25-7-130 and 25-7-131,
15 the commission shall promulgate such rules and regulations as are
16 consistent with the legislative declaration set forth in section 25-7-102
17 and necessary for the proper implementation and administration of this
18 ~~article~~ ARTICLE 7, including, but not limited to:

- 19 (e) (I) STATEWIDE GREENHOUSE GAS POLLUTION ABATEMENT.
20 (II) CONSISTENT WITH SECTION 25-7-102 (2)(g), THE COMMISSION
21 SHALL TIMELY PROMULGATE IMPLEMENTING RULES AND REGULATIONS.
22 THE IMPLEMENTING RULES MAY TAKE INTO ACCOUNT OTHER RELEVANT
23 LAWS AND RULES, AS WELL AS VOLUNTARY ACTIONS TAKEN BY LOCAL
24 COMMUNITIES AND THE PRIVATE SECTOR, TO ENHANCE EFFICIENCY AND
25 COST-EFFECTIVENESS, AND SHALL BE REVISED AS NECESSARY OVER TIME
26 TO ENSURE TIMELY PROGRESS TOWARD THE 2025, 2030, AND 2050 GOALS.
27 THE IMPLEMENTING RULES SHALL PROVIDE FOR ONGOING TRACKING OF

1 EMISSION SOURCES THAT ADVERSELY AFFECT DISPROPORTIONATELY
2 IMPACTED COMMUNITIES AND ARE SUBJECT TO RULES IMPLEMENTED
3 PURSUANT TO THIS SUBSECTION (1)(e) AND MUST INCLUDE STRATEGIES
4 DESIGNED TO ACHIEVE REDUCTIONS IN HARMFUL AIR POLLUTION
5 AFFECTING THOSE COMMUNITIES.

6 (III) THE COMMISSION WILL IDENTIFY DISPROPORTIONATELY
7 IMPACTED COMMUNITIES. IN IDENTIFYING THESE COMMUNITIES, THE
8 COMMISSION WILL CONSIDER: MINORITY, LOW-INCOME, TRIBAL, OR
9 INDIGENOUS POPULATIONS IN THE STATE THAT POTENTIALLY EXPERIENCE
10 DISPROPORTIONATE ENVIRONMENTAL HARMS AND RISKS. THIS
11 DISPROPORTIONALITY CAN BE A RESULT OF INCREASED VULNERABILITY TO
12 ENVIRONMENTAL DEGRADATION, LACK OF OPPORTUNITY FOR PUBLIC
13 PARTICIPATION, OR OTHER FACTORS. INCREASED VULNERABILITY MAY BE
14 ATTRIBUTABLE TO AN ACCUMULATION OF NEGATIVE OR LACK OF POSITIVE
15 ENVIRONMENTAL, HEALTH, ECONOMIC, OR SOCIAL CONDITIONS WITHIN
16 THESE POPULATIONS. "DISPROPORTIONATELY IMPACTED COMMUNITIES"
17 DESCRIBES SITUATIONS WHERE MULTIPLE FACTORS, INCLUDING BOTH
18 ENVIRONMENTAL AND SOCIO-ECONOMIC STRESSORS, MAY ACT
19 CUMULATIVELY TO AFFECT HEALTH AND THE ENVIRONMENT AND
20 CONTRIBUTE TO PERSISTENT ENVIRONMENTAL HEALTH DISPARITIES.

21 (IV) THE DIVISION, AT THE DIRECTION OF THE COMMISSION, SHALL
22 SOLICIT INPUT FROM OTHER STATE AGENCIES, STAKEHOLDERS, AND THE
23 PUBLIC ON THE ADVANTAGES OF DIFFERENT STATEWIDE GREENHOUSE GAS
24 POLLUTION MITIGATION MEASURES, SPECIFICALLY SOLICITING INPUT FROM
25 THOSE MOST IMPACTED BY CLIMATE CHANGE, INCLUDING
26 DISPROPORTIONATELY IMPACTED COMMUNITIES; LARGE EMISSION
27 SOURCES; WORKERS IN RELEVANT INDUSTRIES, INCLUDING ADVANCED

1 ENERGY AND FUEL DELIVERY; AND COMMUNITIES THAT ARE CURRENTLY
2 ECONOMICALLY DEPENDENT ON INDUSTRIES WITH HIGH LEVELS OF
3 GREENHOUSE GAS EMISSIONS.

4 (V) THE IMPLEMENTING RULES AND POLICIES MAY INCLUDE, IN
5 ADDITION TO RENEWABLE ENERGY DEVELOPMENT STRATEGIES,
6 REGULATORY STRATEGIES THAT HAVE BEEN DEPLOYED BY ANOTHER
7 JURISDICTION TO REDUCE MULTI-SECTOR GREENHOUSE GAS EMISSIONS,
8 THAT FACILITATE ADOPTION OF TECHNOLOGIES THAT HAVE VERY LOW OR
9 ZERO EMISSIONS, AND THAT ENHANCE COST-EFFECTIVENESS, COMPLIANCE
10 FLEXIBILITY, AND TRANSPARENCY AROUND COMPLIANCE COSTS, AMONG
11 OTHER REGULATORY STRATEGIES. THE COMMISSION MAY COORDINATE
12 WITH OTHER JURISDICTIONS IN SECURING EMISSION REDUCTIONS,
13 INCLUDING IN SATISFYING FUTURE FEDERAL REGULATIONS. THE
14 COMMISSION MAY ACCOUNT FOR REDUCTIONS IN NET GREENHOUSE GAS
15 EMISSIONS THAT OCCUR UNDER COORDINATED JURISDICTIONS' PROGRAMS
16 IF THE COMMISSION FINDS THAT THE IMPLEMENTING REGULATIONS OF
17 EACH COORDINATED JURISDICTION ARE OF SUFFICIENT RIGOR TO ENSURE
18 THE INTEGRITY OF THE REDUCTIONS IN GREENHOUSE GAS EMISSIONS TO
19 THE ATMOSPHERE AND MAY ACCOUNT FOR CARBON DIOXIDE THAT
20 ELECTRICITY CONSUMPTION IN THIS STATE CAUSES TO BE EMITTED
21 ELSEWHERE.

22 (VI) IN CARRYING OUT ITS RESPONSIBILITIES UNDER THIS
23 SUBSECTION (1)(e), THE COMMISSION SHALL CONSIDER: THE BENEFITS OF
24 COMPLIANCE, INCLUDING HEALTH, ENVIRONMENTAL, AND AIR QUALITY;
25 THE COSTS OF COMPLIANCE; ECONOMIC AND JOB IMPACTS AND
26 OPPORTUNITIES; THE TIME NECESSARY FOR COMPLIANCE; THE RELATIVE
27 CONTRIBUTION OF EACH SOURCE OR SOURCE CATEGORY TO STATEWIDE

1 GREENHOUSE GAS POLLUTION BASED ON CURRENT DATA UPDATED AT
2 REASONABLE INTERVALS AS DETERMINED BY THE COMMISSION;
3 HARMONIZING EMISSION REPORTING REQUIREMENTS WITH EXISTING
4 FEDERAL REQUIREMENTS, WHERE THE COMMISSION DEEMS APPROPRIATE;
5 THE IMPORTANCE OF STRIVING TO EQUITABLY DISTRIBUTE THE BENEFITS
6 OF COMPLIANCE, OPPORTUNITIES TO INCENTIVIZE RENEWABLE ENERGY
7 RESOURCES AND POLLUTION ABATEMENT OPPORTUNITIES IN
8 DISPROPORTIONATELY IMPACTED COMMUNITIES, OPPORTUNITIES TO
9 ENCOURAGE CLEAN ENERGY IN TRANSITIONING COMMUNITIES; ISSUES
10 RELATED TO THE BENEFICIAL USE OF ELECTRICITY TO REDUCE
11 GREENHOUSE GAS EMISSIONS; WHETHER PROGRAM DESIGN COULD
12 ENHANCE THE RELIABILITY OF ELECTRIC SERVICE; THE POTENTIAL TO
13 ENHANCE THE RESILIENCE OF COLORADO'S COMMUNITIES AND NATURAL
14 RESOURCES TO CLIMATE IMPACTS; AND WHETHER GREATER OR MORE
15 COST-EFFECTIVE EMISSION REDUCTIONS ARE AVAILABLE THROUGH
16 PROGRAM DESIGN.

17 (VII) NOTWITHSTANDING SECTION 24-1-136 (11)(a)(I), THE
18 DIVISION, AT THE DIRECTION OF THE COMMISSION, SHALL REPORT TO THE
19 GENERAL ASSEMBLY EVERY ODD-NUMBERED YEAR AFTER THE EFFECTIVE
20 DATE OF THIS SUBSECTION (1)(e) REGARDING: PROGRESS TOWARD THE
21 GOALS SET FORTH IN SECTION 25-7-102 (2)(g); ANY NEWLY AVAILABLE,
22 FINAL COST-BENEFIT OR REGULATORY ANALYSIS, DEVELOPED UNDER
23 SECTION 24-4-103 (2.5) OR (4.5), FOR RULES ADOPTED TO ATTAIN THE
24 GOALS; AND ANY RECOMMENDATIONS ON FUTURE LEGISLATIVE ACTION TO
25 ADDRESS CLIMATE CHANGE, SUCH AS IMPLEMENTATION OF CLIMATE
26 ADAPTATION POLICIES OR ACCELERATING DEPLOYMENT OF CLEANER
27 TECHNOLOGIES.

1 (VIII) (A) IN CARRYING OUT ITS RESPONSIBILITIES UNDER THIS
2 SUBSECTION (1)(e), THE COMMISSION SHALL CONSULT WITH THE PUBLIC
3 UTILITIES COMMISSION, INCLUDING ON ISSUES OF COST OF ELECTRICITY,
4 RELIABILITY OF ELECTRIC SERVICE, TECHNOLOGY DEVELOPMENTS IN
5 ELECTRICITY PRODUCTION, AND BENEFICIAL ELECTRIFICATION, AND KEEP
6 A RECORD OF ITS CONSULTATION.

7 (B) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND
8 DECLARES THAT IT IS BENEFICIAL TO ENCOURAGE THE DEVELOPMENT OF
9 CLEAN ENERGY PLANS THAT WILL REQUIRE GREENHOUSE GAS EMISSIONS
10 CAUSED BY COLORADO RETAIL ELECTRICITY SALES TO DECREASE EIGHTY
11 PERCENT BY 2030 RELATIVE TO 2005 LEVELS TO PROVIDE FOR THE
12 COST-EFFECTIVE AND PROACTIVE DEPLOYMENT OF CLEAN ENERGY
13 RESOURCES.

14 (C) IN DESIGNING, IMPLEMENTING, AND ENFORCING PROGRAMS
15 AND REQUIREMENTS UNDER THIS SUBSECTION (1)(e), THE COMMISSION
16 AND THE DIVISION SHALL TAKE INTO CONSIDERATION ANY CLEAN ENERGY
17 PLAN AT THE PUBLIC UTILITIES COMMISSION THAT, AS FILED, WILL ACHIEVE
18 AT LEAST AN EIGHTY-PERCENT REDUCTION IN GREENHOUSE GAS EMISSIONS
19 CAUSED BY THE UTILITY'S COLORADO RETAIL ELECTRICITY SALES BY 2030
20 RELATIVE TO 2005 LEVELS, AS VERIFIED BY THE DIVISION. WHEN
21 INCLUDING PUBLIC UTILITIES IN ITS PROGRAMS OR REQUIREMENTS UNDER
22 THIS SUBSECTION (1)(e), THE COMMISSION SHALL NOT MANDATE THAT A
23 PUBLIC UTILITY REDUCE GREENHOUSE GAS EMISSIONS CAUSED BY THE
24 UTILITY'S COLORADO RETAIL ELECTRICITY SALES BY 2030 MORE THAN IS
25 REQUIRED UNDER SUCH AN APPROVED CLEAN ENERGY PLAN OR IMPOSE
26 ANY DIRECT, NONADMINISTRATIVE COST ON THE PUBLIC UTILITY DIRECTLY
27 ASSOCIATED WITH QUANTITIES OF GREENHOUSE GAS EMISSIONS CAUSED

1 BY THE UTILITY'S COLORADO RETAIL ELECTRICITY SALES THAT REMAIN
2 AFTER THE REDUCTIONS REQUIRED BY SUCH A CLEAN ENERGY PLAN
3 THROUGH 2030 IF THOSE REDUCTIONS ARE ACHIEVED AND THE DIVISION
4 HAS VERIFIED THAT THE APPROVED CLEAN ENERGY PLAN WILL ACHIEVE AT
5 LEAST A SEVENTY-FIVE-PERCENT REDUCTION IN GREENHOUSE GAS
6 EMISSIONS CAUSED BY THE UTILITY'S COLORADO RETAIL ELECTRICITY
7 SALES BY 2030 RELATIVE TO 2005 LEVELS.

8 (D) IMPLEMENTING RULES DEVELOPED BY THE COMMISSION MUST
9 NOT INCLUDE ANY REQUIREMENTS DICTATING THE MIX OF ELECTRIC
10 GENERATING RESOURCES THAT ANY PUBLIC UTILITY SHALL USE TO MEET
11 APPLICABLE POLLUTION LIMITS.

12 (E) IMPLEMENTING RULES DEVELOPED BY THE COMMISSION MUST
13 CONSIDER ISSUES RELATING TO JOINT OWNERSHIP OF ELECTRIC
14 GENERATING RESOURCES AS BETWEEN MULTIPLE PARTIES AND THE EXTENT
15 TO WHICH THE PUBLIC UTILITY IS RELYING ON POWER PURCHASED FROM
16 THIRD PARTIES IN MEETING ITS OBLIGATIONS UNDER SUCH A CLEAN
17 ENERGY PLAN.

18 (F) A CLEAN ENERGY PLAN VOLUNTARILY FILED BY A
19 COOPERATIVE ELECTRIC ASSOCIATION THAT HAS VOTED TO EXEMPT ITSELF
20 FROM REGULATION BY THE PUBLIC UTILITIES COMMISSION PURSUANT TO
21 ARTICLE 9.5 OF TITLE 40 OR BY A MUNICIPAL UTILITY SHALL BE DEEMED
22 APPROVED BY THE PUBLIC UTILITIES COMMISSION AS FILED IF: THE
23 DIVISION, IN CONSULTATION WITH THE PUBLIC UTILITIES COMMISSION,
24 PUBLICLY VERIFIES THAT THE PLAN DEMONSTRATES THAT, BY 2030, THE
25 COOPERATIVE ELECTRIC ASSOCIATION OR MUNICIPAL UTILITY WILL
26 ACHIEVE AT LEAST AN EIGHTY PERCENT REDUCTION IN GREENHOUSE GAS
27 EMISSIONS CAUSED BY THE ENTITY'S COLORADO RETAIL ELECTRICITY

1 SALES RELATIVE TO 2005 LEVELS; AND THE CLEAN ENERGY PLAN HAS
2 PREVIOUSLY BEEN APPROVED BY A VOTE OF THE ENTITY'S GOVERNING
3 BODY. VOLUNTARY SUBMISSION OF A CLEAN ENERGY PLAN BY A
4 COOPERATIVE ELECTRIC ASSOCIATION OR MUNICIPAL UTILITY DOES NOT
5 ALTER THE ENTITY'S REGULATORY STATUS WITH RESPECT TO THE PUBLIC
6 UTILITIES COMMISSION, INCLUDING UNDER ARTICLE 9.5 OF TITLE 40.

7 (IX) (A) IN ADDRESSING GREENHOUSE GAS EMISSIONS FROM AN
8 ENERGY-INTENSIVE, TRADE-EXPOSED MANUFACTURING SOURCE, THE
9 COMMISSION SHALL REQUIRE THE SOURCE TO EXECUTE AN ENERGY AND
10 EMISSION CONTROL AUDIT, ACCORDING TO CRITERIA ESTABLISHED BY THE
11 COMMISSION, OF THE SOURCE'S OPERATIONS EVERY FIVE YEARS THROUGH
12 AT LEAST 2035. A QUALIFIED THIRD PARTY, AS DETERMINED BY THE
13 COMMISSION, SHALL CONDUCT THE AUDIT AND SUBMIT THE RESULTS TO
14 THE COMMISSION. IF THE COMMISSION DETERMINES THAT THE SOURCE
15 CURRENTLY EMPLOYS BEST AVAILABLE EMISSION CONTROL TECHNOLOGIES
16 FOR GREENHOUSE GAS EMISSIONS AND BEST AVAILABLE ENERGY
17 EFFICIENCY PRACTICES, THE COMMISSION SHALL NOT IMPOSE A DIRECT
18 NONADMINISTRATIVE COST ON THE SOURCE DIRECTLY ASSOCIATED WITH
19 AT LEAST NINETY-FIVE PERCENT OF THE SOURCE'S GREENHOUSE GAS
20 EMISSIONS ATTRIBUTABLE TO MANUFACTURING A GOOD IN THIS STATE FOR
21 A PERIOD OF FIVE YEARS, IF THE SOURCE'S EMISSIONS ARE NOT GREATER
22 THAN THE EMISSIONS ASSOCIATED WITH USE OF THE BEST AVAILABLE
23 EMISSION CONTROL TECHNOLOGIES AS DETERMINED BY THE COMMISSION.
24 THE COMMISSION SHALL CONSIDER HOW PROGRAM DESIGN AS RELEVANT
25 TO THOSE SOURCES CAN FURTHER MITIGATE THE COST OF REDUCING
26 EMISSIONS FOR SUCH MANUFACTURERS WHILE PROVIDING AN INCENTIVE
27 TO IMPROVE EFFICIENCY AND REDUCE EMISSIONS. SPECIFICALLY, THE

1 COMMISSION SHALL DESIGN THE PROGRAM AS RELEVANT TO THOSE
2 SOURCES SUCH THAT AS THE SOURCES ARE SUBJECT TO EMISSION
3 REDUCTION REQUIREMENTS, THOSE SOURCES WILL HAVE, UNDER THE
4 PROGRAM, A PATHWAY TO OBTAIN EQUIVALENT LOWER-COST EMISSION
5 REDUCTIONS AT OTHER REGULATED SOURCES TO SATISFY THEIR
6 COMPLIANCE OBLIGATIONS.

7 (B) AS USED IN THIS SUBSECTION (1)(e)(IX), "ENERGY-INTENSIVE,
8 TRADE-EXPOSED MANUFACTURING SOURCE" MEANS AN ENTITY THAT
9 PRINCIPALLY MANUFACTURES IRON, STEEL, ALUMINUM, PULP, PAPER, OR
10 CEMENT AND THAT IS ENGAGED IN THE MANUFACTURE OF GOODS
11 THROUGH ONE OR MORE EMISSIONS-INTENSIVE, TRADE-EXPOSED
12 PROCESSES, AS DETERMINED BY THE COMMISSION.

13 (X) NOTHING IN THIS SUBSECTION (1)(e) DIMINISHES THE EXISTING
14 AUTHORITY OF THE COMMISSION OR THE DIVISION. NOTHING IN THIS
15 SUBSECTION (1)(e) ALTERS THE REGULATORY EXEMPTIONS PROVIDED IN
16 SECTION 25-7-109 (8)(a). NOTHING AUTHORIZED IN THIS SUBSECTION
17 (1)(e), INCLUDING THE ASSIGNMENT OF EMISSION REDUCTION
18 OBLIGATIONS OR EMISSION AUTHORIZATIONS AND EXCLUDING PROGRAM
19 DEVELOPMENT AND ADMINISTRATIVE COSTS, IMPLICATES STATE FISCAL
20 YEAR SPENDING AS DEFINED IN SECTION 24-77-102. NOTHING IN THIS
21 SUBSECTION (1)(e) ALTERS ANY REQUIREMENT TO PREPARE A COST-
22 BENEFIT ANALYSIS UNDER SECTION 24-4-103 (2.5) OR ANY REQUIREMENT
23 TO ISSUE A REGULATORY ANALYSIS UNDER SECTION 24-4-103 (4.5).
24 NOTHING IN THIS SUBSECTION (1)(e) DIMINISHES THE AUTHORITY OF THE
25 PUBLIC UTILITIES COMMISSION UNDER THE PUBLIC UTILITIES LAW,
26 INCLUDING SECTIONS 40-3-101 AND 40-3-102.

27 (XI) AS USED IN THIS SUBSECTION (1)(e):

1 (A) "COST-EFFECTIVE" OR "COST-EFFECTIVENESS" MEANS THE
2 COST PER UNIT OF REDUCED EMISSIONS OF GREENHOUSE GASES EXPRESSED
3 AS CARBON DIOXIDE EQUIVALENT.

4 (B) "GREENHOUSE GAS" INCLUDES CARBON DIOXIDE, METHANE,
5 NITROUS OXIDE, HYDROFLUOROCARBONS, PERFLUOROCARBONS, NITROGEN
6 TRIFLUORIDE, AND SULFUR HEXAFLUORIDE, EXPRESSED AS CARBON
7 DIOXIDE EQUIVALENT.

8 (C) "RETAIL ELECTRICITY SALES" MEANS ELECTRIC ENERGY SOLD
9 TO RETAIL END-USE ELECTRIC CONSUMERS.

10 **SECTION 4. Appropriation.** (1) For the 2019-20 state fiscal
11 year, \$281,588 is appropriated to the department of public health and
12 environment. This appropriation is from the general fund. To implement
13 this act, the department may use this appropriation as follows:

14 (a) \$188,321 for use by the air pollution control division for
15 program costs, which amount is based on an assumption that the division
16 will require an additional 2.0 FTE; and

17 (b) \$93,267 for the purchase of legal services.

18 (2) For the 2019-20 state fiscal year, \$93,267 is appropriated to
19 the department of law. This appropriation is from reappropriated funds
20 received from the department of public health and environment under
21 subsection (1)(b) of this section and is based on an assumption that the
22 department of law will require an additional 0.5 FTE. To implement this
23 act, the department of law may use this appropriation to provide legal
24 services for the department of public health and environment.

25 **SECTION 5. Safety clause.** The general assembly hereby finds,
26 determines, and declares that this act is necessary for the immediate
27 preservation of the public peace, health, and safety.