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HOUSE BILL 22-1362

BY REPRESENTATIVE(S) **Bernett and Valdez A., Amabile, Bacon, Benavidez, Boesenecker, Cutter, Froelich, Hooton, Jodeh, Kennedy, Kipp, Lindsay, Lontine, McCormick, Michaelson Jenet, Sirota, Titone, Woodrow;** also SENATOR(S) **Hansen and Winter, Jaquez Lewis, Moreno, Priola.**

CONCERNING THE REDUCTION OF BUILDING GREENHOUSE GAS EMISSIONS, AND, IN CONNECTION THEREWITH, REQUIRING THE DIRECTOR OF THE COLORADO ENERGY OFFICE AND THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS TO APPOINT AN ENERGY CODE BOARD THAT DEVELOPS TWO MODEL CODES, REQUIRING LOCAL GOVERNMENTS AND CERTAIN STATE AGENCIES TO ADOPT AND ENFORCE CODES THAT ARE CONSISTENT WITH THE MODEL CODES DEVELOPED BY THE ENERGY CODE BOARD, CREATING THE BUILDING ELECTRIFICATION FOR PUBLIC BUILDINGS GRANT PROGRAM, CREATING THE HIGH-EFFICIENCY ELECTRIC HEATING AND APPLIANCES GRANT PROGRAM, AND ESTABLISHING THE CLEAN AIR BUILDING INVESTMENTS FUND.

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

SECTION 1. In Colorado Revised Statutes, **add** part 4 to article 38.5 of title 24 as follows:

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

PART 4

ENERGY CODE ADOPTION

24-38.5-401. Energy code board - appointment - creation - duties - definitions - repeal. (1) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ACCEPTABLE REFRIGERANT" MEANS A REFRIGERANT THAT IS:

(I) LISTED AS ACCEPTABLE IN 42 U.S.C. SEC. 7671k OF THE FEDERAL "CLEAN AIR ACT" AND USED IN EQUIPMENT THAT IS LISTED AND INSTALLED PURSUANT TO THE USE CONDITIONS IMPOSED WITHIN THAT SECTION; AND

(II) LISTED AS ACCEPTABLE IN APPENDIX U AND APPENDIX V OF SUBPART G OF 40 CFR 82 AND USED IN EQUIPMENT THAT IS LISTED AND INSTALLED PURSUANT TO THE USE CONDITIONS IMPOSED WITHIN THOSE APPENDICES.

(b) "ELECTRIC READY" MEANS ADEQUATE PANEL CAPACITY, DEDICATED ELECTRIC PANEL SPACE, ELECTRICAL WIRE, ELECTRICAL RECEPTACLES, AND ADEQUATE PHYSICAL SPACE TO ACCOMMODATE FUTURE INSTALLATION OF HIGH-EFFICIENCY ELECTRIC APPLIANCES INCLUDING HEATING, WATER HEATING, COOKING, DRYING, AND AN ELECTRIC VEHICLE.

(c) "ENERGY CODE BOARD" MEANS THE ENERGY CODE BOARD APPOINTED BY THE DIRECTORS OF THE COLORADO ENERGY OFFICE AND THE DEPARTMENT OF LOCAL AFFAIRS PURSUANT TO SUBSECTION (2) OF THIS SECTION.

(d) (I) "EV CAPABLE" MEANS A PARKING SPACE THAT:

(A) HAS THE ELECTRICAL PANEL CAPACITY AND CONDUIT INSTALLED TO SUPPORT FUTURE IMPLEMENTATION OF ELECTRICAL VEHICLE CHARGING WITH A MINIMUM OF TWO HUNDRED EIGHT VOLTS AND A MINIMUM OF FORTY-AMPERE RATED CIRCUITS; AND

(B) IS ADJACENT TO THE TERMINAL POINT OF THE CONDUIT FROM THE ELECTRICAL FACILITIES DESCRIBED IN SUBSECTION (1)(d)(I)(A) OF THIS

SECTION.

(II) "EV CAPABLE" INCLUDES TWO ADJACENT PARKING SPACES IF THE CONDUIT FOR THE ELECTRICAL FACILITIES DESCRIBED IN SUBSECTION (1)(d)(I)(A) OF THIS SECTION TERMINATES ADJACENT TO AND BETWEEN BOTH PARKING SPACES.

(e) (I) "EV READY" MEANS A PARKING SPACE THAT:

(A) HAS THE ELECTRICAL PANEL CAPACITY, RACEWAY WIRING, RECEPTACLE, AND CIRCUIT OVERPROTECTION DEVICES INSTALLED TO SUPPORT FUTURE IMPLEMENTATION OF ELECTRICAL VEHICLE CHARGING WITH A MINIMUM OF TWO HUNDRED EIGHT VOLTS AND A MINIMUM OF FORTY-AMPERE RATED CIRCUITS; AND

(B) IS ADJACENT TO THE RECEPTACLE FOR THE ELECTRICAL FACILITIES DESCRIBED IN SUBSECTION (1)(e)(I)(A) OF THIS SECTION.

(II) "EV READY" INCLUDES TWO ADJACENT PARKING SPACES IF THE RECEPTACLE FOR THE ELECTRICAL FACILITIES DESCRIBED IN SUBSECTION (1)(e)(I)(A) OF THIS SECTION IS INSTALLED ADJACENT TO AND BETWEEN BOTH PARKING SPACES.

(f) "EV SUPPLY EQUIPMENT" MEANS:

(I) AN ELECTRIC VEHICLE CHARGING SYSTEM AS DEFINED IN SECTION 38-12-601 (6)(a) THAT HAS POWER CAPACITY OF AT LEAST 6.2 KILOWATTS AND HAS THE ABILITY TO CONNECT TO THE INTERNET; OR

(II) AN INDUCTIVE RESIDENTIAL CHARGING SYSTEM FOR BATTERY-POWERED ELECTRIC VEHICLES THAT:

(A) IS CERTIFIED BY UNDERWRITERS LABORATORIES OR AN EQUIVALENT CERTIFICATION;

(B) COMPLIES WITH THE CURRENT VERSION OF ARTICLE 625 OF THE NATIONAL ELECTRICAL CODE, PUBLISHED BY THE NATIONAL FIRE PROTECTION ASSOCIATION, AND OTHER APPLICABLE INDUSTRY STANDARDS;

(C) IS ENERGY STAR CERTIFIED; AND

(D) HAS THE ABILITY TO CONNECT TO THE INTERNET.

(g) "INDIVIDUAL WITH A DISABILITY" HAS THE SAME MEANING AS SET FORTH IN THE FEDERAL "AMERICANS WITH DISABILITIES ACT OF 1990", 42 U.S.C. SEC. 12101 ET SEQ., AND ITS RELATED AMENDMENTS AND IMPLEMENTING REGULATIONS.

(h) "INTERNATIONAL ENERGY CONSERVATION CODE" MEANS THE ENERGY CODE PUBLISHED BY THE INTERNATIONAL CODE COUNCIL, OR SUBSEQUENT CODE OR ENTITY.

(i) "MIXED FUEL USE BUILDING" MEANS A RESIDENTIAL OR COMMERCIAL BUILDING THAT IS DESIGNED AND BUILT WITH EQUIPMENT THAT USES GASEOUS FUELS ON SITE IN ADDITION TO ELECTRICITY.

(j) "PROVISIONS FOR ELECTRICAL SERVICE CAPACITY" MEANS:

(I) BUILDING ELECTRICAL SERVICE, SIZED FOR THE ANTICIPATED LOAD OF ELECTRIC VEHICLE CHARGING STATIONS, THAT HAS OVER CURRENT PROTECTION DEVICES NECESSARY FOR ELECTRIC VEHICLE CHARGING STATIONS OR HAS ADEQUATE SPACE TO ADD OVER CURRENT PROTECTION DEVICES;

(II) A CONDUIT SYSTEM INSTALLED FROM BUILDING ELECTRICAL SERVICE TO PARKING SPACES THAT CAN SUPPORT, AT A MINIMUM, ELECTRICAL WIRING FOR INSTALLATION OF ELECTRIC VEHICLE CHARGING STATIONS, AND, IF THE CONDUIT SYSTEM IS FOR FUTURE INSTALLATION OF ELECTRIC VEHICLE CHARGING STATIONS, THAT LABELS BOTH ENDS OF THE CONDUIT SYSTEM TO MARK THE CONDUIT SYSTEM AS PROVIDED FOR FUTURE ELECTRIC VEHICLE CHARGING STATIONS; AND

(III) SPACE WITHIN A BUILDING TO ADD ADDITIONAL BUILDING ELECTRICAL SERVICE FOR INSTALLATION OF ELECTRICAL SERVICE CAPACITY FOR ELECTRIC VEHICLE CHARGING STATIONS.

(k) "SOLAR READY" MEANS ADEQUATE PANEL CAPACITY, DEDICATED ELECTRICAL PANEL SPACE, ELECTRICAL CONDUIT, PHYSICAL ROOF SPACE, AND STRUCTURAL LOAD TO ACCOMMODATE FUTURE INSTALLATION OF SOLAR PANELS, WITH EXEMPTIONS FOR SMALL ROOFS AND CONSISTENTLY SHADED ROOFS.

(1) "STATE AGENCIES" MEANS THE OFFICE OF THE STATE ARCHITECT, THE DIVISION OF FIRE PREVENTION AND CONTROL, AND THE DIVISION OF HOUSING.

(2) **Appointment of the energy code board.** ON OR BEFORE OCTOBER 1, 2022, THE DIRECTORS OF THE COLORADO ENERGY OFFICE AND THE DEPARTMENT OF LOCAL AFFAIRS SHALL APPOINT AND CONVENE AN ENERGY CODE BOARD TO DEVELOP BOTH A MODEL ELECTRIC READY AND SOLAR READY CODE AND A MODEL LOW ENERGY AND CARBON CODE FOR ADOPTION BY COUNTIES, MUNICIPALITIES, AND STATE AGENCIES.

(3) (a) **Membership of the energy code board.** THE ENERGY CODE BOARD CONSISTS OF THE FOLLOWING MEMBERS APPOINTED BY THE DIRECTOR OF THE COLORADO ENERGY OFFICE:

(I) THE DIRECTOR OF THE COLORADO ENERGY OFFICE OR THE DIRECTOR'S DESIGNEE;

(II) ONE MEMBER REPRESENTING THE URBAN COUNTIES OF THE STATE;

(III) ONE MEMBER REPRESENTING THE MUNICIPALITIES IN RURAL AREAS OF THE STATE;

(IV) TWO MEMBERS REPRESENTING ENVIRONMENTAL OR SUSTAINABILITY GROUPS;

(V) ONE MEMBER WHO IS A SOLAR POWER EXPERT;

(VI) ONE MEMBER WHO IS AN ENERGY EFFICIENCY EXPERT;

(VII) ONE MEMBER REPRESENTING PROFESSIONAL ENGINEERS WITH EXPERIENCE WORKING ON SYSTEMS FOR BUILDINGS;

(VIII) ONE MEMBER REPRESENTING AN ELECTRICAL UTILITY, A GAS UTILITY, OR A COMBINED ELECTRIC AND GAS UTILITY;

(IX) ONE MEMBER REPRESENTING ARCHITECTS; AND

(X) ONE MEMBER WHO IS A BUILDING ENERGY CODE EXPERT.

(b) THE ENERGY CODE BOARD CONSISTS OF THE FOLLOWING MEMBERS APPOINTED BY THE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS:

(I) THE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS OR THE DIRECTOR'S DESIGNEE;

(II) ONE MEMBER REPRESENTING THE RURAL COUNTIES OF THE STATE;

(III) ONE MEMBER REPRESENTING THE MUNICIPALITIES IN URBAN AREAS OF THE STATE;

(IV) TWO MEMBERS REPRESENTING AFFORDABLE HOUSING OPERATIONS:

(A) ONE OF THESE MEMBERS MUST REPRESENT A FOR-RENT NONPROFIT BUILDER WHO SERVES POPULATIONS WITH INCOMES UNDER EIGHTY PERCENT OF AN AREA'S MEDIAN INCOME; AND

(B) ONE OF THESE MEMBERS MUST REPRESENT A NONPROFIT AFFORDABLE FOR-SALE HOUSING BUILDER;

(V) TWO MEMBERS WHO HOLD AN ELECTRICAL LICENSE, PLUMBING LICENSE, OR A PROFESSIONAL CREDENTIAL IN THE MECHANICAL TRADES, AT LEAST ONE OF WHOM IS A MEMBER OF A LABOR ORGANIZATION;

(VI) ONE MEMBER REPRESENTING A STATEWIDE ORGANIZATION FOR HOME BUILDING PROFESSIONALS;

(VII) ONE MEMBER WITH BUILDING OPERATION EXPERTISE; AND

(VIII) ONE MEMBER WHO IS A CONTRACTOR WHO PROVIDES MECHANICAL, ELECTRICAL, OR PLUMBING SERVICES OR REPRESENTS A STATEWIDE ASSOCIATION THAT REPRESENTS MECHANICAL, ELECTRICAL, OR PLUMBING CONTRACTORS; AND

(c) ONE OF THE MEMBERS IDENTIFIED IN SUBSECTIONS (3)(a)(II), (3)(a)(III), (3)(b)(II), OR (3)(b)(III) OF THIS SECTION MUST BE A BUILDING OFFICIAL.

(d) IN ORDER TO BE SELECTED BY THE DIRECTOR OF THE COLORADO ENERGY OFFICE OR THE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS AS A MEMBER OF THE ENERGY CODE BOARD, AN APPLICANT MUST SUBMIT WITH THEIR APPLICATION A RECOMMENDATION FROM A RELEVANT MEMBER OR TRADE ORGANIZATION, IF SUCH MEMBER OR TRADE ORGANIZATION EXISTS. IN MAKING APPOINTMENTS TO THE ENERGY CODE BOARD, THE DIRECTORS OF THE COLORADO ENERGY OFFICE AND THE DEPARTMENT OF LOCAL AFFAIRS SHALL STRIVE TO ENSURE GEOGRAPHIC DIVERSITY AND THAT EACH OF THE THREE MAJOR CLIMATE ZONES IN THE STATE IS REPRESENTED.

(e) IF ANY MEMBER OF THE ENERGY CODE BOARD STEPS DOWN, OTHERWISE ELECTS TO NO LONGER SERVE, OR OTHERWISE CAN NO LONGER SERVE ON THE ENERGY CODE BOARD, THE DIRECTORS OF THE COLORADO ENERGY OFFICE AND THE DEPARTMENT OF LOCAL AFFAIRS SHALL SELECT THAT MEMBER'S REPLACEMENT ACCORDING TO THE SAME CRITERIA THAT THE DIRECTORS OF THE COLORADO ENERGY OFFICE AND THE DEPARTMENT OF LOCAL AFFAIRS USED IN ORIGINALLY SELECTING THE MEMBER.

(f) THE ENERGY CODE BOARD SHALL ADOPT POLICIES AND PROCEDURES AS NECESSARY TO MEET THE REQUIREMENTS OF THIS SECTION.

(4) (a) **Energy code board executive committee.** THE DIRECTORS OF THE COLORADO ENERGY OFFICE AND THE DEPARTMENT OF LOCAL AFFAIRS SHALL APPOINT AN EXECUTIVE COMMITTEE FOR THE ENERGY CODE BOARD THAT CONSISTS OF THE FOLLOWING MEMBERS:

(I) THE DIRECTOR OF THE COLORADO ENERGY OFFICE OR THE DIRECTOR'S DESIGNEE SELECTED TO SERVE ON THE ENERGY CODE BOARD PURSUANT TO SUBSECTION (3)(a)(I) OF THIS SECTION;

(II) THE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS OR THE DIRECTOR'S DESIGNEE SELECTED TO SERVE ON THE ENERGY CODE BOARD PURSUANT TO SUBSECTION (3)(b)(I) OF THIS SECTION;

(III) ONE MEMBER OF THE ENERGY CODE BOARD SELECTED TO REPRESENT EITHER URBAN OR RURAL COUNTIES WHO WAS SELECTED TO SERVE ON THE ENERGY CODE BOARD PURSUANT TO SUBSECTION (3)(a)(II) OR (3)(b)(II) OF THIS SECTION;

(IV) ONE MEMBER OF THE ENERGY CODE BOARD SELECTED TO

REPRESENT MUNICIPALITIES FROM EITHER URBAN OR RURAL AREAS OF THE STATE WHO WAS SELECTED TO SERVE ON THE ENERGY CODE BOARD PURSUANT TO SUBSECTION (3)(a)(III) OR (3)(b)(III) OF THIS SECTION; AND

(V) THE MEMBER OF THE ENERGY CODE BOARD WHO IS A BUILDING ENERGY CODE EXPERT AND WHO WAS SELECTED TO SERVE ON THE ENERGY CODE BOARD PURSUANT TO SUBSECTION (3)(a)(IX) OF THIS SECTION.

(b) EITHER THE MEMBER OF THE EXECUTIVE COMMITTEE SELECTED PURSUANT TO SUBSECTION (4)(a)(III) OF THIS SECTION OR THE MEMBER OF THE EXECUTIVE COMMITTEE SELECTED PURSUANT TO SUBSECTION (4)(a)(IV) OF THIS SECTION MUST BE A BUILDING OFFICIAL.

(5) (a) **Duty of the energy code board to adopt a model electric ready and solar ready code.** IT IS THE DUTY OF THE ENERGY CODE BOARD TO DEVELOP A MODEL ELECTRIC READY AND SOLAR READY CODE ON OR BEFORE JUNE 1, 2023, FOR ADOPTION BY COUNTIES, MUNICIPALITIES, AND STATE AGENCIES.

(b) THE MODEL ELECTRIC READY AND SOLAR READY CODE DEVELOPED BY THE ENERGY CODE BOARD MUST APPLY TO COMMERCIAL AND RESIDENTIAL BUILDINGS AND MUST INCLUDE:

(I) SOLAR READY REQUIREMENTS;

(II) EV READY AND EV CAPABLE REQUIREMENTS FOR RESIDENTIAL BUILDINGS;

(III) EV READY, EV CAPABLE, AND EV SUPPLY EQUIPMENT INSTALLED REQUIREMENTS FOR MULTI-FAMILY AND COMMERCIAL BUILDINGS WITH PROVISIONS FOR ELECTRICAL SERVICE CAPACITY IN TWENTY PERCENT OR MORE OF THE VEHICLE PARKING SPACES IN THE GARAGE OR PARKING AREA;

(IV) ELECTRIC READY REQUIREMENTS FOR ALL SINGLE-FAMILY RESIDENTIAL MIXED FUEL USE BUILDINGS;

(V) ELECTRIC READY REQUIREMENTS FOR MULTI-FAMILY AND SMALL COMMERCIAL MIXED FUEL USE BUILDINGS UNDER TEN THOUSAND SQUARE FEET;

(VI) REQUIREMENTS THAT MULTI-FAMILY AND LARGE COMMERCIAL MIXED FUEL USE BUILDINGS THAT ARE TEN THOUSAND SQUARE FEET OR GREATER PROVIDE DEDICATED ELECTRIC PANEL SPACE, ELECTRICAL WIRE, ELECTRICAL RECEPTACLES, AND ADEQUATE PANEL CAPACITY TO ACCOMMODATE THE FUTURE INSTALLATION OF EFFICIENT, ELECTRIC TECHNOLOGIES AND CHARGING FOR ELECTRIC VEHICLES. THESE REQUIREMENTS MUST TAKE INTO ACCOUNT THE COST-EFFECTIVENESS OF PRE-WIRING FOR EFFICIENT ELECTRIC EQUIPMENT AND THE ABILITY TO DETERMINE WHAT WIRING AND RECEPTACLE LOCATIONS WOULD BE NEEDED; AND

(VII) A PROCESS TO WAIVE ENERGY CODE REQUIREMENTS WHEN THERE HAS BEEN A DECLARED NATURAL DISASTER THAT HAS DESTROYED BUILDINGS OR OTHER CIRCUMSTANCES AS DETERMINED BY THE ENERGY CODE BOARD.

(c) IN DEVELOPING A MODEL ELECTRIC READY AND SOLAR READY CODE, THE ENERGY CODE BOARD SHALL:

(I) ENSURE THAT BUILDINGS CAN BE CONVERTED TO HIGH EFFICIENCY ELECTRIC SPACE AND WATER HEATING EQUIPMENT AND APPLIANCES AT THE LOWEST POSSIBLE COST TO BUILDING OWNERS;

(II) IN DEVELOPING THE MODEL ELECTRIC READY AND SOLAR READY CODE LANGUAGE FOR MULTI-FAMILY AND LARGE COMMERCIAL MIXED FUEL USE FOR BUILDINGS TEN THOUSAND SQUARE FEET OR GREATER, THE ENERGY CODE BOARD SHALL DEVELOP CLEAR GUIDELINES TO BE INCLUDED IN THE MODEL ENERGY READY AND SOLAR READY CODE THAT SEEK TO MINIMIZE THE COSTS THAT BUILDERS, BUILDING OWNERS, AND DEVELOPERS INCUR IN MEETING ELECTRIC READY AND SOLAR READY CODE REQUIREMENTS WHILE ALSO ENSURING THAT BUILDINGS CAN BE CONVERTED TO HIGH EFFICIENCY ELECTRIC SPACE AND WATER HEATING EQUIPMENT AND APPLIANCES AT THE LOWEST POSSIBLE COST TO BUILDING OWNERS. THESE GUIDELINES MUST INCLUDE PROVISIONS FOR:

(A) A STANDARD METHODOLOGY FOR DETERMINING HOW TO CALCULATE OR MEASURE WHEN COMPLIANCE WITH A MODEL ELECTRIC AND SOLAR READY CODE REACHES A SUBSTANTIAL COST DIFFERENTIAL THAT WOULD REQUIRE A WAIVER OR VARIANCE FOR SOME OR ALL OF THE PROVISIONS OF THE MODEL ELECTRIC AND SOLAR READY CODE;

(B) AN EVIDENCE-BASED, UNIFORM WAIVER OR VARIANCE PROCESS TO ALLOW A BUILDER, DEVELOPER, OR BUILDING OWNER TO REQUEST A WAIVER WHEN IT CAN BE DEMONSTRATED WITH REASONABLE EVIDENCE THAT COMPLIANCE WILL CREATE A SUBSTANTIAL COST DIFFERENTIAL; AND

(C) AS USED IN THIS SUBSECTION (5)(c)(II), "SUBSTANTIAL COST DIFFERENTIAL" MEANS ONE PERCENT OR GREATER OF THE TOTAL MECHANICAL, ELECTRICAL, AND PLUMBING CONSTRUCTION COSTS ON THE PROJECT;

(III) TAKE INTO ACCOUNT HOME AFFORDABILITY;

(IV) (A) ENSURE THAT THE MODEL ELECTRIC READY AND SOLAR READY CODE DEVELOPED BY THE ENERGY CODE BOARD DOES NOT APPLY TO CONSTRUCTION OR RENOVATION THAT SERVES THE PRIMARY PURPOSE OF MAKING A BUILDING ACCESSIBLE OR MORE ACCESSIBLE FOR AN INDIVIDUAL WITH A DISABILITY.

(B) AS USED IN THIS SUBSECTION (5)(c)(IV), "ACCESSIBLE" MEANS ABLE TO BE APPROACHED, ENTERED, AND USED;

(V) ENSURE THAT THE USE OF AN ACCEPTABLE REFRIGERANT IS NOT PROHIBITED; AND

(VI) ENSURE THAT ALL ELECTRICAL AND PLUMBING INSTALLATIONS REQUIRED UNDER THE MODEL ELECTRIC READY AND SOLAR READY CODE ARE SUBJECT TO STATUTORY AND REGULATORY INSPECTION AND PERMIT REQUIREMENTS.

(6) (a) **Duty of the energy code board to adopt a model low energy and carbon code.** IT IS THE DUTY OF THE ENERGY CODE BOARD TO DEVELOP A MODEL LOW ENERGY AND CARBON CODE ON OR BEFORE JUNE 1, 2025, FOR ADOPTION BY COUNTIES, MUNICIPALITIES, AND STATE AGENCIES.

(b) THE MODEL LOW ENERGY AND CARBON CODE DEVELOPED BY THE ENERGY CODE BOARD MUST APPLY TO COMMERCIAL AND RESIDENTIAL BUILDINGS AND MUST:

(I) INCLUDE THE MORE ENERGY EFFICIENT OF EITHER THE 2021 OR 2024 INTERNATIONAL ENERGY CONSERVATION CODE, EXCEPT AS THE

ENERGY CODE BOARD MAY MODIFY THOSE INTERNATIONAL ENERGY CONSERVATION CODES PURSUANT TO SUBSECTION (7) OF THIS SECTION, INCLUDING ANY APPENDICES TO THE INTERNATIONAL ENERGY CONSERVATION CODE THAT THE ENERGY CODE BOARD DEEMS APPROPRIATE;

(II) INCLUDE THE MODEL ELECTRIC READY AND SOLAR READY CODE LANGUAGE DEVELOPED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SUBSECTION (5) OF THIS SECTION, AND MODIFIED AS THE ENERGY CODE BOARD DEEMS APPROPRIATE;

(III) PROVIDE COMPLIANCE PATHWAYS FOR ALL-ELECTRIC AND MIXED FUEL USE RESIDENTIAL AND COMMERCIAL BUILDINGS;

(IV) EXEMPT ELECTRICITY CONSUMPTION IN RESIDENTIAL AND COMMERCIAL BUILDINGS FROM ANY ONSITE OR OFFSITE RENEWABLE ENERGY REQUIREMENTS;

(V) ALLOW PROJECTS CONSISTING OF ONLY REPLACING A SPACE OR WATER HEATING SYSTEM, AT THE END OF THAT SYSTEM'S USEFUL LIFE, WITH THE INSTALLATION OF A NEW SYSTEM USING THE SAME FUEL OR POWER SOURCE, WITHOUT TRIGGERING PRE-WIRE REQUIREMENTS;

(VI) ENSURE THAT FOR ANY RENEWABLE ENERGY MEASURES USED TO ENSURE THAT A HOME OR COMMERCIAL BUILDING IS COMPLIANT WITH THE MODEL LOW ENERGY AND CARBON CODE DEVELOPED BY THE ENERGY CODE BOARD, ANY ELECTRIC RENEWABLE ENERGY CREDITS GENERATED MAY NOT BE DOUBLE COUNTED BETWEEN COMPLIANCE WITH THIS SECTION AND THE REQUIREMENTS UNDER SECTION 25-7-105 (1)(e), SECTION 40-3.2-108 (3)(b), SECTION 40-2-125.5, OR ANY SIMILAR GREENHOUSE GAS EMISSION REDUCTION PROGRAM OR SET OF REQUIREMENTS. NOTHING IN THIS SECTION SHALL PRECLUDE A UTILITY FROM ACQUIRING RENEWABLE ENERGY CREDITS FROM A BUILDING OWNER THROUGH A NET-METERING AGREEMENT.

(VII) TAKE INTO ACCOUNT HOME AFFORDABILITY;

(VIII) MINIMIZE OVERALL CARBON DIOXIDE EMISSIONS ASSOCIATED WITH NEW AND RENOVATED HOMES AND COMMERCIAL BUILDINGS; AND

(IX) CREATE A PROCESS TO WAIVE ENERGY CODE REQUIREMENTS WHEN THERE HAS BEEN A DECLARED NATURAL DISASTER THAT HAS

DESTROYED BUILDINGS OR OTHER CIRCUMSTANCES AS DETERMINED BY THE ENERGY CODE BOARD.

(c) IN DEVELOPING A MODEL LOW ENERGY AND CARBON CODE, THE ENERGY CODE BOARD SHALL:

(I) (A) ENSURE THAT THE MODEL ELECTRIC READY AND SOLAR READY CODE DEVELOPED BY THE ENERGY CODE BOARD DOES NOT APPLY TO CONSTRUCTION OR RENOVATION THAT SERVES THE PRIMARY PURPOSE OF MAKING A BUILDING ACCESSIBLE OR MORE ACCESSIBLE FOR AN INDIVIDUAL WITH A DISABILITY;

(B) AS USED IN THIS SUBSECTION (6)(c)(I), "ACCESSIBLE" MEANS ABLE TO BE APPROACHED, ENTERED, AND USED; AND

(II) ENSURE THAT THE USE OF AN ACCEPTABLE REFRIGERANT IS NOT PROHIBITED.

(7) **Option to relax international energy conservation code appendices.** THE ENERGY CODE BOARD MAY AS NECESSARY RELAX THE STRINGENCY OF ANY REQUIREMENTS IN THE INTERNATIONAL ENERGY CONSERVATION CODE, INCLUDING APPENDICES THAT IT ADOPTS AS PART OF THE MODEL LOW ENERGY AND CARBON CODE LANGUAGE IT DEVELOPS PURSUANT TO SUBSECTION (5) OF THIS SECTION IF IT DEEMS THAT DOING SO IS APPROPRIATE, BUT THE ENERGY CODE BOARD SHALL NOT INCREASE THE STRINGENCY OF ANY REQUIREMENTS IN THE INTERNATIONAL ENERGY CONSERVATION CODE INCLUDING APPENDICES THAT IT ADOPTS AS PART OF THE MODEL LOW ENERGY AND CARBON CODE LANGUAGE IT DEVELOPS PURSUANT TO SUBSECTION (5) OF THIS SECTION.

(8) (a) **Process for model code development.** IN ORDER TO DEVELOP EITHER THE MODEL ELECTRIC READY AND SOLAR READY CODE PURSUANT TO SUBSECTION (5) OF THIS SECTION OR THE MODEL LOW ENERGY AND CARBON CODE PURSUANT TO SUBSECTION (6) OF THIS SECTION, TWO-THIRDS OF THE MEMBERS OF THE ENERGY CODE BOARD MUST APPROVE EACH ELEMENT OF THE MODEL CODE.

(b) IF TWO-THIRDS OF THE ENERGY CODE BOARD FAIL, ON OR BEFORE APRIL 1, 2023, TO ADOPT ANY ELEMENT OF THE MODEL ELECTRIC READY AND SOLAR READY CODE REQUIRED BY SUBSECTION (5) OF THIS SECTION,

THE EXECUTIVE COMMITTEE SHALL VOTE ON THAT SAME ELEMENT ON OR BEFORE MAY 15, 2023. IF TWO-THIRDS OF THE ENERGY CODE BOARD FAIL, ON OR BEFORE FEBRUARY 1, 2025, TO ADOPT AN ELEMENT OF THE MODEL LOW ENERGY AND CARBON REQUIRED BY SUBSECTION (6) OF THIS SECTION, THE EXECUTIVE COMMITTEE SHALL VOTE ON THAT SAME ELEMENT ON OR BEFORE MARCH 15, 2025.

(c) IF THE ENERGY CODE BOARD FAILS, ON OR BEFORE APRIL 1, 2023, TO ADOPT ANY ELEMENT OF THE MODEL ELECTRIC READY AND SOLAR READY CODE REQUIRED BY SUBSECTION (5) OF THIS SECTION, THE EXECUTIVE COMMITTEE SHALL VOTE ON THAT SAME ELEMENT ON OR BEFORE MAY 15, 2023. IF THE ENERGY CODE BOARD FAILS, ON OR BEFORE FEBRUARY 1, 2025, TO ADOPT AN ELEMENT OF THE MODEL LOW ENERGY AND CARBON CODE REQUIRED BY SUBSECTION (6) OF THIS SECTION, THE EXECUTIVE COMMITTEE SHALL VOTE ON THAT SAME ELEMENT ON OR BEFORE MARCH 15, 2025.

(d) UPON A VOTE OF THE MAJORITY OF THE EXECUTIVE COMMITTEE, AN ELEMENT THAT THE ENERGY CODE BOARD FAILED TO ADOPT IS ADOPTED AS PART OF EITHER THE MODEL ELECTRIC READY AND SOLAR READY CODE OR THE MODEL LOW ENERGY AND CARBON CODE IS ADOPTED AS AN ELEMENT OF THE RESPECTIVE MODEL CODE.

(e) DURING THE DEVELOPMENT OF BOTH THE MODEL ELECTRIC READY AND SOLAR READY CODE AND THE MODEL LOW ENERGY AND CARBON CODE, THE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS OR THE DIRECTOR'S DESIGNEE AND THE DIRECTOR OF THE COLORADO ENERGY OFFICE OR THE DIRECTOR'S DESIGNEE SHALL ENSURE THAT THE ENERGY CODE BOARD ADHERES TO THE REQUIREMENTS OF THIS SECTION.

(9) **Acceptable refrigerants.** THE USE OF AN ACCEPTABLE REFRIGERANT MAY NOT BE PROHIBITED OR OTHERWISE RESTRICTED BY A LOCALITY, COUNTY, OR OTHER STATE RULE OR REGULATION; EXCEPT THAT NOTHING IN THIS ARTICLE 38.5 MAY BE CONSTRUED TO PROHIBIT, LIMIT, OR OTHERWISE MODIFY THE REQUIREMENTS OF REGULATION NUMBER 22, 5 CCR 1001-26, AS AMENDED, OR ANY ENTITY'S PROCUREMENT REQUIREMENTS FOR THEIR OWN USE.

(10)(a) **Reporting.** THE COLORADO ENERGY OFFICE SHALL INCLUDE AN UPDATE REGARDING THE EFFECTIVENESS OF THE ENERGY CODE BOARD IN ITS 2027 REPORT TO THE MEMBERS OF THE APPLICABLE COMMITTEES OF

REFERENCE IN THE SENATE AND HOUSE OF REPRESENTATIVES AS REQUIRED BY THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

(b) THE DEPARTMENT OF LOCAL AFFAIRS SHALL INCLUDE AN UPDATE REGARDING THE EFFECTIVENESS OF THE ENERGY CODE BOARD IN ITS 2027 REPORT TO THE MEMBERS OF THE APPLICABLE COMMITTEES OF REFERENCE IN THE SENATE AND HOUSE OF REPRESENTATIVES AS REQUIRED BY THE "STATE MEASUREMENT FOR ACCOUNTABLE, RESPONSIVE, AND TRANSPARENT (SMART) GOVERNMENT ACT", PART 2 OF ARTICLE 7 OF TITLE 2.

(11) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE SEPTEMBER 1, 2027.

24-38.5-402. Model green energy code. (1) BEFORE JULY 1, 2024, THE COLORADO ENERGY OFFICE SHALL IDENTIFY MODEL GREEN CODE LANGUAGE FOR ADOPTION. THE COLORADO ENERGY OFFICE SHALL PROMOTE THE VOLUNTARY ADOPTION OF THIS MODEL GREEN CODE LANGUAGE.

24-38.5-403. Energy code training - energy code adoption - grant writing assistance. (1) (a) THE COLORADO ENERGY OFFICE SHALL PROVIDE ENERGY CODE TRAINING TO ASSIST LOCAL GOVERNMENTS, DIVISIONS IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT, BUILDERS, AND CONTRACTORS IN ADOPTING AND IMPLEMENTING THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE, ELECTRIC READY AND SOLAR READY CODES, AND LOW ENERGY AND CARBON CODES. THE TRAINING ITSELF AND THE MATERIALS PROVIDED ALONG WITH THIS TRAINING MUST BE IN BOTH ENGLISH AND SPANISH.

(b) IF THE COLORADO ENERGY OFFICE IS ABLE TO OBTAIN FUNDING, THE COLORADO ENERGY OFFICE SHALL PROVIDE FINANCIAL ASSISTANCE THROUGH AN APPLICATION PROCESS TO SUPPORT THE ADOPTION AND ENFORCEMENT BY LOCAL GOVERNMENTS OF THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE, AN ELECTRIC READY AND SOLAR READY CODE, AND A LOW ENERGY AND CARBON CODE.

(2) THE COLORADO ENERGY OFFICE SHALL ADOPT POLICIES AND PROCEDURES AS NECESSARY FOR THE CREATION AND ADMINISTRATION OF A

GRANT PROGRAM TO AWARD THE GRANTS DESCRIBED IN SUBSECTION (3)(a)(I) OF THIS SECTION, INCLUDING POLICIES AND PROCEDURES THAT AT A MINIMUM ESTABLISH THE APPLICATION PROCESS AND THE GRANT AWARD CRITERIA.

(3) (a) WITHIN THREE DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (3)(a), THE STATE TREASURER SHALL TRANSFER THREE MILLION DOLLARS FROM THE GENERAL FUND TO THE ENERGY FUND CREATED IN SECTION 24-38.5-102.4. THE COLORADO ENERGY OFFICE SHALL EXPEND THE MONEY TRANSFERRED BY THE GENERAL ASSEMBLY PURSUANT TO THIS SUBSECTION (3)(a) FOR THE PURPOSES OF:

(I) ISSUING GRANTS, NOT TO EXCEED A TOTAL OF TWO MILLION DOLLARS, TO LOCAL GOVERNMENTS TO SUPPORT THEIR ADOPTION AND ENFORCEMENT OF THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE, AN ELECTRIC READY AND SOLAR READY CODE, AND A LOW ENERGY AND CARBON CODE AND TO COVER THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH ISSUING THESE GRANTS; AND

(II) PROVIDING ENERGY CODE TRAINING AND TECHNICAL ASSISTANCE, INCLUDING GRANT WRITING ASSISTANCE, NOT TO EXCEED A TOTAL COST OF ONE MILLION DOLLARS, TO ASSIST LOCAL GOVERNMENTS AND DIVISIONS IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT IN ADOPTING AND ENFORCING THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE, AN ELECTRIC READY AND SOLAR READY CODE, A LOW ENERGY AND CARBON CODE, OR A GREEN CODE AND COVERING THE DIRECT AND INDIRECT COSTS ASSOCIATED WITH ALIGNING ENERGY CODES AND WITH PROVIDING THIS TRAINING AND TECHNICAL ASSISTANCE.

(b) WITHIN THREE DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (3)(b), THE STATE TREASURER SHALL TRANSFER ONE MILLION DOLLARS FROM THE GENERAL FUND TO THE ENERGY FUND CREATED IN SECTION 24-38.5-102.4. THE COLORADO ENERGY OFFICE SHALL EXPEND THE MONEY TRANSFERRED BY THE GENERAL ASSEMBLY PURSUANT TO THIS SUBSECTION (3)(b) FOR THE PURPOSE OF PROVIDING ENERGY CODE TRAINING TO ASSIST ARCHITECTS, BUILDERS, CONTRACTORS, AND DESIGNERS IN IMPLEMENTING THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE, ELECTRIC READY AND SOLAR READY CODES, AND LOW ENERGY AND CARBON CODES. THE TRAINING AND MATERIALS PROVIDED ALONG WITH THIS TRAINING MUST BE IN BOTH ENGLISH AND SPANISH.

(c) WITHIN THREE DAYS AFTER THE EFFECTIVE DATE OF THIS SUBSECTION (3)(c), THE STATE TREASURER SHALL TRANSFER ONE HUNDRED AND FIFTY THOUSAND DOLLARS FROM THE GENERAL FUND TO THE ENERGY FUND CREATED IN SECTION 24-38.5-102.4. THE COLORADO ENERGY OFFICE SHALL EXPEND THE MONEY TRANSFERRED BY THE GENERAL ASSEMBLY PURSUANT TO THIS SUBSECTION (3)(c) FOR THE COSTS ASSOCIATED WITH ADMINISTERING THE ENERGY CODE BOARD ESTABLISHED IN SECTION 24-38.5-401 (2).

24-38.5-404. Building electrification for public buildings grant program - creation - report - legislative declaration. (1) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT:

(a) EMISSIONS FROM HEATING BUILDINGS ARE ONE OF THE FIVE LARGEST SOURCES OF GREENHOUSE GAS POLLUTION IN COLORADO;

(b) MANY PUBLIC BUILDINGS OWNED BY LOCAL GOVERNMENTS, SCHOOL DISTRICTS, INSTITUTIONS OF HIGHER EDUCATION, AND OTHER GOVERNMENTAL ENTITIES ARE OLDER BUILDINGS WITH BOTH HIGH ENERGY COSTS AND EMISSIONS;

(c) ENERGY PERFORMANCE CONTRACTING IS AN IMPORTANT TOOL THAT GOVERNMENTAL ENTITIES CAN USE TO UPGRADE THE ENERGY PERFORMANCE OF BUILDINGS BY FINANCING ENERGY UPGRADES BASED ON PROJECTED SAVINGS IN ENERGY COSTS;

(d) NEWER TECHNOLOGIES SUCH AS COLD CLIMATE HEAT PUMPS AND HEAT PUMP WATER HEATERS OFFER MANY OPPORTUNITIES TO REDUCE GREENHOUSE GAS AND NITROGEN OXIDE EMISSIONS AND IMPROVE INDOOR AIR QUALITY; AND

(e) THEREFORE, IT IS IMPORTANT FOR STATE INVESTMENTS TO SUPPORT PUBLIC AGENCIES IN INCLUDING HIGH-EFFICIENCY ELECTRIC HEATING UPGRADES IN ENERGY PERFORMANCE CONTRACTS FOR PUBLIC BUILDINGS.

(2) THERE IS CREATED IN THE COLORADO ENERGY OFFICE THE BUILDING ELECTRIFICATION FOR PUBLIC BUILDINGS GRANT PROGRAM TO PROVIDE GRANTS TO INSTITUTIONS OF HIGHER EDUCATION, LOCAL GOVERNMENTS, SCHOOL DISTRICTS, STATE AGENCIES, AND SPECIAL

DISTRICTS FOR THE INSTALLATION OF HIGH-EFFICIENCY ELECTRIC HEATING EQUIPMENT.

(3) GRANTEES MAY USE MONEY RECEIVED THROUGH THE BUILDING ELECTRIFICATION FOR PUBLIC BUILDINGS GRANT PROGRAM FOR THE FOLLOWING PURPOSES:

(a) THE PURCHASE AND INSTALLATION OF HIGH-EFFICIENCY ELECTRIC EQUIPMENT FOR SPACE HEATING, WATER HEATING, OR COOKING;

(b) THE PURCHASE OF ELECTRICAL INSTALLATIONS AND UPGRADES NECESSARY TO SUPPORT THE INSTALLATION OF HIGH-EFFICIENCY ELECTRIC EQUIPMENT;

(c) THE PURCHASE AND INSTALLATION OF OTHER INNOVATIVE BUILDING HEATING TECHNOLOGIES THAT THE COLORADO ENERGY OFFICE DETERMINES WILL LIKELY ACHIEVE EQUAL OR LOWER LEVELS OF GREENHOUSE GAS EMISSIONS THAN HIGH EFFICIENCY HEAT PUMPS OPERATED ON THE PROJECTED 2030 ELECTRIC GRID; AND

(d) IN THE CASE OF ELIGIBLE ENTITIES FROM LOW-INCOME, DISPROPORTIONATELY IMPACTED COMMUNITIES, OR JUST TRANSITION COMMUNITIES AS THOSE COMMUNITIES ARE IDENTIFIED BY THE COLORADO ENERGY OFFICE, TO COVER THE ADMINISTRATIVE COSTS ASSOCIATED WITH THE PURCHASE AND INSTALLATION DESCRIBED IN SUBSECTIONS (3)(a), (3)(b), AND (3)(c) OF THIS SECTION.

(4) THE COLORADO ENERGY OFFICE SHALL ADMINISTER THE BUILDING ELECTRIFICATION FOR PUBLIC BUILDINGS GRANT PROGRAM, AWARD GRANTS AS PROVIDED IN THIS SECTION, AND DEVELOP POLICIES AND PROCEDURES AS NECESSARY TO IMPLEMENT THE GRANT PROGRAM.

(5) GRANTS SHALL BE PAID OUT OF THE CLEAN AIR BUILDINGS INVESTMENTS FUND CREATED IN SECTION 24-38.5-406.

(6) THE COLORADO ENERGY OFFICE MAY DEVELOP POLICIES AND PROCEDURES PRIORITIZING THE GRANT APPLICATIONS OF ELIGIBLE ENTITIES FROM LOW-INCOME, DISPROPORTIONATELY IMPACTED COMMUNITIES, OR JUST TRANSITION COMMUNITIES AS THOSE COMMUNITIES ARE IDENTIFIED BY THE COLORADO ENERGY OFFICE, AND THE COLORADO ENERGY OFFICE SHALL

AWARD AT LEAST THIRTY PERCENT OF THE TOTAL AMOUNT OF MONEY IT AWARDS THROUGH GRANTS PURSUANT TO THE BUILDING ELECTRIFICATION FOR PUBLIC BUILDINGS GRANT PROGRAM TO SUCH ELIGIBLE ENTITIES.

(7) (a) TO RECEIVE A GRANT, AN ELIGIBLE ENTITY MUST SUBMIT AN APPLICATION TO THE COLORADO ENERGY OFFICE IN ACCORDANCE WITH THE POLICIES AND PROCEDURES SPECIFIED BY THE COLORADO ENERGY OFFICE.

(b) THE COLORADO ENERGY OFFICE SHALL PROVIDE TECHNICAL ASSISTANCE IN APPLYING FOR GRANTS THROUGH THE BUILDING ELECTRIFICATION FOR PUBLIC BUILDINGS GRANT PROGRAM AS NEEDED TO ELIGIBLE ENTITIES FROM LOW-INCOME, DISPROPORTIONATELY IMPACTED COMMUNITIES, OR JUST TRANSITION COMMUNITIES AS THOSE COMMUNITIES ARE IDENTIFIED BY THE COLORADO ENERGY OFFICE.

(8) (a) EACH GRANTEE THAT RECEIVES A GRANT THROUGH THE BUILDING ELECTRIFICATION FOR PUBLIC BUILDINGS GRANT PROGRAM SHALL SUBMIT AN ANNUAL REPORT TO THE COLORADO ENERGY OFFICE FOR THE FIRST FIVE YEARS AFTER RECEIVING THE GRANT.

(b) (I) ON OR BEFORE FEBRUARY 1, 2024, AND ON EACH YEAR THEREAFTER, THE COLORADO ENERGY OFFICE SHALL SUBMIT A SUMMARIZED REPORT TO THE TRANSPORTATION AND ENERGY COMMITTEE OF THE SENATE AND THE ENERGY AND ENVIRONMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES OR THEIR SUCCESSOR COMMITTEES, ON THE BUILDING ELECTRIFICATION FOR PUBLIC BUILDINGS GRANT PROGRAM. AT A MINIMUM, THIS SUMMARIZED REPORT MUST INCLUDE:

(A) A DESCRIPTION OF THE GRANTS AWARDED, INCLUDING A DESCRIPTION OF THE PROJECTS FUNDED BY THE GRANTS AS DESCRIBED TO THE COLORADO ENERGY OFFICE IN THE GRANT APPLICATIONS;

(B) THE PERCENTAGE OF GRANTS AWARDED TO LOW-INCOME, DISPROPORTIONATELY IMPACTED COMMUNITIES OR JUST TRANSITION COMMUNITIES AND TO INDIVIDUALS WITH A DISABILITY OR ENTITIES THAT USED THE GRANTS TO PROVIDE A SERVICE FOR INDIVIDUALS WITH A DISABILITY; AND

(C) TO THE EXTENT AVAILABLE, THE IMPACTS OF THE GRANTS ON GAS USE, ELECTRICITY USE, EMISSIONS, AND ENERGY COSTS.

(II) THIS SUBSECTION (8)(b) IS REPEALED, EFFECTIVE JULY 1, 2026.

24-38.5-405. High-efficiency electric heating and appliances grant program - creation - report - legislative declaration - repeal.

(1) THE GENERAL ASSEMBLY HEREBY FINDS, DETERMINES, AND DECLARES THAT:

(a) EMISSIONS FROM HEATING BUILDINGS ARE ONE OF THE FIVE LARGEST SOURCES OF GREENHOUSE GAS POLLUTION IN COLORADO;

(b) OVER A MILLION COLORADANS LIVE IN ENERGY BURDENED HOUSEHOLDS THAT SPEND FIVE PERCENT OR MORE OF THEIR HOUSEHOLD INCOME ON ENERGY EXPENDITURES;

(c) NEWER TECHNOLOGIES SUCH AS COLD CLIMATE HEAT PUMPS AND HEAT PUMP WATER HEATERS OFFER MANY OPPORTUNITIES TO REDUCE GREENHOUSE GAS AND NITROGEN OXIDE EMISSIONS AND IMPROVE INDOOR AIR QUALITY;

(d) ENERGY UPGRADES TO RESIDENTIAL AND COMMERCIAL BUILDINGS MAY BE MORE COST EFFECTIVE AND EASIER TO IMPLEMENT WHEN DEPLOYED AT THE NEIGHBORHOOD SCALE, AND NEIGHBORHOOD-SCALE UPGRADES MAY ALLOW UTILITIES TO AVOID OR DEFER INVESTMENTS IN GAS AND ELECTRIC DISTRIBUTION, THEREBY REDUCING COSTS FOR ALL UTILITY RATEPAYERS; AND

(e) THEREFORE, IT IS IMPORTANT FOR THE STATE TO SUPPORT INVESTMENTS IN NEIGHBORHOOD-SCALE ENERGY EFFICIENCY UPGRADES.

(2) THERE IS CREATED IN THE COLORADO ENERGY OFFICE THE HIGH-EFFICIENCY ELECTRIC HEATING AND APPLIANCES GRANT PROGRAM TO PROVIDE GRANTS TO INSTITUTIONS OF HIGHER EDUCATION, LOCAL GOVERNMENTS, UTILITIES, NONPROFIT ORGANIZATIONS, BUSINESSES AND OTHER ENTITIES AS DETERMINED BY THE COLORADO ENERGY OFFICE, AND HOUSING DEVELOPERS FOR THE INSTALLATION OF HIGH-EFFICIENCY ELECTRIC HEATING EQUIPMENT IN MULTIPLE STRUCTURES WITHIN A NEIGHBORHOOD.

(3) GRANTEES MAY USE THE MONEY RECEIVED THROUGH THE HIGH-EFFICIENCY ELECTRIC HEATING AND APPLIANCES GRANT PROGRAM FOR

THE FOLLOWING PURPOSES:

(a) THE PURCHASE AND INSTALLATION OF HIGH-EFFICIENCY ELECTRIC EQUIPMENT FOR SPACE HEATING, WATER HEATING, OR COOKING IN MULTIPLE RESIDENTIAL OR COMMERCIAL BUILDINGS LOCATED IN CLOSE PROXIMITY;

(b) THE PURCHASE OF ELECTRICAL INSTALLATIONS AND UPGRADES NECESSARY TO SUPPORT THE INSTALLATION OF HIGH-EFFICIENCY ELECTRIC EQUIPMENT;

(c) THE PURCHASE AND INSTALLATION OF OTHER INNOVATIVE BUILDING HEATING TECHNOLOGIES THAT THE COLORADO ENERGY OFFICE DETERMINES WILL LIKELY ACHIEVE EQUAL OR LOWER LEVELS OF GREENHOUSE GAS EMISSIONS THAN HIGH-EFFICIENCY HEAT PUMPS OPERATED ON THE PROJECTED 2030 ELECTRIC GRID; AND

(d) IN THE CASE OF LOCAL GOVERNMENTS, ELECTRIC AND GAS UTILITIES, NONPROFIT ORGANIZATIONS, BUSINESSES AND OTHER ENTITIES AS DETERMINED BY THE COLORADO ENERGY OFFICE, OR HOUSING DEVELOPERS THAT OPERATE IN LOW-INCOME, DISPROPORTIONATELY IMPACTED COMMUNITIES OR JUST TRANSITION COMMUNITIES AS THOSE COMMUNITIES ARE IDENTIFIED BY THE COLORADO ENERGY OFFICE, TO COVER THE ADMINISTRATIVE COSTS ASSOCIATED WITH THE PURCHASE AND INSTALLATION DESCRIBED IN SUBSECTIONS (3)(a), (3)(b), AND (3)(c) OF THIS SECTION.

(4) THE COLORADO ENERGY OFFICE SHALL ADMINISTER THE HIGH-EFFICIENCY ELECTRIC HEATING AND APPLIANCES GRANT PROGRAM, AWARD GRANTS AS PROVIDED IN THIS SECTION, AND DEVELOP POLICIES AND PROCEDURES AS NECESSARY TO IMPLEMENT THE GRANT PROGRAM.

(5) GRANTS SHALL BE PAID OUT OF THE CLEAN AIR BUILDINGS INVESTMENTS FUND CREATED IN SECTION 24-38.5-406.

(6) THE COLORADO ENERGY OFFICE MAY DEVELOP POLICIES AND PROCEDURES PRIORITIZING THE GRANT APPLICATIONS OF LOCAL GOVERNMENTS, ELECTRIC AND GAS UTILITIES, NONPROFIT ORGANIZATIONS, BUSINESSES AND OTHER ENTITIES AS DETERMINED BY THE COLORADO ENERGY OFFICE, OR HOUSING DEVELOPERS THAT OPERATE IN LOW-INCOME,

DISPROPORTIONATELY IMPACTED COMMUNITIES OR JUST TRANSITION COMMUNITIES AS THOSE COMMUNITIES ARE IDENTIFIED BY THE COLORADO ENERGY OFFICE, AND THE COLORADO ENERGY OFFICE SHALL AWARD AT LEAST THIRTY PERCENT OF THE TOTAL AMOUNT OF MONEY IT AWARDS THROUGH GRANTS PURSUANT TO THE HIGH-EFFICIENCY ELECTRIC HEATING AND APPLIANCES GRANT PROGRAM TO SUCH LOCAL GOVERNMENTS, ELECTRIC AND GAS UTILITIES, NONPROFIT ORGANIZATIONS, BUSINESSES AND OTHER ENTITIES AS DETERMINED BY THE COLORADO ENERGY OFFICE, OR HOUSING DEVELOPERS.

(7) (a) TO RECEIVE A GRANT, A LOCAL GOVERNMENT, ELECTRIC OR GAS UTILITY, NONPROFIT ORGANIZATION, BUSINESS AND OTHER ENTITY AS DETERMINED BY THE COLORADO ENERGY OFFICE, OR HOUSING DEVELOPER MUST SUBMIT AN APPLICATION TO THE COLORADO ENERGY OFFICE IN ACCORDANCE WITH THE POLICIES AND PROCEDURES SPECIFIED BY THE COLORADO ENERGY OFFICE.

(b) THE COLORADO ENERGY OFFICE SHALL PROVIDE TECHNICAL ASSISTANCE IN APPLYING FOR GRANTS THROUGH THE HIGH-EFFICIENCY ELECTRIC HEATING AND APPLIANCES GRANT PROGRAM AS NEEDED TO LOCAL GOVERNMENTS, ELECTRIC AND GAS UTILITIES, NONPROFIT ORGANIZATIONS, BUSINESSES AND OTHER ENTITIES AS DETERMINED BY THE COLORADO ENERGY OFFICE, OR HOUSING DEVELOPERS THAT OPERATE IN LOW-INCOME, DISPROPORTIONATELY IMPACTED COMMUNITIES OR JUST TRANSITION COMMUNITIES AS THOSE COMMUNITIES ARE IDENTIFIED BY THE COLORADO ENERGY OFFICE.

(8) (a) EACH GRANTEE THAT RECEIVES A GRANT THROUGH THE HIGH-EFFICIENCY ELECTRIC HEATING AND APPLIANCES GRANT PROGRAM SHALL SUBMIT A REPORT TO THE COLORADO ENERGY OFFICE THE FIRST FIVE YEARS AFTER RECEIVING THE GRANT.

(b) (I) ON OR BEFORE FEBRUARY 1, 2024, AND ON EACH YEAR THEREAFTER, THE COLORADO ENERGY OFFICE SHALL SUBMIT A SUMMARIZED REPORT TO THE TRANSPORTATION AND ENERGY COMMITTEE OF THE SENATE AND THE ENERGY AND ENVIRONMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES, OR THEIR SUCCESSOR COMMITTEES, ON THE HIGH-EFFICIENCY ELECTRIC HEATING AND APPLIANCES GRANT PROGRAM. AT A MINIMUM, THIS SUMMARIZED REPORT MUST INCLUDE:

(A) A DESCRIPTION OF THE GRANTS AWARDED, INCLUDING A DESCRIPTION OF THE PROJECTS FUNDED BY THE GRANTS AS DESCRIBED TO THE COLORADO ENERGY OFFICE IN THE GRANT APPLICATIONS;

(B) THE PERCENTAGE OF GRANTS AWARDED TO LOW-INCOME, DISPROPORTIONATELY IMPACTED COMMUNITIES OR JUST TRANSITION COMMUNITIES AND TO INDIVIDUALS WITH A DISABILITY OR ENTITIES THAT USED THE GRANTS TO PROVIDE A SERVICE FOR INDIVIDUALS WITH A DISABILITY; AND

(C) TO THE EXTENT AVAILABLE, THE IMPACTS OF THE GRANTS ON GAS USE, ELECTRICITY USE, EMISSIONS, AND ENERGY COSTS.

(II) THIS SUBSECTION (8)(b) IS REPEALED, EFFECTIVE JULY 1, 2026.

24-38.5-406. Clean air building investments fund - creation - use of fund. (1) THE CLEAN AIR BUILDING INVESTMENTS FUND, REFERRED TO IN THIS SECTION AS THE "FUND", IS CREATED IN THE STATE TREASURY. THE PRINCIPAL OF THE FUND CONSISTS OF MONEY TRANSFERRED TO THE FUND FROM THE GENERAL FUND AND GIFTS, GRANTS, AND DONATIONS. INTEREST AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEY IN THE FUND ARE CREDITED TO THE FUND.

(2) ALL MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE COLORADO ENERGY OFFICE. THE COLORADO ENERGY OFFICE MAY EXPEND MONEY FROM THE FUND FOR THE CREATION, IMPLEMENTATION, AND ADMINISTRATION OF:

(a) THE BUILDING ELECTRIFICATION FOR PUBLIC BUILDINGS GRANT PROGRAM CREATED IN SECTION 24-38.5-404; AND

(b) THE HIGH-EFFICIENCY ELECTRIC HEATING AND APPLIANCES GRANT PROGRAM CREATED IN SECTION 24-38.5-405.

(3) (a) ON THE EFFECTIVE DATE OF THIS SECTION, OR AS SOON AS POSSIBLE THEREAFTER, THE STATE TREASURER SHALL TRANSFER TWENTY MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS FROM THE GENERAL FUND TO THE FUND.

(b) THE COLORADO ENERGY OFFICE SHALL USE TEN MILLION

DOLLARS OF THE MONEY TRANSFERRED PURSUANT TO THIS SUBSECTION (3) FOR THE CREATION, IMPLEMENTATION, AND ADMINISTRATION OF THE BUILDING ELECTRIFICATION FOR PUBLIC BUILDINGS GRANT PROGRAM CREATED IN SECTION 24-38.5-404.

(c) THE COLORADO ENERGY OFFICE SHALL USE TEN MILLION EIGHT HUNDRED FIFTY THOUSAND DOLLARS OF THE MONEY TRANSFERRED PURSUANT TO THIS SUBSECTION (3) FOR THE CREATION, IMPLEMENTATION, AND ADMINISTRATION OF THE HIGH-EFFICIENCY ELECTRIC HEATING AND APPLIANCES GRANT PROGRAM CREATED IN SECTION 24-38.5-405.

SECTION 2. In Colorado Revised Statutes, 12-115-107, **amend** (2)(a) as follows:

12-115-107. Board powers and duties - rules - definition. (2) In addition to all other powers and duties conferred or imposed upon the board by this article 115, the board is authorized to:

(a) (I) Adopt, and from time to time revise, rules pursuant to section 12-20-204. In adopting the rules, the board shall be governed when appropriate by the standards in the most current edition of the national electrical code or by any modifications to the standards made by the board after a hearing is held pursuant to the provisions of article 4 of title 24. These standards are adopted as the minimum standards governing the planning, laying out, and installing or the making of additions, alterations, and repairs in the installation of wiring apparatus and equipment for electric light, heat, and power in this state. A copy of the code shall be kept in the office of the board and open to public inspection. Nothing contained in this section prohibits any city, town, county, city and county, or qualified state institution of higher education from making and enforcing any such standards that are more stringent than the minimum standards adopted by the board, and any city, town, county, city and county, or qualified state institution of higher education that adopts more stringent standards shall furnish a copy thereof to the board. The standards adopted by the board shall be prima facie evidence of minimum approved methods of construction for safety to life and property. The affirmative vote of two-thirds of all appointed members of the board is required to set any standards that are different from those set forth in the national electrical code. If requested in writing, the board shall send a copy of newly adopted standards and rules to any interested party at least thirty days before the

implementation and enforcement of the standards or rules. The copies may be furnished for a fee established pursuant to section 12-20-105.

(II) IN THE EVENT OF A CONFLICT BETWEEN THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE, THE 2024 INTERNATIONAL ENERGY CONSERVATION CODE, THE MODEL ELECTRIC READY AND SOLAR READY CODE DEVELOPED BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (5), OR ANY ENERGY CODES ADOPTED BY EITHER A LOCAL GOVERNMENT OR DIVISIONS IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT AND THE NATIONAL ELECTRIC CODE OR THE STANDARDS ADOPTED BY THE BOARD PURSUANT TO THIS SUBSECTION (2)(a), THE NATIONAL ELECTRIC CODE OR THE STANDARDS ADOPTED BY THE BOARD PURSUANT TO THIS SUBSECTION (2)(a) PREVAILS.

SECTION 3. In Colorado Revised Statutes, 12-155-106, **add** (4.5) as follows:

12-155-106. Colorado plumbing code - amendments - variances - Colorado fuel gas code. (4.5) IN THE EVENT OF A CONFLICT BETWEEN THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE, THE 2024 INTERNATIONAL ENERGY CONSERVATION CODE, THE MODEL ELECTRIC READY AND SOLAR READY CODE DEVELOPED BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (5), OR ANY ENERGY CODES ADOPTED BY EITHER A LOCAL GOVERNMENT OR DIVISIONS IN THE EXECUTIVE BRANCH OF STATE GOVERNMENT AND THE COLORADO PLUMBING CODE, THE COLORADO PLUMBING CODE PREVAILS.

SECTION 4. In Colorado Revised Statutes, 24-30-1303, **add** (1)(ff) as follows:

24-30-1303. Office of the state architect - responsibilities.
(1) The office of the state architect shall:

(ff) (I) (A) ON OR BEFORE JANUARY 1, 2025, ADOPT AND ENFORCE AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY PERFORMANCE THAN THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE AND THE MODEL ELECTRIC READY AND SOLAR READY CODE LANGUAGE DEVELOPED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (5). THIS ENERGY CODE MUST APPLY TO ALL CONSTRUCTION BY STATE AGENCIES ON STATE-OWNED PROPERTIES OR

FACILITIES OR ON PROPERTIES OR FACILITIES THAT ARE LEASED BY THE STATE UNDER A FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT.

(B) ON OR BEFORE JANUARY 1, 2030, ADOPT AND ENFORCE AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY AND CARBON EMISSIONS PERFORMANCE THAN THE MODEL LOW ENERGY AND CARBON CODE DEVELOPED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (6). THIS ENERGY CODE MUST APPLY TO ALL CONSTRUCTION BY STATE AGENCIES ON STATE-OWNED PROPERTIES OR FACILITIES OR ON PROPERTIES OR FACILITIES THAT ARE LEASED BY THE STATE UNDER A FINANCED PURCHASE OF AN ASSET OR CERTIFICATE OF PARTICIPATION AGREEMENT.

(II) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (1)(ff), THE OFFICE OF THE STATE ARCHITECT MAY MAKE ANY AMENDMENTS TO AN ENERGY CODE THAT THE OFFICE OF THE STATE ARCHITECT DEEMS APPROPRIATE, SO LONG AS THE AMENDMENTS DO NOT DECREASE THE EFFECTIVENESS OR ENERGY EFFICIENCY OF THE ENERGY CODE.

(III) NOTHING IN THIS SUBSECTION (1)(ff) RESTRICTS THE ABILITY OF AN INVESTOR-OWNED UTILITY WITH APPROVAL FROM THE PUBLIC UTILITIES COMMISSION TO:

(A) PROVIDE INCENTIVES OR OTHER ENERGY EFFICIENCY PROGRAM SERVICES TO HELP THE OFFICE OF THE STATE ARCHITECT OR BUILDERS COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION (1)(ff); OR

(B) EARN SHAREHOLDER INCENTIVES AND CLAIM CREDITS TOWARD ITS REGULATORY REQUIREMENTS FOR ENERGY OR GREENHOUSE GAS EMISSION SAVINGS ACHIEVED AS A RESULT OF INCENTIVES PROVIDED BY THE UTILITY TO HELP THE OFFICE OF THE STATE ARCHITECT OR BUILDERS COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION (1)(ff).

(IV) A UTILITY NOT SUBJECT TO REGULATION BY THE PUBLIC UTILITIES COMMISSION MAY PROVIDE INCENTIVES OR OTHER ENERGY EFFICIENCY PROGRAM SERVICES AS THEY SO CHOOSE TO ASSIST THE OFFICE OF THE STATE ARCHITECT OR ANY BUILDERS IN COMPLYING WITH THE REQUIREMENTS OF THIS SUBSECTION (1)(ff).

(V) (A) A UTILITY SHALL BE ALLOWED TO COUNT MASS-BASED EMISSIONS REDUCTIONS ASSOCIATED WITH THE REQUIREMENTS OF THIS SUBSECTION (1)(ff) TOWARDS COMPLIANCE WITH ITS REQUIREMENTS UNDER SECTION 25-7-105 (1)(e)(X.7) OR (1)(e)(X.8), SECTION 40-3.2-108 (3)(b), OR ANY SIMILAR GREENHOUSE GAS EMISSIONS REDUCTION PROGRAM OR SET OF REQUIREMENTS.

(B) A UTILITY SUBJECT TO REGULATION BY THE PUBLIC UTILITIES COMMISSION SHALL NOT BE ALLOWED TO COUNT ENERGY SAVINGS OR GREENHOUSE GAS EMISSIONS REDUCTIONS ACHIEVED THROUGH THE REQUIREMENTS OF THIS SUBSECTION (1)(ff) FOR THE PURPOSE OF CALCULATING A SHAREHOLDER INCENTIVE ESTABLISHED PURSUANT TO SECTIONS 40-3.2-103 (2)(d) AND 40-3.2-104 (5) IF THE UTILITY HAS NOT PROVIDED A FINANCIAL INVESTMENT FOR CODE ADOPTION AS DOCUMENTED IN A PLAN APPROVED BY THE COMMISSION.

SECTION 5. In Colorado Revised Statutes, 24-32-3305, **amend** (3); and **add** (3.5) as follows:

24-32-3305. Rules - advisory committee - energy code - enforcement. (3) EXCEPT WHEN ADOPTING AN ENERGY CODE PURSUANT TO SUBSECTION (3.5) OF THIS SECTION, the board must consult with and obtain the advice of an advisory committee on residential and nonresidential structures in the drafting and promulgation of rules. The committee consists of twelve members appointed by the division from the following professional and technical disciplines: One from architecture, one from structural engineering, three from building code enforcement, one from mechanical engineering or contracting, one from electrical engineering or contracting, one from the plumbing industry, one from the construction design or producer industry, two from manufactured housing, and one from organized labor. Committee members shall be reimbursed for actual and necessary expenses incurred while engaged in official duties.

(3.5) (a) (I) ON OR BEFORE JANUARY 1, 2025, THE DIVISION SHALL ADOPT AND ENFORCE AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY PERFORMANCE THAN THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE AND THE MODEL ELECTRIC READY AND SOLAR READY CODE LANGUAGE DEVELOPED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (5). THIS ENERGY CODE MUST APPLY TO FACTORY-BUILT STRUCTURES AND HOTELS, MOTELS, AND MULTI-FAMILY

STRUCTURES IN AREAS OF THE STATE WHERE NO CONSTRUCTION STANDARDS FOR HOTELS, MOTELS, AND MULTI-FAMILY STRUCTURES EXIST.

(II) ON OR BEFORE JANUARY 1, 2030, THE DIVISION SHALL ADOPT AND ENFORCE AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY AND CARBON EMISSIONS PERFORMANCE THAN THE MODEL LOW ENERGY AND CARBON CODE DEVELOPED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (6). THIS ENERGY CODE MUST APPLY TO FACTORY-BUILT STRUCTURES AND HOTELS, MOTELS, AND MULTI-FAMILY STRUCTURES IN AREAS OF THE STATE WHERE NO CONSTRUCTION STANDARDS FOR HOTELS, MOTELS, AND MULTI-FAMILY STRUCTURES EXIST.

(b) NOTHING IN THIS SUBSECTION (3.5) ESTABLISHES STANDARDS APPLICABLE TO MANUFACTURED HOMES CONSTRUCTED PURSUANT TO THE "NATIONAL MANUFACTURED HOUSING CONSTRUCTION AND SAFETY STANDARDS ACT OF 1974", ESTABLISHED IN 42 U.S.C. SEC. 5401, ET SEQ., AND ANY CORRESPONDING REGULATIONS PROMULGATED BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT IN 24 CFR 3280, ET SEQ.

(c) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (3.5), THE DIVISION MAY MAKE ANY AMENDMENTS TO AN ENERGY CODE THAT THE DIVISION DEEMS APPROPRIATE, SO LONG AS THE AMENDMENTS DO NOT DECREASE THE EFFECTIVENESS OR ENERGY EFFICIENCY OF THE ENERGY CODE.

(d) NOTHING IN THIS SUBSECTION (3.5) RESTRICTS THE ABILITY OF AN INVESTOR-OWNED UTILITY WITH APPROVAL FROM THE PUBLIC UTILITIES COMMISSION TO:

(I) PROVIDE INCENTIVES OR OTHER ENERGY EFFICIENCY PROGRAM SERVICES TO HELP THE DIVISION OR BUILDERS COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION (3.5); OR

(II) EARN SHAREHOLDER INCENTIVES AND CLAIM CREDITS TOWARD ITS REGULATORY REQUIREMENTS FOR ENERGY OR GREENHOUSE GAS EMISSION SAVINGS ACHIEVED AS A RESULT OF INCENTIVES PROVIDED BY THE UTILITY TO HELP THE DIVISION OR BUILDERS COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION (3.5).

(e) A UTILITY NOT SUBJECT TO REGULATION BY THE PUBLIC UTILITIES COMMISSION MAY PROVIDE INCENTIVES OR OTHER ENERGY EFFICIENCY PROGRAM SERVICES AS THEY SO CHOOSE TO ASSIST THE DIVISION OR ANY BUILDERS IN COMPLYING WITH THE REQUIREMENTS OF THIS SUBSECTION (3.5).

(f) (I) A UTILITY MAY COUNT MASS-BASED EMISSIONS REDUCTIONS ASSOCIATED WITH THE REQUIREMENTS OF THIS SUBSECTION (3.5) TOWARDS COMPLIANCE WITH ITS REQUIREMENTS UNDER SECTION 25-7-105 (1)(e)(X.7) OR (1)(e)(X.8), SECTION 40-3.2-108 (3)(b), OR ANY SIMILAR GREENHOUSE GAS EMISSIONS REDUCTION PROGRAM OR SET OF REQUIREMENTS.

(II) A UTILITY SUBJECT TO REGULATION BY THE PUBLIC UTILITIES COMMISSION SHALL NOT COUNT ENERGY SAVINGS OR GREENHOUSE GAS EMISSIONS REDUCTIONS ACHIEVED THROUGH THE REQUIREMENTS OF THIS SUBSECTION (3.5) FOR THE PURPOSE OF CALCULATING A SHAREHOLDER INCENTIVE ESTABLISHED PURSUANT TO SECTIONS 40-3.2-103 (2)(d) AND 40-3.2-104 (5) IF THE UTILITY HAS NOT PROVIDED A FINANCIAL INVESTMENT FOR CODE ADOPTION AS DOCUMENTED IN A PLAN APPROVED BY THE COMMISSION.

SECTION 6. In Colorado Revised Statutes, 24-33.5-1203, **add** (1)(y) as follows:

24-33.5-1203. Duties of division. (1) The division shall perform the following duties:

(y) (I) (A) ON OR BEFORE JANUARY 1, 2025, THE DIVISION SHALL ADOPT AND ENFORCE AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY PERFORMANCE THAN THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE AND THE MODEL ELECTRIC READY AND SOLAR READY CODE LANGUAGE DEVELOPED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (5). THIS ENERGY CODE MUST APPLY TO THE BUILDINGS DESCRIBED IN SECTIONS 22-32-124 (2), 23-71-122 (1)(v), AND 24-33.5-1212.5.

(B) ON OR BEFORE JANUARY 1, 2030, THE DIVISION SHALL ADOPT AND ENFORCE AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY AND CARBON EMISSIONS PERFORMANCE THAN THE MODEL LOW ENERGY AND CARBON CODE DEVELOPED FOR ADOPTION BY THE ENERGY

CODE BOARD PURSUANT TO SECTION 24-38.5-401 (6). THIS ENERGY CODE MUST APPLY TO THE BUILDINGS DESCRIBED IN SECTIONS 22-32-124 (2), 23-71-122 (1)(v), 24-33.5-1212.5, 24-33.5-1213.3, AND 24-33.5-1213.5.

(II) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SUBSECTION (1)(y), THE DIVISION MAY MAKE ANY AMENDMENTS TO AN ENERGY CODE THAT THE DIVISION DEEMS APPROPRIATE, SO LONG AS THE AMENDMENTS DO NOT DECREASE THE EFFECTIVENESS OR ENERGY EFFICIENCY OF THE ENERGY CODE.

(III) NOTHING IN THIS SUBSECTION (1)(y) RESTRICTS THE ABILITY OF AN INVESTOR-OWNED UTILITY WITH APPROVAL FROM THE PUBLIC UTILITIES COMMISSION TO:

(A) PROVIDE INCENTIVES OR OTHER ENERGY EFFICIENCY PROGRAM SERVICES TO HELP THE DIVISION OR BUILDERS COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION (1)(y); OR

(B) EARN SHAREHOLDER INCENTIVES AND CLAIM CREDITS TOWARD ITS REGULATORY REQUIREMENTS FOR ENERGY OR GREENHOUSE GAS EMISSIONS SAVINGS ACHIEVED AS A RESULT OF INCENTIVES PROVIDED BY THE UTILITY TO HELP THE DIVISION OR BUILDERS COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION (1)(y).

(IV) A UTILITY NOT SUBJECT TO REGULATION BY THE PUBLIC UTILITIES COMMISSION MAY PROVIDE INCENTIVES AS THEY SO CHOOSE TO ASSIST THE DIVISION OR ANY BUILDERS IN COMPLYING WITH THE REQUIREMENTS OF THIS SUBSECTION (1)(y).

(V) (A) A UTILITY MAY COUNT MASS-BASED EMISSIONS REDUCTIONS ASSOCIATED WITH THE REQUIREMENTS OF THIS SUBSECTION (1)(y) TOWARDS COMPLIANCE WITH ITS REQUIREMENTS UNDER SECTION 25-7-105 (1)(e)(X.7) OR (1)(e)(X.8), SECTION 40-3.2-108 (3)(b), OR ANY SIMILAR GREENHOUSE GAS EMISSIONS REDUCTION PROGRAM OR SET OF REQUIREMENTS.

(B) A UTILITY SUBJECT TO REGULATION BY THE PUBLIC UTILITIES COMMISSION SHALL NOT COUNT ENERGY SAVINGS OR GREENHOUSE GAS EMISSIONS REDUCTIONS ACHIEVED THROUGH THE REQUIREMENTS OF THIS INCENTIVE ESTABLISHED PURSUANT TO SECTIONS 40-3.2-103 (2)(d) AND 40-3.2-104 (5) IF THE UTILITY HAS NOT PROVIDED A FINANCIAL INVESTMENT

FOR CODE ADOPTION AS DOCUMENTED IN A PLAN APPROVED BY THE COMMISSION.

SECTION 7. In Colorado Revised Statutes, 30-28-211, **amend** (2)(b), (3), and (5) introductory portion; **repeal** (4); and **add** (1)(i), (1)(j), (2)(b.5), (3.5), (8), (9), and (10) as follows:

30-28-211. Energy efficient building codes - legislative declaration - definitions. (1) The general assembly hereby finds and declares that there is statewide interest in requiring an effective energy efficient building code for the following reasons:

(i) HIGHLY ENERGY EFFICIENT HOMES AND BUILDINGS CAN REDUCE ENERGY USE AND HELP CONSUMERS SAVE MONEY ON ENERGY BILLS.

(j) HIGHLY ENERGY EFFICIENT AND LOW-CARBON NEW HOMES AND BUILDINGS ARE CRITICAL FOR MEETING THE GREENHOUSE GAS POLLUTION REDUCTION TARGETS ESTABLISHED IN SECTION 25-7-102 (2)(g).

(2) As used in this section, unless the context otherwise requires:

(b) "Energy code" means ~~at a minimum, one of the three most recent versions of the international energy conservation code published by the international code council~~ A SUBSET OF BUILDING CODES RELATED TO THE TOTAL ENERGY PERFORMANCE AND CARBON EMISSIONS OF RESIDENTIAL AND COMMERCIAL BUILDINGS.

(b.5) "INTERNATIONAL ENERGY CONSERVATION CODE" MEANS THE ENERGY CODE PUBLISHED BY THE INTERNATIONAL CODE COUNCIL OR A SUCCESSOR ORGANIZATION.

(3) Every board of county commissioners ~~when adopting or updating a building code pursuant to section 30-28-201~~ THAT HAS ADOPTED AND ENFORCED ONE OR MORE BUILDING CODES, OR THAT ADOPTS AND ENFORCES ONE OR MORE BUILDING CODES AFTER JULY 1, 2022, shall adopt and enforce an energy code that applies to the construction of, and MAJOR renovations and additions to, all commercial and residential buildings AS REQUIRED BY THE ENERGY CODE in the county to which the building code applies.

(3.5) (a) A BOARD OF COUNTY COMMISSIONERS THAT HAS ADOPTED AND ENFORCED ONE OR MORE BUILDING CODES, AND THAT UPDATES ONE OR MORE BUILDING CODES ON OR AFTER JULY 1, 2023, AND BEFORE JULY 1, 2026, SHALL ADOPT AND ENFORCE AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY PERFORMANCE THAN THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE AND THE MODEL ELECTRIC READY AND SOLAR READY CODE LANGUAGE DEVELOPED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (5) AT THE SAME TIME OTHER BUILDING CODES ARE UPDATED.

(b) A BOARD OF COUNTY COMMISSIONERS THAT HAS ADOPTED AND ENFORCED ONE OR MORE BUILDING CODES, AND THAT UPDATES ONE OR MORE BUILDING CODES ON OR AFTER JULY 1, 2026, SHALL ADOPT AND BEGIN ENFORCING AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY AND CARBON EMISSIONS PERFORMANCE THAN THE MODEL LOW ENERGY AND CARBON CODE DEVELOPED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (6) AT THE SAME TIME OTHER BUILDING CODES ARE UPDATED.

(c) (I) NOTWITHSTANDING SUBSECTIONS (3.5)(a) AND (b) OF THIS SECTION, A BOARD OF COUNTY COMMISSIONERS REPRESENTING A RURAL COUNTY IS REQUIRED TO ADOPT AND ENFORCE AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY PERFORMANCE THAN ONE OF THE LAST THREE MOST RECENT EDITIONS OF THE INTERNATIONAL ENERGY CONSERVATION CODE RATHER THAN EITHER AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY PERFORMANCE THAN THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE AND THE MODEL ELECTRIC READY AND SOLAR READY CODE LANGUAGE IDENTIFIED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (5) OR AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY AND CARBON EMISSIONS PERFORMANCE THAN THE MODEL LOW ENERGY AND CARBON CODE IDENTIFIED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (6) IF, WHILE THE GRANT PROGRAM ESTABLISHED PURSUANT TO SECTION 24-38.5-403 IS ACCEPTING APPLICATIONS, THE BOARD OF COUNTY COMMISSIONERS APPLIES FOR AND IS NOT AWARDED A GRANT THAT SIGNIFICANTLY ASSISTS IN ENERGY CODE ADOPTION AND ENFORCEMENT TRAINING.

(II) AS USED IN THIS SUBSECTION (3.5)(c), A RURAL COUNTY MEANS A COUNTY WITH A POPULATION OF LESS THAN THIRTY THOUSAND PEOPLE, AS

DETERMINED PURSUANT TO THE MOST RECENTLY PUBLISHED POPULATION ESTIMATES FROM THE STATE DEMOGRAPHER APPOINTED BY THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF LOCAL AFFAIRS.

(d) WHEN ADOPTING OR UPDATING A BUILDING CODE PRIOR TO JULY 1, 2023, A BOARD OF COUNTY COMMISSIONERS SHALL ADOPT AND ENFORCE AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY PERFORMANCE THAN ONE OF THE THREE MOST RECENT EDITIONS OF THE INTERNATIONAL ENERGY CONSERVATION CODE.

~~(4) The energy code shall apply to any commercial or residential building in the county for which a building permit application is received subsequent to the adoption of the energy code.~~

(5) The following buildings are exempt from subsections (3) ~~and (4)~~ AND (3.5) of this section:

(8) NOTHING IN THIS SECTION RESTRICTS THE ABILITY OF AN INVESTOR-OWNED UTILITY WITH APPROVAL FROM THE PUBLIC UTILITIES COMMISSION TO:

(a) PROVIDE INCENTIVES OR OTHER ENERGY EFFICIENCY PROGRAM SERVICES TO HELP THE BOARD OF COUNTY COMMISSIONERS OF ANY COUNTY OR BUILDERS COMPLY WITH THE REQUIREMENTS OF THIS SECTION; OR

(b) EARN SHAREHOLDER INCENTIVES AND CLAIM CREDITS TOWARDS ITS REGULATORY REQUIREMENTS FOR ENERGY OR GREENHOUSE GAS EMISSION SAVINGS ACHIEVED AS A RESULT OF INCENTIVES PROVIDED BY THE UTILITY TO HELP THE BOARD OF COUNTY COMMISSIONERS OF ANY COUNTY OR BUILDERS COMPLY WITH THE REQUIREMENTS OF THIS SECTION.

(9) A UTILITY NOT SUBJECT TO REGULATION BY THE PUBLIC UTILITIES COMMISSION MAY PROVIDE INCENTIVES OR OTHER ENERGY EFFICIENCY PROGRAM SERVICES AS THEY SO CHOOSE TO ASSIST THE BOARD OF COUNTY COMMISSIONERS OF ANY COUNTY OR ANY BUILDERS IN COMPLYING WITH THE REQUIREMENTS OF THIS SECTION.

(10)(a) A UTILITY MAY COUNT MASS-BASED EMISSIONS REDUCTIONS ASSOCIATED WITH THE REQUIREMENTS OF THIS SECTION TOWARDS COMPLIANCE WITH ITS REQUIREMENTS UNDER SECTION 25-7-105 (1)(e)(X.7)

OR (1)(e)(X.8), SECTION 40-3.2-108 (3)(b), OR ANY SIMILAR GREENHOUSE GAS EMISSIONS REDUCTION PROGRAM OR SET OF REQUIREMENTS.

(b) A UTILITY SUBJECT TO REGULATION BY THE PUBLIC UTILITIES COMMISSION SHALL NOT COUNT ENERGY SAVINGS OR GREENHOUSE GAS EMISSIONS REDUCTIONS ACHIEVED THROUGH THE REQUIREMENTS OF THIS SECTION FOR THE PURPOSE OF CALCULATING A SHAREHOLDER INCENTIVE ESTABLISHED PURSUANT TO SECTIONS 40-3.2-103 (2)(d) AND 40-3.2-104 (5) IF THE UTILITY HAS NOT PROVIDED A FINANCIAL INVESTMENT FOR CODE ADOPTION AS DOCUMENTED IN A PLAN APPROVED BY THE COMMISSION.

SECTION 8. In Colorado Revised Statutes, 31-15-602, **amend** (2)(b), (3), and (5) introductory portion; **repeal** (4)(a); and **add** (1)(i), (1)(j), (2)(b.5), (3.5), (8), (9), and (10) as follows:

31-15-602. Energy efficient building codes - legislative declaration - definitions - repeal. (1) The general assembly hereby finds and declares that there is statewide interest in requiring an effective energy efficient building code for the following reasons:

(i) HIGHLY ENERGY EFFICIENT HOMES AND BUILDINGS CAN REDUCE ENERGY USE AND HELP CONSUMERS SAVE MONEY ON ENERGY BILLS.

(j) HIGHLY ENERGY EFFICIENT AND LOW CARBON NEW HOMES AND BUILDINGS ARE CRITICAL FOR MEETING THE GREENHOUSE GAS POLLUTION REDUCTION TARGETS ESTABLISHED IN SECTION 25-7-102 (2)(g).

(2) As used in this section, unless the context otherwise requires:

(b) "Energy code" means ~~at a minimum, one of the three most recent versions of the international energy conservation code published by the international code council~~ A SUBSET OF BUILDING CODES RELATED TO THE TOTAL ENERGY PERFORMANCE AND CARBON EMISSIONS OF RESIDENTIAL AND COMMERCIAL BUILDINGS.

(b.5) "INTERNATIONAL ENERGY CONSERVATION CODE" MEANS THE ENERGY CODE PUBLISHED BY THE INTERNATIONAL CODE COUNCIL OR A SUCCESSOR ORGANIZATION.

(3) The governing body of any municipality ~~when adopting or~~

~~updating any other building codes~~ THAT HAS ADOPTED AND ENFORCED ONE OR MORE BUILDING CODES, OR THAT ADOPTS AND ENFORCES ONE OR MORE BUILDING CODES AFTER JULY 1, 2022, shall adopt and enforce an energy code that applies to the construction of, and MAJOR renovations and additions to, all commercial and residential buildings AS REQUIRED BY THE ENERGY CODE in the municipality to which the building code applies.

(3.5) (a) THE GOVERNING BODY OF A MUNICIPALITY THAT HAS ADOPTED AND ENFORCED ONE OR MORE BUILDING CODES, AND THAT UPDATES ONE OR MORE BUILDING CODES ON OR AFTER JULY 1, 2023, AND BEFORE JULY 1, 2026, SHALL ADOPT AND ENFORCE AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY PERFORMANCE THAN THE 2021 INTERNATIONAL ENERGY CONSERVATION CODE AND THE MODEL ELECTRIC READY AND SOLAR READY CODE LANGUAGE EITHER DEVELOPED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (5) AT THE SAME TIME OTHER BUILDING CODES ARE UPDATED.

(b) THE GOVERNING BODY OF A MUNICIPALITY THAT HAS ADOPTED AND ENFORCED ONE OR MORE BUILDING CODES, AND THAT UPDATES ONE OR MORE BUILDING CODES ON OR AFTER JULY 1, 2026, SHALL ADOPT AND BEGIN ENFORCING AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY AND CARBON EMISSIONS PERFORMANCE THAN THE MODEL LOW ENERGY AND CARBON CODE LANGUAGE DEVELOPED FOR ADOPTION BY THE ENERGY CODE BOARD PURSUANT TO SECTION 24-38.5-401 (6), AT THE SAME TIME OTHER BUILDING CODES ARE UPDATED.

(c) WHEN ADOPTING OR UPDATING A BUILDING CODE PRIOR TO JULY 1, 2023, THE GOVERNING BODY OF A MUNICIPALITY SHALL ADOPT AND ENFORCE AN ENERGY CODE THAT ACHIEVES EQUIVALENT OR BETTER ENERGY PERFORMANCE THAN ONE OF THE THREE MOST RECENT EDITIONS OF THE INTERNATIONAL ENERGY CONSERVATION CODE.

~~(4) (a) The energy code shall apply to any commercial or residential building in the municipality for which a building permit application is received subsequent to the adoption of the energy code.~~

(5) The following buildings are exempt from subsections (3), ~~(3.5)~~, and (4) of this section:

(8) NOTHING IN THIS SECTION RESTRICTS THE ABILITY OF AN

INVESTOR-OWNED UTILITY WITH APPROVAL FROM THE PUBLIC UTILITIES COMMISSION TO:

(a) PROVIDE INCENTIVES OR OTHER ENERGY EFFICIENCY PROGRAM SERVICES TO HELP THE GOVERNING BODY OF ANY MUNICIPALITY OR BUILDERS COMPLY WITH THE REQUIREMENTS OF THIS SECTION; OR

(b) EARN SHAREHOLDER INCENTIVES AND CLAIM CREDITS TOWARDS ITS REGULATORY REQUIREMENTS FOR ENERGY OR GREENHOUSE GAS EMISSION SAVINGS ACHIEVED AS A RESULT OF INCENTIVES PROVIDED BY THE UTILITY TO HELP THE GOVERNING BODY OF ANY MUNICIPALITY OR BUILDERS COMPLY WITH THE REQUIREMENTS OF THIS SECTION.

(9) A UTILITY NOT SUBJECT TO REGULATION BY THE PUBLIC UTILITIES COMMISSION MAY PROVIDE INCENTIVES OR OTHER ENERGY EFFICIENCY PROGRAM SERVICES AS THEY SO CHOOSE TO ASSIST THE GOVERNING BODY OF ANY MUNICIPALITY OR ANY BUILDERS IN COMPLYING WITH THE REQUIREMENTS OF THIS SECTION.

(10)(a) A UTILITY MAY COUNT MASS-BASED EMISSIONS REDUCTIONS ASSOCIATED WITH THE REQUIREMENTS OF THIS SECTION TOWARDS COMPLIANCE WITH ITS REQUIREMENTS UNDER SECTION 25-7-105 (1)(e)(X.7) OR (1)(e)(X.8), SECTION 40-3.2-108 (3)(b), OR ANY SIMILAR GREENHOUSE GAS EMISSIONS REDUCTION PROGRAM OR SET OF REQUIREMENTS.

(b) A UTILITY SUBJECT TO REGULATION BY THE PUBLIC UTILITIES COMMISSION SHALL NOT COUNT ENERGY SAVINGS OR GREENHOUSE GAS EMISSIONS REDUCTIONS ACHIEVED THROUGH THE REQUIREMENTS OF THIS SECTION FOR THE PURPOSE OF CALCULATING A SHAREHOLDER INCENTIVE ESTABLISHED PURSUANT TO SECTIONS 40-3.2-103 (2)(d) AND 40-3.2-104 (5) IF THE UTILITY HAS NOT PROVIDED A FINANCIAL INVESTMENT FOR CODE ADOPTION AS DOCUMENTED IN A PLAN APPROVED BY THE COMMISSION.

SECTION 9. In Colorado Revised Statutes, **repeal** article 7 of title 6.

SECTION 10. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, or safety.

Alec Garnett
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Steve Fenberg
PRESIDENT OF
THE SENATE

Robin Jones
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

Cindi L. Markwell
SECRETARY OF
THE SENATE

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO