

**Second Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 24-0798.02 Sarah Lozano x3858

SENATE BILL 24-165

SENATE SPONSORSHIP

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A BILL FOR AN ACT

101 **CONCERNING MEASURES TO REDUCE EMISSIONS OF AIR POLLUTANTS**
102 **THAT NEGATIVELY IMPACT AIR QUALITY.**

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>.)

On or before December 31, 2028, the bill requires the air quality control commission (AQCC) in the department of public health and environment (department) to adopt by rule certain emission standards and requirements for in-use, off-road, diesel-fueled fleets.

On or before December 31, 2025, the AQCC must adopt rules for controlling emissions from facilities, buildings, structures, installations,

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

or real property that generates mobile source activity that results in emissions of air pollutants (indirect source) within the 8-hour ozone Denver metro/north front range nonattainment area (covered nonattainment area). The rules must include emission reduction targets for indirect sources to achieve and a process for the division of administration (division) in the department to review alternative approaches proposed by an owner or operator of an indirect source. The commission may establish a fee for indirect sources within the covered nonattainment area to cover the division's costs in implementing the rules.

The bill also defines "ozone season" as the period beginning May 1 and ending September 30 of each year (ozone season). Beginning in the 2025 ozone season, and in each ozone season thereafter, any oil and gas preproduction activity within the covered nonattainment area must pause for the duration of the ozone season.

On or before June 30, 2024, and on or before each June 30 thereafter, an oil and gas operator in the state is required to submit an oil and natural gas annual emission inventory report (inventory report) to the division that includes, for the previous calendar year, the emissions of certain air pollutants from oil and gas operations under the control of the oil and gas operator.

On or before October 1, 2024, and on or before each October 1 thereafter, the division, in coordination with the energy and carbon management commission (ECMC), must prepare a report regarding the inventory reports received by the division for the previous calendar year and certain other information.

On or before November 30, 2024, and on or before each November 30 thereafter, for the ozone season of the subsequent year, an oil and gas operator that controls oil and gas operations in the covered nonattainment area must submit a report to the division estimating emissions of nitrogen oxides from the oil and gas operator's operations in the covered nonattainment area (estimates).

For the 2025 ozone season, and for each ozone season thereafter, the ECMC, in consultation with the division, must develop an ozone season nitrogen oxides emission budget (budget) for the emissions of nitrogen oxides by oil and gas operations in the covered nonattainment area, which budget must set certain maximum average emission levels of nitrogen oxides by oil and gas operations.

On or before February 1, 2025, and on or before each February 1 thereafter, the division must prepare a nitrogen oxides report regarding the estimates received by the division for use by the ECMC in determining if the total estimates received exceed the budget for the ozone season of the current year.

Beginning in February 2025, and in each February thereafter, the ECMC, in consultation with the division, must act to limit emissions of nitrogen oxides from oil and gas operations in the covered nonattainment

area in a manner that prevents an exceedance of the current year's budget.

The bill also requires the department of transportation to establish vehicle miles traveled reduction targets for the covered nonattainment area and to develop policies and programs to assist applicable metropolitan planning organizations in meeting the targets.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds that:

4 (a) All people have the right to breathe clean air, yet poor air
5 quality frequently puts public health at risk in communities across
6 Colorado, particularly in disproportionately impacted communities that
7 are subjected to adverse cumulative impacts from multiple pollution
8 sources;

9 (b) In particular, Coloradans have long suffered from high levels
10 of ground-level ozone pollution, which is connected to severe health
11 impacts, including respiratory problems, cardiovascular disease, adverse
12 birth outcomes, and premature death, and this ground-level ozone
13 pollution poses a significant threat to vulnerable populations, including
14 children, the elderly, people with respiratory ailments, the outdoor
15 workforce, and otherwise healthy individuals who recreate outdoors;

16 (c) The threats posed by ozone pollution are even more
17 devastating for communities of color and low-income communities who
18 bear outsized environmental burdens due to past and present
19 discriminatory environmental policies, endure higher health risks from
20 exposure, experience systemic injustice, and have faced exclusion from
21 government decision-making and enforcement efforts;

22 (d) Although Colorado has an ongoing ozone crisis that will
23 worsen with climate change, the state has repeatedly failed to meet

1 federal ozone standards established to protect public health and welfare
2 in the Denver metro/North Front Range nonattainment area where a
3 majority of Coloradans live, which nonattainment area was downgraded
4 to a severe nonattainment area in 2022 and has been consistently ranked
5 among the worst areas in the nation for ozone pollution by the American
6 Lung Association; and

7 (e) State action to reduce pollution is necessary to achieve
8 environmental justice, and the state can and should act to lower ozone
9 levels and ozone precursor pollution to address the serious health impacts
10 experienced by communities across Colorado, especially as the impacts
11 of the climate crisis intensify.

12 (2) The general assembly therefore determines and declares that:

13 (a) State agencies have a responsibility to collaborate to protect
14 Coloradans from harmful pollution and to comply with federal
15 health-based standards, which are essential steps in achieving
16 environmental justice and health equity for all communities;

17 (b) Extraordinary air quality measures should be included in state
18 rules and statutes to reduce emissions from key emission sources of
19 ozone-causing pollution, which emission sources include the
20 transportation and oil and gas sectors;

21 (c) Ozone season nitrogen oxides emission budgets for oil and gas
22 operations are necessary to meet the governor's emission reduction
23 targets;

24 (d) An annual emission inventory report for oil and gas operations
25 should be required to strengthen enforcement and other air quality
26 policies; and

27 (e) This act is necessary to ensure that Colorado addresses the

1 disproportionate cumulative impacts of pollution, including
2 environmental and health impacts, that communities across the state
3 experience.

4 **SECTION 2.** In Colorado Revised Statutes, **add** 25-7-146,
5 25-7-147, 25-7-148, and 25-7-149 as follows:

6 **25-7-146. Emission standards and requirements for in-use,**
7 **off-road, diesel-fueled fleets - rules - definitions.** (1) AS USED IN THIS
8 SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 (a) (I) "IN-USE, OFF-ROAD, DIESEL-FUELED FLEET" OR "FLEET"
10 MEANS A FLEET OF:

11 (A) SELF-PROPELLED, OFF-ROAD DIESEL VEHICLES THAT HAVE
12 TWENTY-FIVE HORSEPOWER OR GREATER; OR

13 (B) TWO-ENGINE VEHICLES.

14 (II) "IN-USE, OFF-ROAD, DIESEL-FUELED FLEET" OR "FLEET"
15 INCLUDES A FLEET OF THE VEHICLES DESCRIBED IN SUBSECTION (1)(a)(I)
16 OF THIS SECTION THAT IS RENTED OR LEASED.

17 (III) "IN-USE, OFF-ROAD, DIESEL-FUELED FLEET" OR "FLEET" DOES
18 NOT INCLUDE A FLEET OF:

19 (A) AGRICULTURAL OR RECREATIONAL EQUIPMENT; OR

20 (B) ON-ROAD, TWO-ENGINE SWEEPERS.

21 (b) "RENEWABLE DIESEL" MEANS A TRANSPORTATION FUEL
22 CONTAINING EITHER NINETY-NINE PERCENT OR ONE HUNDRED PERCENT
23 NONPETROLEUM-BASED FUEL.

24 (2) ON OR BEFORE DECEMBER 31, 2028, THE COMMISSION SHALL
25 ADOPT BY RULE EMISSION STANDARDS AND REQUIREMENTS FOR IN-USE,
26 OFF-ROAD, DIESEL-FUELED FLEETS OWNED OR OPERATED IN THE STATE,
27 WHICH EMISSION STANDARDS AND REQUIREMENTS MUST:

1 (a) IMPOSE LIMITS ON IDLING, WHICH LIMITS MUST INCLUDE THE
2 DEVELOPMENT OF A WRITTEN IDLING POLICY BY THE OWNER OR OPERATOR
3 OF THE FLEET;

4 (b) REQUIRE OWNERS AND OPERATORS OF FLEETS TO REPORT EACH
5 VEHICLE IN THE FLEET TO THE DEPARTMENT OF PUBLIC HEALTH AND
6 ENVIRONMENT;

7 (c) RESTRICT THE ADDING OF VEHICLES THAT ARE RATED TIER 1,
8 TIER 2, OR TIER 3 BY UNITED STATES ENVIRONMENTAL PROTECTION
9 AGENCY REGULATION INTO FLEETS;

10 (d) REQUIRE OWNERS AND OPERATORS OF FLEETS TO REDUCE
11 EMISSIONS BY RETIRING, REPLACING, OR REPOWERING ENGINES THAT ARE
12 RATED TIER 1, TIER 2, OR TIER 3 BY UNITED STATES ENVIRONMENTAL
13 PROTECTION AGENCY REGULATION OR BY INSTALLING VERIFIED DIESEL
14 EMISSION CONTROL STRATEGIES SUCH AS ENGINE EXHAUST RETROFITS
15 VERIFIED BY THE DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT;
16 AND

17 (e) REQUIRE THE PROCUREMENT AND USE OF RENEWABLE DIESEL
18 IN THE OPERATION OF FLEETS, WITH LIMITED EXCEPTIONS AS DETERMINED
19 BY THE COMMISSION.

20 **25-7-147. Regulation of indirect sources - fees - definitions -**
21 **rules.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
22 REQUIRES:

23 (a) "COVERED NONATTAINMENT AREA" MEANS THE EIGHT-HOUR
24 OZONE DENVER METRO/NORTH FRONT RANGE NONATTAINMENT AREA.

25 (b) (I) "INDIRECT SOURCE" MEANS A NEW OR AN EXISTING
26 FACILITY, BUILDING, STRUCTURE, INSTALLATION, OR REAL PROPERTY THAT
27 GENERATES, ATTRACTS, OR MAY ATTRACT MOBILE SOURCE ACTIVITY THAT

1 RESULTS IN EMISSIONS OF AIR POLLUTANTS.

2 (II) "INDIRECT SOURCE" INCLUDES:

3 (A) HIGHWAYS AND ROADS;

4 (B) PARKING FACILITIES;

5 (C) RESIDENTIAL, RETAIL, COMMERCIAL, AND INDUSTRIAL
6 DEVELOPMENTS AND FACILITIES;

7 (D) CONSTRUCTION SITES;

8 (E) WAREHOUSES;

9 (F) AIRPORTS; AND

10 (G) MEDICAL AND EDUCATION FACILITIES.

11 (III) "INDIRECT SOURCE" DOES NOT INCLUDE NEW OR EXISTING
12 ON-ROAD PARKING.

13 (2) ON OR BEFORE DECEMBER 31, 2025, THE COMMISSION SHALL
14 ADOPT RULES FOR CONTROLLING EMISSIONS FROM ONE OR MORE INDIRECT
15 SOURCE CATEGORIES WITHIN THE COVERED NONATTAINMENT AREA,
16 WHICH RULES MUST INCLUDE:

17 (a) EMISSION REDUCTION TARGETS FOR INDIRECT SOURCES TO
18 ACHIEVE THROUGH REGULATORY STANDARDS OR SOURCE-SPECIFIC PLANS
19 APPROVED BY THE DIVISION; AND

20 (b) A PROCESS FOR THE DIVISION TO REVIEW AND APPROVE OR
21 REJECT ALTERNATIVE COMPLIANCE APPROACHES PROPOSED BY AN OWNER
22 OR OPERATOR OF AN INDIRECT SOURCE THAT ACHIEVE THE REQUIRED
23 EMISSION REDUCTIONS, WHICH APPROACHES MAY INCLUDE FUNDING OF:

24 (I) VOLUNTARY INCENTIVE-BASED PROGRAMS; AND

25 (II) EMISSION REDUCTION EFFORTS IMPLEMENTED IN
26 DISPROPORTIONATELY IMPACTED COMMUNITIES.

27 (3) THE COMMISSION MAY ADOPT ADDITIONAL RULES REGULATING

1 INDIRECT SOURCES WITHIN THE COVERED NONATTAINMENT AREA AT THE
2 COMMISSION'S DISCRETION.

3 (4) (a) THE COMMISSION MAY ESTABLISH A FEE FOR INDIRECT
4 SOURCES IN AN AMOUNT NECESSARY TO COVER THE DIVISION'S DIRECT
5 AND INDIRECT COSTS IN IMPLEMENTING THIS SECTION.

6 (b) THE DIVISION SHALL TRANSFER ANY FEES ASSESSED AND
7 COLLECTED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION TO THE
8 STATE TREASURER, WHO SHALL CREDIT THE MONEY TO THE STATIONARY
9 SOURCES CONTROL FUND CREATED IN SECTION 25-7-114.7 (2)(b)(I).

10 **25-7-148. Ozone season oil and gas preproduction activity**
11 **pause - definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
12 OTHERWISE REQUIRES:

13 (a) "COVERED NONATTAINMENT AREA" MEANS THE EIGHT-HOUR
14 OZONE DENVER METRO/NORTH FRONT RANGE NONATTAINMENT AREA.

15 (b) "OIL AND GAS PREPRODUCTION ACTIVITY" INCLUDES DRILLING,
16 HYDRAULIC FRACTURING, AND FLOWBACK OPERATIONS.

17 (c) "OZONE SEASON" MEANS THE PERIOD BEGINNING MAY 1 AND
18 ENDING SEPTEMBER 30 OF EACH YEAR.

19 (2) (a) BEGINNING IN THE 2025 OZONE SEASON, AND IN EACH
20 OZONE SEASON THEREAFTER, ANY OIL AND GAS PREPRODUCTION ACTIVITY
21 WITHIN THE COVERED NONATTAINMENT AREA MUST PAUSE FOR THE
22 DURATION OF THE OZONE SEASON.

23 (b) THE REQUIREMENT PURSUANT TO SUBSECTION (2)(a) OF THIS
24 SECTION:

25 (I) CONTINUES IN EFFECT UNTIL THE COVERED NONATTAINMENT
26 AREA IS REDESIGNATED AS A MAINTENANCE AREA BY THE UNITED STATES
27 ENVIRONMENTAL PROTECTION AGENCY PURSUANT TO THE NATIONAL

1 AMBIENT AIR QUALITY STANDARDS FOR OZONE UNDER THE FEDERAL ACT;
2 AND

3 (II) DOES NOT APPLY TO AN OIL AND GAS PREPRODUCTION
4 ACTIVITY THAT USES GRID-POWERED ELECTRIC DRILL RIGS AND
5 GRID-POWERED HYDRAULIC FRACTURING ENGINES.

6 **25-7-149. Oil and gas emissions reporting - reports - database**
7 **- definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
8 OTHERWISE REQUIRES:

9 (a) "COMMISSION" MEANS THE ENERGY AND CARBON
10 MANAGEMENT COMMISSION.

11 (b) "COVERED NONATTAINMENT AREA" MEANS THE EIGHT-HOUR
12 OZONE DENVER METRO/NORTH FRONT RANGE NONATTAINMENT AREA.

13 (c) "OIL AND GAS OPERATIONS" HAS THE MEANING SET FORTH IN
14 SECTION 34-60-103.

15 (d) "OPERATOR" HAS THE MEANING SET FORTH IN SECTION
16 34-60-103.

17 (e) "OZONE SEASON NITROGEN OXIDES EMISSION BUDGET" MEANS
18 THE OZONE SEASON NITROGEN OXIDES EMISSION BUDGET DEVELOPED BY
19 THE COMMISSION PURSUANT TO SECTION 34-60-140 (2).

20 (f) "STATEWIDE GREENHOUSE GAS REDUCTION GOALS" MEANS THE
21 STATEWIDE GREENHOUSE GAS REDUCTION GOALS DESCRIBED IN SECTION
22 25-7-102 (2)(g).

23 (2) (a) ON OR BEFORE JUNE 30, 2024, AND ON OR BEFORE EACH
24 JUNE 30 THEREAFTER, AN OPERATOR IN THE STATE SHALL SUBMIT AN OIL
25 AND NATURAL GAS ANNUAL EMISSION INVENTORY REPORT TO THE
26 DIVISION, WHICH REPORT MUST INCLUDE, FOR THE PREVIOUS CALENDAR
27 YEAR, THE EMISSIONS OF GREENHOUSE GASES, HAZARDOUS AIR

1 POLLUTANTS, AND OZONE PRECURSORS OF VOLATILE ORGANIC
2 COMPOUNDS AND NITROGEN OXIDES FROM OIL AND GAS OPERATIONS
3 UNDER THE CONTROL OF THE OPERATOR.

4 (b) ON OR BEFORE OCTOBER 1, 2024, AND ON OR BEFORE EACH
5 OCTOBER 1 THEREAFTER, THE DIVISION, IN COORDINATION WITH THE
6 COMMISSION, SHALL PREPARE A REPORT THAT INCLUDES THE OIL AND
7 NATURAL GAS ANNUAL EMISSION INVENTORY REPORTS RECEIVED BY THE
8 DIVISION FOR THE PREVIOUS CALENDAR YEAR AND:

9 (I) AN EVALUATION OF THE STATE'S PROGRESS TOWARD THE
10 GOALS SET FORTH IN THE "GREENHOUSE GAS POLLUTION REDUCTION
11 ROADMAP", PUBLISHED BY THE COLORADO ENERGY OFFICE AND DATED
12 JANUARY 14, 2021, INCLUDING AN EVALUATION OF THE ROLE OF OIL AND
13 GAS OPERATIONS IN ACHIEVING THE STATEWIDE GREENHOUSE GAS
14 REDUCTION GOALS;

15 (II) A DESCRIPTION OF ANY INITIATIVES DEVELOPED BY THE
16 DIVISION TO ACHIEVE THE STATEWIDE GREENHOUSE GAS REDUCTION
17 GOALS;

18 (III) INFORMATION, TRENDS, AND THE IMPACTS OF OIL AND GAS
19 OPERATIONS ON ATTAINMENT OF THE NATIONAL AMBIENT AIR QUALITY
20 STANDARDS FOR OZONE UNDER THE FEDERAL ACT, INCLUDING
21 GROUND-LEVEL OZONE STANDARDS;

22 (IV) A SUMMARY OF INFORMATION COLLECTED NEAR OIL AND GAS
23 OPERATIONS PURSUANT TO THE COMMUNITY-BASED AIR TOXICS
24 MONITORING PROGRAM PERFORMED BY THE DIVISION PURSUANT TO
25 SECTION 25-7-141 (6)(a);

26 (V) A DESCRIPTION OF OPPORTUNITIES FOR INTERAGENCY
27 COORDINATION, INCLUDING WORKGROUPS OR BASIN-WIDE, STATEWIDE, OR

1 OTHER REGIONAL STUDIES, TO EVALUATE AND ADDRESS AIR QUALITY
2 ISSUES RELATED TO OIL AND GAS OPERATIONS; AND

3 (VI) ANY ADDITIONAL INFORMATION THAT THE DIVISION DEEMS
4 RELEVANT TO ENSURE THAT THE OIL AND GAS SECTOR IS CONTRIBUTING
5 TO ACHIEVING THE STATEWIDE GREENHOUSE GAS REDUCTION GOALS AND
6 ATTAINMENT OF THE NATIONAL AMBIENT AIR QUALITY STANDARDS FOR
7 OZONE UNDER THE FEDERAL ACT.

8 (3) (a) ON OR BEFORE NOVEMBER 30, 2024, AND ON OR BEFORE
9 EACH NOVEMBER 30 THEREAFTER, FOR THE OZONE SEASON OF THE
10 SUBSEQUENT YEAR, AN OPERATOR THAT CONTROLS OIL AND GAS
11 OPERATIONS IN THE COVERED NONATTAINMENT AREA SHALL SUBMIT A
12 REPORT TO THE DIVISION ESTIMATING EMISSIONS OF NITROGEN OXIDES
13 FROM THE OIL AND GAS OPERATIONS CONTROLLED BY THE OPERATOR IN
14 THE COVERED NONATTAINMENT AREA.

15 (b) ON OR BEFORE FEBRUARY 1, 2025, AND ON OR BEFORE EACH
16 FEBRUARY 1 THEREAFTER, THE DIVISION SHALL PREPARE A NITROGEN
17 OXIDES REPORT THAT INCLUDES THE ESTIMATES REPORTED PURSUANT TO
18 SUBSECTION (3)(a) OF THIS SECTION FOR USE BY THE COMMISSION TO
19 DETERMINE IF THE TOTAL ESTIMATED EMISSIONS REPORTED EXCEEDS THE
20 OZONE SEASON NITROGEN OXIDES EMISSION BUDGET FOR THE OZONE
21 SEASON OF THE CURRENT YEAR.

22 (4) (a) THE DIVISION SHALL MAKE THE REPORTS PREPARED
23 PURSUANT TO THIS SECTION PUBLICLY AVAILABLE ON A SEARCHABLE
24 DATABASE.

25 (b) (I) NOTWITHSTANDING THE "PROCUREMENT CODE", ARTICLES
26 101 TO 112 OF TITLE 24, TO PREPARE THE SEARCHABLE DATABASE
27 DESCRIBED IN SUBSECTION (4)(a) OF THIS SECTION, THE DIVISION MAY

1 ENGAGE THE SERVICES OF CONTRACTORS; LEGAL COUNSEL; CONSULTANTS,
2 INCLUDING CONSULTANTS WITH EXPERTISE IN AIR QUALITY; INSTITUTIONS
3 OF HIGHER EDUCATION; PUBLIC RESEARCH LABORATORIES; PRIVATE
4 RESEARCH INSTITUTIONS; AND THE ATTORNEY GENERAL'S OFFICE FOR
5 PROFESSIONAL AND TECHNICAL ASSISTANCE, ADVICE, AND OTHER GOODS
6 AND SERVICES, INCLUDING INFORMATION TECHNOLOGY SERVICES.

7 (II) THE DIVISION SHALL ENCOURAGE DIVERSITY IN APPLICANTS
8 FOR CONTRACTS PURSUANT TO SUBSECTION (4)(b)(I) OF THIS SECTION AND
9 AVOID USING SINGLE-SOURCE BIDS.

10 **SECTION 3.** In Colorado Revised Statutes, **add** 34-60-140 as
11 follows:

12 **34-60-140. Ozone season nitrogen oxides emission budget -**
13 **rules - definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
14 OTHERWISE REQUIRES:

15 (a) "COVERED NONATTAINMENT AREA" MEANS THE EIGHT-HOUR
16 OZONE DENVER METRO/NORTH FRONT RANGE NONATTAINMENT AREA.

17 (b) "DIVISION" MEANS THE DIVISION OF ADMINISTRATION IN THE
18 DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT.

19 (c) "OZONE SEASON" MEANS THE PERIOD BEGINNING MAY 1 AND
20 ENDING SEPTEMBER 30 OF EACH YEAR.

21 (2) FOR THE 2025 OZONE SEASON, AND FOR EACH OZONE SEASON
22 THEREAFTER, THE COMMISSION, IN CONSULTATION WITH THE DIVISION,
23 SHALL DEVELOP AN OZONE SEASON NITROGEN OXIDES EMISSION BUDGET
24 FOR EMISSIONS OF NITROGEN OXIDES BY OIL AND GAS OPERATIONS IN THE
25 COVERED NONATTAINMENT AREA, WHICH OZONE SEASON NITROGEN
26 OXIDES EMISSION BUDGET MUST:

27 (a) FOR THE 2025 THROUGH 2029 OZONE SEASONS, SET A

1 MAXIMUM EMISSIONS LEVEL OF NITROGEN OXIDES BY OIL AND GAS
2 OPERATIONS IN THE COVERED NONATTAINMENT AREA TO AN AVERAGE OF
3 NO MORE THAN THIRTY-ONE AND SEVENTY-ONE HUNDREDTHS TONS OF
4 NITROGEN OXIDES PER DAY; AND

5 (b) EXCEPT AS SET FORTH IN SUBSECTION (3)(b) OF THIS SECTION,
6 FOR THE 2030 OZONE SEASON, AND EACH OZONE SEASON THEREAFTER, SET
7 A MAXIMUM EMISSIONS LEVEL OF NITROGEN OXIDES BY OIL AND GAS
8 OPERATIONS IN THE COVERED NONATTAINMENT AREA TO AN AVERAGE OF
9 NO MORE THAN TWENTY-TWO AND SIXTY-FIVE HUNDREDTHS TONS OF
10 NITROGEN OXIDES PER DAY.

11 (3) (a) BEGINNING IN FEBRUARY 2025, AND IN EACH FEBRUARY
12 THEREAFTER, THE COMMISSION, IN CONSULTATION WITH THE DIVISION,
13 SHALL ACT TO LIMIT EMISSIONS FROM OIL AND GAS OPERATIONS IN THE
14 COVERED NONATTAINMENT AREA IN A MANNER THAT PREVENTS AN
15 EXCEEDANCE OF THE CURRENT YEAR'S OZONE SEASON NITROGEN OXIDES
16 EMISSION BUDGET.

17 (b) NOTWITHSTANDING SUBSECTIONS (2)(b) AND (3)(a) OF THIS
18 SECTION, BEGINNING IN 2030, AND EVERY THREE YEARS THEREAFTER, THE
19 COMMISSION, IN CONSULTATION WITH THE DIVISION:

20 (I) EXCEPT AS SET FORTH IN SUBSECTION (3)(b)(II)(B) OF THIS
21 SECTION, SHALL CONSIDER REVISING THE MAXIMUM EMISSIONS LEVEL
22 DESCRIBED IN SUBSECTION (2)(b) OF THIS SECTION BY RULE; AND

23 (II) MAY, FOR AN OZONE SEASON IN WHICH THE COVERED
24 NONATTAINMENT AREA IS REDESIGNATED AS A MAINTENANCE AREA BY
25 THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY PURSUANT TO
26 THE NATIONAL AMBIENT AIR QUALITY STANDARDS FOR OZONE UNDER THE
27 FEDERAL ACT, AS DEFINED IN SECTION 25-7-103:

1 (A) REVISE THE OZONE SEASON NITROGEN OXIDES EMISSION
2 BUDGET IN A MANNER DEEMED NECESSARY BY THE COMMISSION, IN
3 CONSULTATION WITH THE DIVISION; OR

4 (B) ELIMINATE AN OZONE SEASON NITROGEN OXIDES EMISSION
5 BUDGET FOR THE OZONE SEASON SO LONG AS THE COVERED
6 NONATTAINMENT AREA REMAINS IN ATTAINMENT WITH THE NATIONAL
7 AMBIENT AIR QUALITY STANDARDS FOR OZONE DESCRIBED IN THE FEDERAL
8 ACT.

9 SECTION 4. In Colorado Revised Statutes, 43-1-128, add
10 (2)(a.5) and (7) as follows:

11 43-1-128. Environmental impacts of capacity projects -
12 additional requirements - vehicle miles traveled targets - legislative
13 declaration - definitions. (2) As used in this section, unless the context
14 otherwise requires:

15 (a.5) "COVERED NONATTAINMENT AREA" MEANS THE EIGHT-HOUR
16 OZONE DENVER METRO/NORTH FRONT RANGE NONATTAINMENT AREA.

17 (7) THE DEPARTMENT SHALL ESTABLISH VEHICLE MILES TRAVELED
18 REDUCTION TARGETS FOR THE COVERED NONATTAINMENT AREA AND
19 DEVELOP POLICIES AND PROGRAMS TO ASSIST APPLICABLE METROPOLITAN
20 PLANNING ORGANIZATIONS IN MEETING THE TARGETS. IN JANUARY 2025,
21 THE DEPARTMENT SHALL PRESENT THE VEHICLE MILES TRAVELED
22 REDUCTION TARGETS AND POLICIES AND PROGRAMS DEVELOPED BY THE
23 DEPARTMENT TO THE TRANSPORTATION, HOUSING, AND LOCAL
24 GOVERNMENT COMMITTEE OF THE HOUSE OF REPRESENTATIVES AND THE
25 TRANSPORTATION AND ENERGY COMMITTEE OF THE SENATE, OR ANY
26 SUCCESSOR COMMITTEES, DURING THE DEPARTMENT'S PRESENTATION AT
27 HEARINGS HELD PURSUANT TO THE "SMART ACT", PART 2 OF ARTICLE 7

1 OF TITLE 2.

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