

**NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.**

# An Act

SENATE BILL 13-273

BY SENATOR(S) Schwartz and Nicholson, Aguilar, Guzman, Heath, Jones, Kefalas, Todd, Ulibarri;  
also REPRESENTATIVE(S) Hamner and Coram, Fischer, Lebsock, Levy, Mitsch Bush, Pabon, Pettersen, Rosenthal, Schafer, Singer, Tyler, Young.

CONCERNING INCENTIVES FOR THE BENEFICIAL USE OF FOREST BIOMASS.

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

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

**SECTION 2.** In Colorado Revised Statutes, 23-31-301, **amend** (2);

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*Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.*

and **add** (1) (i.5) as follows:

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

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

(2) (a) The general assembly hereby declares that it is the public policy of this state to encourage the health of forest ecosystems through responsible management of the forest land of the state and through coordination with the United States secretary of the interior and the United States secretary of agriculture to develop management plans for federal lands within the state of Colorado pursuant to 16 U.S.C. sec. 530, 16 U.S.C. sec. 1604, and 43 U.S.C. sec. 1712, including THE FOLLOWING: The use of prescribed and natural ignition fires and other pre-suppression activities, such as the harvest AND PROFITABLE UTILIZATION of materials, in order to preserve forest and other natural resources; enhance the growth and maintenance of forests; conserve forest cover on watersheds; protect recreational, wildlife, and other values; promote stability of forest-using industries; and prevent loss of life and damage to property from wildfires and other conflagrations.

(b) IN ADDITION TO ANY OTHER POWERS AND DUTIES CONFERRED UPON THE COLORADO STATE FOREST SERVICE BY LAW, THE COLORADO STATE FOREST SERVICE MAY:

(I) VALUE FOREST MATERIALS ON STATE LANDS USING LOWEST MARKET VALUE AS AN INCENTIVE TO MAXIMIZE THE UTILIZATION OF THESE PRODUCTS; AND

(II) COLLABORATE WITH THE UNITED STATES FOREST SERVICE AND THE BUREAU OF LAND MANAGEMENT TO CONTRACT FOR A RELIABLE SOURCE OF FEEDSTOCK CONSISTENT WITH COLORADO COMMUNITIES' PLANS FOR UTILIZATION OF FOREST BIOMASS DESCRIBED IN SECTION 23-31-312 (3.5).

**SECTION 3.** In Colorado Revised Statutes, 23-31-312, **add** (2) (c)

and (3.5) as follows:

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

(c) "RED ZONE" MEANS A WILDLAND-URBAN INTERFACE AREA OF HIGH WILDFIRE RISK IN COLORADO, IDENTIFIED BY THE RED ZONE MAP ORIGINALLY CREATED IN SEPTEMBER 2004 BY THE COLORADO STATE FOREST SERVICE AND PERIODICALLY UPDATED TO SHOW AREAS WHERE A HIGH RISK OF CATASTROPHIC WILDFIRE ENDANGERS HOMES, COMMUNITIES, UTILITIES, AND WATERSHEDS.

(3.5) WHEN A COMMUNITY WITHIN A RED ZONE ADOPTS OR UPDATES A CWPP, THE COMMUNITY IS ENCOURAGED TO INCLUDE, AS AN ELEMENT OF THE CWPP, A PLAN FOR COMMUNITY-BASED AND SUSTAINABLE UTILIZATION OF FOREST BIOMASS FOR THE PRODUCTION OF ENERGY, FUELS, FOREST PRODUCTS, AND OTHER APPLICATIONS, DEVELOPED IN CONSULTATION WITH THE COLORADO STATE FOREST SERVICE. AS PART OF THE PLAN, THE STATE FORESTER OR THE STATE FORESTER'S DESIGNEE MAY OFFER ASSISTANCE TO THE COMMUNITIES IN IDENTIFYING, CONTRACTING FOR, AND SECURING PRIMARILY FROM HIGH-RISK AREAS A RELIABLE SOURCE OF FEEDSTOCK IN SUPPORT OF FOREST PRODUCTS INDUSTRIES.

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

**25-7-105. Duties of commission - rules.** (20) THE COMMISSION MAY, WITHIN EXISTING RESOURCES:

(a) ANALYZE A RANGE OF RESIDENTIAL, COMMERCIAL, AND INDUSTRIAL BIOMASS EQUIPMENT FOR AIR EMISSIONS STANDARDS;

(b) IDENTIFY BIOMASS EQUIPMENT THAT MEETS THE EMISSIONS STANDARDS; AND

(c) PUBLICLY POST A STATEMENT OF THE PARAMETERS FOR EQUIPMENT FUELED BY BIOMASS THAT IS SMALLER THAN ONE MILLION BRITISH THERMAL UNITS, AS DEFINED IN SECTION 8-20-201 (1.3), C.R.S., PER

HOUR AND INCLUDE A LIST OF BIOMASS EQUIPMENT THAT MEETS THE EMISSIONS STANDARDS.

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

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

(4.9) "Forest health project" means:

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

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

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

~~(c)~~ (III) Reducing the impact of undesirable nonnative species;

~~(d)~~ (IV) Replanting trees in deforested areas; or

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

(b) A PROJECT TO HARVEST WOODY VEGETATION FOR, OR USE WOODY VEGETATION IN, THE PRODUCTION OF ENERGY, FUELS, FOREST PRODUCTS, OR OTHER APPLICATIONS. THE PROJECT MAY, BUT NEED NOT, CONSTITUTE ALL OR PART OF A PLAN ADOPTED BY A COMMUNITY UNDER SECTION 23-31-312 (3.5), C.R.S.

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

**40-2-123. New energy technologies - consideration by commission - incentives - demonstration projects - definitions - legislative declaration - repeal.** (1) (a) The commission shall give the fullest possible consideration to the cost-effective implementation of new clean energy and energy-efficient technologies in its consideration of

generation acquisitions for electric utilities, bearing in mind the beneficial contributions such technologies make to Colorado's energy security, economic prosperity, INSULATION FROM FUEL PRICE INCREASES, AND environmental protection, ~~and insulation from fuel price increases~~ INCLUDING RISK MITIGATION IN AREAS OF HIGH WILDFIRE RISK AS DESIGNATED BY THE STATE FOREST SERVICE. The commission shall consider utility investments in energy efficiency to be an acceptable use of ratepayer moneys.

**SECTION 7. Safety clause.** The general assembly hereby finds,

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

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John P. Morse  
PRESIDENT OF  
THE SENATE

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Mark Ferrandino  
SPEAKER OF THE HOUSE  
OF REPRESENTATIVES

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Cindi L. Markwell  
SECRETARY OF  
THE SENATE

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Marilyn Eddins  
CHIEF CLERK OF THE HOUSE  
OF REPRESENTATIVES

APPROVED \_\_\_\_\_

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John W. Hickenlooper  
GOVERNOR OF THE STATE OF COLORADO