



SB23-016 Greenhouse Gas Emissions – Final Act Summary

Note: Sections particularly of interest to counties are highlighted in yellow.

Section 1: Climate risk survey for insurers

- Beginning in 2024, an insurer that is issued a certificate of authority to transact business that reports more than \$100M on its NAIC schedule T filing must participate in the NAIC's annual Insurer Climate Risk Disclosure Survey.

Section 2: Colorado Energy Office (CEO) duties and powers

- Updates CEO duties and powers to:
 - Support achieving statewide greenhouse gas (GHG) pollution reduction goals.
 - Implement renewable energy standards.
 - Support deployment of renewable energy and evaluate certain types of cleaner energy sources.
 - Generally, lots of supporting of electrification and clean energy initiatives.

Section 3: PERA Climate Risk Assessment

- Public Employees' Retirement Association (PERA) shall continue to submit an existing report to the GA regarding economic impact of 2010 legislative changes AND, on and after January 1, 2025, PERA shall include in this report a description of:
 - PERA's process for identifying climate-change-related risks and financial impact of risks on operations.
 - Current or anticipated future risks that climate change poses to portfolio.
 - Actions PERA is taking to manage those risks.
 - PERA's use and consideration of any climate-related reporting that FSEC requires.

Section 4: Pollution Control Equipment Certification definitions

- Adds definition for wastewater thermal energy equipment.

Section 5: Air Quality Control Commission (AQCC) emission fees

- When establish existing GHG fee, fee can now be based on tons of GHG reported to the division pursuant to C.R.S. 25-7-140(2)(a)(I). This is in addition to the existing method of using tons of GHG reported in the most recent air pollutant emission notice on file.

Section 6: Energy benchmarking rulemaking extension

- Extends deadline for AQCC to promulgate rules to establish performance standards from June 1, 2023, to September 1, 2023

Section 7: Clean heat definitions

- Adds definition of wastewater thermal energy



Section 8: AQCC GHG reduction goals (goals are relative to 2005 GHG pollution levels)

- Adds 65% reduction in GHG pollution by 2035.
- Adds 75% reduction in GHG pollution by 2040.
- Adds 90% reduction in GHG pollution by 2045.
- Updates 2050 GHG reduction goal from 90% to 100%.

Section 9: COGCC¹ powers

- COGCC given authority to ensure safe and effective GHG sequestration.
- COGCC shall seek federal primacy only after governor and COGCC have determined the state has sufficient resources to ensure safe and effective regulation.
 - After making this determination and holding a public hearing, the COGCC may seek class VI injection well primacy.
- If given primacy, the COGCC may issue and enforce class VI injection well permits.
 - Includes provisions for disproportionately impacted communities.
 - COGCC must require operators to provide adequate financial assurance.
 - COGCC will ensure permitting complies with a local government's siting of the proposed class VI injection well location, as well as having received any applicable air permit and the consent of any surface owners.
 - Wells shall not be located within 2,000 feet of a residence, school, or commercial building.
 - The commission may conduct a study to determine if the state should seek regulatory primacy for all subsurface injection classes.
- On or before February 1, 2024, the COGCC will conduct a study to better understand the safety of class VI injection wells, the potential for carbon dioxide releases, and methods to limit the likelihood of a carbon dioxide release.

Sections 10-11: Renewable energy device definitions

- "Renewable energy generation device" includes a heat pump system

Section 12: Lawn equipment tax credit

- For income tax years commencing on or after January 1, 2024, but before January 1, 2027, a qualified retailer is allowed a tax credit against the tax imposed pursuant to article 22 equal to 33% of the aggregate purchase price for all retail sales of new, electric-powered lawn equipment.
- Section repealed on December 31, 2033.

Section 13: Local government severance tax fund

- Severance tax fund in DOLA extended from July 1, 2023, to July 1, 2025.

¹ COGCC: Colorado Oil and Gas Conservation Commission. Note that under [SB23-285](#), the name of the COGCC will be changed to the Colorado Energy and Carbon Management Commission (CECMC).



Section 14: Division of Local Government (DLG) prior appropriation

- 2020-21 fiscal year appropriation for renewable and clean energy implementation designated for DLG until money is fully expended.

Section 15: Public utility interconnection definitions

- Adds interconnection definitions for Title 40, articles 1 to 7.

Section 16: Powerline trail plans

- In reviewing a plan that an electric utility submits, the Public Utilities Commission (PUC) will consider the need for expanded transmission capacity in the state, including the ability to expand capacity through the construction of new transmission lines, improvements to existing transmission lines, and connections to organized wholesale markets.

Section 17: Fixed Utility Fund

- The Colorado Electric Transmission Authority (CETA) shall remit to the PUC Fixed Utility Fund any amounts it receives in excess of its actual administrative expenses plus a 50% (rather than 15%) reserve margin.

Section 18: Retail electric utility customers' rights

- If a retail electric utility fails to provide reasonable, good faith, and timely service to an interconnection customer, the violation may result in PUC action, including assessment of fines and penalties.
- PUC shall adopt rules to adjust the penalty amount annually.
- Sets maximum timelines for provision of agreement and interconnection following certificate of completion.
- May recover “prudent costs” of interconnection.

Section 19: Electric vehicle (EV) connection cost recovery

- An electric public utility may recover “prudently incurred” costs to facilitate a timely EV charging service connection.

Section 20: Public utility penalties

- Any public utility that violates any provision of articles 1 to 7 of Title 40 or any order/requirement of the PUC is subject to a penalty of not more than \$20,000 (rather than \$2,000) per offense for each day the offense continues.
- Commission shall adopt rules to annually adjust the maximum per-day penalty.

Section 21: Clean heat target definitions

- Adds operations for dairy cows, beef cattle, poultry, swine, or sheep to "biomethane" definition.
- A recovered methane protocol that the AQCC adopts for biomethane from manure management systems must allow for use of manure from beef cattle operations. AQCC may also adopt a protocol specific to manure management from beef cattle operations.



Section 22: CETA Act project definition

- "Project" now includes an undertaken to renovate, rebuild, or recondition existing eligible facilities approved through a local government's land-use application process.

Section 23: CETA fiscal year

- On and after July 1, 2024, the Authority will operate on a fiscal year that aligns with the state fiscal year.

Section 24: CETA labor standard language

- Incorporates "renovation, rebuilding, reconditioning" language (bringing statute in line with section 22 of the bill).

Section 25: Study on expanding transmission capacity

- CETA shall expend money from operational fund to study the need for expanded transmission capacity in the state.
- Considers system reliability, GHG reduction goals, forecasted electricity needs, reduction of land impacts.
- Initial presentation of report on or before September 1, 2024; final report to be presented on or before January 31, 2025.

Section 26: Class VI injection wells

- Local governments have authority to regulate the surface impacts of class VI injection wells, including location and siting.
- Local governments can impose fees to enhance emergency preparedness and emergency response capabilities in case of carbon dioxide release from such operations.

Section 27: Local government transmission applications

- A local government shall expedite, as practicable, its review of a land use application with regard to a proposed project to renovate, rebuild, or recondition a transmission line.

Section 28: AQCC duties

- Incorporate 2035, 2040, and 2045 GHG reduction goals.

Section 29: Appropriations

- See final act for specific appropriations.

Section 30: Effective date

- Bill effective August 7, 2023.