

**Second Regular Session
Seventieth General Assembly
STATE OF COLORADO**

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 16-1066.01 Jennifer Berman x3286

HOUSE BILL 16-1441

HOUSE SPONSORSHIP

Tyler, Becker K., Foote, Primavera, Ryden, Winter, Esgar, Lee, McCann, Melton,
Rosenthal, Salazar

SENATE SPONSORSHIP

Jones,

House Committees

Transportation & Energy
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT THAT THE PUBLIC UTILITIES**
102 **COMMISSION CONSIDER THE FULL COST OF GREENHOUSE GAS**
103 **EMISSIONS FROM ELECTRIC GENERATION WHEN CONSIDERING**
104 **A UTILITY'S PROPOSAL FOR ELECTRIC RESOURCE PLANNING,**
105 **AND, IN CONNECTION THEREWITH, MAKING AN APPROPRIATION.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill requires the public utilities commission (commission) to consider the following costs of greenhouse gas emissions when

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

considering a utility's proposal for electric resource planning:

- ! The likelihood of new environmental regulations concerning greenhouse gas emissions; and
- ! The present and future costs associated with the emission of greenhouse gases such as carbon dioxide and methane based on the cost per ton of greenhouse gas emissions. The commission shall determine the costs annually based on a review of the most appropriate national and regional carbon markets for Colorado.

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

2 **SECTION 1.** In Colorado Revised Statutes, 40-2-123, **amend** (1)
3 (b); and **add** (1) (a.5) as follows:

4 **40-2-123. New energy technologies - consideration by**
5 **commission - incentives - demonstration projects - definitions -**
6 **legislative declaration.** (1) (a.5) THE GENERAL ASSEMBLY HEREBY
7 FINDS, DETERMINES, AND DECLARES THAT:

8 (I) CLIMATE CHANGE PRESENTS SERIOUS, DIVERSE, AND ONGOING
9 ISSUES FOR COLORADO'S CITIZENS, ECONOMY, AND ENVIRONMENT;

10 (II) BASED ON OVERWHELMING EVIDENCE, APPROXIMATELY
11 NINETY-SEVEN PERCENT OF CLIMATE SCIENTISTS HAVE CONCLUDED THAT
12 HUMAN-CAUSED CLIMATE CHANGE IS HAPPENING. THIS CONSENSUS IS
13 DOCUMENTED NOT JUST BY A SINGLE STUDY BUT BY A CONVERGING
14 STREAM OF EVIDENCE ACCUMULATED OVER THE PREVIOUS TWO DECADES
15 FROM SCIENTIFIC SURVEYS AND CONTENT ANALYSES OF PEER-REVIEWED
16 STUDIES.

17 (III) THESE CLIMATE ISSUES ARE OCCURRING IN, AND ARE OF
18 GREAT CONCERN TO, THE STATE OF COLORADO AND ITS CITIZENS, AS
19 EVIDENCED BY "CLIMATE CHANGE IN COLORADO", A 2014 REPORT TO THE
20 COLORADO WATER CONSERVATION BOARD, WHICH INDICATES THAT

1 AVERAGE TEMPERATURES IN COLORADO HAVE INCREASED BY
2 APPROXIMATELY TWO DEGREES FAHRENHEIT BETWEEN 1977 AND 2006,
3 AND THESE INCREASING TEMPERATURES AFFECT THE STATE'S WATER
4 RESOURCES; AND

5 (IV) FOR THESE REASONS, IT IS PRUDENT TO CONSIDER THE FULL
6 COST OF GREENHOUSE GAS EMISSIONS FROM ELECTRIC POWER GENERATION
7 WHEN CONSIDERING THE AUTHORIZATION OF AN ELECTRIC RESOURCE PLAN
8 SUBMITTED TO THE COMMISSION BY A REGULATED UTILITY.

9 (b) WHEN CONSIDERING A UTILITY PROPOSAL FOR ELECTRIC
10 RESOURCE PLANNING, ~~the commission may give consideration to the~~
11 ~~likelihood of new environmental regulation and the risk of higher~~ SHALL
12 CONSIDER, AS PART OF ITS VALUE DETERMINATION:

13 (I) THE LIKELIHOOD OF NEW ENVIRONMENTAL REGULATIONS
14 CONCERNING GREENHOUSE GAS EMISSIONS; AND

15 (II) BOTH PRESENT AND future costs associated with the emission
16 of greenhouse gases such as carbon dioxide ~~when it considers utility~~
17 ~~proposals to acquire resources. Where utilities eliminate or reduce carbon~~
18 ~~dioxide emissions through the use of capture and sequestration, the~~
19 ~~commission may consider the benefits of using carbon dioxide for~~
20 ~~enhanced oil recovery or other uses.~~ AND METHANE BASED ON THE COST
21 PER TON OF GREENHOUSE GAS EMISSIONS. THE COMMISSION SHALL
22 DETERMINE THE COSTS ANNUALLY BASED ON A REVIEW OF THE MOST
23 APPROPRIATE NATIONAL AND REGIONAL CARBON MARKETS FOR
24 COLORADO. A RESOURCE PLAN MUST TAKE INTO ACCOUNT THE COST OF
25 GREENHOUSE GAS EMISSIONS BASED ON THIS DETERMINATION.

26 **SECTION 2. Appropriation.** (1) For the 2016-17 state fiscal
27 year, \$7,512 is appropriated to the department of regulatory agencies for

1 use by the public utilities commission. This appropriation is from the
2 public utilities commission fixed utility fund created in section 40-2-114
3 (1) (b), C.R.S. To implement this act, the commission may use this
4 appropriation as follows:

5 (a) \$6,947 for personal services, which amount is based on an
6 assumption that the commission will require an additional 0.1 FTE; and

7 (b) \$565 for operating expenses.

8 **SECTION 3. Act subject to petition - effective date -**
9 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
10 the expiration of the ninety-day period after final adjournment of the
11 general assembly (August 10, 2016, if adjournment sine die is on May 11,
12 2016); except that, if a referendum petition is filed pursuant to section 1
13 (3) of article V of the state constitution against this act or an item, section,
14 or part of this act within such period, then the act, item, section, or part
15 will not take effect unless approved by the people at the general election
16 to be held in November 2016 and, in such case, will take effect on the
17 date of the official declaration of the vote thereon by the governor.

18 (2) This act applies to utility proposals considered by the public
19 utilities commission on or after the applicable effective date of this act.