Second Regular Session Seventy-third General Assembly STATE OF COLORADO

INTRODUCED

LLS NO. 22-0216.01 Sarah Lozano x3858

HOUSE BILL 22-1140

HOUSE SPONSORSHIP

Valdez D. and Woog,

SENATE SPONSORSHIP

(None),

House Committees

Senate Committees

Energy & Environment

101

102

A BILL FOR AN ACT

CONCERNING THE USE OF GREEN HYDROGEN TO MEET STATEWIDE GREENHOUSE GAS POLLUTION REDUCTION GOALS.

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.)

The bill includes green hydrogen as a renewable energy resource that certain retail electric service providers (providers) may use to meet standards requiring that a certain percentage of the provider's electricity sales be from an eligible energy resource. The bill also requires the governor to update the Colorado greenhouse gas pollution reduction roadmap to expressly include green hydrogen as a renewable energy

resource that providers may use to meet statewide greenhouse gas pollution reduction goals for the electric utility sector.

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

SECTION 1. In Colorado Revised Statutes, 40-2-124, **amend** 3 (1)(a)(VII); and **add** (1)(a)(IV.2), (1)(a)(IV.4), and (9) as follows:

40-2-124. Renewable energy standards - qualifying retail and wholesale utilities - definitions - net metering - legislative declaration - rules. (1) Each provider of retail electric service in the state of Colorado, other than municipally owned utilities that serve forty thousand customers or fewer, is a qualifying retail utility. Each qualifying retail utility, with the exception of cooperative electric associations that have voted to exempt themselves from commission jurisdiction pursuant to section 40-9.5-104 and municipally owned utilities, is subject to the rules established under this article 2 by the commission. No additional regulatory authority is provided to the commission other than that specifically contained in this section. In accordance with article 4 of title 24, the commission shall revise or clarify existing rules to establish the following:

(a) Definitions of eligible energy resources that can be used to meet the standards. "Eligible energy resources" means recycled energy, renewable energy resources, and renewable energy storage. In addition, resources using coal mine methane and synthetic gas produced by pyrolysis of waste materials are eligible energy resources if the commission determines that the electricity generated by those resources is greenhouse gas neutral. The commission shall determine, following an evidentiary hearing, the extent to which such electric generation

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1	technologies utilized in an optional pricing program may be used to
2	comply with this standard. A fuel cell using hydrogen derived from an
3	eligible energy resource is also an eligible electric generation technology.
4	Fossil and nuclear fuels and their derivatives are not eligible energy
5	resources. As used in this section:
6	(IV.2) "Greenhouse gas pollution reduction roadmap"
7	MEANS THE "COLORADO GREENHOUSE GAS POLLUTION REDUCTION
8	ROADMAP" PUBLISHED BY THE COLORADO ENERGY OFFICE AND DATED
9	January 14, 2021, or as amended thereafter.
10	(IV.4) "Green hydrogen" means hydrogen derived from a
11	CLEAN ENERGY RESOURCE, AS DEFINED IN SECTION 40-2-125.5 (2)(b),
12	THAT USES WATER AS THE SOURCE OF HYDROGEN.
13	(VII) "Renewable energy resources" means:
14	(A) Solar;
15	(B) Wind;
16	(C) Geothermal;
17	(D) Biomass that is greenhouse gas neutral;
18	(E) New hydroelectricity with a nameplate rating of ten megawatts
19	or less; and
20	(F) Hydroelectricity in existence on January 1, 2005, with a
21	nameplate rating of thirty megawatts or less and that does not require the
22	construction of any new dams or reservoirs;
23	(G) Notwithstanding any other provision of this subsection
24	(1)(a)(VII), a biomass electric generation facility that was in existence on
25	or before January 1, 2021, or that has a nameplate rating of ten megawatts
26	or less; shall be considered a renewable energy resource. AND
27	(H) Green hydrogen.

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1	(9) Greenhouse gas pollution reduction goals. THE GOVERNOR
2	SHALL UPDATE THE GREENHOUSE GAS POLLUTION REDUCTION ROADMAP
3	TO EXPRESSLY INCLUDE GREEN HYDROGEN AS A RENEWABLE ENERGY
4	RESOURCE THAT QUALIFYING RETAIL UTILITIES MAY USE TO ACHIEVE THE
5	ELECTRIC UTILITY SECTOR GREENHOUSE GAS POLLUTION REDUCTION
6	GOALS SET FORTH IN THE GREENHOUSE GAS POLLUTION REDUCTION
7	ROADMAP.
8	SECTION 2. Act subject to petition - effective date. This act
9	takes effect at 12:01 a.m. on the day following the expiration of the
10	ninety-day period after final adjournment of the general assembly; except
11	that, if a referendum petition is filed pursuant to section 1 (3) of article V
12	of the state constitution against this act or an item, section, or part of this
13	act within such period, then the act, item, section, or part will not take
14	effect unless approved by the people at the general election to be held in
15	November 2022 and, in such case, will take effect on the date of the
16	official declaration of the vote thereon by the governor.

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