

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0134.03 Rebecca Bayetti x4348

**HOUSE BILL 26-1030**

**HOUSE SPONSORSHIP**

**Valdez and Duran,**

**SENATE SPONSORSHIP**

**Mullica,**

---

**House Committees**  
Energy & Environment

**Senate Committees**

---

**A BILL FOR AN ACT**

101     **CONCERNING FACILITATION OF DATA CENTER DEVELOPMENT WHILE**  
102         **SUPPORTING UTILITY RESOURCES, AND, IN CONNECTION**  
103         **THEREWITH, CREATING THE "COLORADO DATA CENTER**  
104         **WORKFORCE, CLEAN ENERGY, GRID MODERNIZATION, AND**  
105         **CONSUMER AND ENVIRONMENTAL PROTECTION ACT".**

---

**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 creates the data center development and incentive program (program) operated by the Colorado data center development authority

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.

(authority), which is newly created in the Colorado office of economic development (office) (**section 1** of the bill). The authority consists of 9 members, as follows:

- 2 members appointed by the governor with the consent of the senate;
- The director of the Colorado energy office or the director's designee;
- One member who has experience in water projects or water resource management, appointed by the president of the senate;
- One member who has experience in clean and renewable energy, appointed by the speaker of the house of representatives;
- 2 members who have experience in data center development, with one member appointed by the speaker of the house of representatives and one member appointed by the president of the senate;
- One member representing a statewide organization that represents workers in trade crafts who construct data centers, appointed by the speaker of the house of representatives; and
- One member representing a statewide organization that represents contractors who construct data centers, appointed by the president of the senate.

To incentivize efficient data center development, the program allows a 100% state sales and use tax exemption on qualified purchases to the operator of a certified data center. To be eligible for certification, the operator of the data center, or a data center operator collectively with participating data center tenants, must:

- Have initiated a preliminary consultation with the utility that will provide electricity for the data center project regarding interconnection feasibility, capacity, and infrastructure requirements;
- Commit to making a \$250 million minimum investment in data center infrastructure within 5 years;
- Commit to creating new full-time jobs, including employees and long-term service and maintenance positions, that satisfy specified criteria and breaking ground on the data center project within 2 years of obtaining certification;
- Commit to complying, and ensure that the utility that provides electricity to the data center also complies, with craft labor requirements, apprenticeship utilization requirements, and prevailing wage requirements; and
- Commit to obtaining certification under one of several

energy efficiency standards, implementing water stewardship strategies that optimize operational water management, ensuring that all backup power generation associated with the data center project meets specified requirements, and consulting with the department of natural resources.

To obtain certification, a data center operator must apply to the authority in a form and manner to be determined by the authority. The authority is required to review a data center operator's application for certification and may award certification to a data center operator that has demonstrated that it will satisfy the certification criteria (**section 1**).

A data center operator that obtains certification for a data center project is eligible for a 100% state sales and use tax exemption on the purchase and use of qualified data center infrastructure and systems for 20 years from the date that the data center project was certified, so long as the data center satisfies ongoing post-certification requirements and submits annual compliance reports to the authority. As long as the data center meets post-certification requirements as demonstrated in the annual compliance reports, a data center operator of a certified data center may apply to the authority for an extension of the sales and use tax exemption for an additional 10 years. If the authority determines that a data center operator is not fulfilling its obligations and commitments to retain certification, the authority may revoke the certification and the data center operator is required to repay the state for the sales and use tax benefits that it received (**sections 1 and 5**). The exemption for a certified data center does not apply to local sales and use taxes unless the exemption is expressly included at the time of adoption or amendment of the local sales tax ordinance or resolution (**section 4**).

The bill allows a utility regulated by the public utilities commission (commission) to submit a targeted resource acquisition application to the commission to propose methods of meeting emerging large-load customer needs. The bill also specifies how a utility may finance resource and infrastructure needs in connection with emerging large-load customers (**section 3**).

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

2                   **SECTION 1.** In Colorado Revised Statutes, **add** part 8 to article

3 48.5 of title 24 as follows:

## PART 8

## DATA CENTER DEVELOPMENT

1 AND INCENTIVES

2 **24-48.5-801. Short title.**

3 THE SHORT TITLE OF THIS PART 8 IS THE "COLORADO DATA CENTER  
4 WORKFORCE, CLEAN ENERGY, GRID MODERNIZATION, AND CONSUMER  
5 AND ENVIRONMENTAL PROTECTION ACT".

6 **24-48.5-802. Legislative declaration.**

7 (1) THE GENERAL ASSEMBLY FINDS, DETERMINES, AND DECLARES  
8 THAT:

9 (a) DATA CENTERS ARE ESSENTIAL CRITICAL INFRASTRUCTURE  
10 POWERING THE MODERN DIGITAL ECONOMY;

11 (b) DATA CENTERS WILL DRIVE COMMUNITY ACCESS TO SOLAR AND  
12 BATTERY STORAGE;

13 (c) COLORADO FACES INTERRELATED CHALLENGES IN:

14 (I) ACHIEVING ITS CLEAN ENERGY AND GREENHOUSE GAS  
15 REDUCTION GOALS WHILE MAINTAINING GRID RELIABILITY;

16 (II) MODERNIZING GRID INFRASTRUCTURE FOR ELECTRIFICATION  
17 AND PROJECTED LOAD GROWTH;

18 (III) ENSURING EQUITABLE DEVELOPMENT ACROSS URBAN,  
19 SUBURBAN, AND RURAL COMMUNITIES; AND

20 (IV) CREATING COMMUNITY BENEFITS THROUGH EXPANDING  
21 SOLAR AND BATTERY STORAGE PROGRAMS, ENSURING ALL COLORADANS  
22 HAVE ACCESS TO CLEAN ENERGY GENERATION AND STORAGE;

23 (d) THE COLORADO ELECTRIC TRANSMISSION AUTHORITY HAS  
24 IDENTIFIED TRANSMISSION NEEDS REQUIRING AN INVESTMENT OF  
25 APPROXIMATELY FOUR BILLION FIVE HUNDRED MILLION DOLLARS BY 2045  
26 TO MODERNIZE, ENHANCE RELIABILITY, AND INTEGRATE CLEAN ENERGY;

27 AND

## 1 (e) DATA CENTERS REPRESENT A TRANSFORMATIVE OPPORTUNITY

2 TO:

### 3 (I) CREATE HIGH-WAGE EMPLOYMENT ACROSS SECTORS,

## 4 INCLUDING:

5 (A) TECHNOLOGY FOCUSED ROLES IN OPERATIONS,  
6 CYBERSECURITY, NETWORK ENGINEERING, AND SYSTEMS  
7 ADMINISTRATION;

8 (B) CONSTRUCTION AND SKILLED TRADES OPPORTUNITIES TO MEET  
9 THE FAST-GROWING DEMAND FOR DATA CENTER BUILDS; AND

10 (C) ENERGY CAREERS IN GENERATION, TRANSMISSION,  
11 RENEWABLE ENERGY, AND GRID PROJECTS;

## 12 (II) ACCELERATE GRID MODERNIZATION THROUGH:

13 (A) STRATEGIC PRIVATE INVESTMENT IN TRANSMISSION AND  
14 DISTRIBUTION THAT BENEFITS ALL RATEPAYERS;

15 (B) THE DEVELOPMENT OF NEW GENERATION, BATTERY STORAGE,  
16 AND FLEXIBILITY TECHNOLOGY TO HELP BALANCE SUPPLY AND DEMAND;

17 (C) INCREASED HARDENING AGAINST EXTREME WEATHER, CYBER  
18 THREATS, AND DISRUPTIONS; AND

19 (D) FINANCING MECHANISMS THAT SPEED INFRASTRUCTURE  
20 DEPLOYMENT;

21 (III) EMPHASIZE SOLAR ENERGY AND BATTERY STORAGE  
22 SOLUTIONS, WHICH BENEFIT THE COMMUNITY BY:

23 (A) ADDING DISPATCHABLE CAPACITY WITH STORAGE, WHICH  
24 IMPROVES PEAK FLEXIBILITY AND RELIABILITY;

25 (B) OFFERING FAST, LOW-COST, AND CLEAN ENERGY, WHICH IS  
26 CRITICAL TO MEET RISING ELECTRICITY DEMAND;

27 (C) BOOSTING RESILIENCY, PROVIDING BACKUP POWER, LOWERING

1 PEAK ENERGY COSTS, AND INCREASING THE VALUE OF WIND AND SOLAR  
2 ENERGY TECHNOLOGY;

3 (D) REDUCING FUTURE TRANSMISSION COSTS AND REDUCING  
4 RELIANCE ON NEW GAS INFRASTRUCTURE; AND

5 (E) REDUCING HOUSEHOLD ELECTRICITY BILLS BY  
6 APPROXIMATELY FIFTEEN PERCENT WITH COMBINED SOLAR AND BATTERY  
7 SYSTEMS;

8 (IV) ENCOURAGE A TRANSITION TO CLEAN AND RENEWABLE  
9 ENERGY THROUGH:

10 (A) ANCHORING NEW DISPATCHABLE RENEWABLE AND CLEAN  
11 ENERGY RESOURCES;

12 (B) ACCELERATING THE DEPLOYMENT OF ADVANCED CLEAN  
13 ENERGY TECHNOLOGY;

14 (C) FOLLOWING STRICT INTERNATIONAL BUILDING ENERGY  
15 EFFICIENCY STANDARDS;

16 (D) RELYING ON INNOVATIVE, CLEAN, NON-CARBON BACKUP  
17 POWER GENERATION SOURCES; AND

18 (E) IMPLEMENTING STATE-OF-THE-ART, WATER-EFFICIENT,  
19 CLOSED-LOOP COOLING SYSTEMS; AND

20 (V) STRENGTHEN LOCAL AND COMMUNITY TAX BASES THROUGH:

21 (A) STABLE PROPERTY TAX FUNDING FOR SCHOOLS, LOCAL  
22 SERVICES, AND INFRASTRUCTURE;

23 (B) SALES TAX FROM ELECTRICITY USE AND OPERATIONAL  
24 EXPENDITURES;

25 (C) SUBSTANTIAL CAPITAL INVESTMENT IN PROPERTY AND  
26 EQUIPMENT; AND

27 (D) ECONOMIC MULTIPLIERS FROM CONSTRUCTION, SUPPLY

1 CHAINS, AND OPERATIONS.

2 (2) THE GENERAL ASSEMBLY FURTHER FINDS AND DECLARES THAT  
3 THE PURPOSE OF THE COLORADO DATA CENTER WORKFORCE, CLEAN  
4 ENERGY, GRID MODERNIZATION, AND CONSUMER AND ENVIRONMENTAL  
5 PROTECTION ACT IS TO:

6 (a) DRIVE THE EXPANSION OF COMMUNITY ACCESS TO SOLAR  
7 GENERATION AND BATTERY STORAGE STATEWIDE;

8 (b) IMPROVE COMPETITIVENESS WITH TAX INCENTIVES TO ATTRACT  
9 DATA CENTER INVESTMENT;

10 (c) ACCELERATE GRID MODERNIZATION AND INFRASTRUCTURE  
11 THROUGH PRIVATE CONTRIBUTIONS;

12 (d) CREATE HIGH-WAGE TECHNOLOGY AND CONSTRUCTION JOBS  
13 TO STRENGTHEN THE WORKFORCE;

14 (e) ENSURE RESPONSIBLE DEVELOPMENT WITH LOCAL  
15 EMPLOYMENT AND COMMUNITY BENEFITS;

16 (f) STRENGTHEN LOCAL ECONOMIES, ESPECIALLY IN RURAL  
17 COMMUNITIES AND COMMUNITIES IN TRANSITION;

18 (g) ADVANCE STATE POLICY GOALS WHILE MAINTAINING  
19 RESOURCE RELIABILITY AND PROTECTING RATEPAYERS; AND

20 (h) ENHANCE LEADERSHIP IN TECHNOLOGICAL INNOVATION, CLEAN  
21 AND RENEWABLE ENERGY, AND SUSTAINABLE GROWTH.

22 **24-48.5-803. Definitions.**

23 AS USED IN THIS PART 8, UNLESS THE CONTEXT OTHERWISE  
24 REQUIRES:

25 (1) "CERTIFICATION" MEANS RECOGNITION GRANTED TO A DATA  
26 CENTER BY THE AUTHORITY PURSUANT TO SECTION 24-48.5-807, UPON A  
27 DETERMINATION THAT THE DATA CENTER MEETS THE REQUIREMENTS

1 SPECIFIED IN SECTION 24-48.5-806.

2 (2) "CERTIFIED DATA CENTER" MEANS A DATA CENTER THAT HAS  
3 RECEIVED CERTIFICATION.

4 (3) "COLORADO DATA CENTER DEVELOPMENT AUTHORITY" OR  
5 "AUTHORITY" MEANS THE COLORADO DATA CENTER DEVELOPMENT  
6 AUTHORITY CREATED IN SECTION 24-28.5-804.

7 (4) "COMMISSION" MEANS THE PUBLIC UTILITIES COMMISSION OF  
8 THE STATE OF COLORADO CREATED IN SECTION 40-2-101.

9 (5) "DATA CENTER" MEANS A FACILITY WITH ONE OR MORE  
10 BUILDINGS, INCLUDING CORRESPONDING ELECTRICAL INFRASTRUCTURE,  
11 THAT:

12 (a) HOUSES INFORMATION TECHNOLOGY EQUIPMENT USED FOR  
13 DATA PROCESSING, DATA STORAGE, OR TELECOMMUNICATIONS; AND

14 (b) HAS A PRIMARY FUNCTION OF DELIVERING INFORMATION  
15 TECHNOLOGY SERVICES, INCLUDING:

16 (I) PROVIDING DATA STORAGE, PROCESSING, AND TRANSPORT  
17 SERVICES;

18 (II) SUPPORTING THE DELIVERY OF CLOUD COMPUTING SERVICES;

19 (III) PROVIDING NETWORK CONNECTIVITY SERVICES; AND

20 (IV) SUPPORTING ARTIFICIAL INTELLIGENCE, MACHINE LEARNING,  
21 OR SIMILAR COMPUTATIONAL SERVICES.

22 (6) "DATA CENTER OPERATOR" MEANS A PERSON THAT OWNS OR  
23 OPERATES A DATA CENTER IN THE STATE.

24 (7) "DATA CENTER TENANT" MEANS A CLIENT OR COLOCATION  
25 TENANT OR LICENSEE OF A DATA CENTER, INCLUDING AN ENTITY THAT  
26 LEASES, RENTS, OR OTHERWISE ENTERS INTO A CONTRACTUAL AGREEMENT  
27 FOR THE USE OF DATA CENTER SPACE OR SERVICES, OR OTHERWISE

1 COLOCATES INFORMATION TECHNOLOGY EQUIPMENT WITHIN A DATA  
2 CENTER.

3 (8) "DEPARTMENT" MEANS THE DEPARTMENT OF REVENUE.

4 (9) "OFFICE" MEANS THE OFFICE OF ECONOMIC DEVELOPMENT  
5 CREATED IN SECTION 24-48.5-101.

6 (10) "PROGRAM" MEANS THE DATA CENTER DEVELOPMENT AND  
7 INCENTIVE PROGRAM CREATED IN THIS PART 8.

8 (11) "QUALIFIED PURCHASE" MEANS THE PURCHASE, ON OR AFTER  
9 JANUARY 1, 2027, OF:

10 (a) INFORMATION TECHNOLOGY INFRASTRUCTURE, INCLUDING:

11 (I) COMPUTER EQUIPMENT OR SOFTWARE USED IN THE OPERATION  
12 OF OR FOR THE BENEFIT OF A CERTIFIED DATA CENTER;

13 (II) SOFTWARE SERVERS, ROUTERS, CONNECTIONS, MONITORING  
14 AND SECURITY SYSTEMS, AND OTHER ENABLING MACHINERY, EQUIPMENT,  
15 SOFTWARE, AND HARDWARE, REGARDLESS OF WHETHER THE PROPERTY IS  
16 AFFIXED TO OR INCORPORATED INTO REAL PROPERTY;

17 (III) DATA STORAGE SYSTEMS; AND

18 (IV) NETWORK INFRASTRUCTURE; OR

19 (b) DATA CENTER INFRASTRUCTURE AND TRANSMISSION AND  
20 GENERATION SYSTEM ASSETS, INCLUDING:

21 (I) ENVIRONMENTAL CONTROL SYSTEMS;

22 (II) ON-SITE ENERGY STORAGE SYSTEMS; AND

23 (III) ON-SITE RENEWABLE AND CLEAN ENERGY SYSTEMS.

24 (12) "RENEWABLE AND CLEAN ENERGY" MEANS ELECTRICITY  
25 GENERATED FROM:

26 (a) SOURCES MEETING THE DEFINITION OF CLEAN ENERGY, AS  
27 DEFINED IN SECTION 30-20-1202 (2); OR

3                   **24-48.5-804. Colorado data center development authority -**  
4                   **office of economic development - creation - membership - powers and**  
5                   **duties - report.**

6 (1) THE COLORADO DATA CENTER DEVELOPMENT AUTHORITY IS  
7 CREATED IN THE OFFICE.

8 (2) (a) THE AUTHORITY CONSISTS OF NINE MEMBERS AS FOLLOWS:

9                   (I) TWO MEMBERS APPOINTED BY THE GOVERNOR WITH THE  
10                   CONSENT OF THE SENATE;

11 (II) THE DIRECTOR OF THE COLORADO ENERGY OFFICE CREATED  
12 IN SECTION 24-38.5-101 OR THE DIRECTOR'S DESIGNEE;

13 (III) ONE MEMBER WHO HAS EXPERIENCE IN WATER PROJECTS OR  
14 WATER RESOURCE MANAGEMENT, APPOINTED BY THE PRESIDENT OF THE  
15 SENATE;

16 (IV) ONE MEMBER WHO HAS EXPERIENCE IN CLEAN AND  
17 RENEWABLE ENERGY, APPOINTED BY THE SPEAKER OF THE HOUSE OF  
18 REPRESENTATIVES;

19 (V) TWO MEMBERS WHO HAVE EXPERIENCE IN DATA CENTER  
20 DEVELOPMENT, WITH ONE MEMBER APPOINTED BY THE SPEAKER OF THE  
21 HOUSE OF REPRESENTATIVES AND ONE MEMBER APPOINTED BY THE  
22 PRESIDENT OF THE SENATE;

23 (VI) ONE MEMBER REPRESENTING A STATEWIDE ORGANIZATION  
24 THAT REPRESENTS WORKERS IN TRADE CRAFTS WHO CONSTRUCT DATA  
25 CENTERS, APPOINTED BY THE SPEAKER OF THE HOUSE OF  
26 REPRESENTATIVES; AND

27 (VII) ONE MEMBER REPRESENTING A STATEWIDE ORGANIZATION

1 THAT REPRESENTS CONTRACTORS WHO CONSTRUCT DATA CENTERS,  
2 APPOINTED BY THE PRESIDENT OF THE SENATE.

3 (b) (I) EXCEPT AS PROVIDED IN SUBSECTION (2)(b)(II) OF THIS  
4 SECTION FOR THE INITIAL TERMS OF THE INITIALLY APPOINTED MEMBERS,  
5 ALL APPOINTED MEMBERS OF THE AUTHORITY SERVE FOUR-YEAR TERMS.  
6 MEMBERS OF THE AUTHORITY ARE ELIGIBLE FOR REAPPOINTMENT FOR  
7 CONSECUTIVE TERMS.

8 (II) (A) ONE OF THE MEMBERS INITIALLY APPOINTED BY THE  
9 GOVERNOR AND TWO OF THE MEMBERS INITIALLY APPOINTED BY THE  
10 SPEAKER OF THE HOUSE OF REPRESENTATIVES SERVE INITIAL TERMS OF  
11 THREE YEARS. ONE OF THE MEMBERS INITIALLY APPOINTED BY THE  
12 GOVERNOR AND TWO OF THE MEMBERS INITIALLY APPOINTED BY THE  
13 PRESIDENT OF THE SENATE SERVE INITIAL TERMS OF TWO YEARS. THE  
14 REMAINDER OF THE INITIALLY APPOINTED MEMBERS SERVE INITIAL TERMS  
15 OF FOUR YEARS. THE APPOINTING AUTHORITY SHALL DESIGNATE THE  
16 INITIAL TERM LENGTH OF THE INITIALLY APPOINTED MEMBER.

17 (B) THE APPOINTING AUTHORITIES SHALL MAKE THEIR INITIAL  
18 APPOINTMENTS AS SOON AS PRACTICABLE FOLLOWING THE EFFECTIVE  
19 DATE OF THIS SECTION. APPOINTMENTS MADE WHILE THE SENATE IS NOT  
20 IN SESSION ARE TEMPORARY APPOINTMENTS AND SUCH APPOINTEES SERVE  
21 ON A TEMPORARY BASIS UNTIL THE SENATE IS IN SESSION AND IS ABLE TO  
22 CONFIRM THE APPOINTMENTS.

23 (III) A VACANCY IN THE MEMBERSHIP OF THE AUTHORITY MUST BE  
24 FILLED IN THE SAME MANNER AS THE ORIGINAL APPOINTMENT FOR THE  
25 REMAINDER OF THE EXPIRED TERM.

26 (c) THE AUTHORITY SHALL SELECT A CHAIR AND A VICE CHAIR  
27 FROM AMONG ITS MEMBERS.

1 (d) A TWO-THIRDS MAJORITY OF THE MEMBERS OF THE AUTHORITY  
2 MAY REMOVE A MEMBER OF THE AUTHORITY FOR CAUSE.

3 (e) FIVE MEMBERS OF THE AUTHORITY CONSTITUTE A QUORUM.

4 (f) MEMBERS OF THE AUTHORITY SERVE WITHOUT COMPENSATION  
5 BUT ARE ENTITLED TO REIMBURSEMENT FOR ACTUAL AND NECESSARY  
6 EXPENSES INCURRED IN THE PERFORMANCE OF THEIR DUTIES.

7 (3) THE AUTHORITY HAS THE FOLLOWING POWERS AND DUTIES:

17 (b) TO ADOPT AN ANNUAL BUDGET;

18 (c) TO CONTRACT FOR THOSE SERVICES, INCLUDING PERSONNEL  
19 SERVICES, AND MATERIALS REQUIRED BY THE ACTIVITIES OF THE  
20 AUTHORITY;

21 (d) TO COLLECT THE FEES AUTHORIZED IN SECTION 24-48.5-805  
22 (3);

23 (e) To administer the data center development and  
24 incentive program cash fund created in section 24-48.5-805 (4);  
25 and

26 (f) TO EXERCISE ANY OTHER POWERS OR PERFORM ANY OTHER  
27 DUTIES THAT ARE CONSISTENT WITH THE PURPOSES FOR WHICH THE

1 AUTHORITY WAS CREATED AND THAT ARE REASONABLY NECESSARY FOR  
2 THE FULFILLMENT OF THE AUTHORITY'S RESPONSIBILITIES.

3 (4) (a) ON OR BEFORE JANUARY 31, 2027, AND ON OR BEFORE  
4 EACH JANUARY 31 THEREAFTER, THE AUTHORITY SHALL REPORT ON THE  
5 PROGRAM TO A JOINT SESSION OF THE HOUSE OF REPRESENTATIVES  
6 ENERGY AND ENVIRONMENT COMMITTEE AND THE SENATE  
7 TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR  
8 COMMITTEES. THE AUTHORITY SHALL MAKE EACH ANNUAL REPORT  
9 PUBLICLY AVAILABLE.

10 (b) NOTWITHSTANDING THE REQUIREMENT IN SECTION 24-1-136  
11 (11)(a)(I), THE REQUIREMENT TO SUBMIT THE REPORT REQUIRED IN THIS  
12 SUBSECTION (4) CONTINUES INDEFINITELY.

13 (5) THE OFFICE SHALL, WITHIN EXISTING RESOURCES, PROVIDE  
14 STAFFING, ADMINISTRATIVE, AND OPERATIONAL SUPPORT TO THE  
15 AUTHORITY IN PERFORMING ITS DUTIES.

16 **24-48.5-805. Data center development and incentive program**  
17 **- data center development and incentive program cash fund - fees -**  
18 **guidelines.**

19 (1) THE DATA CENTER DEVELOPMENT AND INCENTIVE PROGRAM  
20 IS CREATED TO FACILITATE EFFICIENT DATA CENTER DEVELOPMENT BY  
21 ALLOWING TAX RELIEF TO A DATA CENTER OPERATOR OF A CERTIFIED  
22 DATA CENTER, AS PROVIDED IN THIS PART 8.

23 (2) (a) THE AUTHORITY SHALL ADMINISTER THE PROGRAM.

24 (b) THE AUTHORITY MAY CREATE AND MODIFY POLICIES,  
25 PROCEDURES, AND GUIDELINES AS NECESSARY TO IMPLEMENT THE  
26 PROGRAM AND TAX BENEFITS THAT MAY BE CLAIMED PURSUANT TO THIS  
27 PART 8.

3 (A) ESTABLISH AND COLLECT A NONREFUNDABLE APPLICATION FEE  
4 NOT TO EXCEED THIRTY THOUSAND DOLLARS FOR EACH APPLICATION FOR  
5 CERTIFICATION SUBMITTED PURSUANT TO THIS PART 8; AND

6 (B) ESTABLISH AND COLLECT A NONREFUNDABLE CERTIFICATION  
7 FEE NOT TO EXCEED TWENTY THOUSAND DOLLARS FOR EACH  
8 CERTIFICATION AWARDED PURSUANT TO THIS PART 8.

13 (b) THE AUTHORITY SHALL:

14 (I) SET THE AMOUNT OF ANY FEES ESTABLISHED PURSUANT TO THIS  
15 SUBSECTION (3) AT THE MINIMUM AMOUNT NECESSARY TO OFFSET THE  
16 AUTHORITY'S DIRECT COSTS OF IMPLEMENTING ITS RESPONSIBILITIES  
17 UNDER THIS PART 8; AND

21 (4) (a) THE DATA CENTER DEVELOPMENT AND INCENTIVE  
22 PROGRAM CASH FUND IS CREATED IN THE STATE TREASURY. THE DATA  
23 CENTER DEVELOPMENT AND INCENTIVE PROGRAM CASH FUND CONSISTS OF  
24 MONEY FROM FEES COLLECTED AND CREDITED TO THE FUND PURSUANT  
25 THIS SECTION AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY  
26 APPROPRIATE, TRANSFER, OR REQUIRE BY LAW TO BE CREDITED TO THE  
27 FUND.

5 (c) MONEY IN THE DATA CENTER DEVELOPMENT AND INCENTIVE  
6 PROGRAM CASH FUND IS CONTINUOUSLY APPROPRIATED TO THE  
7 AUTHORITY FOR THE PURPOSE OF ADMINISTERING THE PROGRAM.

11           **24-48.5-806. Certification - application process - data center**  
12           **operators - minimum commitments.**

17 (a) MAKING A MINIMUM INVESTMENT OF TWO HUNDRED FIFTY  
18 MILLION DOLLARS IN DATA CENTER QUALIFIED PURCHASES WITHIN SIXTY  
19 MONTHS OF OBTAINING CERTIFICATION:

27 (c) HIRING CONTRACTORS TO BUILD AND SERVICE THE DATA

1 CENTER;

2 (d) WORKING TO ENSURE THAT THE DATA CENTER WILL NOT CAUSE  
3 UNREASONABLE COST IMPACTS TO OTHER UTILITY RATEPAYERS;

4 (e) IMPLEMENTING WATER STEWARDSHIP MEASURES THAT  
5 OPTIMIZE OPERATIONAL WATER MANAGEMENT THROUGH  
6 IMPLEMENTATION OF CLOSED-LOOP COOLING SYSTEMS OR COOLING  
7 SYSTEM TECHNOLOGY THAT DOES NOT USE WATER, AND THE OPTIONAL  
8 DEPLOYMENT OF ADDITIONAL WATER-EFFICIENT TECHNOLOGY;

9 (f) OBTAINING CERTIFICATION UNDER ONE OF THE FOLLOWING  
10 STANDARDS WITHIN TWENTY-FOUR MONTHS OF THE DATA CENTER'S  
11 RECEIPT OF A FINAL CERTIFICATE OF OCCUPANCY:

12 (I) LEED FOR DATA CENTERS AT GOLD LEVEL OR HIGHER;  
13 (II) ENERGY STAR CERTIFICATION;  
14 (III) GREEN GLOBES CERTIFICATION;  
15 (IV) ISO 50001 ENERGY MANAGEMENT CERTIFICATION;  
16 (V) ISO 14001 STANDARD FOR ENVIRONMENTAL MANAGEMENT  
17 SYSTEMS; OR

18 (VI) OTHER EQUIVALENT STANDARDS APPROVED BY THE  
19 AUTHORITY;

20 (g) CONSULTING WITH THE DEPARTMENT OF NATURAL RESOURCES  
21 REGARDING WILDLIFE AREAS, WILDFIRE AND URBAN INTERFACE, AND  
22 WATER;

23 (h) ENSURING THAT ALL BACKUP POWER GENERATION ASSOCIATED  
24 WITH THE DATA CENTER MEETS ONE OR MORE OF THE REQUIREMENTS  
25 LISTED IN SUBSECTIONS (1)(h)(I) TO (1)(h)(IV) OF THIS SECTION; EXCEPT  
26 THAT THE AUTHORITY MAY GRANT ADDITIONAL TIME FOR COMPLIANCE  
27 WITH THIS SUBSECTION (1)(h) IF A DATA CENTER OPERATOR

1 DEMONSTRATES REASONABLE EFFORTS TO COMPLY BUT REQUIRES  
2 ADDITIONAL TIME DUE TO EQUIPMENT AVAILABILITY OR SUPPLY CHAIN  
3 CONSTRAINTS DUE TO FACTORS OUTSIDE THE CONTROL OF THE DATA  
4 CENTER OPERATOR.

5 (I) FOR DIESEL GENERATORS, THE GENERATOR MUST:

6 (A) MEET OR EXCEED THE UNITED STATES ENVIRONMENTAL  
7 PROTECTION AGENCY'S TIER 4 FINAL EMISSIONS STANDARDS; OR

8 (B) MEET OR EXCEED THE UNITED STATES ENVIRONMENTAL  
9 PROTECTION AGENCY'S TIER 2 EMISSIONS STANDARDS AND BE EQUIPPED  
10 WITH A SELECTIVE CATALYTIC REDUCTION SYSTEM OR EQUIVALENT  
11 AFTER-TREATMENT TECHNOLOGY.

12 (II) THE BACKUP POWER GENERATION MUST BE A BATTERY  
13 ELECTRIC STORAGE SYSTEM.

14 (III) THE BACKUP POWER GENERATION MUST BE FROM ONE OR  
15 MORE OF THE FOLLOWING SOURCES:

16 (A) HYDROTREATED VEGETABLE OIL, ETHICAL BIOFUEL OIL, OR  
17 ONE HUNDRED PERCENT BIODIESEL;

18 (B) FUEL-CELL OR HYDROGEN FUEL;

19 (C) NATURAL GAS; OR

20 (D) AMMONIA.

21 (IV) THE BACKUP POWER GENERATION MUST BE FROM OTHER  
22 CLEAN OR LOW-EMISSION BACKUP POWER TECHNOLOGIES APPROVED BY  
23 THE AUTHORITY.

24 (i) BREAKING GROUND ON THE DATA CENTER WITHIN  
25 TWENTY-FOUR MONTHS OF OBTAINING CERTIFICATION;

26 (j) COMPLYING WITH, AND ENSURING THAT THE UTILITY THAT WILL  
27 PROVIDE ELECTRICITY TO THE DATA CENTER COMPLIES WITH, FOR THE

1 ENTIRETY OF THE CONSTRUCTION PHASE OF THE DATA CENTER AND FOR  
2 ANY SUBSEQUENT SERVICE AND MAINTENANCE WORK, THE CRAFT LABOR  
3 REQUIREMENTS IN PART 3 OF ARTICLE 92 OF THIS TITLE 24 AND THE  
4 APPRENTICESHIP UTILIZATION REQUIREMENTS IN SECTION 24-92-115 (7),  
5 IF THE PROJECT FOR THE DATA CENTER, THE ELECTRIC UTILITY  
6 INFRASTRUCTURE ATTACHED TO THE DATA CENTER, OR THE ELECTRICAL  
7 POWER GENERATION TECHNOLOGY ATTACHED TO THE DATA CENTER  
8 MEETS THE DEFINITION OF AN ENERGY SECTOR PUBLIC WORKS PROJECT AS  
9 DEFINED IN SECTION 24-92-303 (5);

10 (k) COMPLYING WITH THE PREVAILING WAGE REQUIREMENTS IN  
11 PART 2 OF ARTICLE 92 OF THIS TITLE 24, AS IF THE PROJECT FOR THE DATA  
12 CENTER SATISFIED THE CRITERIA FOR A PUBLIC PROJECT AS DESCRIBED IN  
13 SECTION 24-92-203 (1);

14 (l) AGREEING TO FILE, AND ENSURING THAT ALL CONTRACTORS  
15 ASSOCIATED WITH CONSTRUCTION OF THE DATA CENTER FILE AS PART OF  
16 THE BID PROCESS, WORKER SAFETY PLANS THAT INCLUDE PROVISIONS FOR  
17 COMPLIANCE WITH ALL FEDERAL OCCUPATIONAL SAFETY AND HEALTH  
18 ADMINISTRATION STANDARDS AND APPLICABLE STATE AND FEDERAL  
19 WORKPLACE SAFETY LAWS; AND

20 (m) COMMITTING TO SATISFYING THE POST-CERTIFICATION DATA  
21 CENTER REQUIREMENTS SPECIFIED IN SECTION 24-48.5-809.

22 (2) **Preliminary electric utility consultation.**

23 (a) BEFORE SUBMITTING AN APPLICATION FOR CERTIFICATION, A  
24 DATA CENTER OPERATOR SHALL INITIATE A PRELIMINARY CONSULTATION  
25 WITH THE UTILITY THAT WILL PROVIDE ELECTRICITY FOR THE DATA  
26 CENTER REGARDING INTERCONNECTION FEASIBILITY, CAPACITY, AND  
27 INFRASTRUCTURE REQUIREMENTS.

8 (a) INFORMATION ABOUT THE DATA CENTER FOR WHICH THE DATA  
9 CENTER OPERATOR IS SEEKING CERTIFICATION, INCLUDING:

10 (I) THE IDENTITY AND QUALIFICATIONS OF THE DATA CENTER  
11 OPERATOR;

12 (II) EVIDENCE OF SITE CONTROL OR A PATHWAY TO SITE CONTROL;

13 (III) A PROPOSED DEVELOPMENT TIMELINE AND PHASING;

14 (IV) AN ESTIMATED TIMELINE FOR QUALIFIED PURCHASES  
15 REACHING A MINIMUM OF TWO HUNDRED FIFTY MILLION DOLLARS WITHIN  
16 THIRTY-SIX MONTHS OF THE DATA CENTER BEING PLACED IN SERVICE OR  
17 RECEIPT OF A FINAL CERTIFICATE OF OCCUPANCY, WHICHEVER IS EARLIER;

18 (V) AN ESTIMATED JOB CREATION PLAN BY THE DATA CENTER  
19 OPERATOR, OR BY THE DATA CENTER OPERATOR COLLECTIVELY WITH ITS  
20 PARTICIPATING DATA CENTER TENANTS, SHOWING THE ANTICIPATED  
21 NUMBER OF NEW FULL-TIME EQUIVALENT JOBS THAT WILL BE CREATED  
22 WITHIN SIXTY MONTHS AFTER THE DATA CENTER'S RECEIPT OF A FINAL  
23 CERTIFICATE OF OCCUPANCY, INCLUDING EMPLOYEES AND LONG-TERM  
24 SERVICE AND MAINTENANCE POSITIONS, WITH COMPENSATION OF AT LEAST  
25 ONE HUNDRED TEN PERCENT OF THE AVERAGE WAGE FOR THE COUNTY IN  
26 WHICH THE DATA CENTER WILL BE LOCATED; AND

## 27 (VI) AN ENVIRONMENTAL SUSTAINABILITY PLAN FOR THE DATA

1 CENTER THAT INCLUDES:

2 (A) A FACILITY CERTIFICATION COMMITMENT, INCLUDING LEED,  
3 ENERGY STAR, GREEN GLOBES, ISO 50001, ISO 14001, OR AN  
4 EQUIVALENT STANDARD; AND

5 (B) CONSULTATION WITH DEPARTMENT OF NATURAL RESOURCES;

6 (b) THE IDENTITY OF THE UTILITY THAT WILL PROVIDE  
7 ELECTRICITY FOR THE DATA CENTER AND EXPECTED PEAK ELECTRICITY  
8 DEMAND FOR THE DATA CENTER;

9 (c) DOCUMENTATION OF THE PRELIMINARY CONSULTATION WITH  
10 THE UTILITY THAT WILL PROVIDE ELECTRICITY TO THE DATA CENTER AS  
11 REQUIRED BY SUBSECTION (2)(a) OF THIS SECTION;

12 (d) INFORMATION ABOUT WHETHER THE DATA CENTER WILL USE  
13 WATER AS PART OF ITS COOLING SYSTEM AND, IF WATER WILL BE USED,  
14 THE IDENTITY OF THE UTILITY THAT WILL PROVIDE WATER FOR THE DATA  
15 CENTER; AND

16 (e) LOCAL GOVERNMENT DOCUMENTATION IN CONNECTION WITH  
17 THE DATA CENTER, INCLUDING:

18 (I) DOCUMENTATION OF THE STATUS OF THE LAND USE  
19 APPLICATION FROM THE LOCAL GOVERNMENTAL ENTITY THAT WILL  
20 PROVIDE THE PERMIT FOR THE DATA CENTER, IF AVAILABLE;

21 (II) A DESCRIPTION OF ANY APPLICABLE LOCAL INCENTIVES;

22 (III) A DESCRIPTION OF THE NEGOTIATED COMMUNITY BENEFITS;

23 AND

24 (IV) THE STATUS OF LOCAL PERMITS AND APPROVALS.

25 (4) **Review and effect of certification.** UPON RECEIPT OF AN  
26 APPLICATION FOR CERTIFICATION FROM A DATA CENTER OPERATOR, THE  
27 AUTHORITY SHALL REVIEW THE APPLICATION PURSUANT TO SECTION

1 24-48.5-807. IF THE AUTHORITY APPROVES THE DATA CENTER FOR  
2 CERTIFICATION, THE DATA CENTER OPERATOR BECOMES ELIGIBLE, AS OF  
3 THE DATE OF CERTIFICATION, FOR THE TAX BENEFITS SPECIFIED IN SECTION  
4 24-48.5-808.

5 **24-48.5-807. Application review and certification process -**  
6 **Colorado data center development authority.**

7 (1) (a) THE AUTHORITY SHALL REVIEW ALL APPLICATIONS FOR  
8 CERTIFICATION SUBMITTED BY A DATA CENTER OPERATOR PURSUANT TO  
9 SECTION 24-48.5-806. THE AUTHORITY SHALL DETERMINE WHETHER AN  
10 APPLICATION IS COMPLETE WITHIN THIRTY DAYS AFTER THE AUTHORITY'S  
11 RECEIPT OF THE APPLICATION. WITHIN NINETY DAYS OF DETERMINING  
12 THAT AN APPLICATION IS COMPLETE, THE AUTHORITY SHALL CONDUCT A  
13 FULL APPLICATION REVIEW PURSUANT TO THIS SECTION.

14 (b) IF THE AUTHORITY DETERMINES THAT AN APPLICATION IS  
15 DEFICIENT, THE AUTHORITY SHALL PROVIDE WRITTEN NOTIFICATION TO  
16 THE APPLICANT THAT IDENTIFIES THE SPECIFIC DEFICIENCIES. THE  
17 AUTHORITY SHALL ALLOW THIRTY DAYS FOR THE APPLICANT TO CURE ANY  
18 DEFICIENCIES IN THE APPLICATION, AND THE AUTHORITY SHALL COMPLETE  
19 A REVIEW OF THE REVISED APPLICATION WITHIN THIRTY DAYS AFTER  
20 RECEIPT.

21 (c) WITHIN FOURTEEN DAYS OF RECEIVING A COMPLETE  
22 APPLICATION FOR CERTIFICATION FROM A DATA CENTER OPERATOR, THE  
23 AUTHORITY SHALL NOTIFY THE UTILITY THAT WILL PROVIDE ELECTRICITY  
24 FOR THE DATA CENTER, AS IDENTIFIED IN THE APPLICATION, OF THE  
25 APPLICATION. WITHIN SIXTY DAYS OF THE DATE THAT THE AUTHORITY  
26 NOTIFIES THE UTILITY, THE UTILITY SHALL:

27 (I) PURSUE ONE OF THE FOLLOWING METHODS TO VERIFY THAT THE

1       DATA CENTER WILL NOT CAUSE UNREASONABLE COST IMPACTS TO OTHER  
2       UTILITY RATEPAYERS:

3               (A)    SUBMITTING A TARGETED RESOURCE ACQUISITION  
4    APPLICATION TO THE COMMISSION PURSUANT TO SECTION 40-2-140 AND  
5    PROVIDING PROOF OF THE APPLICATION SUBMISSION TO THE AUTHORITY;

6               (B)    PROVIDING A TECHNICAL REPORT TO THE AUTHORITY  
7    ATTESTING THAT THE UTILITY INFRASTRUCTURE COSTS ASSOCIATED WITH  
8    THE DATA CENTER ARE REASONABLY ALLOCATED AND ARE NOT EXPECTED  
9    TO CAUSE UNJUSTIFIED RATE INCREASES FOR OTHER CUSTOMERS; OR

10               (C)    PROVIDING DOCUMENTATION TO THE AUTHORITY OF A  
11    PROPOSED INTERCONNECTION AGREEMENT, ELECTRIC SERVICE  
12    AGREEMENT, OR SIMILAR AGREEMENT THAT IDENTIFIES REQUIRED UTILITY  
13    INFRASTRUCTURE UPGRADES AND CONFIRMS THAT THE DATA CENTER  
14    OPERATOR HAS AGREED OR WILL AGREE TO COVER ITS FAIR SHARE OF  
15    COSTS IN ACCORDANCE WITH THE UTILITY'S POLICY; AND

16               (II)    PROVIDE A WRITTEN FEASIBILITY ASSESSMENT TO THE  
17    AUTHORITY THAT INCLUDES A TIMELINE OF SERVICE.

18               (d)    WITHIN FOURTEEN DAYS OF RECEIVING A COMPLETE  
19    APPLICATION FOR CERTIFICATION FROM A DATA CENTER OPERATOR THAT  
20    IDENTIFIES THAT THE DATA CENTER WILL USE WATER AS PART OF ITS  
21    COOLING SYSTEM, THE AUTHORITY SHALL NOTIFY THE UTILITY THAT WILL  
22    PROVIDE WATER FOR THE DATA CENTER, AS IDENTIFIED IN THE  
23    APPLICATION, OF THE APPLICATION. WITHIN SIXTY DAYS OF THE DATE  
24    THAT THE AUTHORITY NOTIFIES THE UTILITY, THE UTILITY SHALL PROVIDE  
25    DOCUMENTATION TO THE AUTHORITY ATTESTING THAT THE WATER  
26    MANAGEMENT PLAN FOR THE DATA CENTER IS SUFFICIENT AND WILL NOT  
27    NEGATIVELY IMPACT EXISTING CUSTOMERS EITHER THROUGH RATE

1       INCREASES OR WATER AVAILABILITY.

2           (e) (I) IF A UTILITY FAILS TO PROVIDE THE AUTHORITY WITH ANY  
3       DOCUMENTATION, REPORT, ASSESSMENT, OR APPLICATION REQUIRED BY  
4       SUBSECTION (1)(c) OR (1)(d) OF THIS SECTION WITHIN THE REQUIRED TIME  
5       FRAME, THE AUTHORITY MAY PROCEED TO REVIEW AND APPROVE AN  
6       APPLICATION FOR CERTIFICATION WITHOUT THE REQUIRED  
7       DOCUMENTATION, REPORT, ASSESSMENT, OR APPLICATION. THE  
8       DOCUMENTATION, REPORT, ASSESSMENT, OR APPLICATION MUST BE ADDED  
9       TO THE APPLICATION FOR CERTIFICATION UPON THE AUTHORITY'S RECEIPT  
10      OF THE DOCUMENTATION, REPORT, ASSESSMENT, OR APPLICATION.

11           (II) IF AN ELECTRIC UTILITY FAILS TO PROVIDE THE AUTHORITY  
12       WITH A WRITTEN FEASIBILITY ASSESSMENT REQUIRED BY SUBSECTION  
13       (1)(c)(II) OF THIS SECTION WITHIN THE SIXTY-DAY TIME FRAME, THE  
14       AUTHORITY SHALL NOTIFY THE APPLICANT DATA CENTER OPERATOR AND  
15       THE COMMISSION OF THE ELECTRIC UTILITY'S FAILURE TO RESPOND.

16           (2) THE AUTHORITY MAY APPROVE AN APPLICATION FOR  
17       CERTIFICATION IF THE APPLICATION MEETS ALL OF THE APPLICATION  
18       CRITERIA SPECIFIED IN SECTION 24-48.5-806.

19           (3) THE AUTHORITY MAY REJECT AN APPLICATION IF:

20           (a) THE AUTHORITY FINDS THAT THE DATA CENTER OPERATOR  
21       MATERIALLY MISREPRESENTED FACTS IN THE APPLICATION;

22           (b) THE AUTHORITY FINDS THAT THE DATA CENTER OPERATOR  
23       FAILED TO PROVIDE REQUIRED DOCUMENTATION AFTER THE AUTHORITY  
24       PROVIDED AN OPPORTUNITY TO CURE AN APPLICATION DEFICIENCY  
25       PURSUANT TO SUBSECTION (1)(b) OF THIS SECTION;

26           (c) THE AUTHORITY DETERMINES THAT THE DATA CENTER  
27       OPERATOR DOES NOT MEET MINIMUM CERTIFICATION REQUIREMENTS

1 UNDER SECTION 24-48.5-806; OR

2 (d) THE PROGRAM IS CANCELED OR REPEALED PRIOR TO THE  
3 AUTHORITY'S REVIEW AND APPROVAL OF THE APPLICATION.

4 (4) BEFORE REJECTING ANY APPLICATION THAT MEETS THE  
5 MINIMUM INVESTMENT AND JOB CREATION CRITERIA SET FORTH IN  
6 SECTION 24-48.5-806, THE AUTHORITY SHALL:

7 (a) PROVIDE THE DATA CENTER OPERATOR AN OPPORTUNITY TO  
8 ADDRESS THE AUTHORITY'S CONCERNs; AND

9 (b) EXPLORE ALTERNATIVE PATHS TO APPROVAL WITH  
10 CONDITIONS, IF POSSIBLE.

11 (5) IN IMPLEMENTING THE PROGRAM, THE AUTHORITY SHALL  
12 FACILITATE EFFICIENT DATA CENTER DEVELOPMENT BY ESTABLISHING  
13 CLEAR QUALIFICATION CRITERIA AND CONSISTENTLY ADMINISTERING A  
14 PREDICTABLE APPLICATION, REVIEW, AND APPROVAL PROCESS FOR DATA  
15 CENTER CERTIFICATION PURSUANT TO THIS PART 8.

16 (6) (a) THE AUTHORITY SHALL BEGIN PROCESSING AND REVIEWING  
17 APPLICATIONS FOR CERTIFICATION WITHIN ONE HUNDRED EIGHTY DAYS  
18 AFTER THE EFFECTIVE DATE OF THIS PART 8.

19 (b) THIS SUBSECTION (6) IS REPEALED, EFFECTIVE JULY 1, 2028.

20 **24-48.5-808. Certification benefits - state sales and use tax  
exemption - compliance reports.**

21 (1) **State sales and use tax exemption.**

22 (a) SUBJECT TO THE PROVISIONS OF SUBSECTION (1)(b) OF THIS  
23 SECTION, A DATA CENTER OPERATOR OF A CERTIFIED DATA CENTER IS  
24 ELIGIBLE FOR A ONE HUNDRED PERCENT STATE SALES AND USE TAX  
25 EXEMPTION ON QUALIFIED PURCHASES PURSUANT TO SECTION 39-26-735.

26 (b) UNLESS AN ELIGIBILITY PERIOD IS EXTENDED AS PROVIDED IN

1 SECTION 24-48.5-810, A DATA CENTER OPERATOR OF A CERTIFIED DATA  
2 CENTER IS ELIGIBLE FOR THE STATE SALES AND USE TAX EXEMPTION FOR  
3 TWENTY YEARS FROM THE DATE THAT THE DATA CENTER RECEIVED  
4 CERTIFICATION, SO LONG AS THE DATA CENTER OPERATOR:

5 (I) MAINTAINS THE QUALIFYING EMPLOYMENT AND  
6 COMPENSATION COMMITMENT SPECIFIED IN SECTION 24-48.5-806 (1)(b);  
7 AND

8 (II) SUBMITS ANNUAL COMPLIANCE REPORTS TO THE AUTHORITY  
9 AS REQUIRED IN SUBSECTION (3) OF THIS SECTION.

10 (2) **Exemption certificate.** THE AUTHORITY SHALL ISSUE A STATE  
11 SALES AND USE TAX EXEMPTION CERTIFICATE TO THE DATA CENTER  
12 OPERATOR OF A CERTIFIED DATA CENTER AS EVIDENCE THAT THE DATA  
13 CENTER OPERATOR IS ELIGIBLE FOR THE STATE SALES AND USE TAX  
14 EXEMPTION FOR QUALIFIED PURCHASES PURSUANT TO THIS SECTION AND  
15 SECTION 39-26-735. THE STATE SALES AND USE TAX EXEMPTION  
16 CERTIFICATE MUST SPECIFY THAT THE DATA CENTER OPERATOR IS  
17 ENTITLED TO THE STATE SALES AND USE TAX EXEMPTION FOR TWENTY  
18 YEARS, BEGINNING ON THE DATE OF CERTIFICATION. A STATE SALES AND  
19 USE TAX EXEMPTION CERTIFICATE IS NONTRANSFERABLE. THE AUTHORITY  
20 SHALL CERTIFY TO THE DEPARTMENT THE NAME OF EACH DATA CENTER  
21 OPERATOR THAT RECEIVES A STATE SALES AND USE TAX EXEMPTION  
22 CERTIFICATE AND OTHER RELEVANT INFORMATION RELATING TO THE  
23 EXEMPTION.

24 (3) **Compliance reports.** A DATA CENTER OPERATOR OF A  
25 CERTIFIED DATA CENTER SHALL SUBMIT AN ANNUAL COMPLIANCE REPORT  
26 TO THE AUTHORITY, IN A FORM AND MANNER TO BE DETERMINED BY THE  
27 AUTHORITY, TO VERIFY THAT THE DATA CENTER OPERATOR IS MAKING

1       TIMELY PROGRESS IN SATISFYING THE REQUIREMENTS OF SECTION  
2       24-48.5-806 AND IS ON TRACK TO SATISFY THE REQUIREMENTS WITHIN THE  
3       PERIODS SPECIFIED IN THAT SECTION. A DATA CENTER OPERATOR SHALL  
4       SUBMIT THE REPORT REQUIRED IN THIS SUBSECTION (3) TO MAINTAIN  
5       CERTIFICATION. THE DATA CENTER OPERATOR SHALL INCLUDE IN THE  
6       REPORT THE TOTAL AMOUNT OF THE STATE SALES AND USE TAX  
7       EXEMPTION CLAIMED EACH YEAR AND ANY OTHER INFORMATION  
8       REQUESTED BY THE AUTHORITY.

9                   **(4) Payment of tax upon revocation of certification.** IF THE  
10          AUTHORITY REVOKE A DATA CENTER'S CERTIFICATION PURSUANT TO  
11          SECTION 24-48.5-809 (2), THE DATA CENTER OPERATOR SHALL PAY THE  
12          ENTIRE AMOUNT OF THE STATE SALES AND USE TAX ON ANY QUALIFIED  
13          PURCHASE FOR WHICH THE STATE SALES AND USE TAX EXEMPTION WAS  
14          CLAIMED PURSUANT TO THIS PART 8 AND SECTION 39-26-735.

15                   **24-48.5-809. Post-certification data center requirements -**  
16                   **revocation.**

17                   (1) A DATA CENTER OPERATOR OF A CERTIFIED DATA CENTER  
18          SHALL:

19                   (a) MAINTAIN ALL COMMITMENTS AND REQUIREMENTS SET FORTH  
20          IN SECTION 24-48.5-806 THROUGHOUT ITS TWENTY-YEAR BENEFIT PERIOD;  
21          AND

22                   (b) SUBMIT THE ANNUAL COMPLIANCE REPORTS REQUIRED BY  
23          SECTION 24-48.5-808 (3).

24                   (2) (a) EXCEPT AS PROVIDED IN SUBSECTION (4) OF THIS SECTION,  
25          THE AUTHORITY MAY REVOKE A CERTIFICATION THAT IT HAS AWARDED IF  
26          THE AUTHORITY DETERMINES THAT THE DATA CENTER OPERATOR HAS:

27                   (I) FAILED TO MAKE SUBSTANTIAL PROGRESS TOWARD SATISFYING

1 THE REQUIREMENTS SPECIFIED IN SECTION 24-48.5-806 WITHIN  
2 TWENTY-FOUR MONTHS OF THE DATA CENTER BEING PLACED IN SERVICE  
3 OR RECEIPT OF A FINAL CERTIFICATE OF OCCUPANCY;

4 (II) MATERIALLY CHANGED THE DATA CENTER IN A WAY THAT  
5 WOULD HAVE DISQUALIFIED IT FROM CERTIFICATION; OR

6 (III) FAILED TO MAINTAIN COMPLIANCE WITH THE CRITERIA THAT  
7 FORMED THE BASIS OF APPROVAL AND CERTIFICATION.

8 (b) BEFORE REVOKING A CERTIFICATION THAT IT HAS AWARDED,  
9 THE AUTHORITY SHALL PROVIDE THE DATA CENTER OPERATOR WITH:

10 (I) WRITTEN NOTICE SPECIFYING THE GROUNDS FOR POTENTIAL  
11 REVOCATION;

12 (II) AT LEAST ONE HUNDRED TWENTY DAYS TO REMEDY THE  
13 GROUNDS FOR POTENTIAL REVOCATION AND TO DEMONSTRATE  
14 COMPLIANCE; AND

15 (III) AN OPPORTUNITY TO PRESENT EVIDENCE AND ARGUMENTS TO  
16 THE AUTHORITY.

17 (3) THE AUTHORITY SHALL USE THE REPORTS THAT A DATA CENTER  
18 OPERATOR IS REQUIRED TO SUBMIT TO THE AUTHORITY PURSUANT TO  
19 SECTION 24-48.5-808 (3) TO ENSURE THAT A CERTIFIED DATA CENTER  
20 REMAINS IN COMPLIANCE WITH PROGRAM REQUIREMENTS.

21 (4) THE AUTHORITY SHALL NOT REVOKE CERTIFICATION BASED ON:

22 (a) CHANGES TO ELECTRIC UTILITY RATES, COST ALLOCATIONS, OR  
23 RESOURCE PLANS MADE THROUGH PROCEEDINGS BEFORE THE  
24 COMMISSION;

25 (b) CHANGES TO WATER UTILITY RATES OR SERVICE TERMS MADE  
26 BY A WATER UTILITY, UNLESS SUCH CHANGES ARE CAUSED BY WATER  
27 SCARCITY OR FORCE MAJEURE; OR

6                   **24-48.5-810. Certification benefits extension - duration -**  
7                   **extension eligibility - extension terms.**

14 (a) DURING THE INITIAL TWENTY-YEAR BENEFIT PERIOD, THE DATA  
15 CENTER OPERATOR, OR THE DATA CENTER OPERATOR COLLECTIVELY WITH  
16 ITS PARTICIPATING DATA CENTER TENANTS, HAS MADE INVESTMENTS IN  
17 DATA CENTER QUALIFIED PURCHASES IN A TOTAL AMOUNT OF AT LEAST  
18 FIVE MILLION DOLLARS IN ADDITION TO THE MINIMUM INVESTMENT THAT  
19 THE DATA CENTER OPERATOR WAS REQUIRED TO MAKE PURSUANT TO  
20 SECTION 24-48.5-806;

21 (b) DURING THE INITIAL TWENTY-YEAR BENEFIT PERIOD, THE DATA  
22 CENTER OPERATOR, OR THE DATA CENTER OPERATOR COLLECTIVELY WITH  
23 ITS PARTICIPATING DATA CENTER TENANTS, HAS CREATED AT LEAST TEN  
24 NEW QUALIFYING JOBS IN ADDITION TO THE JOBS THAT THE DATA CENTER  
25 OPERATOR CREATED TO SATISFY THE REQUIREMENTS OF SECTION  
26 24-48.5-806; AND

27 (c) THE CERTIFIED DATA CENTER CONTINUES TO COMPLY WITH

1 ENVIRONMENTAL REQUIREMENTS.

2 (2) A DATA CENTER OPERATOR OF A CERTIFIED DATA CENTER THAT  
3 IS APPROVED FOR AN EXTENSION OF ITS CERTIFICATION BENEFITS BY THE  
4 AUTHORITY PURSUANT TO THIS SECTION IS ELIGIBLE:

5 (a) FOR AN ADDITIONAL TEN YEARS OF ELIGIBILITY TO CLAIM THE  
6 STATE SALES AND USE TAX EXEMPTION ALLOWED PURSUANT TO THIS PART  
7 8 AND SECTION 39-26-735; AND

8 (b) TO MAINTAIN ITS CERTIFICATION, PROVIDED THAT THE DATA  
9 CENTER CONTINUES TO MEET ALL APPLICABLE CERTIFICATION  
10 REQUIREMENTS IMPOSED BY THIS PART 8.

11 **24-48.5-811. No restriction on local government authority and  
12 coordination.**

13 THIS PART 8 DOES NOT LIMIT A LOCAL GOVERNMENT'S AUTHORITY  
14 REGARDING THE REGULATION OF DATA CENTERS, INCLUDING TAXATION,  
15 INCENTIVES, LAND USE, PERMITTING, AND NUISANCE. THIS PART 8 DOES  
16 NOT LIMIT ANY LOCAL ENVIRONMENTAL REGULATION. IN ADDITION, THIS  
17 PART 8 DOES NOT RESTRICT LOCAL INCENTIVES, INCLUDING UTILITY  
18 INCENTIVES IN THE CASE OF A MUNICIPALLY OWNED UTILITY. THIS PART  
19 8 DOES NOT REQUIRE LOCAL GOVERNMENTS TO PARTICIPATE IN THE  
20 PROGRAM.

21 **SECTION 2.** In Colorado Revised Statutes, 24-75-402, **amend**  
22 (5)(mmm) and (5)(nnn); and **add** (5)(ooo) as follows:

23 **24-75-402. Cash funds - limit on uncommitted reserves -  
24 reduction in the amount of fees - exclusions - definitions.**

25 (5) Notwithstanding any provision of this section to the contrary,  
26 the following cash funds are excluded from the limitations specified in  
27 this section:

(mmm) The reentry services for justice-involved individuals reinvestment cash fund created in section 25.5-4-505.7; and

(nnn) The health-related social needs reinvestment cash fund created in section 25.5-5-340; AND

(ooo) THE DATA CENTER DEVELOPMENT AND INCENTIVE PROGRAM  
CASH FUND CREATED IN SECTION 24-48.5-805 (4).

**SECTION 3.** In Colorado Revised Statutes, **add** 40-2-140 as follows:

## 40-2-140. Targeted resource acquisition - emerging large-load customers - process - funding - definitions.

(1) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "ADVANCED CARBON-FREE TECHNOLOGY" MEANS ELECTRIC GENERATION TECHNOLOGY OR RESOURCES, INCLUDING LONG-DURATION ENERGY STORAGE, THAT CAN BE TURNED ON OR OFF, OR OTHERWISE HAVE THEIR POWER OUTPUT ADJUSTED, BASED ON DEMAND SO AS TO ENABLE OPERATION OF A CARBON-FREE ELECTRIC SYSTEM.

(b) "EMERGING LARGE-LOAD CUSTOMER" MEANS A CUSTOMER OF A UTILITY WITH PROJECTED LOAD REQUIREMENTS OF AT LEAST ONE HUNDRED MEGAWATTS, EITHER INDIVIDUALLY OR IN THE AGGREGATE THROUGH COLOCATED CUSTOMERS.

(c) "NAMEPLATE CAPACITY" MEANS THE MAXIMUM RATED OUTPUT OF AN ELECTRIC GENERATOR, OR OTHER ELECTRIC POWER PRODUCTION EQUIPMENT, UNDER SPECIFIC CONDITIONS DESIGNATED BY THE MANUFACTURER.

(d) "UTILITY" MEANS A UTILITY REGULATED UNDER THE COMMISSION'S RESOURCE PLANNING AUTHORITY.

## 10 (I) MINIMUM DEMAND, DURATION, AND BILLING COMMITMENTS;

11 OR

12 (II) PARTICIPATION IN ANY APPLICABLE LARGE-LOAD TARIFF  
13 INTENDED TO BALANCE LOAD FACTOR;

14 (b) AGREE TO EXIT FEE PROVISIONS THAT ADDRESS EARLY  
15 DEPARTURE OR REDUCED DEMAND, INCLUDING BUT NOT LIMITED TO A  
16 THREE-YEAR EXIT FEE STRUCTURE TO ENSURE REVENUE STABILITY;

17 (c) PROVIDE APPROPRIATE CREDIT SECURITIZATION; AND

18 (d) DEMONSTRATE SITE CONTROL AND SUBMIT SIGNED  
19 DEVELOPMENT AGREEMENTS TO THE UTILITY.

### 20 (3) Resource acquisition process.

21 (a) PRIOR TO FILING A TARGETED RESOURCE ACQUISITION  
22 APPLICATION UNDER THIS SECTION, A UTILITY MAY ISSUE A COMPETITIVE  
23 SOLICITATION TO IDENTIFY POTENTIAL RESOURCES TO SERVE AN  
24 EMERGING LARGE-LOAD CUSTOMER.

25 (b) AS PART OF THE TARGETED RESOURCE ACQUISITION  
26 APPLICATION, THE UTILITY MAY PROPOSE SYSTEM ASSETS FUNDED IN  
27 WHOLE OR IN PART BY THE EMERGING LARGE-LOAD CUSTOMER. ALL SUCH

1 ASSETS MUST OPERATE AS SYSTEM ASSETS FOR THE BENEFIT OF ALL  
2 CUSTOMERS.

3 (c) FOR TARGETED RESOURCE ACQUISITION APPLICATIONS  
4 SUBMITTED ON OR BEFORE DECEMBER 31, 2039:

5 (I) STANDALONE RESOURCE PORTFOLIOS PROPOSED IN THE  
6 TARGETED RESOURCE ACQUISITION APPLICATION MUST TARGET A  
7 THREE-TO-ONE RATIO ON A NAMEPLATE CAPACITY BASIS BETWEEN  
8 CARBON DIOXIDE NONEMITTING AND EMITTING RESOURCES.

9 (II) STANDALONE STORAGE DISTRIBUTED ENERGY RESOURCES  
10 DEVELOPED FOR THE EMERGING LARGE-LOAD CUSTOMER, OR PROCURED  
11 BY THE EMERGING LARGE-LOAD CUSTOMER VIA UTILITY PROGRAMS,  
12 RECEIVE A TWO-TIMES MULTIPLIER BONUS ON THE NAMEPLATE CAPACITY  
13 VALUE IN A RATIO CALCULATION. GRID-CONNECTED SOLAR DISTRIBUTED  
14 ENERGY RESOURCES PAIRED WITH STORAGE RECEIVE A  
15 ONE-AND-ONE-QUARTER-TIMES MULTIPLIER BONUS ON THE NAMEPLATE  
16 CAPACITY VALUE IN A RATIO CALCULATION; EXCEPT THAT THE MULTIPLIER  
17 BONUS ONLY APPLIES TO THE SOLAR RESOURCES IF THE STORAGE  
18 COMPONENT OF THE HYBRID PROJECT EXCEEDS THE SOLAR PORTION.

19 (III) (A) IF THE STANDALONE RESOURCE PORTFOLIO, INCLUDING  
20 ANY DISTRIBUTED ENERGY RESOURCE MULTIPLIER BONUS, DOES NOT MEET  
21 THE THREE-TO-ONE TARGET RATIO, THE TARGETED RESOURCE  
22 ACQUISITION APPLICATION MUST INCLUDE A PROPOSAL FOR THE EMERGING  
23 LARGE-LOAD CUSTOMER TO FUND ADVANCED CARBON-FREE TECHNOLOGY  
24 VIA EITHER A CLEAN TRANSITION TARIFF OR THROUGH  
25 UTILITY-ADMINISTRATED FUNDING PROGRAMS FOR SUCH TECHNOLOGY.

26 (B) AS THE RATIO OF THE PROPOSED STANDALONE RESOURCE  
27 PORTFOLIO FALLS BELOW THE THREE-TO-ONE TARGET RATIO, THE

1 PROPOSED FUNDING FROM THE EMERGING LARGE-LOAD CUSTOMER MUST  
2 INCREASE ON A COMMENSURATE BASIS. THE INCREASED FUNDING  
3 REQUIRED WILL BE CALCULATED USING THE DIFFERENCE BETWEEN THE  
4 PROPOSED RATIO AND THE THREE-TO-ONE TARGET RATIO, WITH THE  
5 EXPECTED OPERATION OF THE INCREMENTAL EMITTING GENERATION  
6 MULTIPLIED BY A VALUE DETERMINED BY THE COMMISSION AS REQUIRED  
7 TO SET THE AMOUNT OF FUNDING THAT NEEDS TO BE PROVIDED BY THE  
8 EMERGING LARGE-LOAD CUSTOMER TO FUND ADVANCED CARBON-FREE  
9 TECHNOLOGY.

10 (d) FOR TARGETED RESOURCE ACQUISITION APPLICATIONS  
11 SUBMITTED ON OR AFTER JANUARY 1, 2040, ALL PROPOSED RESOURCES  
12 MUST BE RENEWABLE AND CLEAN ENERGY RESOURCES AS DESCRIBED IN  
13 SECTION 24-48.5-803 (12).

14 (e) ANY RESOURCES PROPOSED IN THE TARGETED RESOURCE  
15 ACQUISITION APPLICATION MUST HAVE SUFFICIENT CUMULATIVE  
16 ACCREDITED CAPACITY, AS DETERMINED BY THE UTILITY, TO MEET THE  
17 NEEDS OF THE EMERGING LARGE-LOAD CUSTOMER WITHIN THE REQUIRED  
18 INTERCONNECTION TIME FRAME, WHICH TIME FRAME MAY BE PHASED AS  
19 THE LOAD SCALES.

20 (f) AS PART OF A TARGETED RESOURCE ACQUISITION APPLICATION,  
21 THE UTILITY SHALL ENSURE THAT AT LEAST THIRTY PERCENT OF THE  
22 RESOURCES AND INFRASTRUCTURE PROPOSED IN THE APPLICATION  
23 SUPPORT CONSUMER-FACING PROGRAMS FOR SOLAR ENERGY SYSTEMS,  
24 BATTERY ENERGY STORAGE SYSTEMS, AND LOAD REDUCTION  
25 TECHNOLOGY.

26 (g) IN CONNECTION WITH A TARGETED RESOURCE ACQUISITION  
27 APPLICATION, THE UTILITY MUST:

1                   (I) USE THE REQUEST FOR PROPOSAL DOCUMENTS MOST RECENTLY  
2 APPROVED BY THE COMMISSION, WITH CUSTOMIZATION ALLOWED TO  
3 REFLECT THE SPECIFIC SOLICITATION AND AVOID COST SHIFTS TO OTHER  
4 CUSTOMERS; AND

5                   (II) BE PERMITTED TO BRING FORWARD RECENT BIDS RECEIVED  
6 WITHIN THE PREVIOUS TWO YEARS IF THE BID PRICES REMAIN GENERALLY  
7 CONSISTENT WITH THE PREVIOUSLY SUBMITTED TERMS.

8                   (h) THE UTILITY MUST INCLUDE IN A TARGETED RESOURCE  
9 ACQUISITION APPLICATION AN UPDATED EMISSIONS WORKBOOK THAT  
10 REFLECTS:

11                   (I) TOTAL MEGAWATT-HOURS AND ASSOCIATED EMISSIONS  
12 ATTRIBUTABLE TO THE EMERGING LARGE-LOAD CUSTOMER; AND

13                   (II) SEPARATE REPORTING FOR EACH DISCRETE EMERGING  
14 LARGE-LOAD CUSTOMER IN THE CASE OF COLOCATED ARRANGEMENTS, TO  
15 THE EXTENT PRACTICABLE.

16                   (i) APPROVAL OF A TARGETED RESOURCE ACQUISITION  
17 APPLICATION UNDER THIS SECTION CREATES A PRESUMPTION OF PRUDENCE  
18 FOR ALL INFRASTRUCTURE OR RESOURCE INVESTMENTS NECESSARY TO  
19 SERVE THE EMERGING LARGE-LOAD CUSTOMER.

20                   (j) THE STANDARD OF REVIEW FOR THE TARGETED RESOURCE  
21 ACQUISITION APPLICATION IS WHETHER THE PROPOSED ACQUISITION AND  
22 ASSOCIATED INFRASTRUCTURE ARE IN THE PUBLIC INTEREST.

23                   (k) THE UTILITY NEED NOT OBTAIN A CERTIFICATE OF PUBLIC  
24 CONVENIENCE AND NECESSITY PURSUANT TO SECTION 40-5-102 FOR  
25 SPECIFIC RESOURCES AND INFRASTRUCTURE IDENTIFIED IN AND APPROVED  
26 THROUGH THE APPLICATION.

27                   (l) THE COMMISSION SHALL ACT ON THE APPLICATION WITHIN ONE

1 HUNDRED TWENTY DAYS AFTER THE FILING OF THE APPLICATION. THE  
2 PERIOD FOR OTHER PERSONS TO INTERVENE IN THE MATTER IS WITHIN TEN  
3 DAYS AFTER THE FILING OF THE APPLICATION.

4 **(4) Funding and cost recovery.**

5 (a) A UTILITY MAY INCLUDE IN THE UTILITY'S TARGETED RESOURCE  
6 ACQUISITION APPLICATION PRE-FUNDING COMMITMENTS FROM THE  
7 EMERGING LARGE-LOAD CUSTOMER FOR PRE-DEVELOPMENT AND EARLY  
8 CONSTRUCTION COSTS OF RESOURCES OR INFRASTRUCTURE, INCLUDING  
9 TRANSMISSION AND DISTRIBUTION.

10 (b) THE EMERGING LARGE-LOAD CUSTOMER MAY ENTIRELY BEAR  
11 THE COSTS ASSOCIATED WITH THE EMERGING LARGE LOAD, BUT THE  
12 UTILITY MAY ALSO PROPOSE PARTIAL REIMBURSEMENT OF AN  
13 APPROPRIATE PORTION OF THESE COSTS THROUGH AN EXISTING  
14 COST-RECOVERY MECHANISM.

15 (c) THE UTILITY MAY RECOVER COSTS ASSOCIATED WITH  
16 RESOURCES AND INFRASTRUCTURE DEVELOPED PURSUANT TO AN  
17 APPROVED APPLICATION THROUGH AN ADJUSTMENT CLAUSE UNTIL  
18 INCLUDED IN THE RATE BASE IN A FUTURE RATE CASE. THE UTILITY MAY  
19 RECOVER TRANSMISSION COSTS THROUGH A TRANSMISSION ADJUSTMENT  
20 CLAUSE AND DISTRIBUTION COSTS THROUGH A GRID MODERNIZATION  
21 ADJUSTMENT CLAUSE.

22 (d) THE COMMISSION SHALL APPROVE THE REIMBURSEMENT  
23 RECOVERY IF THE ACQUIRED RESOURCES OR INFRASTRUCTURE PROVIDE  
24 SYSTEM-WIDE BENEFITS.

25 **(5) Advanced carbon-free technology fund.**

26 (a) A UTILITY MAY PROPOSE THE CREATION OF AN ADVANCED  
27 CARBON-FREE TECHNOLOGY FUND, TO WHICH EMERGING LARGE-LOAD

1       CUSTOMERS MAY CONTRIBUTE VOLUNTARILY.

2           (b) A UTILITY MAY USE THE FUND TO:

3           (I) COVER PRE-DEVELOPMENT AND EARLY CONSTRUCTION COSTS  
4       FOR SYSTEM RESOURCES AND INFRASTRUCTURE;

5           (II) SUPPORT UTILITY EXPLORATION OR DEPLOYMENT OF  
6       ADVANCED CARBON-FREE TECHNOLOGY;

7           (III) ALLOW EMERGING LARGE-LOAD CUSTOMERS TO BENEFIT  
8       FROM CLEAN FIRM DISPATCHABLE TECHNOLOGY LOCATED NEAR THEIR  
9       OPERATIONS IN EXCHANGE FOR THEIR CONTRIBUTIONS; AND

10           (IV) MITIGATE OR ALLOCATE TECHNOLOGY PERFORMANCE RISK  
11       ASSOCIATED WITH ADVANCED CARBON-FREE TECHNOLOGY, SUBJECT TO  
12       THE COMMISSION'S REVIEW AND APPROVAL.

13           (c) IF A UTILITY IS NOT ABLE TO USE MONEY THAT IS CONTRIBUTED  
14       TO THE FUND FOR THE PURPOSES SPECIFIED IN SUBSECTION (5)(b) OF THIS  
15       SECTION BECAUSE AN EMERGING LARGE-LOAD PROJECT DOES NOT  
16       MATERIALIZE, THE UTILITY MAY USE MONEY THAT IS CONTRIBUTED TO THE  
17       FUND TO OFFSET INFRASTRUCTURE AND RESOURCE COSTS FOR THE BENEFIT  
18       OF OTHER CUSTOMERS.

19           **SECTION 4.** In Colorado Revised Statutes, 29-2-105, **amend**  
20       (1)(d)(I)(T) and (1)(d)(I)(U); and **add** (1)(d)(I)(V) as follows:

21           **29-2-105. Contents of sales tax ordinances and proposals.**

22           (1) The sales tax ordinance or proposal of any incorporated town,  
23       city, or county adopted pursuant to this article 2 shall be imposed on the  
24       sale of tangible personal property at retail or the furnishing of services,  
25       as provided in subsection (1)(d) of this section. Any countywide or  
26       incorporated town or city sales tax ordinance or proposal shall include the  
27       following provisions:

11 (T) The exemption for sales of heat pump systems and heat pump  
12 water heaters set forth in section 39-26-732; and

13 (U) The exemption for sales of energy storage systems set forth  
14 in section 39-26-733; AND

15 (V) THE EXEMPTION SET FORTH IN SECTION 39-26-735 FOR SALES  
16 OF INFORMATION TECHNOLOGY INFRASTRUCTURE AND DATA CENTER  
17 INFRASTRUCTURE AND TRANSMISSION AND GENERATION SYSTEM ASSETS.

18                   **SECTION 5.** In Colorado Revised Statutes, **add** 39-26-735 as  
19 follows:

20                   **39-26-735. Certified data centers - qualified purchases -**  
21                   **information technology infrastructure - data center infrastructure -**  
22                   **tax preference performance statement - legislative declaration -**  
23                   **definitions.**

24 (1) (a) IN ACCORDANCE WITH SECTION 39-21-304, WHICH  
25 REQUIRES EACH BILL THAT CREATES A NEW TAX EXPENDITURE TO INCLUDE  
26 A TAX PREFERENCE PERFORMANCE STATEMENT AS PART OF A STATUTORY  
27 LEGISLATIVE DECLARATION, THE GENERAL ASSEMBLY FINDS AND

1      DECLARER THAT THE PURPOSES OF THE TAX EXPENDITURE CREATED IN  
2      SUBSECTION (3) OF THIS SECTION ARE TO:

3                (I) IMPROVE INDUSTRY COMPETITIVENESS, SPECIFICALLY IN DATA  
4      CENTER DEVELOPMENT; AND

5                (II) PROVIDE TAX RELIEF TO CERTAIN BUSINESSES, SPECIFICALLY  
6      DATA CENTER OPERATORS THAT OWN OR OPERATE A CERTIFIED DATA  
7      CENTER IN THE STATE.

8                (b) THE GENERAL ASSEMBLY AND THE STATE AUDITOR SHALL  
9      MEASURE THE EFFECTIVENESS OF THE TAX EXPENDITURE IN ACHIEVING  
10     THE PURPOSES SPECIFIED IN SUBSECTION (1)(a) OF THIS SECTION BASED ON  
11     THE NUMBER OF CERTIFIED DATA CENTERS THAT ARE CONSTRUCTED AND  
12     PLACED IN SERVICE IN THE STATE AND THE NUMBER AND VALUE OF THE  
13     EXEMPTIONS CLAIMED PURSUANT TO THIS SECTION. THE AUTHORITY  
14     SHALL PROVIDE THE STATE AUDITOR WITH ANY AVAILABLE INFORMATION  
15     THAT WOULD ASSIST IN THE STATE AUDITOR'S ANALYSIS.

16                (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
17      REQUIRES:

18                (a) "CERTIFIED DATA CENTER" MEANS A DATA CENTER THAT HAS  
19      OBTAINED CERTIFICATION FROM THE AUTHORITY PURSUANT TO PART 8 OF  
20     ARTICLE 48.5 OF TITLE 24.

21                (b) "COLORADO DATA CENTER DEVELOPMENT AUTHORITY" OR  
22      "AUTHORITY" MEANS THE COLORADO DATA CENTER DEVELOPMENT  
23     AUTHORITY CREATED IN SECTION 24-48.5-804.

24                (c) "QUALIFIED DATA CENTER INFRASTRUCTURE AND SYSTEMS"  
25      MEANS INFORMATION TECHNOLOGY INFRASTRUCTURE AND DATA CENTER  
26     INFRASTRUCTURE AND TRANSMISSION AND GENERATION SYSTEM ASSETS,  
27     AS DESCRIBED IN SECTION 24-48.5-803 (11).

11 (4) NOTWITHSTANDING SECTION 39-21-304 (4), THE EXEMPTION  
12 ALLOWED PURSUANT TO THIS SECTION CONTINUES INDEFINITELY.

13                   **SECTION 6. Applicability.** This act applies to data centers for  
14                   which the building or the purchase of equipment or regulated resource  
15                   acquisitions commence on or after the effective date of this act.

16                   **SECTION 7. Safety clause.** The general assembly finds,  
17                   determines, and declares that this act is necessary for the immediate  
18                   preservation of the public peace, health, or safety or for appropriations for  
19                   the support and maintenance of the departments of the state and state  
20                   institutions.