

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 25-0286.03 Jennifer Berman x3286

HOUSE BILL 25-1268

HOUSE SPONSORSHIP

Joseph and Froelich,

SENATE SPONSORSHIP

Mullica and Winter F.,

House Committees

Energy & Environment
Finance

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE FINANCING OF A UTILITY ON-BILL PROGRAM FOR**
102 **CERTAIN ENERGY-RELATED IMPROVEMENTS.**

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 requires the Colorado energy office (office) to establish a state utility on-bill repayment program to help finance certain gas and electric utilities' on-bill repayment programs (on-bill repayment program), which are programs through which energy efficiency measures, electrification measures, and energy upgrades installed at utility customers' premises are financed through loans that the customers repay

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.

through their monthly utility bill payments. The bill requires gas or electric investor-owned utilities that serve more than 500,000 customers to propose a plan to the public utilities commission for establishing or expanding an existing on-bill repayment program for the commission to review and approve, disapprove, or modify.

The bill requires the state treasurer, on July 1, 2025, to make an interest-free loan in the amount of \$100 million from the unclaimed property trust fund to the state utility on-bill repayment program cash fund, which fund is created in the bill, to support the financing of the on-bill repayment programs. The office is required to pay back the loan by July 1, 2045.

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

SECTION 1. In Colorado Revised Statutes, **add** part 6 to article 38.5 of title 24 as follows:

PART 6

UTILITY ON-BILL PROGRAM

24-38.5-601. Legislative declaration. (1) THE GENERAL ASSEMBLY FINDS THAT COLORADO CONSUMERS HAVE THE POTENTIAL TO SAVE ENERGY, REDUCE GREENHOUSE GAS EMISSIONS, AND TRANSITION AWAY FROM FOSSIL FUEL INFRASTRUCTURE THROUGH ENERGY SOLUTIONS, INCLUDING ENERGY EFFICIENCY MEASURES, ELECTRIFICATION MEASURES, AND ENERGY UPGRADES.

(2) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT:

(a) UTILITY CUSTOMERS WOULD BENEFIT FROM HAVING ACCESS TO SIGNIFICANT AMOUNTS OF PUBLIC AND PRIVATE CAPITAL FOR LOW-COST FINANCING SOLUTIONS FOR ENERGY-RELATED IMPROVEMENTS, INCLUDING END-OF-LIFE EQUIPMENT REPLACEMENT;

(b) UTILITY ON-BILL PROGRAMS THAT ALLOW REPAYMENTS THROUGH UTILITY BILL PAYMENTS COULD EXPAND THE OPPORTUNITIES FOR ELIGIBLE RETAIL UTILITY CUSTOMERS TO PURSUE ENERGY EFFICIENCY

1 MEASURES, ELECTRIFICATION MEASURES, AND ENERGY UPGRADES BY
2 ENABLING UTILITY CUSTOMERS TO PAY BACK THE UP-FRONT COSTS OF THE
3 UPGRADES AND MEASURES OVER TIME THROUGH THEIR UTILITY BILL
4 PAYMENTS AT OR BELOW INTEREST RATES THAT MAY BE AVAILABLE FROM
5 OTHER SOURCES; AND

6 (c) A PROGRAM ESTABLISHED TO PROVIDE SUCH ON-BILL
7 REPAYMENT COULD INCLUDE UTILITY-ADMINISTERED REPAYMENT OF
8 COSTS FOR WHICH THE REPAYMENT OBLIGATION REMAINS WITH THE
9 ASSOCIATED ENERGY METER AND SERVICE ADDRESS, INSTEAD OF
10 TRANSFERRING TO A CUSTOMER'S NEW LOCATION.

11 **24-38.5-602. Definitions.** AS USED IN THIS PART 6, UNLESS THE
12 CONTEXT OTHERWISE REQUIRES:

13 (1) "COMMISSION" MEANS THE PUBLIC UTILITIES COMMISSION
14 CREATED IN SECTION 40-2-101.

15 (2) "COOPERATIVE ELECTRIC ASSOCIATION" HAS THE MEANING SET
16 FORTH IN SECTION 40-9.5-102 (1).

17 (3)(a) "ELECTRIFICATION" MEANS "BENEFICIAL ELECTRIFICATION",
18 AS DEFINED IN SECTION 40-1-102 (1.2).

19 (b) "ELECTRIFICATION" INCLUDES:

20 (I) A GROUND-SOURCE OR AIR-SOURCE HEAT PUMP SYSTEM; AND

21 (II) A HEAT PUMP WATER HEATER.

22 (4) (a) "ENERGY EFFICIENCY MEASURE" MEANS ANY
23 PERMANENTLY INSTALLED IMPROVEMENT, ADDITION, OR EQUIPMENT THAT
24 ALIGNS WITH THE STATE'S GREENHOUSE GAS REDUCTION TARGETS AND
25 THAT:

26 (I) REDUCES THE CONSUMPTION OF ENERGY AT A PROGRAM
27 PARTICIPANT'S PREMISES; OR

1 (II) ENABLES A PROGRAM PARTICIPANT TO REDUCE OR SHIFT
2 ENERGY CONSUMPTION AT THE PREMISES.

3 (b) "ENERGY EFFICIENCY MEASURE" INCLUDES:

4 (I) A BUILDING SHELL MEASURE, SUCH AS AIR SEALING, WINDOW
5 FILM, ROOF REPAIR, INSULATION, OR WINDOW AND DOOR MODIFICATIONS;

6 (II) AN AUTOMATIC OR INTERNET-CONNECTED ENERGY CONTROL
7 SYSTEM; AND

8 (III) ANY OTHER MEASURE OR UPGRADE AUTHORIZED BY THE
9 OFFICE OR APPROVED BY THE COMMISSION AS PART OF A UTILITY'S
10 APPLICATION TO ESTABLISH AN ON-BILL PROGRAM OR TO USE MONEY FROM
11 THE FUND.

12 (5) "ENERGY UPGRADE" MEANS THE INSTALLATION,
13 IMPROVEMENT, OR ADDITION OF APPURTENANCE EQUIPMENT AT A
14 PROGRAM PARTICIPANT'S PREMISES TO:

15 (a) UPGRADE THE PROGRAM PARTICIPANT'S ELECTRIC PANEL TO
16 ENABLE THE INSTALLATION OF ENERGY EFFICIENCY MEASURES OR
17 ELECTRIFICATION MEASURES;

18 (b) ENABLE THE PROGRAM PARTICIPANT TO INSTALL ENERGY
19 STORAGE; OR

20 (c) MAKE ANY OTHER ENERGY UPGRADE AUTHORIZED BY THE
21 OFFICE OR APPROVED BY THE COMMISSION AS PART OF A UTILITY'S
22 APPLICATION TO ESTABLISH AN ON-BILL PROGRAM.

23 (6) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN
24 SECTION 24-38.5-101 (1).

25 (7) "ON-BILL CASH FUND" OR "FUND" MEANS THE ON-BILL CASH
26 FUND CREATED IN SECTION 24-38.5-607.

27 (8) "ON-BILL PROGRAM" MEANS A UTILITY'S PROGRAM THAT

1 RECEIVES MONEY FROM THE ON-BILL CASH FUND PURSUANT TO THIS PART
2 6 AND THROUGH WHICH PROGRAM THE COSTS OF ENERGY EFFICIENCY
3 MEASURES, ELECTRIFICATION MEASURES, AND ENERGY UPGRADES
4 INSTALLED AT A PROGRAM PARTICIPANT'S PREMISES ARE ASSOCIATED
5 WITH THE UTILITY METER AND ARE REPAID THROUGH MONTHLY UTILITY
6 BILL PAYMENTS.

7 (9) "PARTICIPATING UTILITY" MEANS A UTILITY THAT RECEIVES
8 MONEY THROUGH THE PROGRAM, EITHER DIRECTLY THROUGH A LOAN
9 FROM THE OFFICE OR THROUGH PARTICIPATION IN A PROGRAM
10 ADMINISTERED BY THE PROGRAM ADMINISTRATOR.

11 (10) "PROGRAM ADMINISTRATOR" MEANS A THIRD-PARTY ENTITY
12 THAT THE OFFICE MAY CONTRACT WITH TO PLAN, ADMINISTER, OPERATE,
13 AND MANAGE A UTILITY ON-BILL PROGRAM FOR PARTICIPATING UTILITIES
14 THAT VOLUNTARILY CHOOSE TO CONTRACT WITH THE PROGRAM
15 ADMINISTRATOR AS THEIR UTILITY-DESIGNATED ADMINISTRATOR.

16 (11) "PROGRAM PARTICIPANT" MEANS A PARTICIPATING UTILITY
17 CUSTOMER THAT HAS REQUESTED TO PARTICIPATE IN A PARTICIPATING
18 UTILITY'S ON-BILL PROGRAM AND THAT THE PARTICIPATING UTILITY,
19 EITHER DIRECTLY OR THROUGH ITS UTILITY-DESIGNATED ADMINISTRATOR,
20 HAS DETERMINED IS ELIGIBLE FOR PROGRAM PARTICIPATION.

21 (12) "UNCLAIMED PROPERTY TRUST FUND" MEANS THE
22 UNCLAIMED PROPERTY TRUST FUND CREATED IN SECTION 38-13-801.

23 (13) "UTILITY" MEANS AN ELECTRIC UTILITY, A GAS UTILITY, OR A
24 COMBINED FUEL UTILITY AND INCLUDES:

25 (a) AN INVESTOR-OWNED UTILITY;

26 (b) A COOPERATIVE ELECTRIC ASSOCIATION; AND

27 (c) A MUNICIPALLY OWNED UTILITY.

1 (14) (a) "UTILITY-DESIGNATED ADMINISTRATOR" MEANS A
2 THIRD-PARTY ENTITY THAT A UTILITY MAY CONTRACT WITH TO PLAN,
3 ADMINISTER, OPERATE, AND MANAGE THE UTILITY'S ON-BILL PROGRAM.

4 (b) "UTILITY-DESIGNATED ADMINISTRATOR" INCLUDES THE
5 PROGRAM ADMINISTRATOR, AS APPLICABLE.

6 **24-38.5-603. On-bill programs - participation process -**
7 **reporting.** (1) FOR THE PURPOSE OF ALLOCATING MONEY TO PROVIDE
8 CAPITAL FOR PARTICIPATING UTILITIES' ON-BILL PROGRAMS, THE OFFICE
9 SHALL ESTABLISH A PROCESS THROUGH WHICH A UTILITY MAY REQUEST TO
10 BECOME A PARTICIPATING UTILITY. THE OFFICE MAY DESIGN REQUEST
11 FORMS OR GUIDANCE DOCUMENTS FOR THE PROCESS AND SHALL POST ANY
12 SUCH FORMS AND GUIDANCE DOCUMENTS ON ITS PUBLIC WEBSITE.

13 (2) PURSUANT TO AN AGREEMENT BETWEEN THE OFFICE AND A
14 PARTICIPATING UTILITY, THE PROGRAM ADMINISTRATOR, OR A
15 UTILITY-DESIGNATED ADMINISTRATOR, MONEY PROVIDED TO THE UTILITY
16 TO HELP ESTABLISH OR CONTINUE THE UTILITY'S ON-BILL PROGRAM MAY
17 BE USED TO SUPPORT ENERGY EFFICIENCY MEASURES, ELECTRIFICATION
18 MEASURES, AND ENERGY UPGRADES AT A PROGRAM PARTICIPANT'S
19 PREMISES THAT ARE LOCATED AND REMAIN IN THE UTILITY'S SERVICE
20 TERRITORY.

21 (3) (a) THE OFFICE MAY ISSUE GUIDANCE ON PROGRAM
22 REQUIREMENTS OR PLACE CONTRACT LIMITATIONS ON THE USE OF LOANS
23 FROM THE FUND, AS APPROPRIATE, FOR DEVELOPMENT, IMPLEMENTATION,
24 AND UPDATES OF CONSUMER PROTECTION AND EQUITY REQUIREMENTS TO
25 ENSURE THE SUCCESS OF THE PROGRAM, WHILE BALANCING:

26 (I) RISK TO LENDERS, UTILITIES, AND CUSTOMERS;

27 (II) EQUITY;

1 (III) REPAYMENT TERMS; AND

2 (IV) UTILITY BILL IMPACTS FOR PROGRAM PARTICIPANTS.

3 (b) THE OFFICE SHALL CONSULT WITH A PARTICIPATING UTILITY'S
4 UTILITY-DESIGNATED ADMINISTRATOR OR A PROGRAM ADMINISTRATOR
5 SELECTED BY THE OFFICE PURSUANT TO SECTION 24-38.5-604, AS
6 APPROPRIATE, IN DEVELOPING GUIDANCE ON PROGRAM REQUIREMENTS,
7 INCLUDING CONSUMER PROTECTION AND EQUITY REQUIREMENTS, WHICH
8 REQUIREMENTS MAY INCLUDE:

9 (I) THE RATE CLASSES OF UTILITY CUSTOMERS THAT MAY
10 PARTICIPATE IN THE UTILITY'S ON-BILL PROGRAM, WHICH RATE CLASSES
11 MUST, AT A MINIMUM, INCLUDE RESIDENTIAL CUSTOMERS;

12 (II) THE ENERGY EFFICIENCY MEASURES, ELECTRIFICATION
13 MEASURES, AND ENERGY UPGRADES THAT THE UTILITY MAY AUTHORIZE
14 A PROGRAM PARTICIPANT TO FINANCE THROUGH AN ON-BILL PROGRAM;

15 (III) A CAP ON THE TOTAL FINANCING THAT MAY BE MADE
16 AVAILABLE TO A RESIDENTIAL UTILITY CUSTOMER, NOT TO EXCEED FIFTY
17 THOUSAND DOLLARS;

18 (IV) FOR UTILITIES THAT ARE NOT REGULATED BY THE
19 COMMISSION, THE METHOD THAT A PARTICIPATING UTILITY MAY USE TO
20 RECOVER PROGRAM ADMINISTRATION COSTS;

21 (V) A REQUIREMENT THAT, FOR CONTRACTS WITH REGULATED
22 UTILITIES, THE FINAL CONTRACT CONFORMS WITH ANY FINAL APPROVAL
23 FROM THE COMMISSION; AND

24 (VI) REQUIREMENTS REGARDING TRANSFERS OF FINANCIAL
25 RESPONSIBILITY WHEN AN OWNER OR TENANT VACATES A BUILDING
26 SUBJECT TO A UTILITY'S ON-BILL PROGRAM, INCLUDING:

27 (A) REQUIREMENTS REGARDING THE RECORDING OF A LIEN AND

1 THE CLEARING OF TITLE UPON REPAYMENT;

2 (B) A REQUIREMENT THAT A PROPERTY OWNER THAT IS A
3 PROGRAM PARTICIPANT SHALL AGREE TO NOTIFY A PROSPECTIVE
4 PURCHASER OF THE PROPERTY SUBJECT TO AN ON-BILL PROGRAM OF ANY
5 REPAYMENT OBLIGATIONS ON THE UTILITY BILL RELATED TO THE
6 PARTICIPATION IN THE PROGRAM; AND

7 (C) A REQUIREMENT THAT A PROPERTY OWNER THAT IS A
8 PARTICIPATING CUSTOMER OR IS THE OWNER OF A PROPERTY FOR WHICH
9 THERE IS AN EXISTING REPAYMENT OBLIGATION ON THE UTILITY BILL
10 RELATED TO PARTICIPATION IN A PROGRAM SHALL AGREE TO NOTIFY A
11 PROSPECTIVE TENANT OF THE ON-BILL REPAYMENT OBLIGATION.

12 (4) THE OFFICE MAY PLACE CONTRACT LIMITATIONS ON THE USE
13 OF LOANS FROM THE FUND, AS APPROPRIATE, FOR THE DEVELOPMENT,
14 IMPLEMENTATION, AND UPDATES OF CONSUMER PROTECTION AND EQUITY
15 REQUIREMENTS TO ENSURE THE SUCCESS OF THE PROGRAM, WHILE
16 BALANCING RISK TO LENDERS, UTILITIES, AND CUSTOMERS; EQUITY;
17 REPAYMENT TERMS; AND UTILITY BILL IMPACTS FOR PROGRAM
18 PARTICIPANTS. THE OFFICE SHALL CONSULT WITH THE PARTICIPATING
19 UTILITY, THE PARTICIPATING UTILITY'S UTILITY-DESIGNATED
20 ADMINISTRATOR, OR A PROGRAM ADMINISTRATOR SELECTED BY THE
21 OFFICE PURSUANT TO SECTION 24-38.5-604, AS APPROPRIATE, IN
22 DEVELOPING THE CONSUMER PROTECTION AND EQUITY REQUIREMENTS,
23 WHICH REQUIREMENTS MAY INCLUDE:

24 (a) QUALITY INSTALLATION VERIFICATION, INCLUDING THE
25 CERTIFICATIONS AND RELATED ENFORCEMENT MECHANISMS NEEDED TO
26 ENSURE AND VERIFY QUALITY INSTALLATIONS;

27 (b) PROCEDURES FOR ADDRESSING FAILING EQUIPMENT;

1 (c) VENDOR OR CONTRACTOR SELECTION AND APPROVAL
2 PROCESSES, INCLUDING LABOR STANDARDS AND A PROCESS FOR
3 ENFORCEMENT OF THE LABOR STANDARDS;
4 (d) ELIGIBILITY REQUIREMENTS FOR PROGRAM PARTICIPANTS;
5 (e) PROTECTIONS FOR TENANTS WHOSE LANDLORDS FINANCE
6 ENERGY EFFICIENCY MEASURES THROUGH A PROGRAM, INCLUDING:
7 (I) REQUIREMENTS TO NOTIFY TENANTS OF REPAYMENT
8 OBLIGATIONS IN LEASE AGREEMENTS;
9 (II) PROCESSES FOR PROPERTY OWNERS TO INSTALL MEASURES AT
10 TENANT-OCCUPIED LOCATIONS; AND
11 (III) OTHER MEASURES AS APPROPRIATE;
12 (f) PROGRAM DESIGN TO MINIMIZE THE RISK OF UTILITY
13 DISCONNECTION;
14 (g) THE FINANCING TERMS AVAILABLE FOR DIFFERENT TYPES OF
15 ENERGY EFFICIENCY MEASURES AND ENERGY UPGRADES; AND
16 (h) THE TREATMENT OF TRANSFER OF PROPERTY OWNERSHIP,
17 TREATMENT OF DEBTS TO A UTILITY, AND PROPERTY TREATMENT AT
18 TRANSFER.
19 (5) (a) EXCEPT AS PROVIDED IN SUBSECTION (5)(b) OF THIS
20 SECTION, ON OR BEFORE THE FIRST JANUARY 31 FOLLOWING THE FIFTH
21 COMPLETED YEAR OF PROGRAM IMPLEMENTATION, OR ONCE A UTILITY HAS
22 FINANCED AT LEAST TEN MILLION DOLLARS IN ENERGY EFFICIENCY
23 MEASURES, ELECTRIFICATION MEASURES, OR ENERGY UPGRADES WITH
24 FUNDING FROM THE ON-BILL CASH FUND, WHICHEVER OCCURS FIRST, AND
25 ON OR BEFORE JANUARY 31 OF EACH OF THE THREE YEARS THEREAFTER,
26 A PARTICIPATING UTILITY OR ITS UTILITY-DESIGNATED ADMINISTRATOR
27 SHALL PREPARE AND SUBMIT TO THE OFFICE A REPORT THAT TRACKS THE

1 TOTAL AMOUNT OF ENERGY EFFICIENCY MEASURES, ELECTRIFICATION
2 MEASURES, AND ENERGY UPGRADES FINANCED; THE NUMBER OF
3 PARTICIPATING CUSTOMERS BROKEN DOWN BY INTEREST RATE, AS
4 APPLICABLE; AND CUMULATIVE PROGRAM PARTICIPATION DEFAULT RATES,
5 UTILITY DISCONNECTIONS, COMPLIANCE WITH LABOR STANDARDS, AND
6 OTHER METRICS THAT THE OFFICE DEEMS RELEVANT TO THE CONSUMER
7 PROTECTION AND EQUITY REQUIREMENTS FOR THE PROGRAM. THE OFFICE
8 SHALL MAKE THE REPORTS PUBLICLY AVAILABLE ON ITS PUBLIC WEBSITE.

9 (b) A REGULATED UTILITY THAT IS REQUIRED TO FILE A REPORT
10 WITH THE COMMISSION REGARDING AN ON-BILL PROGRAM NEED NOT
11 PREPARE AND SUBMIT TO THE OFFICE A REPORT PURSUANT TO SUBSECTION
12 (5)(a) OF THIS SECTION.

13 **24-38.5-604. Authority to contract with program**
14 **administrators - selection criteria - program design requirements.**

15 (1) IN ACCORDANCE WITH THE REQUIREMENTS OF THE "PROCUREMENT
16 CODE", ARTICLES 101 TO 112 OF THIS TITLE 24, THE OFFICE MAY
17 CONTRACT WITH ONE OR MORE INDEPENDENT THIRD-PARTY ENTITIES TO
18 SERVE AS PROGRAM ADMINISTRATORS TO FACILITATE AND HELP
19 ADMINISTER UTILITY ON-BILL PROGRAMS FOR PARTICIPATING UTILITIES.
20 THE OFFICE SHALL CONTRACT ONLY WITH ONE OR MORE OF THE
21 FOLLOWING ENTITIES TO SERVE AS PROGRAM ADMINISTRATORS:

22 (a) A BANK;

23 (b) A NONDEPOSITORY COMMUNITY DEVELOPMENT FINANCIAL
24 INSTITUTION;

25 (c) A BUSINESS DEVELOPMENT CORPORATION; OR

26 (d) A NONPROFIT ORGANIZATION.

27 (2) IN SELECTING A PROGRAM ADMINISTRATOR PURSUANT TO THIS

1 SECTION, THE OFFICE SHALL CONSIDER THE ABILITY OF A POTENTIAL
2 PROGRAM ADMINISTRATOR TO EXPAND THE PROGRAM, INCLUDING BY
3 EXPANDING THE CAPITAL AVAILABLE FOR USE IN THE PROGRAM THROUGH
4 PUBLIC AND PRIVATE CAPITAL SOURCES.

5 (3) THE OFFICE, IN CONSULTATION WITH A SELECTED PROGRAM
6 ADMINISTRATOR, MAY DETERMINE THE DESIGN REQUIREMENTS FOR THE
7 PROGRAM, WITH THE GOAL OF OFFERING CUSTOMERS THE LOWEST
8 POSSIBLE INTEREST RATES, INCLUDING:

9 (a) A REQUIREMENT THAT A PARTICIPATING UTILITY'S ON-BILL
10 PROGRAM PROVIDE FOR STANDARDIZATION OF ASPECTS OF THE UTILITY'S
11 PROGRAM, SUCH AS FORMS USED TO APPLY FOR PARTICIPATION IN THE
12 UTILITY'S PROGRAM, BUT OTHERWISE ALLOW FOR FLEXIBILITY IN
13 IMPLEMENTING THE UTILITY'S PROGRAM TO ALLOW FOR DIFFERENT
14 REQUIREMENTS BASED ON WHICH ENERGY EFFICIENCY MEASURES,
15 ELECTRIFICATION MEASURES, AND ENERGY UPGRADES A PROGRAM
16 PARTICIPANT CHOOSES;

17 (b) A REQUIREMENT THAT THE ENERGY EFFICIENCY MEASURES,
18 ELECTRIFICATION MEASURES, AND ENERGY UPGRADES AUTHORIZED FOR
19 A PARTICIPATING UTILITY'S ON-BILL PROGRAM COMPLY WITH PROGRAM
20 REQUIREMENTS;

21 (c) A REQUIREMENT THAT A PROGRAM ADMINISTRATOR PURSUE
22 OTHER SOURCES OF PUBLIC AND PRIVATE CAPITAL, WITH A GOAL OF
23 INCREASING AVAILABLE STATEWIDE FUNDING FOR ON-BILL PROGRAMS TO
24 ONE BILLION DOLLARS BY 2030;

25 (d) A REQUIREMENT TO REDUCE CUSTOMER INTEREST RATES TO
26 THE LOWEST RATES POSSIBLE AND TO REDUCE RISK OF DEFAULT; AND

27 (e) REQUIREMENTS REGARDING HOW AVAILABLE REBATES MAY BE

1 APPLIED TO AN ENERGY EFFICIENCY MEASURE, ELECTRIFICATION
2 MEASURE, OR ENERGY UPGRADE PROJECT BEFORE FINANCING.

3 **24-38.5-605. Transfers of financial responsibility - notification**
4 **required - property seller's obligation - utility's obligation.**

5 (1) PARTICIPATION IN A UTILITY'S ON-BILL PROGRAM IS TIED TO THE
6 LOCATION OF THE UTILITY METER ASSOCIATED WITH A UTILITY
7 CUSTOMER'S ACCOUNT WHERE THE ENERGY EFFICIENCY MEASURES,
8 ELECTRIFICATION MEASURES, OR ENERGY UPGRADES ARE INSTALLED. IF A
9 PROGRAM PARTICIPANT MOVES TO A NEW LOCATION, THE PROGRAM
10 PARTICIPANT'S PARTICIPATION IN THE ON-BILL PROGRAM DOES NOT
11 TRANSFER TO THE PROGRAM PARTICIPANT'S NEW LOCATION. A PROGRAM
12 MAY BE STRUCTURED SUCH THAT, FOR REAL PROPERTY THAT IS THE SITE
13 OF A UTILITY METER THAT IS ASSOCIATED WITH PARTICIPATION IN THE
14 PROGRAM, THE FINANCIAL RESPONSIBILITY TO MAKE ANY REMAINING
15 REPAYMENTS UNDER THE ON-BILL PROGRAM TRANSFERS TO THE
16 SUCCESSOR PROGRAM PARTICIPANT.

17 (2) FINANCIAL RESPONSIBILITY DESCRIBED IN SUBSECTION (1) OF
18 THIS SECTION APPLIES ONLY TO THE PROGRAM PARTICIPANT RESPONSIBLE
19 FOR THE UTILITY METER, AND NOT TO ALL OF THE REAL PROPERTY.

20 (3) IF A PROGRAM PARTICIPANT THAT IS AN OWNER OF REAL
21 PROPERTY AT WHICH ENERGY EFFICIENCY MEASURES, ELECTRIFICATION
22 MEASURES, OR ENERGY UPGRADES HAVE BEEN IMPLEMENTED PURSUANT
23 TO PARTICIPATION IN THE PROGRAM INTENDS TO SELL THE REAL PROPERTY,
24 AND THE FULL COST OF THE ENERGY EFFICIENCY MEASURES,
25 ELECTRIFICATION MEASURES, OR ENERGY UPGRADES HAVE NOT BEEN
26 FULLY REPAID, THE OWNER SHALL:

27 (a) PROVIDE A PROSPECTIVE PURCHASER OF THE REAL PROPERTY

1 WRITTEN NOTICE OF THE REMAINING PAYMENTS UNDER THE ON-BILL
2 PROGRAM UPON PURCHASING THE REAL PROPERTY. THE WRITTEN NOTICE
3 MUST BE PROVIDED BEFORE THE PROSPECTIVE PURCHASER MAKES AN
4 OFFER TO PURCHASE THE REAL PROPERTY AND MUST INCLUDE:

5 (I) INFORMATION THAT THE REAL PROPERTY IS SUBJECT TO UTILITY
6 ON-BILL REPAYMENTS;

7 (II) CONTACT INFORMATION FOR A PERSON INVOLVED IN THE
8 UTILITY'S ON-BILL PROGRAM; AND

9 (III) INFORMATION REGARDING THE UTILITY ON-BILL REPAYMENTS,
10 INCLUDING:

11 (A) THE TOTAL AMOUNT OF THE ORIGINAL COSTS FOR WHICH
12 UTILITY ON-BILL REPAYMENTS WERE ESTABLISHED;

13 (B) THE APPROXIMATE REMAINING BALANCE OF THE COSTS;

14 (C) THE ON-BILL REPAYMENT SCHEDULE, INCLUDING THE
15 MONTHLY REPAYMENT OBLIGATION;

16 (D) THE PRODUCTS AND SERVICES PROVIDING ENERGY EFFICIENCY
17 MEASURES, ELECTRIFICATION MEASURES, OR ENERGY UPGRADES THAT
18 WERE INSTALLED THROUGH THE UTILITY'S ON-BILL PROGRAM; AND

19 (E) ANY RISKS ASSOCIATED WITH NONPAYMENT OF THE ON-BILL
20 REPAYMENTS, INCLUDING DEBT WORKOUT PROCESSES AVAILABLE AND THE
21 POTENTIAL DISCONNECTION OF UTILITY SERVICE;

22 (b) NOTIFY THE UTILITY TO WHICH THE OWNER IS MAKING ON-BILL
23 REPAYMENTS UNDER THE ON-BILL PROGRAM IN THE EVENT THAT THE REAL
24 PROPERTY HAS BEEN LISTED FOR SALE; AND

25 (c) CONTINUE MAKING THE ON-BILL REPAYMENTS UNTIL
26 OWNERSHIP OF THE REAL PROPERTY HAS OFFICIALLY TRANSFERRED TO A
27 PURCHASER OF THE REAL PROPERTY.

1 (4) (a) UPON ACCEPTING AN OFFER TO PURCHASE REAL PROPERTY
2 DESCRIBED IN SUBSECTION (3) OF THIS SECTION, THE OWNER OF THE REAL
3 PROPERTY SHALL NOTIFY THE UTILITY TO WHICH THE OWNER IS MAKING
4 ON-BILL REPAYMENTS OF:

5 (I) THE PURCHASER'S NAME AND CONTACT INFORMATION;

6 (II) THE NAME AND CONTACT INFORMATION FOR ANY REAL ESTATE
7 AGENT REPRESENTING THE PURCHASER OF THE REAL PROPERTY; AND

8 (III) THE NAME AND CONTACT INFORMATION FOR THE TITLE AGENT
9 OR COMPANY THAT PROVIDES CLOSING AND SETTLEMENT SERVICES IN
10 RELATION TO THE REAL ESTATE TRANSACTION.

11 (b) THE UTILITY OR ITS DESIGNEE SHALL, UPON REQUEST, MAKE
12 INFORMATION AVAILABLE TO THE PURCHASER OR ANY REAL ESTATE
13 AGENT REPRESENTING THE PURCHASER AND THE TITLE AGENT OR
14 COMPANY TO INFORM THE PURCHASER AND TITLE AGENT OR COMPANY OF
15 THE TERMS AND CONDITIONS OF THE ON-BILL REPAYMENTS OWED TO THE
16 UTILITY UNDER THE UTILITY'S ON-BILL PROGRAM.

17 (5) IF AN OWNER OF A PROPERTY WITH AN OUTSTANDING BALANCE
18 FOR AN ON-BILL REPAYMENT OBLIGATION BEGINS TO RENT OR LEASE THE
19 PROPERTY, THE OWNER SHALL NOTIFY THE UTILITY AND SHALL FOLLOW
20 ALL REQUIREMENTS REGARDING TENANT CONSUMER PROTECTIONS THAT
21 THE UTILITY OR PROGRAM ADMINISTRATOR ESTABLISHES AND THAT WERE
22 INCLUDED IN THE FINANCIAL DOCUMENTS THAT THE OWNER SIGNED.

23 (6) THIS SECTION APPLIES ONLY TO A UTILITY'S ON-BILL PROGRAM
24 THAT RECEIVES FINANCING FROM THE ON-BILL CASH FUND EITHER
25 DIRECTLY OR THROUGH A UTILITY-DESIGNATED ADMINISTRATOR.

26 **24-38.5-606. Participation by utilities - program**
27 **administration.** (1) A UTILITY MAY SEEK MONEY FROM THE ON-BILL

1 CASH FUND USING A PROCESS APPROVED BY THE OFFICE TO ESTABLISH ITS
2 OWN ON-BILL PROGRAM OR SUPPORT AN EXISTING ON-BILL PROGRAM.

3 (2) A UTILITY PARTICIPATING IN THE PROGRAM PURSUANT TO THIS
4 SECTION MAY DESIGNATE AN ADMINISTRATOR WITH WRITTEN APPROVAL
5 FROM THE OFFICE OR MAY CHOOSE TO DESIGNATE THE PROGRAM
6 ADMINISTRATOR SELECTED BY THE OFFICE AS ITS UTILITY-DESIGNATED
7 ADMINISTRATOR.

8 (3) IF THE OFFICE CONTRACTS WITH A PROGRAM ADMINISTRATOR
9 PURSUANT TO SECTION 24-38.5-604, A UTILITY THAT, ON THE EFFECTIVE
10 DATE OF THIS SECTION, HAS AN EXISTING ON-BILL PROGRAM MAY SEEK
11 WRITTEN APPROVAL FROM THE OFFICE TO TRANSFER THE ADMINISTRATION
12 OF ITS ON-BILL PROGRAM TO THE PROGRAM ADMINISTRATOR.

13 **24-38.5-607. On-bill cash fund - creation.** (1) THE ON-BILL
14 CASH FUND IS CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF
15 MONEY CREDITED TO THE FUND PURSUANT TO SECTION 38-13-801 (3.3)
16 AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE
17 OR TRANSFER TO THE FUND.

18 (2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
19 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
20 ON-BILL CASH FUND TO THE FUND.

21 (3) MONEY IN THE ON-BILL CASH FUND IS CONTINUOUSLY
22 APPROPRIATED TO THE OFFICE TO DEFRAY THE COSTS INCURRED BY THE
23 OFFICE IN ADMINISTERING THE PROGRAM AND IN SUPPORTING UTILITY AND
24 BUILDING DECARBONIZATION.

25 (4) (a) A LOAN MADE FROM THE UNCLAIMED PROPERTY TRUST
26 FUND TO A SEPARATE FUND ASSOCIATED WITH A STATE OFFICE IS AN
27 INTERFUND LOAN ACCORDING TO GOVERNMENTAL ACCOUNTING

1 STANDARDS BOARD CODIFICATION 1800.102, MEANING THAT THE LOAN IS
2 NOT CLASSIFIED AS REVENUE AND IS BOOKED AS AN INTERFUND
3 RECEIVABLE OR PAYABLE.

4 (b) A LOAN MADE FROM THE UNCLAIMED PROPERTY TRUST FUND
5 TO A SEPARATE FUND ASSOCIATED WITH A STATE OFFICE IS NOT STATE
6 FISCAL YEAR SPENDING, AS DEFINED IN SECTION 24-77-102 (17), OR STATE
7 REVENUES, AS DEFINED IN SECTION 24-77-103.6 (6)(c), AND DOES NOT
8 COUNT AGAINST EITHER THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED
9 BY SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS
10 STATE REVENUES CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(G).

11 **SECTION 2.** In Colorado Revised Statutes, add 38-35.7-113 as
12 follows:

13 **38-35.7-113. Disclosure - utility on-bill program obligations.**

14 (1) FOR ANY REAL PROPERTY FOR WHICH THE OWNER OF THE PROPERTY
15 IS SUBJECT TO REPAYMENT OBLIGATIONS UNDER AN ON-BILL PROGRAM
16 DESCRIBED IN PART 6 OF ARTICLE 38.5 OF TITLE 24, THE OWNER OF THE
17 REAL PROPERTY SHALL PROVIDE A PROSPECTIVE PURCHASER OF THE
18 PROPERTY WRITTEN NOTICE IN COMPLIANCE WITH SECTION 24-38.5-605.
19 BEFORE ACCEPTING A PROSPECTIVE PURCHASER'S OFFER TO PURCHASE THE
20 REAL PROPERTY, THE SELLER SHALL PROVIDE THE PROSPECTIVE
21 PURCHASER THE WRITTEN NOTICE AND OBTAIN FROM THE PROSPECTIVE
22 PURCHASER A SIGNED COPY OF THE WRITTEN NOTICE ACKNOWLEDGING
23 RECEIPT OF THE NOTICE. THE PROSPECTIVE PURCHASER MAY SIGN THE
24 WRITTEN NOTICE ELECTRONICALLY.

25 (2) THIS SECTION APPLIES ONLY TO A UTILITY'S ON-BILL PROGRAM
26 THAT RECEIVES FINANCING FROM THE ON-BILL CASH FUND CREATED IN
27 SECTION 24-38.5-607 DIRECTLY OR THROUGH A UTILITY-DESIGNATED

1 ADMINISTRATOR.

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

4 **40-2-140. Utility on-bill program - review by commission -**
5 **definitions.** (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT
6 OTHERWISE REQUIRES:

7 (a) "COMBINED FUEL CUSTOMER" MEANS A RESIDENTIAL UTILITY
8 CUSTOMER THAT TAKES BOTH ELECTRIC AND GAS SERVICE FROM THE
9 UTILITY.

10 (b) "ON-BILL CASH FUND" HAS THE MEANING SET FORTH IN
11 SECTION 24-38.5-602 (7).

12 (c) "ON-BILL PROGRAM" HAS THE MEANING SET FORTH IN SECTION
13 24-38.5-602 (8).

14 (2) (a) (I) EXCEPT AS PROVIDED IN SUBSECTION (2)(a)(II) OF THIS
15 SECTION, ON OR BEFORE DECEMBER 31, 2027, A GAS, ELECTRIC, OR
16 COMBINED FUEL UTILITY WITH MORE THAN FIVE HUNDRED THOUSAND
17 CUSTOMERS IN THE STATE SHALL FILE WITH THE COMMISSION AN
18 APPLICATION THAT EITHER PROPOSES TO USE FUNDING FROM THE ON-BILL
19 CASH FUND TO ESTABLISH OR MODIFY AN EXISTING ON-BILL PROGRAM OR
20 PROPOSES NOT TO USE FUNDING FROM THE ON-BILL CASH FUND.

21 (II) IF THE UTILITY PROPOSES NOT TO USE FUNDING FROM THE
22 ON-BILL CASH FUND, THE UTILITY'S FILING MUST DEMONSTRATE WHY THE
23 UTILITY'S CUSTOMERS WOULD NOT BENEFIT FROM THE UTILITY'S USE OF
24 THE FUNDING.

25 (b) UNLESS OTHERWISE PART OF A UTILITY ON-BILL PROGRAM
26 APPROVED BY THE COMMISSION AND NOT IN CONFLICT WITH ANY
27 COMMISSION-APPROVED ON-BILL PROGRAM OR OTHER COMMISSION

1 DECISION, A UTILITY'S FILING SUBMITTED PURSUANT TO SUBSECTION
2 (2)(a)(I) OF THIS SECTION MUST:

3 (I) PROPOSE TO MAKE THE UTILITY'S ON-BILL PROGRAM AVAILABLE
4 TO ELECTRIC-ONLY RETAIL CUSTOMERS, GAS-ONLY RETAIL CUSTOMERS,
5 AND COMBINED FUEL RETAIL CUSTOMERS;

6 (II) DESCRIBE HOW THE UTILITY WOULD USE MONEY FROM THE
7 ON-BILL CASH FUND TO IMPLEMENT OR MODIFY AN ON-BILL PROGRAM;

8 (III) DESCRIBE HOW THE UTILITY WILL OFFER THE ON-BILL
9 PROGRAM TO ITS RESIDENTIAL CUSTOMERS;

10 (IV) INCLUDE INFORMATION CONCERNING HOW THE UTILITY WILL
11 ALLOW NONPROFIT ORGANIZATIONS, STATE AND LOCAL GOVERNMENTS,
12 MULTIFAMILY DWELLINGS, AND HOMEOWNERS' ASSOCIATIONS TO
13 PARTICIPATE IN THE ON-BILL PROGRAM; AND

14 (V) DESCRIBE HOW THE UTILITY MAY USE FUNDING FROM THE
15 ON-BILL CASH FUND OR OTHER SOURCES OF FUNDING TO REDUCE INTEREST
16 RATES, ESPECIALLY FOR CUSTOMERS IN LOW- AND MODERATE-INCOME
17 HOUSEHOLDS.

18 (3) A UTILITY WITH MORE THAN FIVE HUNDRED THOUSAND
19 CUSTOMERS IN THE STATE MAY RECOVER ON-BILL PROGRAM COSTS IN
20 ACCORDANCE WITH PART 6 OF ARTICLE 38.5 OF TITLE 24. THE UTILITY
21 SHALL NOT RECOVER ADMINISTRATIVE COSTS THROUGH THE INTEREST
22 RATE ESTABLISHED FOR MONEY MADE AVAILABLE THROUGH THE ON-BILL
23 PROGRAM. A UTILITY MAY RECOVER ADMINISTRATIVE COSTS APPROVED
24 BY THE COMMISSION. A UTILITY MAY PROPOSE OR MAY MAINTAIN A
25 METHOD TO RECOVER APPROVED ADMINISTRATIVE COSTS, INCLUDING THE
26 USE OF AN EXISTING RIDER, AS APPROVED BY THE COMMISSION.

27 (4) A UTILITY WITH MORE THAN FIVE HUNDRED THOUSAND

1 CUSTOMERS IN THE STATE THAT, BY APRIL 1, 2026, DOES NOT HAVE AN
2 EXISTING ON-BILL PROGRAM THAT HAS BEEN APPROVED BY THE
3 COMMISSION SHALL FILE THE APPLICATION DESCRIBED IN SUBSECTION
4 (2)(a) OF THIS SECTION ON OR BEFORE DECEMBER 31, 2026.

5 (5) (a) THE COMMISSION SHALL REVIEW AND APPROVE,
6 DISAPPROVE, OR APPROVE WITH MODIFICATIONS A UTILITY'S APPLICATION
7 SUBMITTED PURSUANT TO SUBSECTION (2) OF THIS SECTION. IN REVIEWING
8 AN APPLICATION, THE COMMISSION SHALL DETERMINE WHETHER THE
9 UTILITY'S PROPOSED PLAN FOR PARTICIPATION IN A UTILITY ON-BILL
10 PROGRAM IS IN THE PUBLIC INTEREST, AND, IF THE COMMISSION
11 DETERMINES THAT THE PROPOSED PLAN IS NOT IN THE PUBLIC INTEREST,
12 THE COMMISSION MAY MODIFY SPECIFIC PORTIONS OF THE PROPOSED PLAN
13 TO BRING THE PROPOSED PLAN INTO ALIGNMENT WITH THE PUBLIC
14 INTEREST.

15 (b) IF THE COMMISSION, PURSUANT TO THIS SECTION OR THROUGH
16 A COMMISSION DECISION, APPROVES PARTICIPATION IN A UTILITY ON-BILL
17 PROGRAM FOR NONPROFIT ORGANIZATIONS OR NONRESIDENTIAL
18 CUSTOMERS, THE REQUIREMENTS OF SECTIONS 40-3.2-105.5 AND
19 40-3.2-105.6 APPLY TO ANY WORK UNDERTAKEN AS PART OF THE ON-BILL
20 PROGRAM.

21 **SECTION 4.** In Colorado Revised Statutes, 38-13-801, **amend**
22 (1)(b); and **add** (3.3) as follows:

23 **38-13-801. Unclaimed property trust fund - creation -**
24 **payments - interest - appropriations - records - rules - legislative**
25 **declaration.** (1) (b) Except as provided in subsections (2), (3), **(3.3)**, and
26 (3.5) of this section, the principal of the trust fund shall not be expended
27 except to pay claims made pursuant to this article 13. Money constituting

1 the principal of the trust fund is not fiscal year spending of the state for
2 purposes of section 20 of article X of the state constitution and is not
3 subject to appropriation by the general assembly.

4 (3.3) (a) AFTER RESERVING THE AMOUNTS DESCRIBED IN
5 SUBSECTION (3)(b) OF THIS SECTION AND TRANSMITTING THE MONEY
6 NECESSARY FOR THE PURPOSES DESCRIBED IN SUBSECTION (3)(a) OF THIS
7 SECTION, THE STATE TREASURER SHALL CREDIT TO THE ON-BILL CASH
8 FUND CREATED IN SECTION 24-38.5-607 AN AMOUNT OF PRINCIPAL AND
9 INTEREST IN THE UNCLAIMED PROPERTY TRUST FUND THAT IS SUFFICIENT,
10 AS DETERMINED BY THE COLORADO ENERGY OFFICE PURSUANT TO
11 SECTION 24-38.5-603 (2), TO IMPLEMENT PART 6 OF ARTICLE 38.5 OF TITLE
12 24.

13 (b) ON JANUARY 1, 2026, THE STATE TREASURER SHALL MAKE AN
14 INTEREST-FREE LOAN IN THE AMOUNT OF ONE HUNDRED MILLION DOLLARS
15 FROM THE UNCLAIMED PROPERTY TRUST FUND TO THE ON-BILL CASH FUND
16 CREATED IN SECTION 24-38.5-607. THE COLORADO ENERGY OFFICE SHALL:

17 (I) USE THE LOAN TO SUPPORT UTILITY ON-BILL PROGRAMS, AS
18 DESCRIBED IN SECTION 24-38.5-603; AND

19 (II) PAY THE LOAN BACK TO THE UNCLAIMED PROPERTY TRUST
20 FUND BY JANUARY 1, 2046. THE LOAN REPAYMENT IS SUBJECT TO FUTURE
21 APPROPRIATION BY THE GENERAL ASSEMBLY AND SHALL NOT BE DEEMED
22 OR CONSTRUED AS CREATING INDEBTEDNESS OF THE STATE WITHIN THE
23 MEANING OF THE STATE CONSTITUTION OR THE LAWS OF THE STATE
24 CONCERNING OR LIMITING THE CREATION OF INDEBTEDNESS BY THE STATE.

25 (c) A LOAN MADE FROM THE UNCLAIMED PROPERTY TRUST FUND
26 TO ANOTHER STATE FUND SHALL BE REPAID WITHIN TWENTY YEARS.

27 **SECTION 5.** In Colorado Revised Statutes, add 24-38.5-123 as

1 follows:

2 **24-38.5-123. Building decarbonization enterprise - creation -**
3 **membership - powers and duties - building decarbonization**
4 **enterprise cash fund - on-bill program administration cash fund -**
5 **legislative declaration - definitions - rules - report - repeal.**

6 **(1) Legislative declaration.** (a) THE GENERAL ASSEMBLY FINDS THAT:

7 (I) REDUCING GREENHOUSE GAS EMISSIONS FROM COMBUSTION
8 DEVICES IN RESIDENTIAL AND COMMERCIAL BUILDINGS:

9 (A) IS NECESSARY TO HELP THE STATE ACHIEVE ITS STATEWIDE
10 GREENHOUSE GAS EMISSION REDUCTION GOALS SET FORTH IN SECTION
11 25-7-102 (2)(g), INCLUDING THE GOAL TO REACH NET-ZERO GREENHOUSE
12 GAS EMISSIONS BY 2050; AND

13 (B) PRESENTS SIGNIFICANT OPPORTUNITIES TO LOWER AND
14 STABILIZE ENERGY BILLS, PROVIDE FOR MORE COMFORTABLE LIVING AND
15 WORKING SPACES, AND REDUCE LOCAL AIR POLLUTION THAT CONTRIBUTES
16 TO GROUND-LEVEL OZONE;

17 (II) COVERED BUILDING OWNERS ARE REQUIRED TO COMPLY WITH
18 BENCHMARKING REQUIREMENTS AND PERFORMANCE STANDARD
19 REQUIREMENTS AND WOULD BENEFIT FROM ADDITIONAL FINANCIAL AND
20 TECHNICAL ASSISTANCE TO MEET OR EXCEED THOSE REQUIREMENTS;

21 (III) WITH ADDITIONAL FINANCING AND TECHNICAL ASSISTANCE,
22 COVERED BUILDING OWNERS MAY MORE EFFECTIVELY AND EFFICIENTLY
23 IMPLEMENT BUILDING DECARBONIZATION MEASURES, INCLUDING, BUT NOT
24 LIMITED TO, PROGRAMS THAT:

25 (A) HELP FINANCE ENERGY EFFICIENCY MEASURES,
26 ELECTRIFICATION MEASURES, AND OTHER ENERGY UPGRADES; AND

27 (B) PROVIDE ASSISTANCE FOR CONDUCTING BUILDING ENERGY

1 AUDITS, DEVELOPING ANALYSES TO HELP BUILDING OWNERS EVALUATE
2 THE BEST STRATEGIES FOR ACHIEVING FUTURE PERFORMANCE STANDARD
3 TARGETS, EMPLOYING OR CONSULTING WITH BUILDING ENGINEERS,
4 PURCHASING ENERGY USE TRACKING SOFTWARE FOR COVERED BUILDING
5 OWNERS TO MORE EFFECTIVELY TRACK ENERGY USE, AND PROVIDING
6 TRAINING ON SUCH SOFTWARE;

7 (IV) UTILITY CUSTOMERS WOULD BENEFIT FROM HAVING ACCESS
8 TO SIGNIFICANT AMOUNTS OF PUBLIC AND PRIVATE CAPITAL FOR
9 LOW-COST FINANCING SOLUTIONS FOR ENERGY-RELATED IMPROVEMENTS,
10 INCLUDING END-OF-LIFE EQUIPMENT REPLACEMENT; AND

11 (V) UTILITIES SERVING COLORADANS HAVE VARYING LEVELS OF
12 EXPERIENCE, AVAILABLE CAPITAL, AND AVAILABLE STAFF TO SUPPORT THE
13 ESTABLISHMENT AND ADMINISTRATION OF ON-BILL PROGRAMS.

14 (b) NOW, THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT:

15 (I) IT IS IN THE PUBLIC INTEREST TO CREATE AN ENTERPRISE
16 WITHIN THE OFFICE THAT IS COMMITTED TO FINANCING AND PROVIDING
17 TECHNICAL AND OTHER SUPPORT FOR THE IMPLEMENTATION OF BUILDING
18 DECARBONIZATION MEASURES AND FOR THE ESTABLISHMENT OF UTILITY
19 ON-BILL PROGRAMS;

20 (II) THE ACTIVITIES OF THE ENTERPRISE SHALL BE FUNDED BY
21 REVENUE GENERATED FROM A BUILDING DECARBONIZATION FEE PAID BY
22 COVERED BUILDING OWNERS AND ANY GIFTS, GRANTS, AND DONATIONS
23 RECEIVED;

24 (III) IT IS APPROPRIATE THAT COVERED BUILDING OWNERS SHOULD
25 PAY A BUILDING DECARBONIZATION FEE, AS COVERED BUILDING OWNERS
26 ARE THE DIRECT BENEFICIARIES OF SERVICES PROVIDED BY THE
27 ENTERPRISE, WHICH SERVICES INCLUDE THE FINANCING AND TECHNICAL

1 ASSISTANCE PROVIDED FOR THE BUILDING DECARBONIZATION MEASURES
2 DESCRIBED IN SUBSECTION (1)(a)(III) OF THIS SECTION;

3 (IV) COVERED BUILDING OWNERS BENEFIT FROM THE
4 IMPLEMENTATION OF BUILDING DECARBONIZATION MEASURES BECAUSE
5 SUCH MEASURES CAN:

6 (A) REDUCE COVERED BUILDING OWNERS' LONG-TERM COSTS
7 RELATED TO ENERGY USE;

8 (B) IMPROVE BUILDING COMFORT; AND

9 (C) INCREASE THE MARKET VALUE AND DESIRABILITY OF COVERED
10 BUILDINGS TO TENANTS;

11 (V) IT IS IN THE PUBLIC INTEREST TO CREATE A BUILDING
12 DECARBONIZATION ENTERPRISE CASH FUND WITHIN THE BUILDING
13 DECARBONIZATION ENTERPRISE, THE USE OF WHICH IS DEDICATED TO
14 FINANCING THE PROVISION OF TECHNICAL SUPPORT FOR UTILITIES SEEKING
15 TO ESTABLISH OR EXPAND ON-BILL PROGRAMS PURSUANT TO THIS SECTION
16 AND SECTION 25-7-142;

17 (VI) CONSISTENT WITH THE DETERMINATION OF THE COLORADO
18 SUPREME COURT IN *NICHOLL V. E-470 PUBLIC HIGHWAY AUTHORITY*, 896
19 P.2d 859 (COLO. 1995), THAT THE POWER TO IMPOSE TAXES IS
20 INCONSISTENT WITH ENTERPRISE STATUS UNDER SECTION 20 OF ARTICLE
21 X OF THE STATE CONSTITUTION, THE GENERAL ASSEMBLY CONCLUDES
22 THAT THE BUILDING DECARBONIZATION FEE IS A FEE, NOT A TAX, AND THE
23 ENTERPRISE OPERATES AS A BUSINESS BECAUSE THE BUILDING
24 DECARBONIZATION FEE AND ON-BILL PROGRAM ADMINISTRATION FEE ARE:

25 (A) IN THE CASE OF THE BUILDING DECARBONIZATION FEE,
26 IMPOSED FOR THE SPECIFIC BUSINESS PURPOSES OF PROVIDING FINANCING
27 AND TECHNICAL ASSISTANCE TO COVERED BUILDING OWNERS TO MORE

1 EFFECTIVELY AND EFFICIENTLY IMPLEMENT BUILDING DECARBONIZATION
2 MEASURES, INCLUDING FEASIBILITY ANALYSES AND IMPROVEMENTS THAT
3 WILL REDUCE ENERGY USE AND EMISSIONS, AND COLLECTED AT A RATE
4 THAT IS REASONABLY RELATED TO THE OVERALL COST OF THE BUSINESS
5 SERVICES BEING PROVIDED; AND

6 (B) IN THE CASE OF THE ON-BILL PROGRAM ADMINISTRATION FEE,
7 IMPOSED FOR THE SPECIFIC PURPOSE OF PROVIDING TECHNICAL
8 ASSISTANCE TO A UTILITY THAT INTENDS TO ESTABLISH OR EXPAND
9 ON-BILL PROGRAMS FOR ITS RETAIL CUSTOMERS; AND

10 (VII) SO LONG AS THE ENTERPRISE QUALIFIES AS AN ENTERPRISE
11 FOR PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION,
12 THE REVENUE FROM THE BUILDING DECARBONIZATION FEE AND THE
13 ON-BILL PROGRAM ADMINISTRATION FEE IMPOSED, COLLECTED, AND
14 ADMINISTERED BY THE ENTERPRISE IS NOT STATE FISCAL YEAR SPENDING,
15 AS DEFINED IN SECTION 24-77-102 (17), OR STATE REVENUES, AS DEFINED
16 IN SECTION 24-77-103.6 (6)(c), AND DOES NOT COUNT AGAINST EITHER
17 THE STATE FISCAL YEAR SPENDING LIMIT IMPOSED BY SECTION 20 OF
18 ARTICLE X OF THE STATE CONSTITUTION OR THE EXCESS STATE REVENUES
19 CAP, AS DEFINED IN SECTION 24-77-103.6 (6)(b)(I)(G).

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

22 (a) "BENCHMARKING REQUIREMENTS" MEANS THE ENERGY
23 BENCHMARKING REQUIREMENTS SET FORTH IN SECTION 25-7-142(3) WITH
24 WHICH AN OWNER OR OPERATOR OF A COVERED BUILDING IS REQUIRED TO
25 COMPLY.

26 (b) "BOARD" MEANS THE BOARD OF DIRECTORS OF THE ENTERPRISE
27 APPOINTED PURSUANT TO SUBSECTION (4)(a) OF THIS SECTION.

1 (c) "BUILDING DECARBONIZATION ENTERPRISE CASH FUND" OR
2 "BUILDING DECARBONIZATION FUND" MEANS THE BUILDING
3 DECARBONIZATION ENTERPRISE CASH FUND CREATED IN SUBSECTION
4 (6)(a) OF THIS SECTION.

5 (d) "BUILDING DECARBONIZATION FEE" OR "FEE" MEANS THE FEE
6 PAID BY THE OWNER OF A COVERED BUILDING PURSUANT TO SUBSECTION
7 (5)(b) OF THIS SECTION.

8 (e) "COVERED BUILDING" HAS THE MEANING SET FORTH IN SECTION
9 25-7-142 (2)(j).

10 (f) "COVERED BUILDING OWNER" MEANS AN "OWNER", AS DEFINED
11 IN SECTION 25-7-142 (2)(r), OF A COVERED BUILDING.

12 (g) "ELECTRIFICATION" HAS THE MEANING SET FORTH IN SECTION
13 24-38.5-602 (3).

14 (h) "ENERGY EFFICIENCY MEASURE" HAS THE MEANING SET FORTH
15 IN SECTION 24-38.5-602 (4).

16 (i) "ENERGY UPGRADE" HAS THE MEANING SET FORTH IN SECTION
17 24-38.5-602 (5).

18 (j) "ENTERPRISE" MEANS THE BUILDING DECARBONIZATION
19 ENTERPRISE CREATED IN SUBSECTION (3) OF THIS SECTION.

20 (k) "INFLATION" MEANS THE ANNUAL PERCENTAGE CHANGE IN THE
21 IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF LABOR
22 STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR
23 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID FOR BY URBAN
24 CONSUMERS.

25 (l) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN
26 SECTION 24-38.5-101.

27 (m) "ON-BILL CASH FUND" HAS THE MEANING SET FORTH IN

1 SECTION 24-38.5-602 (7).

2 (n) "ON-BILL PROGRAM" MEANS A UTILITY'S ON-BILL PROGRAM
3 THROUGH WHICH ENERGY EFFICIENCY MEASURES, ELECTRIFICATION
4 MEASURES, AND ENERGY UPGRADES INSTALLED AT A PARTICIPATING
5 CUSTOMER'S PREMISES THAT IS ASSOCIATED WITH THE UTILITY METER ARE
6 FINANCED THROUGH LOANS THAT ARE REPAID THROUGH MONTHLY
7 UTILITY BILL PAYMENTS.

8 (o) "ON-BILL PROGRAM ADMINISTRATION CASH FUND" OR
9 "ADMINISTRATION FUND" MEANS THE ON-BILL PROGRAM ADMINISTRATION
10 CASH FUND CREATED IN SUBSECTION (8) OF THIS SECTION.

11 (p) "ON-BILL PROGRAM ADMINISTRATION FEE" OR
12 "ADMINISTRATION FEE" MEANS THE FEE PAID BY A UTILITY SEEKING TO
13 ESTABLISH OR EXPAND ITS ON-BILL PROGRAM PURSUANT TO SECTION
14 24-38.5-606.

15 (q) "PARTICIPATING UTILITY" HAS THE MEANING SET FORTH IN
16 SECTION 24-38.5-602 (9).

17 (r) "PERFORMANCE STANDARDS" HAS THE MEANING SET FORTH IN
18 SECTION 25-7-142 (2)(s).

19 (s) "UTILITY" HAS THE MEANING SET FORTH IN SECTION
20 24-38.5-602 (13).

21 (3) **Enterprise created - loan from the office - repayment.**

22 (a) THE BUILDING DECARBONIZATION ENTERPRISE IS CREATED IN THE
23 OFFICE AND EXERCISES ITS POWERS AND PERFORMS ITS DUTIES AND
24 FUNCTIONS AS A GOVERNMENT-OWNED BUSINESS IN THE OFFICE TO
25 EXECUTE ITS BUSINESS PURPOSES SET FORTH IN THIS SUBSECTION (3). THE
26 ENTERPRISE IS CREATED FOR THE PURPOSES OF:

27 (I) IMPOSING AND ASSESSING A BUILDING DECARBONIZATION FEE

1 ON OWNERS OF COVERED BUILDINGS;

2 (II) PROVIDING TECHNICAL ASSISTANCE, FINANCING, AND OTHER
3 PROGRAMMATIC SUPPORT FOR COVERED BUILDING OWNERS' BUILDING
4 DECARBONIZATION MEASURES, INCLUDING, BUT NOT LIMITED TO,
5 CONDUCTING BUILDING ENERGY AUDITS, DEVELOPING ANALYSES TO HELP
6 BUILDING OWNERS EVALUATE THE BEST STRATEGIES FOR ACHIEVING
7 FUTURE PERFORMANCE STANDARD TARGETS, CONSULTING BUILDING
8 ENGINEERS, PURCHASING ENERGY USE TRACKING SOFTWARE, AND
9 PROVIDING TRAINING ON SUCH SOFTWARE;

10 (III) HAVING AND EXERCISING ALL RIGHTS AND POWERS
11 NECESSARY OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS
12 AND DUTIES GRANTED UNDER THIS SECTION;

13 (IV) ENSURING THAT THE BUILDING DECARBONIZATION FEE PAID
14 BY COVERED BUILDING OWNERS IS USED SOLELY TO SUPPORT PROGRAMS,
15 TECHNICAL ASSISTANCE, AND FINANCIAL ASSISTANCE FOR THE COVERED
16 BUILDING OWNERS THAT PAY THE BUILDING DECARBONIZATION FEE;

17 (V) IMPOSING AND ASSESSING AN ON-BILL PROGRAM
18 ADMINISTRATION FEE ON UTILITIES THAT SEEK FINANCING FROM THE
19 ON-BILL CASH FUND TO DEVELOP OR EXPAND THEIR ON-BILL PROGRAMS;

20 (VI) PROVIDING TECHNICAL ASSISTANCE AND OTHER
21 PROGRAMMATIC SUPPORT TO PARTICIPATING UTILITIES SEEKING TO
22 ESTABLISH OR EXPAND AN ON-BILL PROGRAM. THE AMOUNT OF TECHNICAL
23 ASSISTANCE AND OTHER PROGRAMMATIC SUPPORT PROVIDED IS
24 COMMENSURATE WITH THE AMOUNT OF FINANCIAL SUPPORT LOANED TO
25 A PARTICIPATING UTILITY FROM THE ON-BILL CASH FUND AND INCLUDES:

26 (A) DEVELOPING A FULL SET OF ON-BILL PROGRAM MODELS,
27 INCLUDING MODELS THAT ARE RUN BY THIRD-PARTY OPT-IN PROGRAMS

1 THAT PARTICIPATING UTILITIES ADOPT;

2 (B) ASSISTING UTILITIES IN MEETING REPORTING OBLIGATIONS;

3 AND

4 (C) PROVIDING TECHNICAL ASSISTANCE FOR THE IMPLEMENTATION

5 AND ADMINISTRATION OF ON-BILL PROGRAMS; AND

6 (VII) ENSURING THAT THE ON-BILL PROGRAM ADMINISTRATION

7 FEE THAT A UTILITY PAYS IS USED SOLELY TO SUPPORT ON-BILL PROGRAM

8 DESIGNS, TECHNICAL ASSISTANCE, AND FINANCIAL ASSISTANCE FOR THE

9 PARTICIPATING UTILITIES THAT PAY THE ADMINISTRATION FEE.

10 (b) THE BOARD, IN CONSULTATION WITH THE OFFICE, SHALL

11 ADMINISTER THE ENTERPRISE IN ACCORDANCE WITH THIS SECTION.

12 (c) (I) THE ENTERPRISE CONSTITUTES AN ENTERPRISE FOR

13 PURPOSES OF SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION SO

14 LONG AS IT RETAINS THE AUTHORITY TO ISSUE REVENUE BONDS AND

15 RECEIVES LESS THAN TEN PERCENT OF ITS TOTAL REVENUES IN GRANTS, AS

16 DEFINED IN SECTION 24-77-102 (7), FROM ALL COLORADO STATE AND

17 LOCAL GOVERNMENTS COMBINED. SO LONG AS IT CONSTITUTES AN

18 ENTERPRISE, THE ENTERPRISE IS NOT SUBJECT TO SECTION 20 OF ARTICLE

19 X OF THE STATE CONSTITUTION.

20 (II) THE ENTERPRISE IS AUTHORIZED TO ISSUE REVENUE BONDS FOR

21 THE EXPENSES OF THE ENTERPRISE, SECURED BY REVENUE OF THE

22 ENTERPRISE.

23 (d) (I) THE OFFICE MAY TRANSFER MONEY FROM ANY LEGALLY

24 AVAILABLE SOURCE TO THE ENTERPRISE FOR THE PURPOSE OF DEFRAYING

25 EXPENSES INCURRED BY THE ENTERPRISE BEFORE IT RECEIVES FEE

26 REVENUE. THE ENTERPRISE MAY ACCEPT AND EXPEND ANY MONEY SO

27 TRANSFERRED, AND, NOTWITHSTANDING ANY STATE FISCAL RULE OR

1 GENERALLY ACCEPTED ACCOUNTING PRINCIPLE THAT COULD OTHERWISE
2 BE INTERPRETED TO REQUIRE A CONTRARY CONCLUSION, SUCH A
3 TRANSFER IS A LOAN FROM THE OFFICE TO THE ENTERPRISE THAT IS
4 REQUIRED TO BE REPAID AND IS NOT A GRANT FOR PURPOSES OF SECTION
5 20 (2)(d) OF ARTICLE X OF THE STATE CONSTITUTION OR AS DEFINED IN
6 SECTION 24-77-102 (7).

7 (II) AS THE ENTERPRISE RECEIVES SUFFICIENT REVENUE IN EXCESS
8 OF ITS EXPENSES, THE ENTERPRISE SHALL REIMBURSE THE OFFICE FOR THE
9 PRINCIPAL AMOUNT OF ANY LOAN MADE BY THE OFFICE, PLUS INTEREST AT
10 A RATE AGREED UPON BY THE OFFICE AND THE ENTERPRISE.

11 **(4) Enterprise board of directors created - membership -**
12 **duties - repeal.** (a) THE ENTERPRISE BOARD OF DIRECTORS IS CREATED TO
13 ADMINISTER THE ENTERPRISE. THE BOARD CONSISTS OF THE FOLLOWING
14 SEVEN MEMBERS:

15 (I) THE FOLLOWING FOUR MEMBERS APPOINTED BY THE GOVERNOR
16 AND CONFIRMED BY THE SENATE:

17 (A) A REPRESENTATIVE OF COVERED BUILDING OWNERS;

18 (B) AN EXPERT IN BUILDING ENERGY EFFICIENCY AND
19 DECARBONIZATION;

20 (C) A LOCAL GOVERNMENT REPRESENTATIVE WITH EXPERTISE IN
21 PLANNING OR ENERGY CODES; AND

22 (D) A UTILITY REPRESENTATIVE;

23 (II) THE DIRECTOR OF THE OFFICE OR THE DIRECTOR'S DESIGNEE;

24 (III) THE EXECUTIVE DIRECTOR OF THE DEPARTMENT OF PUBLIC
25 HEALTH AND ENVIRONMENT OR THE EXECUTIVE DIRECTOR'S DESIGNEE;
26 AND

27 (IV) THE DIRECTOR OF THE PUBLIC UTILITIES COMMISSION OR THE

1 DIRECTOR'S DESIGNEE.

2 (b) (I) THE GOVERNOR SHALL APPOINT INITIAL MEMBERS TO THE
3 BOARD PURSUANT TO SUBSECTION (4)(a)(I) OF THIS SECTION ON OR
4 BEFORE SEPTEMBER 1, 2025.

5 (II) THIS SUBSECTION (4)(b) IS REPEALED, EFFECTIVE JULY 1, 2026.

6 (c) (I) BOARD MEMBERS APPOINTED PURSUANT TO SUBSECTION
7 (4)(a)(I) OF THIS SECTION SERVE THREE-YEAR TERMS. A BOARD MEMBER
8 MAY SERVE AN UNLIMITED NUMBER OF TERMS.

9 (II) NOTWITHSTANDING SUBSECTION (4)(c)(I) OF THIS SECTION,
10 THE GOVERNOR SHALL MAKE THE INITIAL TERMS OF TWO OF THE BOARD
11 MEMBERS WHO ARE APPOINTED PURSUANT TO SUBSECTION (4)(a)(I) OF
12 THIS SECTION TWO YEARS.

13 (d) BOARD MEMBERS SERVING PURSUANT TO SUBSECTION (4)(a)(I)
14 OF THIS SECTION MAY RECEIVE COMPENSATION FROM THE ENTERPRISE ON
15 A PER DIEM BASIS FOR REASONABLE EXPENSES ACTUALLY INCURRED IN
16 THE PERFORMANCE OF THEIR DUTIES.

17 (e) (I) THE CHAIR AND VICE-CHAIR OF THE BOARD ARE SELECTED
18 BY THE MEMBERS OF THE BOARD IN ACCORDANCE WITH THE BOARD'S
19 BYLAWS.

20 (II) (A) THE DIRECTOR OF THE OFFICE OR THE DIRECTOR'S
21 DESIGNEE SHALL CALL THE FIRST MEETING OF THE BOARD, AND THE BOARD
22 SHALL SELECT THE CHAIR AND VICE-CHAIR AT THAT MEETING IN
23 ACCORDANCE WITH SUBSECTION (4)(e)(I) OF THIS SECTION.

24 (B) THIS SUBSECTION (4)(e)(II) IS REPEALED, EFFECTIVE JULY 1,
25 2026.

26 (5) **Powers and duties - building decarbonization fee - on-bill**
27 **program administration fee - rules.** (a) IN ADDITION TO ANY OTHER

1 POWERS AND DUTIES SPECIFIED IN THIS SECTION, THE BOARD HAS THE
2 FOLLOWING POWERS AND DUTIES ON BEHALF OF THE ENTERPRISE:

3 (I) TO ADOPT PROCEDURES FOR CONDUCTING THE BOARD'S
4 AFFAIRS;

5 (II) TO ENGAGE THE SERVICES OF CONTRACTORS, CONSULTANTS,
6 THE DIVISION OF ADMINISTRATION DESCRIBED IN SECTION 25-1-102 (2)(a),
7 AND THE STAFF OF THE OFFICE FOR PROFESSIONAL AND TECHNICAL
8 ASSISTANCE AND ADVICE AND TO SUPPLY OTHER SERVICES RELATED TO
9 THE CONDUCT OF THE AFFAIRS OF THE ENTERPRISE WITHOUT REGARD TO
10 THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF TITLE 24. THE
11 ENTERPRISE SHALL ENGAGE THE ATTORNEY GENERAL'S OFFICE FOR LEGAL
12 SERVICES. THE ENTERPRISE MAY CONTRACT WITH THE OFFICE FOR THE
13 PROVISION OF OFFICE SPACE AND ADMINISTRATIVE STAFF TO THE
14 ENTERPRISE AT A FAIR MARKET RATE.

15 (III) TO ESTABLISH AND ADMINISTER A PROGRAM THROUGH WHICH
16 OWNERS OF COVERED BUILDINGS MAY APPLY FOR, AND THE BOARD MAY
17 REVIEW AND APPROVE APPLICATIONS FOR, FINANCING OR TECHNICAL
18 ASSISTANCE FOR BUILDING DECARBONIZATION MEASURES, INCLUDING, BUT
19 NOT LIMITED TO, PARTICIPATING IN PROGRAMS THAT HELP FINANCE
20 ENERGY EFFICIENCY MEASURES, ELECTRIFICATION MEASURES, AND OTHER
21 ENERGY UPGRADES; CONDUCTING BUILDING ENERGY AUDITS; EMPLOYING
22 OR CONSULTING WITH BUILDING ENGINEERS; AND PURCHASING ENERGY
23 USE TRACKING SOFTWARE AND PROVIDING TRAINING ON SUCH SOFTWARE;

24 (IV) TO IMPOSE THE BUILDING DECARBONIZATION FEE DESCRIBED
25 IN SUBSECTION (5)(b) OF THIS SECTION;

26 (V) IN ACCORDANCE WITH SUBSECTION (5)(c) OF THIS SECTION, TO
27 IMPOSE THE ON-BILL PROGRAM ADMINISTRATION FEE ON UTILITIES THAT

1 SEEK FINANCING FROM THE ON-BILL CASH FUND TO DEVELOP OR EXPAND
2 THEIR ON-BILL PROGRAMS;

3 (VI) TO ESTABLISH AND ADMINISTER A PROGRAM THROUGH WHICH
4 PARTICIPATING UTILITIES MAY RECEIVE ASSISTANCE FOR ESTABLISHING OR
5 EXPANDING AN ON-BILL PROGRAM, WHICH PROGRAM INCLUDES
6 DEVELOPING EFFECTIVE PROGRAM DESIGNS, TECHNICAL ASSISTANCE FOR
7 PARTICIPATING UTILITIES TO IMPLEMENT AN ON-BILL PROGRAM, AND
8 CONSUMER EDUCATION AND MARKETING SUPPORT; AND

9 (VII) TO HAVE AND EXERCISE ALL RIGHTS AND POWERS
10 NECESSARY OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC POWERS
11 AND DUTIES GRANTED BY THIS SECTION.

12 (b) (I) BEGINNING IN STATE FISCAL YEAR 2026-27 AND IN
13 FURTHERANCE OF THE ENTERPRISE'S BUSINESS PURPOSES, THE BOARD
14 SHALL ADOPT RULES FOR THE PURPOSE OF SETTING THE AMOUNT OF THE
15 BUILDING DECARBONIZATION FEE AT THE MAXIMUM AMOUNT AUTHORIZED
16 IN THIS SECTION TO BE IMPOSED UPON ALL COVERED BUILDING OWNERS;
17 EXCEPT THAT THE FEE SHALL NOT BE IMPOSED ON THE OWNER OF A PUBLIC
18 BUILDING, AS DEFINED IN SECTION 25-7-142 (2)(t). THE BOARD SHALL
19 ONLY ADOPT RULES PURSUANT TO THIS SUBSECTION (5)(b)(I) AND
20 SUBSECTION (5)(c)(I) OF THIS SECTION.

21 (II) ON OR BEFORE NOVEMBER 1, 2025, AND ON OR BEFORE
22 NOVEMBER 1 OF EACH YEAR THEREAFTER, AND EXCEPT AS PROVIDED IN
23 SUBSECTION (5)(b)(III) OF THIS SECTION, EACH OWNER OF A COVERED
24 BUILDING SHALL PAY A BUILDING DECARBONIZATION FEE IN AN AMOUNT
25 OF FOUR HUNDRED DOLLARS TO THE OFFICE, WHICH SHALL COLLECT THE
26 BUILDING DECARBONIZATION FEE ON BEHALF OF THE ENTERPRISE.

27 (III) BEGINNING IN STATE FISCAL YEAR 2027-28, THE BOARD MAY

1 INCREASE THE BUILDING DECARBONIZATION FEE FROM THE PREVIOUS
2 YEAR'S BUILDING DECARBONIZATION FEE AMOUNT, AS ADJUSTED FOR
3 INFLATION AND, ON OR BEFORE MARCH 15 OF EACH OF THE STATE FISCAL
4 YEARS THEREAFTER, SHALL NOTIFY THE OFFICE OF THE ADJUSTED AMOUNT
5 OF THE BUILDING DECARBONIZATION FEE, IF THE BUILDING
6 DECARBONIZATION FEE HAS BEEN ADJUSTED. ON OR BEFORE APRIL 15 OF
7 EACH OF THE STATE FISCAL YEARS THEREAFTER, THE OFFICE SHALL
8 PUBLISH THE UPDATED AMOUNT OF THE BUILDING DECARBONIZATION FEE
9 ON THE ENTERPRISE'S WEBSITE.

10 (IV) MONEY COLLECTED AS A BUILDING DECARBONIZATION FEE
11 SHALL BE CREDITED TO THE BUILDING DECARBONIZATION ENTERPRISE
12 CASH FUND.

13 (V) MONEY COLLECTED BY THE OFFICE FOR TRANSFER TO THE
14 BUILDING DECARBONIZATION FUND PURSUANT TO SUBSECTION (5)(b)(IV)
15 OF THIS SECTION:

16 (A) IS COLLECTED FOR THE ENTERPRISE;

17 (B) IS CUSTODIAL MONEY INTENDED FOR THE ENTERPRISE AND
18 HELD TEMPORARILY BY THE OFFICE AND THE STATE TREASURER SOLELY
19 FOR THE PURPOSE OF TRANSFERRING THE MONEY TO THE BUILDING
20 DECARBONIZATION FUND FOR USE BY THE ENTERPRISE; AND

21 (C) BASED ON THE ENTERPRISE'S STATUS AS AN ENTERPRISE, IS
22 NOT SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE CONSTITUTION
23 AT ANY TIME DURING THE MONEY'S COLLECTION, TRANSFER, AND USE.

24 (c) (I) BEGINNING IN STATE FISCAL YEAR 2025-26, AND IN
25 FURTHERANCE OF THE ENTERPRISE'S BUSINESS PURPOSES, THE BOARD
26 SHALL ADOPT RULES FOR THE PURPOSE OF SETTING THE AMOUNT OF THE
27 ON-BILL PROGRAM ADMINISTRATION FEE AT OR BELOW THE MAXIMUM

1 AMOUNT AUTHORIZED IN THIS SUBSECTION (5)(c) TO BE IMPOSED ON
2 PARTICIPATING UTILITIES.

3 (II) EXCEPT AS PROVIDED IN SUBSECTION (5)(c)(III) OF THIS
4 SECTION, A PARTICIPATING UTILITY SHALL PAY THE ON-BILL PROGRAM
5 ADMINISTRATION FEE TO THE ENTERPRISE ON OR BEFORE NOVEMBER 1,
6 2025, AND ON OR BEFORE NOVEMBER 1 OF EACH YEAR THEREAFTER, UNTIL
7 THE PARTICIPATING UTILITY HAS PAID BACK THE AMOUNT OF THE LOAN
8 RECEIVED FROM THE ON-BILL CASH FUND, BASED ON THE AMOUNT OF THE
9 MONEY LOANED TO THE PARTICIPATING UTILITY FROM THE ON-BILL CASH
10 FUND, AS FOLLOWS:

11 (A) IF THE PARTICIPATING UTILITY BORROWS TEN MILLION
12 DOLLARS OR LESS FROM THE ON-BILL CASH FUND, THE ADMINISTRATION
13 FEE SHALL BE IMPOSED IN AN AMOUNT OF UP TO FIFTY THOUSAND
14 DOLLARS;

15 (B) IF THE PARTICIPATING UTILITY BORROWS MORE THAN TEN
16 MILLION DOLLARS BUT TWENTY MILLION DOLLARS OR LESS FROM THE
17 ON-BILL CASH FUND, THE ADMINISTRATION FEE SHALL BE IMPOSED IN AN
18 AMOUNT BETWEEN FIFTY THOUSAND DOLLARS AND SEVENTY-FIVE
19 THOUSAND DOLLARS;

20 (C) IF THE PARTICIPATING UTILITY BORROWS MORE THAN TWENTY
21 MILLION DOLLARS BUT FORTY MILLION DOLLARS OR LESS FROM THE
22 ON-BILL CASH FUND, THE ADMINISTRATION FEE SHALL BE IMPOSED IN AN
23 AMOUNT BETWEEN SEVENTY-FIVE THOUSAND DOLLARS AND ONE HUNDRED
24 THOUSAND DOLLARS;

25 (D) IF THE PARTICIPATING UTILITY BORROWS MORE THAN FORTY
26 MILLION DOLLARS BUT SIXTY MILLION DOLLARS OR LESS FROM THE
27 ON-BILL CASH FUND, THE ADMINISTRATION FEE SHALL BE IMPOSED IN AN

1 AMOUNT BETWEEN ONE HUNDRED THOUSAND DOLLARS AND TWO
2 HUNDRED THOUSAND DOLLARS;

3 (E) IF A PARTICIPATING UTILITY BORROWS MORE THAN SIXTY
4 MILLION DOLLARS BUT EIGHTY MILLION DOLLARS OR LESS FROM THE
5 ON-BILL CASH FUND, THE ADMINISTRATION FEE SHALL BE IMPOSED IN AN
6 AMOUNT BETWEEN TWO HUNDRED THOUSAND DOLLARS AND THREE
7 HUNDRED THOUSAND DOLLARS; AND

8 (F) IF A PARTICIPATING UTILITY BORROWS MORE THAN EIGHTY
9 MILLION DOLLARS FROM THE ON-BILL CASH FUND, THE ADMINISTRATION
10 FEE SHALL BE IMPOSED IN AN AMOUNT BETWEEN THREE HUNDRED
11 THOUSAND DOLLARS AND FOUR HUNDRED THOUSAND DOLLARS.

12 (III) A PARTICIPATING UTILITY SHALL BEGIN PAYING THE
13 APPLICABLE ADMINISTRATION FEE TO THE ENTERPRISE ON OR BEFORE THE
14 FIRST NOVEMBER 1 THAT FOLLOWS THE UTILITY'S EXECUTION OF A LOAN
15 AGREEMENT WITH THE OFFICE.

16 (IV) BEGINNING IN STATE FISCAL YEAR 2026-27, THE BOARD MAY
17 INCREASE THE ADMINISTRATION FEE FROM THE PREVIOUS YEAR'S
18 ADMINISTRATION FEE IN AN AMOUNT ADJUSTED FOR INFLATION. ON OR
19 BEFORE MARCH 15, 2026, AND ON OR BEFORE MARCH 15 OF EACH YEAR
20 THEREAFTER, THE BOARD SHALL NOTIFY THE OFFICE OF THE ADJUSTED
21 AMOUNT OF THE ADMINISTRATION FEE IF THE ADMINISTRATION FEE HAS
22 BEEN ADJUSTED FOR INFLATION, AND, ON OR BEFORE APRIL 15, 2026, AND
23 ON OR BEFORE APRIL 15 OF EACH YEAR THEREAFTER, THE BOARD SHALL
24 PUBLISH THE UPDATED AMOUNT OF THE ADMINISTRATION FEE ON THE
25 ENTERPRISE'S WEBSITE.

26 (V) MONEY COLLECTED AS AN ON-BILL PROGRAM
27 ADMINISTRATION FEE SHALL BE CREDITED TO THE ON-BILL PROGRAM

1 ADMINISTRATION CASH FUND.

2 (6) **Building decarbonization enterprise cash fund - creation**

3 - **repeal.** (a) THE BUILDING DECARBONIZATION ENTERPRISE CASH FUND
4 IS CREATED IN THE STATE TREASURY. THE BUILDING DECARBONIZATION
5 FUND CONSISTS OF:

6 (I) MONEY RECEIVED FROM A BUILDING DECARBONIZATION FEE
7 IMPOSED PURSUANT TO SUBSECTION (5)(b) OF THIS SECTION;

8 (II) ANY MONEY RECEIVED FROM THE ISSUANCE OF REVENUE
9 BONDS, AS DESCRIBED IN SUBSECTION (3)(c)(II) OF THIS SECTION; AND

10 (III) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
11 APPROPRIATE OR TRANSFER TO THE FUND.

12 (b) (I) SECTION 24-77-108 DOES NOT APPLY TO THE ENTERPRISE
13 BECAUSE THE TOTAL AMOUNT OF MONEY CREDITED OR APPROPRIATED TO
14 THE BUILDING DECARBONIZATION FUND AND THE ON-BILL PROGRAM
15 ADMINISTRATION CASH FUND AS A FEE SHALL NOT EXCEED ONE HUNDRED
16 MILLION DOLLARS IN THE FIRST FIVE FISCAL YEARS OF THE ENTERPRISE'S
17 EXISTENCE.

18 (II) THIS SUBSECTION (6)(b) IS REPEALED, EFFECTIVE JULY 1, 2031.

19 (c) MONEY CREDITED TO THE BUILDING DECARBONIZATION FUND
20 IS CONTINUOUSLY APPROPRIATED TO THE ENTERPRISE FOR THE PURPOSES
21 SET FORTH IN THIS SECTION AND TO PAY THE ENTERPRISE'S REASONABLE
22 AND NECESSARY OPERATING EXPENSES. THE STATE TREASURER SHALL
23 CREDIT ALL INTEREST AND INCOME DERIVED FROM THE DEPOSIT AND
24 INVESTMENT OF MONEY IN THE BUILDING DECARBONIZATION FUND TO THE
25 BUILDING DECARBONIZATION FUND.

26 (d) ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING
27 IN THE BUILDING DECARBONIZATION FUND AT THE END OF A FISCAL YEAR

1 REMAINS IN THE BUILDING DECARBONIZATION FUND AND IS NOT CREDITED
2 OR TRANSFERRED TO THE GENERAL FUND.

3 **(7) Legislative review of building decarbonization enterprise.**

4 ON OR BEFORE DECEMBER 1 OF EACH YEAR, THE ENTERPRISE SHALL
5 SUBMIT AN ANNUAL REPORT TO THE GENERAL ASSEMBLY DETAILING THE
6 ENTERPRISE'S EXPENDITURES AND PROGRAM OUTCOMES FROM THE
7 PRECEDING YEAR AND THE ENTERPRISE'S FINANCIAL PROJECTIONS FOR THE
8 FOLLOWING YEAR.

9 **(8) On-bill program administration cash fund - creation -**

10 **repeal.** (a) THE ON-BILL PROGRAM ADMINISTRATION CASH FUND IS
11 CREATED IN THE STATE TREASURY. THE ADMINISTRATION FUND CONSISTS
12 OF:

13 (I) MONEY RECEIVED FROM AN ON-BILL PROGRAM
14 ADMINISTRATION FEE IMPOSED PURSUANT TO SUBSECTION (5)(c) OF THIS
15 SECTION;

16 (II) ANY MONEY RECEIVED FROM THE ISSUANCE OF REVENUE
17 BONDS AS DESCRIBED IN SUBSECTION (3)(c)(II) OF THIS SECTION; AND

18 (III) ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY
19 APPROPRIATE OR TRANSFER TO THE ADMINISTRATION FUND.

20 (b) (I) SECTION 24-77-108 DOES NOT APPLY TO THE ENTERPRISE
21 BECAUSE THE TOTAL AMOUNT OF MONEY CREDITED OR APPROPRIATED TO
22 THE ON-BILL PROGRAM ADMINISTRATION CASH FUND AND THE BUILDING
23 DECARBONIZATION ENTERPRISE CASH FUND SHALL NOT EXCEED ONE
24 HUNDRED MILLION DOLLARS IN THE FIRST FIVE YEARS OF THE ENTERPRISE'S
25 EXISTENCE.

26 (II) THIS SUBSECTION (8)(b) IS REPEALED, EFFECTIVE JULY 1, 2031.

27 (c) MONEY CREDITED TO THE ON-BILL PROGRAM ADMINISTRATION

1 CASH FUND IS CONTINUOUSLY APPROPRIATED TO THE ENTERPRISE FOR THE
2 PURPOSES SET FORTH IN THIS SECTION AND TO PAY THE ENTERPRISE'S
3 REASONABLE AND NECESSARY OPERATING EXPENSES. THE STATE
4 TREASURER SHALL CREDIT ALL INTEREST AND INCOME DERIVED FROM THE
5 DEPOSIT AND INVESTMENT OF MONEY IN THE ON-BILL PROGRAM
6 ADMINISTRATION CASH FUND TO THE ON-BILL PROGRAM ADMINISTRATION
7 FUND.

8 (d) ANY UNEXPENDED AND UNENCUMBERED MONEY REMAINING
9 IN THE ON-BILL PROGRAM ADMINISTRATION CASH FUND AT THE END OF A
10 FISCAL YEAR REMAINS IN THE ON-BILL PROGRAM ADMINISTRATION FUND
11 AND IS NOT CREDITED OR TRANSFERRED TO THE GENERAL FUND.

12 **SECTION 6. Effective date.** This act takes effect upon passage;
13 except that section 5 of this act takes effect only if House Bill 25-1269
14 becomes law, in which case section 5 takes effect upon the effective date
15 of this act or House Bill 25-1269, whichever is later.

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.