

First Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0458.01 Ed DeCecco x4216

HOUSE BILL 15-1330

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HOUSE SPONSORSHIP

Foote,

SENATE SPONSORSHIP

(None),

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House Committees  
Transportation & Energy

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING THE INCLUSION OF THE SOCIAL COST OF CARBON  
102 DETERMINED BY LEGISLATIVE COUNCIL STAFF IN A FISCAL NOTE  
103 PREPARED FOR AN ELECTRICITY GENERATION MEASURE.

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Bill Summary

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

The bill requires legislative council staff (staff) to include the social cost of carbon in the fiscal note for an electricity generation measure, which is a bill or concurrent resolution that is expected to cause a significant increase or decrease in the generation of electricity from a renewable or nonrenewable source by or on behalf of a qualifying retail

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

utility. The social cost of carbon consists of:

- ! An estimate of the increase or decrease in carbon emissions that results from the measure; and
- ! A monetization of the change in carbon emissions, which may be expressed with a range.

For measures that require the social cost of carbon analysis, staff has 30 days from the measure's introduction to prepare the fiscal note, and during this time any legislative deadlines are tolled. If a reengrossed version of the measure has a significant change in the social cost of carbon, staff is required to update its estimate if possible. Staff is not required to include the social cost of carbon in the fiscal note for an electricity-generation measure that is introduced after the 88th day of a regular legislative session or during a special session, but it may prepare one if possible. State departments, agencies, and institutions are required to provide requested information to staff.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly  
3 finds and declares that:

4 (a) The conversion of fossil fuels into electricity emits carbon,  
5 which causes climate change;

6 (b) Colorado will suffer the effects of climate change, such as  
7 increases in weather disasters, water shortages, decreases in agricultural  
8 crop yields, changes to forests and other ecosystems, negative health  
9 effects, and decreases in tourism;

10 (c) A decrease in carbon emissions would mitigate the negative  
11 effects of climate change;

12 (d) The social cost of carbon is an expression of the present value  
13 of the long-term costs or savings associated with an increase or decrease  
14 in carbon emissions;

15 (e) In the past, when a bill or concurrent resolution was expected  
16 to cause a significant increase or decrease in the generation of electricity,  
17 the fiscal debate has focused on the costs to ratepayers and on the static,

1 present expenses to the state and local governments described in the fiscal  
2 note; and

3 (f) In addition to these types of anticipated costs, the general  
4 assembly should also consider the social cost of carbon for this type of  
5 measure.

6 **SECTION 2.** In Colorado Revised Statutes, 2-2-322, **add** (4) as  
7 follows:

8 **2-2-322. Fiscal notes - definition.** (4) (a) EXCEPT AS SET FORTH  
9 IN PARAGRAPH (c) OF THIS SUBSECTION (4), STAFF OF THE LEGISLATIVE  
10 COUNCIL SHALL INCLUDE THE SOCIAL COST OF CARBON IN THE FISCAL  
11 NOTE FOR EACH ELECTRICITY GENERATION MEASURE. THE SOCIAL COST OF  
12 CARBON EMISSIONS CONSISTS OF:

13 (I) AN ESTIMATE OF THE INCREASE OR DECREASE IN CARBON  
14 EMISSIONS THAT RESULTS FROM THE MEASURE; AND

15 (II) A MONETIZATION OF THE CHANGE IN CARBON EMISSIONS,  
16 WHICH MAY BE EXPRESSED WITH A RANGE.

17 (b) (I) LEGISLATIVE COUNCIL STAFF SHALL COMPLETE A FISCAL  
18 NOTE FOR AN ELECTRICITY GENERATION MEASURE NO LATER THAN THIRTY  
19 DAYS AFTER INTRODUCTION OF THE MEASURE. IN THIS INSTANCE, THE  
20 FIRST COMMITTEE OF REFERENCE IN THE CHAMBER OF INTRODUCTION  
21 SHALL NOT CONSIDER THE MEASURE UNTIL THE FISCAL NOTE HAS BEEN  
22 PREPARED, AND ALL DEADLINES FOR THE MEASURE ESTABLISHED IN THE  
23 LEGISLATIVE RULES ARE TOLLED FROM THE TIME OF INTRODUCTION UNTIL  
24 THE FISCAL NOTE IS MADE PUBLIC.

25 (II) IF THE REENGROSSED VERSION OF THE ELECTRICITY  
26 GENERATION MEASURE HAS A SIGNIFICANT CHANGE IN THE SOCIAL COST  
27 OF CARBON FROM THE INTRODUCED VERSION, LEGISLATIVE COUNCIL STAFF

1 SHALL, IF POSSIBLE, UPDATE THE SOCIAL COST OF CARBON IN THE FISCAL  
2 NOTE.

3 (c) LEGISLATIVE COUNCIL STAFF IS NOT REQUIRED TO INCLUDE THE  
4 SOCIAL COST OF CARBON IN THE FISCAL NOTE FOR AN ELECTRICITY  
5 GENERATION MEASURE THAT IS INTRODUCED AFTER THE EIGHTY-EIGHTH  
6 DAY OF A REGULAR LEGISLATIVE SESSION OR DURING A SPECIAL SESSION,  
7 BUT STAFF MAY PREPARE ONE, IF POSSIBLE.

8 (d) EACH STATE DEPARTMENT, AGENCY, OR INSTITUTION SHALL  
9 COOPERATE WITH LEGISLATIVE COUNCIL STAFF AND PROVIDE  
10 INFORMATION ON THE SOCIAL COST OF CARBON OF AN ELECTRICITY  
11 GENERATION MEASURE IN THE SAME MANNER AS REQUIRED FOR FISCAL  
12 IMPACT INFORMATION UNDER SUBSECTION (3) OF THIS SECTION.

13 (e) AS USED IN THIS SECTION, "ELECTRICITY GENERATION  
14 MEASURE" MEANS ANY BILL OR CONCURRENT RESOLUTION INTRODUCED  
15 ON OR AFTER JANUARY 1, 2017, THAT IS EXPECTED TO CAUSE A  
16 SIGNIFICANT INCREASE OR DECREASE IN THE GENERATION OF ELECTRICITY  
17 FROM A RENEWABLE OR NONRENEWABLE SOURCE BY OR ON BEHALF OF A  
18 QUALIFYING RETAIL UTILITY AS DEFINED IN SECTION 40-2-124 (1), C.R.S.

19 **SECTION 3. Act subject to petition - effective date.** This act  
20 takes effect at 12:01 a.m. on the day following the expiration of the  
21 ninety-day period after final adjournment of the general assembly (August  
22 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a  
23 referendum petition is filed pursuant to section 1 (3) of article V of the  
24 state constitution against this act or an item, section, or part of this act  
25 within such period, then the act, item, section, or part will not take effect  
26 unless approved by the people at the general election to be held in

- 1 November 2016 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.