



COLORADO CHAMBER
OF COMMERCE



Interstate Oil and Gas Compact Commission

Public Outreach & Engagement Climate & Sustainability

PRESENTATION BY:

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*—
October 30, 2024*

Colorado Chamber – Welcome to Colorful Colorado – We Hope You Enjoyed Your Stay!

- *Colorado Chamber – only Statewide Chamber of Commerce*
- *Represents hundreds of businesses of all size and sectors across the state*
- *Also encompasses trade associations, economic development organizations and over 75 local Chambers of Commerce*
- *Included are:*
 - Electricity generation sector
 - Oil and gas exploration, production and refining
 - Numerous manufacturers and business in key industrial sectors
- *Chamber works to improve the business climate in Colorado for all sizes of businesses from statewide, multi-disciplinary perspectives.*

Presentation Overview

State Policy Change

*Environmental Justice & the States
Climate Goals*

CO Chamber Efforts 2023

*Environmental and Sustainability &
Climate Action Task Force*

GHG Roadmap 2.0

*2023 Colorado set GHG Reduction
Targets of 26% by 2025, 50% by 2030,
and 100% by 2050*

CO Chamber Efforts 2023

*Roundtable for Environmental
Sustainability and Climate Urgency
(RESCU)*



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***State Policy Changes
–Environmental
Justice & State’s
Climate Goals***



New Energy Laws & Regulations to Comply with HB19-1261 Climate Action Plan to Reduce Pollution Since 2019

PUC	AQCC	DOLA	CDOT	CEO	CDA	CDLE	CSFS	COGCC	CDPHE	Governor Office	State & Local Laws
SB21-246	HB22-1244	HB22-1013	HB21-1303	SB22-193	SB21-235	HB22-1193	HB21-1180	Mission Change 200-600	HB22-1355	HB22-1381	HB21-1117
HB21-1238	SB21-264	HB21-1009	SB21-260	SB22-051		HB22-1394		Mill Levy Increase	SB20-204	FY23 Budget	HB21-1162
HB21-1269	HB21-1286	HB21-1253	SB19-239	SB22-118		HB21-1290		Mission Change 800/900/1200			HB21-1189
SB21-072	HB21-1266	HB21-1271		HB22-1249		HB21-1149		Permit Fee Increase			HB21-1141
SB21-103	ZEV rule	Clean Energy grant		SB22-180		HB19-1314					HB21-1052
SB21-261	Methane Rules			HB22-1362							SB21-020
SB21-272	Reg. 22			HB21-1105							SB21-293
HB21-1324	Reg. 11 updates			SB21-230							HB21-1284
EV rate rules	SB19-096			SB21-231							HB19-1231
Utility CEPs	SB19-181			HB19-1198							HB19-1260
SB19-077											HB19-1159
SB19-236											
HB19-1003											

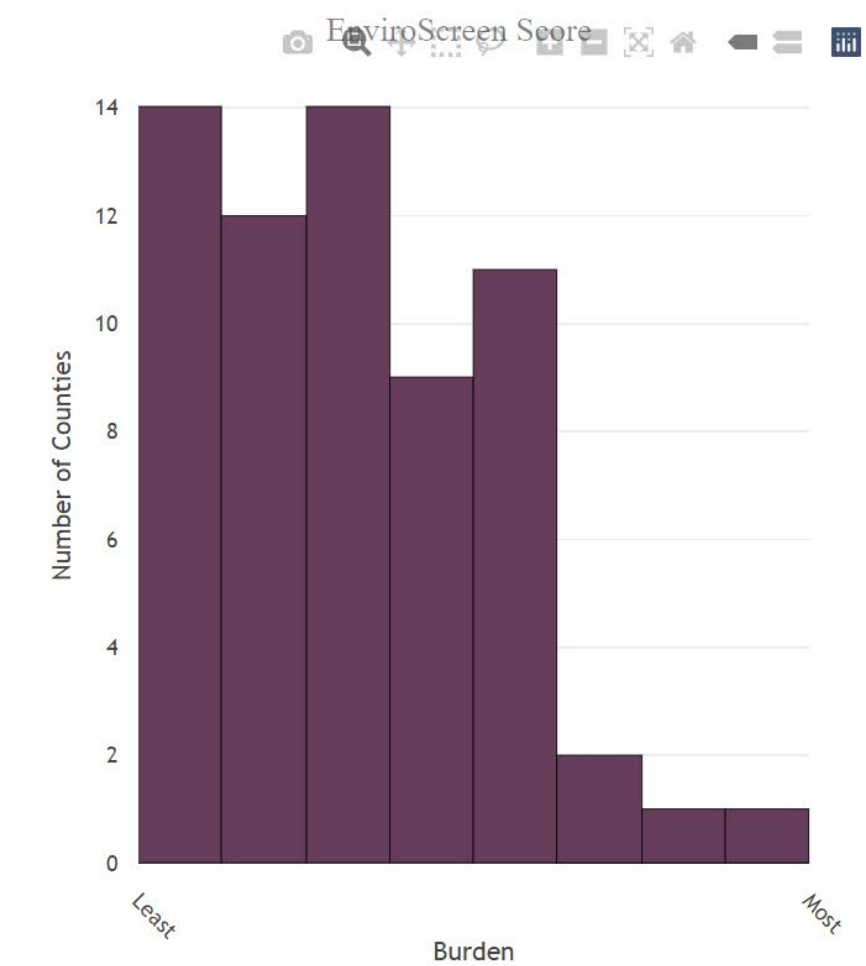
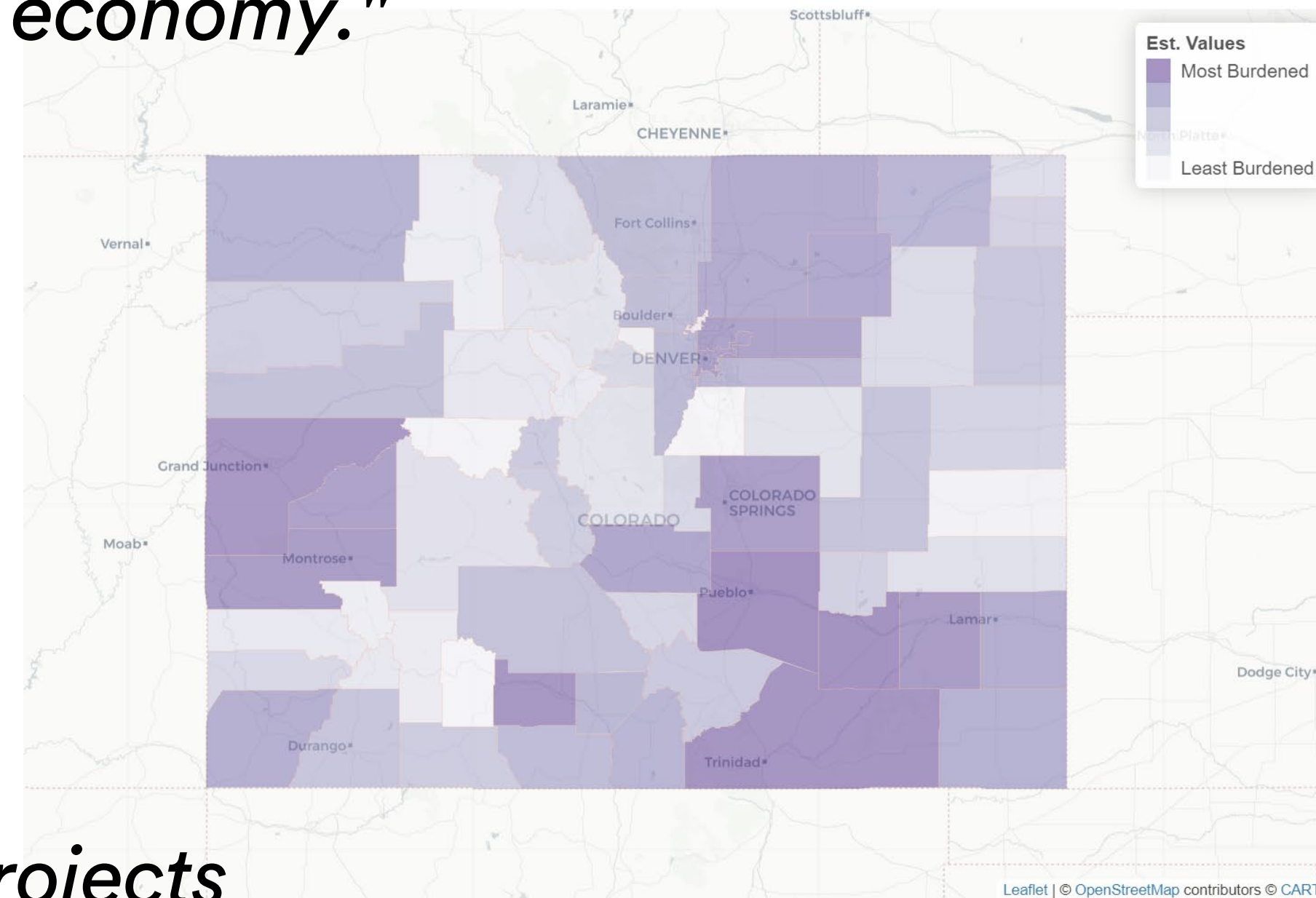
Environmental Justice Considerations Need a Cumulative Look and a Grounded Understanding of the Disparate Needs of Individual Communities

- *HB 21-1266 – Environmental Justice Disproportionately Impacted Community*
- *Defined a Disproportionately Impacted Community*
- *CDPHE has an Environmental Justice Screening Tool called EnviroScreen*
- *Established the First Reduction Targets from Roadmap 1.0 (have since been legislatively changed)*
- *Requires State Agencies to take Environmental Justice and Community Engagement and Impact Considerations into all Agency decision making*

CDPHE & Other State Agencies – Environmental Justice Outreach

- *CDPHE Environmental Justice Office*
 - *"Environmental justice recognizes that all people have a right to breathe clean air, drink clean water, participate freely in decisions that affect their environment, live free of dangerous levels of toxic pollution, experience equal protection of environmental policies, and share the benefits of a prosperous and vibrant pollution-free economy."*

- *Ombudsperson*
- *Action Task Force*
- *Advisory Board*
- *Grants*
- *Resources*
- *Supplemental Environmental Projects*



Colorado Energy Office GreenHouse Gas Roadmaps 1.0 and 2.0

<https://energyoffice.colorado.gov/ghg-pollution-reduction-roadmap>

GHG Roadmap

- *2023 Colorado set GHG Reduction Targets of 26% by 2025, 50% by 2030, and 100% by 2050*
- *Reduce oil and gas emissions 26% 2025, 50% 2030, 100% 2050.*
- *Reduce emissions from the midstream sector 20% by 2030.*
- *Reduce emissions from large manufacturing 20% by 2030.*
- *Reduce emissions from vehicles by adding 1 million EVs by 2030.*
- *Utilities reduce emissions by 80% by 2030.*
- *All through electrification – large emissions reductions have been and will be gained – but have we looked at this holistically, or are we operating in silos?*

Roadmap from 1.0 Near Term Actions

Venue	Completed Action
Public Utilities Commission	<ul style="list-style-type: none"> • Tri-State electric resource plan • Xcel Energy transportation electrification plan • Xcel Energy electric resource plan & clean energy plan • Black Hills transportation electrification plan • Xcel renewable energy plan • Black Hills Energy efficiency plan • Black Hills Energy renewable energy plan
Air Quality Control Commission	<ul style="list-style-type: none"> • Regional haze rules phase 1 • Ozone Plan • Oil and gas well monitoring rules • Outreach on 2021 oil and gas rules • Stakeholder processes for transportation rules • Transportation emission rules (Clean car Low NOx standards; GHG standards for to Transportation Commission for adoption) • GHG emission reduction progress evaluation • Regional haze rules phase 2
Other State Agency Action	<ul style="list-style-type: none"> • Clean Truck Strategy initiated • Just transition plan finalized • Draft Climate equity framework completed • Electric vehicle equity plan initiated • Convene taskforce on Carbon Capture, Utilization and Storage (CCUS) • Clean trucking technical analysis completed • Begin smart land use stakeholder process and study • Natural and Working Lands Taskforce pathways analysis completed • CDOT Transportation Commission GHG Pollution Reduction for Transportation Planning Rulemaking • Natural and Working Lands Taskforce strategic plan completed • Climate equity framework completed • Administrative and legislative action items from land use study • Administrative and legislative action items from Natural and Working Lands strategic plan
Oil & Gas Conservation Commission (later renamed Energy & Carbon Management Commission)	<ul style="list-style-type: none"> • Mission Change Rulemaking (200-600, 800, 900, 1200 series) • GHG emission reduction progress evaluation in coordination with CDPHE • Financial Assurance Rulemaking • Imposing permit fee; and requiring worker certification (these three topics complete mandatory SB19-181 rulemakings.) • First Cumulative Impacts Report Completed
	<ul style="list-style-type: none"> • GHG Emissions and Energy Management Phase I and II • Oil and gas emission reduction rules • Structures/building emission reduction
	<ul style="list-style-type: none"> • Transportation <ul style="list-style-type: none"> ○ Fund infrastructure and incentives to transition to low and zero emissions cars, trucks and buses • Buildings & Gas Utilities <ul style="list-style-type: none"> ○ Set carbon reduction targets for gas utilities ○ Set Biogas requirements for gas utilities ○ Require existing large commercial buildings to track energy use and make progress toward energy and pollution performance standards ○ Require regulated electric utilities to create programs that support beneficial electrification ○ Expand energy efficiency investments from gas utilities • Governor's Proposed FY 21-22 Budget <ul style="list-style-type: none"> ○ Fund Clean Energy Finance - \$40 M ○ Fund wildfire relief, mitigation and prevention - \$78 M ○ Support local government investment in renewables and efficiency - \$5 M
	Legislative

Completed Action
<ul style="list-style-type: none"> ○ Create Climate Resilience Office at the CO Department of Agriculture ○ Build capacity of Colorado's Office of Just Transition



Figure 1. Historic statewide emissions, updated baseline emissions projection, and statutory emissions targets

Shown in Million Metric Tons Carbon Dioxide Equivalent (MMT CO₂eq); excludes emissions from land use

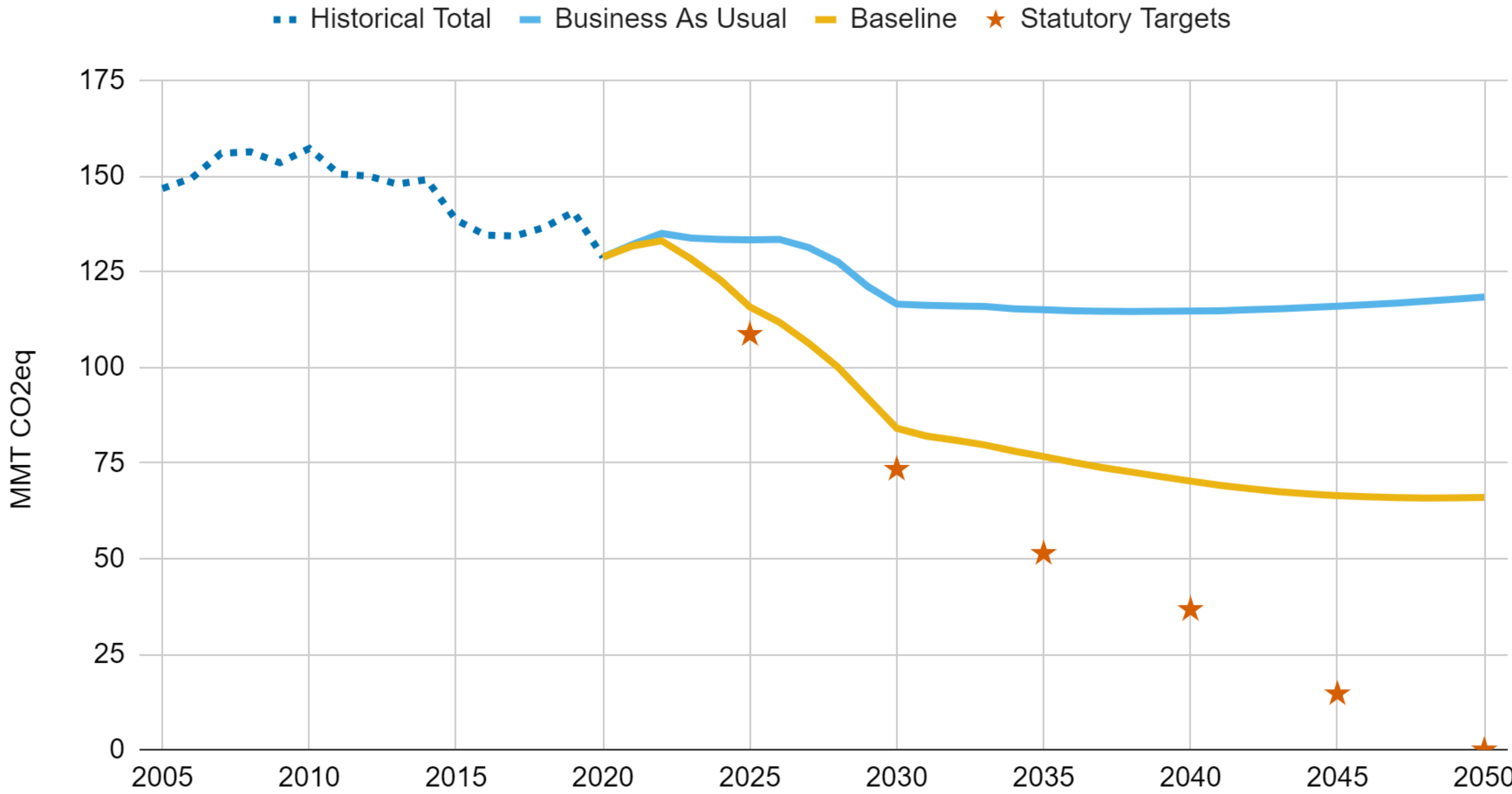


Figure 2. Historic statewide emissions, updated baseline emissions projection, **NTA emissions projections**, and statutory emissions targets

Shown in Million Metric Tons Carbon Dioxide Equivalent (MMT CO₂eq); excludes emissions from land use

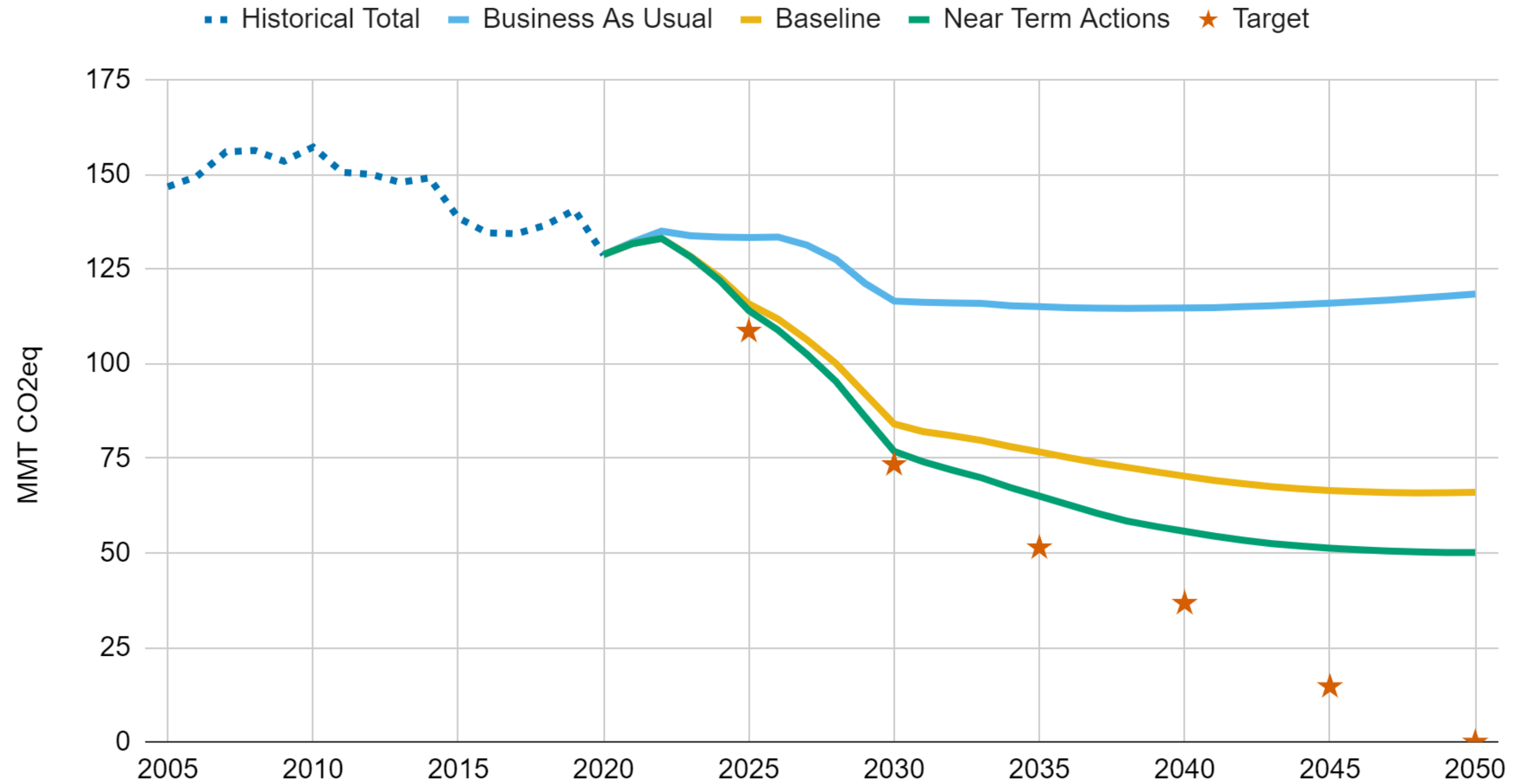


Table 2. Near Term Actions and Year Action “Gets Underway”

Table 2. NTA Venue¹¹ and Year Action Gets Underway

Venue	2024 ¹²	2025	2026
Public Utilities Commission	<ul style="list-style-type: none"> Develop 2035 Clean Heat Targets 	N/A	N/A
Air Quality Control Commission	N/A	<ul style="list-style-type: none"> Reduce Methane Emissions from Landfills and Coal Mines 	<ul style="list-style-type: none"> Extend GHG Reduction Targets for Existing Large Buildings
Energy & Carbon Management Commission	<ul style="list-style-type: none"> Study Alternative Uses of Oil & Gas Wells 	<ul style="list-style-type: none"> Track and Reduce Truck Emissions from Oil & Gas Operations 	N/A
Legislation	<ul style="list-style-type: none"> Update Clean Energy Planning for 2040 Reform Electric Distribution System Planning for Investor-owned Utilities to Support Statewide Goals Modernize Clean Energy Permitting and Siting Pursue Strategic Electrification or Thermal Energy Projects to Improve Safety and Affordability of Natural Gas Distribution Encourage Land Use Policies to Build More Housing, Grow Walkable Neighborhoods, and Increase Transit Access Encourage Land Use Policies to Support Strategic Growth Expand and Increase Statewide Transit 	<ul style="list-style-type: none"> Ensure Fairness in Distributed Energy Resource Compensation Enforce Intensity Requirements for Preproduction and Production Operations Develop Strategies for Net-GHG-Neutral Oil and Gas Development and Operations Address Embodied Carbon and Consumption-based Emissions Enable the Clean Hydrogen Economy Enable Local Government Climate Action Secure Long Term Funding for 	<ul style="list-style-type: none"> Extend Existing Tax Incentives for Beetle-Killed Wood

¹¹ Note that many actions require more than one type of action. For example, legislation may be required to begin a regulatory process. In this table actions are listed by the type of action required to get the action underway.

¹² As of the time of publishing, negotiations are active for many of the priorities for 2024. These are, as one would reasonably expect, subject to change as the legislature and the Administration work through their processes.



Table 2. Near Term Actions and Year Action “Gets Underway” (Cont.)

Venue	2024 ¹²	2025	2026
	<ul style="list-style-type: none"> Service, including Passenger Rail • Pursue Programs to Increase Transit Ridership • Expand On-Bill Financing for Building Energy Improvements • Establish Statewide Regulations for Carbon Management • Secure Funding for Renewable Energy & Energy Efficiency Projects to Enhance Resilience of Agricultural Operations • Secure Long Term Funding for Office of Sustainability 	<ul style="list-style-type: none"> Colorado Energy Office • Secure Long Term Funding for Office of Just Transition 	
State Agency Action: CDA	<ul style="list-style-type: none"> • Implement the Natural & Working Lands Strategic Plan 	<ul style="list-style-type: none"> • Expand Methane and N2O Emission Reductions from Agricultural Operations • Secure Permanent Funding for Soil Health Program 	<ul style="list-style-type: none"> • Provide Guidance on the Production and Use of Biochar
State Agency Action: CDOT	<ul style="list-style-type: none"> • Build More Complete and Connected Streets • Reduce Pollution from Urban Freight 	N/A	N/A
State Agency Action: CDPHE	N/A	<ul style="list-style-type: none"> • Reduce Waste and Create a Circular Economy • Deploy Emerging Technologies for Accurate Methane Emissions Monitoring • Pursue Clean Miles Policies 	N/A
State Agency Action: CEO	<ul style="list-style-type: none"> • Create Local Climate Action Accelerator • Streamline Local EV Charger Deployment • Expand Low-Income Access to Distributed Solar 	<ul style="list-style-type: none"> • Adopt Low-Energy and Low-Carbon Building Codes • Accelerate Heat Pump Deployment for Equitable Access to Heating and 	N/A



Table 2. Near Term Actions and Year Action “Gets Underway” (cont.)

Venue	2024 ¹²	2025	2026
	<ul style="list-style-type: none"> Expand Funding For Voluntary Industrial Decarbonization Projects Lead a Regional Strategy on Direct Air Capture (DAC) and Carbon Dioxide Removal (CDR) Workforce Development Plan to Support Clean Energy and Climate Action 	<p>Cooling</p> <ul style="list-style-type: none"> Begin Developing a Strategic Plan for Electrification of Buildings and Appliances Begin Developing a Statewide Industrial Decarbonization Strategy 	
State Agency Action: DNR	<ul style="list-style-type: none"> Achieve Emissions Reductions from Well Plugging Expand Renewable Energy Development and Transmission on State Lands Implement the Natural & Working Lands Strategic Plan 	N/A	<ul style="list-style-type: none"> Provide Guidance on the Production and Use of Biochar
State Agency Action: DOLA	<ul style="list-style-type: none"> Increase Energy Efficiency and Electrification for State Affordable Housing Programs 	N/A	N/A
State Agency Action: Recovery Office	<ul style="list-style-type: none"> Maximize Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) Investments in Colorado 	N/A	N/A



Colorado Chamber Environmental Sustainability & Climate Action Taskforce

- *Colorado businesses are deeply invested in a clean environment and healthy economy for our Communities and for the future of Colorado*
- *Protecting the environment without sacrificing economic growth is a top priority for the Chamber*
- *In 2023 Chamber created the Environmental Sustainability and Climate Action Task Force*
 - *Lead a collaborative effort to establish climate and sustainability policies that address responsible production*
- *Complex Regulatory Environment and extensive legislation is becoming difficult to balance and can potentially drive business out of the State*

January 2024 – Taskforce Principals

As such, our agenda is based upon the following principles:

1. A reasonable and predictable regulatory environment will attract and retain private-sector investment in decarbonization strategies.
2. Market-based solutions will enable cross-sector collaboration that will balance carbon removal and sequestration and will capitalize on the benefits of transitioning to closed-loop systems.
3. Targets and goals based on best available science and quality data provide the most realistic action plan for achieving targets. Lowest-cost options must be identified and pursued.
4. Solutions must be able to scale regionally and nationally.
5. A policy and economic environment that fosters innovation and public and private-sector investment will allow for study and identification of new solutions in areas where targets cannot yet be feasibly met, either because of cost or technology.

Six Recommendations of Chamber Taskforce

- Recommendation One – *undetermined aspects of how Colorado Reach it's emissions-reduction targets – advise legislature & Governor on necessary policy changes*
- Recommendation Two – *existing permitting system for infrastructure and new technologies is a barrier to meeting targets, reform permitting and invest in infrastructure – drive business investment into the State not out*
- Recommendation Three – *CCS, DAC, Hydrogen will be needed to meet goals – needs a clear regulatory structure*
- Recommendation Four – *Rulemaking Leakage – expand definition of energy intensive industries (Education)*
- Recommendation Five – *Building Electrification – additional incentives*
- Recommendation Six – *Regional Carbon Market – quicker strategy adoption for hard-to-decarbonize sectors of the economy*

Roundtable for Environmental Sustainability and Climate Urgency (RESCU)

- *Advise State Leaders on Policy Changes and identify actions to help the state meet its emission targets*
- *Invited members of the Environmental Community to participate and collaborate with industry*
 - *Proactive legislation on IT infrastructure improvements to help with air permitting backlog (substantial), transparency and compliance improvements*
 - *Create a longer-term Task Force to foster relationships between businesses and the environmental community – to work toward permitting and other improvements (roadblock removal) to meet the States Climate Goals*
 - *Continued dialogue is critical to success – we want to keep the dialogue going as it pertains to enforcement accountability and electrification as a pathway to decarbonization goals.*

FOR BUSINESS. FOR COLORADO. FOR TOMORROW.

Questions?

