

**First Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

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

LLS NO. 07-0240.01 Karen Epps

**HOUSE BILL 07-1228**

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**HOUSE SPONSORSHIP**

**Gardner C.,**

**SENATE SPONSORSHIP**

**Shaffer,**

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**House Committees**

Transportation & Energy  
Appropriations

**Senate Committees**

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**A BILL FOR AN ACT**

101     **CONCERNING RENEWABLE ENERGY, AND, IN CONNECTION THEREWITH,**  
102             **REQUIRING THE PETROLEUM STORAGE TANK COMMITTEE TO**  
103             **ESTABLISH POLICIES REGARDING ABOVEGROUND STORAGE OF**  
104             **RENEWABLE FUELS, AND MAKING AN APPROPRIATION.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Requires the executive director of the department of personnel, beginning January 1, 2008, to purchase flexible fuel vehicles unless the cost of such a vehicle is more than 10% over the cost of a comparable nonflexible fuel vehicle.

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.*

Requires the agricultural experiment station at Colorado state university to conduct a study of water-limited agroecosystems and bioenergy crops. Requires the agricultural experiment station to provide the final report on such study to legislative leadership and specified legislative committees.

Requires the agricultural experiment station at Colorado state university to establish a bioenergy research program to study the unique requirements of growing crops for use as energy sources.

Requires the petroleum storage tank committee to establish procedures, practices, and policies governing the regulation of the placement of aboveground storage tanks that contain renewable fuels, with the purpose of developing a uniform statewide standard of issuing permits for aboveground storage tanks to promote the use of renewable fuels to make the process of obtaining a permit for an aboveground storage tank that contains renewable fuels more efficient and affordable.

Requires the public utilities commission to establish a Btu renewable energy credit program to allow customers who use renewable energy to calculate the Btu production and convert that production to a credit. Customers may transfer the credit to a qualifying retail utility.

Eliminates the excise tax on gasoline made from at least eighty-five percent alternative fuel.

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

2           **SECTION 1.** 24-30-1104 (2) (c) (II), Colorado Revised Statutes,  
3 is amended to read:

4           **24-30-1104. Central services functions of the department -**  
5 **repeal.** (2) In addition to the county-specific functions set forth in  
6 subsection (1) of this section, the department of personnel shall take such  
7 steps as are necessary to fully implement a central state motor vehicle  
8 fleet system by January 1, 1993. The provisions of the motor vehicle fleet  
9 system created pursuant to this subsection (2) shall apply to the executive  
10 branch of the state of Colorado, its departments, its institutions, and its  
11 agencies; except that the governing board of each institution of higher  
12 education, by formal action of the board, and the Colorado commission  
13 on higher education, by formal action of the commission, may elect to be

1 exempt from the provisions of this subsection (2) and may obtain a motor  
2 vehicle fleet system independent of the state motor vehicle fleet system.  
3 Under the direction of the executive director, the department of personnel  
4 shall perform the following functions pertaining to the motor vehicle fleet  
5 system throughout the state:

6 (c) (II) By ~~July 1, 2010~~ JANUARY 1, 2008, the executive director  
7 shall adopt a policy ~~that at least ten percent of all state-owned bi-fueled~~  
8 ~~vehicles should be fueled exclusively with an alternative fuel~~ TO  
9 SIGNIFICANTLY INCREASE THE UTILIZATION OF ALTERNATIVE FUELS AND  
10 THAT ESTABLISHES INCREASING UTILIZATION OBJECTIVES FOR EACH  
11 FOLLOWING YEAR. To encourage compliance with this policy, ~~for one or~~  
12 ~~more state fiscal years commencing before July 1, 2010~~; the rules  
13 promulgated pursuant to this paragraph (c) may establish progressively  
14 more stringent percentage mileposts and shall, for fiscal years  
15 commencing after July 1, 2004, require the collection of data concerning  
16 the annual percentage of state-owned bi-fueled vehicles that were fueled  
17 exclusively with an alternative fuel. BEGINNING JANUARY 1, 2008, THE  
18 EXECUTIVE DIRECTOR SHALL PURCHASE FLEXIBLE FUEL VEHICLES, SUBJECT  
19 TO AVAILABILITY, UNLESS THE INCREASED COST OF SUCH VEHICLE IS MORE  
20 THAN TEN PERCENT OVER THE COST OF A COMPARABLE NONFLEXIBLE FUEL  
21 VEHICLE. THE EXECUTIVE DIRECTOR SHALL ADOPT A POLICY TO ALLOW  
22 SOME VEHICLES TO BE EXEMPTED FROM THIS REQUIREMENT.

23 [REDACTED]

24 **SECTION 2.** 8-20-201 (1), (1.1), and (1.2), Colorado Revised  
25 Statutes, are amended, and the said 8-20-201 is further amended BY THE  
26 ADDITION OF THE FOLLOWING NEW SUBSECTIONS, to read:

27 **8-20-201. Definitions.** As used in this part 2, unless the context

1 otherwise requires:

2 (1) "Antiknock index" or "AKI" means the arithmetic average of  
3 the research octane number (RON) and motor octane number (MON):  
4  $AKI = (RON+MON)/2$ . This value is called by a variety of names in  
5 addition to antiknock index including: Octane rating, posted octane, and  
6  $(R+M)/2$  octane "ALTERNATIVE FUEL" MEANS A MOTOR FUEL THAT  
7 COMBINES PETROLEUM-BASED FUEL PRODUCTS WITH RENEWABLE FUELS.

8 (1.1) "ASTM" means ASTM international, formerly known as the  
9 American society for testing and materials. "ANTIKNOCK INDEX" OR  
10 "AKI" MEANS THE ARITHMETIC AVERAGE OF THE RESEARCH OCTANE  
11 NUMBER (RON) AND MOTOR OCTANE NUMBER (MON):  $AKI =$   
12  $(RON+MON)/2$ . THIS VALUE IS CALLED BY A VARIETY OF NAMES IN  
13 ADDITION TO ANTIKNOCK INDEX INCLUDING: OCTANE RATING, POSTED  
14 OCTANE, AND  $(R+M)/2$  OCTANE.

15 (1.2) "British thermal unit" or "BTU" means a scientific unit of  
16 measurement equal to the quantity of heat required to raise the  
17 temperature of one pound of water one degree Fahrenheit at  
18 approximately sixty degrees Fahrenheit. "ASTM" MEANS ASTM  
19 INTERNATIONAL, FORMERLY KNOWN AS THE AMERICAN SOCIETY FOR  
20 TESTING AND MATERIALS.

21 (1.3) "BRITISH THERMAL UNIT" OR "BTU" MEANS A SCIENTIFIC  
22 UNIT OF MEASUREMENT EQUAL TO THE QUANTITY OF HEAT REQUIRED TO  
23 RAISE THE TEMPERATURE OF ONE POUND OF WATER ONE DEGREE  
24 FAHRENHEIT AT APPROXIMATELY SIXTY DEGREES FAHRENHEIT.

25 (8.5) "RENEWABLE FUEL" MEANS A MOTOR VEHICLE FUEL THAT IS  
26 PRODUCED FROM PLANT OR ANIMAL PRODUCTS OR WASTES, AS OPPOSED  
27 TO FOSSIL FUEL SOURCES.

1           **SECTION 3.** 8-20.5-101, Colorado Revised Statutes, is amended  
2 **BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS** to  
3 **read:**

4           **8-20.5-101. Definitions.** As used in this article, unless the context  
5 otherwise requires:

6           (2.5) "ALTERNATIVE FUEL" MEANS A MOTOR FUEL THAT COMBINES  
7 PETROLEUM-BASED FUEL PRODUCTS WITH RENEWABLE FUELS.

8           (14.5) "RENEWABLE FUEL" MEANS A MOTOR VEHICLE FUEL THAT  
9 IS PRODUCED FROM PLANT OR ANIMAL PRODUCTS OR WASTES, AS OPPOSED  
10 TO FOSSIL FUEL SOURCES.

11           **SECTION 4.** 8-20.5-101 (13), Colorado Revised Statutes, is  
12 amended to read:

13           **8-20.5-101. Definitions.** As used in this article, unless the context  
14 otherwise requires:

15           (13) "Regulated substance" means:

16           (a) Any substance defined in section 101 (14) of the federal  
17 "Comprehensive Environmental Response, Compensation, and Liability  
18 Act of 1980", as amended, but not including any substance regulated as  
19 a hazardous waste under subtitle (C) of the federal "Resource  
20 Conservation and Recovery Act of 1976", as amended; ~~or~~

21           (b) Petroleum, including crude oil, and crude oil or any fraction  
22 thereof that is liquid at standard conditions of temperature and pressure  
23 (60 degrees Fahrenheit and 14.7 pounds per square inch absolute);

24           (c) ALTERNATIVE FUEL; OR

25           (d) RENEWABLE FUEL.

26           **SECTION 5.** 8-20.5-202, Colorado Revised Statutes, is amended  
27 **BY THE ADDITION OF A NEW SUBSECTION** to read:

1           **8-20.5-202. Duties of the director of the division of oil and**  
2 **public safety.** (1.5) WITHIN ONE HUNDRED TWENTY DAYS AFTER  
3 JANUARY 1, 2008, THE DIRECTOR OF THE DIVISION OF OIL AND PUBLIC  
4 SAFETY SHALL PROMULGATE, AND THE DIVISION SHALL ENFORCE, RULES  
5 CONCERNING THE PLACEMENT OF UNDERGROUND STORAGE TANKS THAT  
6 CONTAIN RENEWABLE FUELS. SUCH RULES SHALL BE PROMULGATED WITH  
7 THE PURPOSE OF DEVELOPING A UNIFORM STATEWIDE STANDARD OF  
8 ISSUING PERMITS FOR UNDERGROUND STORAGE TANKS TO PROMOTE THE  
9 USE OF RENEWABLE FUELS SO THAT THE PROCESS OF OBTAINING A PERMIT  
10 FOR AN UNDERGROUND STORAGE TANK THAT CONTAINS RENEWABLE  
11 FUELS MAY BE MORE EFFICIENT AND AFFORDABLE.

12           **SECTION 6.** 8-20.5-302, Colorado Revised Statutes, is amended  
13 BY THE ADDITION OF A NEW SUBSECTION to read:

14           **8-20.5-302. Duties of the director of the division of oil and**  
15 **public safety.** (3) WITHIN ONE HUNDRED TWENTY DAYS AFTER JANUARY  
16 1, 2008, THE DIRECTOR OF THE DIVISION OF OIL AND PUBLIC SAFETY SHALL  
17 PROMULGATE, AND THE DIVISION SHALL ENFORCE, RULES CONCERNING  
18 THE PLACEMENT OF ABOVEGROUND STORAGE TANKS THAT CONTAIN  
19 RENEWABLE FUELS. SUCH RULES SHALL BE PROMULGATED WITH THE  
20 PURPOSE OF DEVELOPING A UNIFORM STATEWIDE STANDARD OF ISSUING  
21 PERMITS FOR ABOVEGROUND STORAGE TANKS TO PROMOTE THE USE OF  
22 RENEWABLE FUELS SO THAT THE PROCESS OF OBTAINING A PERMIT FOR AN  
23 ABOVEGROUND STORAGE TANK THAT CONTAINS RENEWABLE FUELS MAY  
24 BE MORE EFFICIENT AND AFFORDABLE.

25           **SECTION 7.** Article 2 of title 40, Colorado Revised Statutes, is  
26 amended BY THE ADDITION OF A NEW SECTION to read:

27           **40-2-109.5. Incentives for distributed generation - definition.**

1 (1) THE COMMISSION SHALL DEVELOP A POLICY TO ESTABLISH INCENTIVES  
2 FOR CONSUMERS WHO PRODUCE DISTRIBUTED GENERATION, INCLUDING,  
3 BUT NOT LIMITED TO SMALL WIND TURBINES, THERMAL BIOMASS,  
4 ELECTRIC BIOMASS, AND SOLAR THERMAL ENERGY. THE COMMISSION  
5 SHALL CONSIDER WHETHER A CREDIT PROGRAM SIMILAR TO THE  
6 RENEWABLE ENERGY STANDARD SET FORTH IN SECTION 40-2-124 WOULD  
7 WORK FOR CONSUMERS WHO PRODUCE DISTRIBUTED GENERATION. THE  
8 COMMISSION SHALL PRESENT THE POLICY AND FINDINGS REGARDING A  
9 CREDIT PROGRAM TO THE HOUSE OF REPRESENTATIVES TRANSPORTATION  
10 AND ENERGY COMMITTEE AND THE SENATE AGRICULTURE, NATURAL  
11 RESOURCES, AND ENERGY COMMITTEE, OR THEIR SUCCESSOR COMMITTEES.

12 (2) AS USED IN THIS SECTION, "DISTRIBUTED GENERATION" MEANS  
13 A SYSTEM BY WHICH A CONSUMER GENERATES HEAT OR ELECTRICITY  
14 USING RENEWABLE ENERGY RESOURCES FOR HIS OR HER OWN NEEDS AND  
15 MAY ALSO SEND SURPLUS ELECTRICAL POWER BACK INTO THE POWER  
16 GRID.

17

18 **SECTION 8. Appropriation - adjustments to the 2007 long**  
19 **bill.** (1) In addition to any other appropriation, there is hereby  
20 appropriated, out of any moneys in the general fund not otherwise  
21 appropriated, to the department of regulatory agencies, for allocation to  
22 the public utilities commission, for the fiscal year beginning July 1, 2007,  
23 the sum of eight thousand four hundred five dollars (\$8,405) and 0.1 FTE,  
24 or so much thereof as may be necessary, for the implementation of this  
25 act.

26 (2) In addition to any other appropriation, there is hereby  
27 appropriated, out of any moneys in the petroleum storage tank fund

1 created in section 8-20.5-103, Colorado Revised Statutes, not otherwise  
2 appropriated, to the department of labor and employment, for allocation  
3 to the division of oil and public safety, for the fiscal year beginning July  
4 1, 2007, the sum of thirty-five thousand six hundred thirty-five dollars  
5 (\$35,635) and 0.5 FTE, or so much thereof as may be necessary, for the  
6 implementation of this act.

7 (3) In addition to any other appropriation, there is hereby  
8 appropriated to the department of law, for the fiscal year beginning July  
9 1, 2007, the sum of one thousand six hundred twenty-five dollars  
10 (\$1,625), or so much thereof as may be necessary, for the provision of  
11 legal services to the department of labor and employment related to the  
12 implementation of this act. Said sum shall be from cash funds exempt  
13 received from the department of labor and employment out of the  
14 appropriation made in subsection (2) of this section.

15 (4) For the implementation of this act, the appropriation made in  
16 section 21 of the annual general appropriation act for the fiscal year  
17 beginning July 1, 2007, shall be adjusted as follows: The general fund  
18 appropriation to the controlled maintenance trust fund is decreased by  
19 eight thousand four hundred five dollars (\$8,405).

20 **SECTION 9. Safety clause.** The general assembly hereby finds,  
21 determines, and declares that this act is necessary for the immediate  
22 preservation of the public peace, health, and safety.