A BILL FOR AN ACT

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

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/billsummaries.)

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
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.

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

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

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

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

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

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

(e) In the past, when a bill or concurrent resolution was expected to cause a significant increase or decrease in the generation of electricity, the fiscal debate has focused on the costs to ratepayers and on the static,
present expenses to the state and local governments described in the fiscal
note; and

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

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

2-2-322. Fiscal notes - definition. (4) (a) Except as set forth
in paragraph (c) of this subsection (4), staff of the legislative
council shall include the social cost of carbon in the fiscal
note for each electricity generation measure. The social cost of
carbon emissions consists of:

(I) An estimate of the increase or decrease in carbon
emissions that results from the measure; and

(II) A monetization of the change in carbon emissions,
which may be expressed with a range.

(b) (I) Legislative council staff shall complete a fiscal
note for an electricity generation measure no later than thirty
days after introduction of the measure. In this instance, the
first committee of reference in the chamber of introduction
shall not consider the measure until the fiscal note has been
prepared, and all deadlines for the measure established in the
legislative rules are tolled from the time of introduction until
the fiscal note is made public.

(II) If the reengrossed version of the electricity
generation measure has a significant change in the social cost
of carbon from the introduced version, legislative council staff
SHALL, IF POSSIBLE, UPDATE THE SOCIAL COST OF CARBON IN THE FISCAL NOTE.

(c) LEGISLATIVE COUNCIL 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 EIGHTY-EIGHTH DAY OF A REGULAR LEGISLATIVE SESSION OR DURING A SPECIAL SESSION, BUT STAFF MAY PREPARE ONE, IF POSSIBLE.

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

(e) AS USED IN THIS SECTION, "ELECTRICITY GENERATION MEASURE" MEANS ANY BILL OR CONCURRENT RESOLUTION INTRODUCED ON OR AFTER JANUARY 1, 2017, 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 UTILITY AS DEFINED IN SECTION 40-2-124 (1), C.R.S.

SECTION 3. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 5, 2015, if adjournment sine die is on May 6, 2015); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in
November 2016 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.