

NATURAL RESOURCES

Natural Gas Promotion		
SB 10-074 (Postponed Indefinitely) <i>Encourage Electric Utilities to Use Natural Gas</i>	HB 10-1363 (Enacted) <i>Promote Biogenic Gas Production</i>	HB 10-1365 (Enacted) <i>Incentives to Convert Utilities from Coal to Natural Gas</i>
Wildlife and Hunting Issues		
HB 10-1398 (Enacted) <i>Species Conservation Trust Fund</i>	SB 10-211 (Enacted) <i>Wounded Warrior Big Game License</i>	
Recreation Issues		
SB 10-071 (Enacted) <i>Lifetime Senior State Park Pass</i>	HB 10-1188 (Deemed Lost) <i>Clarify River Outfitter Navigation Right</i>	
Land Management Issues		
SB 10-098 (Enacted) <i>Allocate Lottery Moneys to Conserve Natural Resources</i>		

Natural Gas Promotion

Colorado has large natural gas reserves. In 2010, the General Assembly considered three bills to promote greater use of this resources. Federal law requires Colorado to submit a plan to address regional haze by early 2011 or the federal Environmental Protection Agency (EPA) will write its own haze-reduction rules for Colorado. In anticipation of the federal emission requirements, **House Bill 10-1365** requires that, by August 15, 2010, all regulated utilities that own or operate coal-fired electric generating units submit to the Colorado Public Utilities Commission (PUC) an emissions reduction plan for those units. The plan is required to cover 900 megawatts or 50 percent of the utility's generating capacity, whichever is less. The plan may include conversion of the units to natural gas or other low-emission resources, and may not cover any units already planned for retirement prior to January 1, 2015.

The Department of Public Health and Environment must determine whether any new or repowered generating unit will achieve emissions rates equivalent to or less than a combined-cycle natural gas generating unit, and whether the plans comply with applicable federal and state clean air laws. Plans must be fully implemented by December 31, 2017. The PUC must also consider the plans by December 15, 2010, based on certain factors including the emission reductions achieved, the use of existing natural gas generation capacity, whether the plan promotes economic development, potential rate impacts, the reliability of electric service, and compliance with federal and state renewable energy requirements. The Air Quality Control Commission in the Department of Public Health and Environment is required to incorporate the reductions derived from the plans into the regional haze element of the state implementation plan. Any reduction achieved through a compliance strategy before it is mandated by federal law counts as voluntary for purposes of early reduction credits. The law allows a utility to recover the costs that it incurs in executing an approved

emissions reduction plan, including the costs of planning, developing, constructing, operating, and maintaining emission control or replacement capacity.

Current law specifies the new energy technologies that the PUC may consider when evaluating generation acquisitions for electric utilities. These include utility scale solar, integrated gasification combined cycle generation (commonly known as clean coal technology) and energy efficient technologies. **House Bill 10-1363** adds biogenically produced methane created as a result of human intervention to the list of technologies that the PUC may consider. This process is used to "harvest" methane gas from depleted coal bed methane formations.

Senate Bill 10-074 would have allowed a utility's long-term, natural gas supply contract to be counted as a capital cost on which the utility may make a prescribed rate of return through customer charges. The PUC would have been required to convene a rulemaking proceeding by July 1, 2010, to allow investor-owned electric utilities to capitalize such costs. The bill specified that the amount of such capital costs may not exceed the amount approved for the Comanche III coal-fired plant — Colorado's largest power plant which is located near Pueblo. This bill was postponed indefinitely.

Wildlife and Hunting

The Species Conservation Trust Fund was created in 1998 to pay for expenses associated with cooperative agreements, recovery programs, and other activities designed to meet the state's obligations under the federal Endangered Species Act. **House Bill 10-1398** appropriates \$8 million from the Species Conservation Trust Fund for programs recommended by the Executive Director of the Department of Natural Resources. The recommended programs are designed to conserve native species listed as threatened or endangered under state or federal law; candidate species; or species likely to become candidate species as determined by the United States Fish and Wildlife Service. The law appropriates \$3.5 million from the Operation and Maintenance Account and over \$4.5 million from the Capital Account as follows:

Operation and Maintenance Account appropriation:

- \$1.5 million for the Upper Colorado River Recovery Program;
- \$630,000 for the Native Grouse Conservation Program;
- \$470,000 for native fish conservation;
- \$400,000 for wildlife disease management;
- \$100,000 for wildlife research; and
- \$400,000 for the Natural Areas Program.

Capital account appropriation:

- \$3 million for the Platte River Recovery Program; and
- \$1.5 million for the Native Grouse Conservation Program.

Senate Bill 10-211 authorizes the Wildlife Commission in the Colorado Department of Natural Resources to reduce or eliminate big game hunting license fees and establish a big game

hunting license preference for members of the United States armed services Wounded Warrior programs who are Colorado residents or stationed in Colorado, and who have sustained severe injuries in certain post-September 11, 2001, combat operations.

Recreation Issues

Senate Bill 10-071 creates the Aspen Leaf Lifetime Pass to Colorado State Parks for Colorado residents who are at least 64 years old. The cost of the pass may not exceed five times the cost of the Aspen Leaf Annual Pass. The cost of the pass is currently \$30 as determined by the Colorado State Parks Board in the Colorado Department of Natural Resources. The board may also reduce the cost of the Aspen Leaf Lifetime Pass. The Aspen Leaf Lifetime Pass may not be sold after March 1, 2014. The Department of Natural Resources must submit a report to the House and Senate Agriculture committees on the number of lifetime passes sold and the financial impact of the lifetime pass during the 2013 legislative session.

House Bill 10-1188 would have allowed guides employed by a licensed river outfitter and their passengers to float on certain waterways without committing civil or criminal trespass, provided the waterways were used during 2008 or 2009 for commercial float trips. They would also have been required to gain access to the waterway from public land or from private land with consent, and could only make incidental contact with the beds and banks of the waterway while floating and portaging. The bill limited a landowner's liability to damages willfully or deliberately caused by the landowner to a guide or passenger, unless the person was an invitee or licensee of the landowner. The bill specified that such a person who damages private property was liable for the damage. The bill was lost in conference committee because the committee was unable to agree on a recommendation to the House and Senate.

Land Management

Under existing law, counties and certain special districts (eligible entities) are entitled to receive a regular distribution of moneys from the Conservation Trust Fund (CTF), which receives 40 percent of net lottery proceeds. **Senate Bill 10-098** authorizes conservation districts and local noxious weed control programs to cooperate with eligible entities in the use of CTF moneys for the acquisition, development, and maintenance of new conservation sites. It also requires that any moneys utilized by a conservation district or a local noxious weed control program under the bill may only be expended for natural conservation or noxious weed control projects on public lands.