

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on State, Civic, Military, & Veterans Affairs.

SB24-214 be amended as follows:

1 Amend reengrossed bill, page 10, after line 10 insert:

2 "SECTION 3. In Colorado Revised Statutes, **add** article 7.7 to
3 title 6 as follows:

4 **ARTICLE 7.7**

5 **Standards for Construction Projects**
6 **that Receive State Financial Assistance**

7 **6-7.7-101. Legislative declaration.** (1) THE GENERAL ASSEMBLY
8 FINDS THAT:

9 (a) APPLIANCES CERTIFIED BY THE ENERGY STAR PROGRAM MEET
10 STRICT ENERGY EFFICIENCY AND PERFORMANCE GUIDELINES SET BY THE
11 FEDERAL ENVIRONMENTAL PROTECTION AGENCY AND THE UNITED STATES
12 DEPARTMENT OF ENERGY AND CAN SAVE AN ESTIMATED TWENTY TO
13 THIRTY PERCENT MORE ENERGY THAN APPLIANCES THAT ARE NOT
14 CERTIFIED BY THE ENERGY STAR PROGRAM;

15 (b) NEW BUILDING CONSTRUCTION PROJECTS THAT USE TAXPAYER
16 DOLLARS TO PURCHASE EQUIPMENT SHOULD ENSURE THAT THE EQUIPMENT
17 HAS LOWER LIFETIME COSTS TO OPERATE AND MAINTAIN;

18 (c) MANY PROJECTS THAT RECEIVE STATE FINANCIAL ASSISTANCE
19 AIM TO ASSIST VULNERABLE LOWER-INCOME HOUSEHOLDS, AND
20 INSTALLING APPLIANCES CERTIFIED BY THE ENERGY STAR PROGRAM
21 COULD LOWER THE COSTS OF THE ENERGY BILLS OF THESE HOUSEHOLDS
22 OVER TIME; AND

23 (d) SAVING ENERGY IS CRUCIAL IN:

24 (I) AVOIDING THE MOST SERIOUS EFFECTS OF CLIMATE CHANGE
25 AND PRESERVING COLORADO'S WAY OF LIFE, THE HEALTH OF
26 COMMUNITIES, AND THE NATURAL ENVIRONMENT;

27 (II) ACHIEVING THE STATEWIDE GREENHOUSE GAS EMISSION
28 REDUCTION GOALS; AND

29 (III) REDUCING COSTS FOR COLORADANS.

30 (2) THE GENERAL ASSEMBLY THEREFORE DETERMINES AND
31 DECLARES THAT IT IS IN THE PUBLIC INTEREST OF THE HEALTH AND
32 ENVIRONMENT OF THE STATE TO REQUIRE THAT NEW BUILDING
33 CONSTRUCTION PROJECTS THAT RECEIVE STATE FINANCIAL ASSISTANCE
34 USE COVERED ENERGY-CONSUMING PRODUCTS THAT ARE CERTIFIED BY
35 THE ENERGY STAR PROGRAM.

36 **6-7.7-102. Definitions.** AS USED IN THIS ARTICLE 7.7, UNLESS THE
37 CONTEXT OTHERWISE REQUIRES:

38 (1) "COVERED ENERGY-CONSUMING PRODUCT" MEANS AN
39 APPLIANCE, DEVICE, OR PIECE OF EQUIPMENT THAT IS:

40 (a) POWERED BY ELECTRICITY OR FUEL;

1 (b) DESIGNED TO PERFORM ONE OR MORE SPECIFIC TASKS INSIDE
2 A RESIDENTIAL OR COMMERCIAL BUILDING, SUCH AS COOKING, WASHING,
3 DRYING, HEATING, COOLING, PROVIDING DOMESTIC HOT WATER, PRINTING,
4 OR DIGITAL ENTERTAINMENT; AND
5 (c) COVERED WITHIN THE SCOPE OF THE ENERGY STAR PROGRAM.
6 (2) "ENERGY STAR PROGRAM" MEANS THE FEDERAL PROGRAM
7 AUTHORIZED BY 42 U.S.C. SEC. 6294a, AS AMENDED.
8 (3) "SOCIAL COST OF CARBON" MEANS THE SOCIAL COST OF
9 CARBON DIOXIDE EMISSIONS DEVELOPED BY THE PUBLIC UTILITIES
10 COMMISSION PURSUANT TO SECTION 40-3.2-106.
11 (4) "STATE FINANCIAL ASSISTANCE" MEANS ALLOCATIONS FROM
12 THE GENERAL FUND OR OTHER LEGISLATIVE ALLOCATIONS, STATE
13 TAXPAYER FUNDS, REBATES, GRANTS, OR LOANS PROVIDED OR
14 ADMINISTERED BY THE STATE.
15 **6-7.7-103. Energy-efficiency standards for certain building**
16 **construction projects that receive state financial assistance - record**
17 **retention requirements - waivers - exemptions - standardized**
18 **resources - enforcement - civil penalties.** (1) ON AND AFTER JANUARY
19 1, 2025, EXCEPT AS SET FORTH IN SUBSECTION (3) OR (4) OF THIS SECTION,
20 RECIPIENTS OF STATE FINANCIAL ASSISTANCE FOR NEW BUILDING
21 CONSTRUCTION PROJECTS THAT INCLUDE THE SPECIFICATION, PROVISION,
22 OR PURCHASE OF COVERED ENERGY-CONSUMING PRODUCTS SHALL USE
23 COVERED ENERGY-CONSUMING PRODUCTS CERTIFIED BY THE ENERGY
24 STAR PROGRAM.
25 (2) ON AND AFTER JANUARY 1, 2025, A STATE AGENCY THAT
26 PROVIDES OR ADMINISTERS STATE FINANCIAL ASSISTANCE FOR A NEW
27 BUILDING CONSTRUCTION PROJECT SHALL:
28 (a) INCLUDE THE REQUIREMENTS OF SUBSECTION (1) OF THIS
29 SECTION IN THE STATE AGENCY'S CRITERIA OR GUIDANCE FOR APPLYING
30 FOR OR RECEIVING STATE FINANCIAL ASSISTANCE FOR NEW BUILDING
31 CONSTRUCTION PROJECTS;
32 (b) REQUEST AN ATTESTATION SIGNED BY A RECIPIENT OF STATE
33 FINANCIAL ASSISTANCE FOR NEW BUILDING CONSTRUCTION PROJECTS
34 THAT DECLARES THAT:
35 (I) THE REQUIREMENTS OF SUBSECTION (1) OF THIS SECTION HAVE
36 BEEN OR WILL BE FOLLOWED; OR
37 (II) THE RECIPIENT OF THE STATE FINANCIAL ASSISTANCE IS
38 REQUESTING A WAIVER PURSUANT TO SUBSECTION (3) OF THIS SECTION;
39 AND
40 (c) RESPOND TO WAIVER REQUESTS RECEIVED PURSUANT TO
41 SUBSECTION (3) OF THIS SECTION.
42 (3) A STATE AGENCY THAT PROVIDES OR ADMINISTERS STATE
43 FINANCIAL ASSISTANCE FOR NEW BUILDING CONSTRUCTION PROJECTS MAY
44 ISSUE A STANDARDIZED WAIVER FROM THE REQUIREMENTS OF SUBSECTION
45 (1) OF THIS SECTION FOR A NEW BUILDING CONSTRUCTION PROJECT IF THE

1 RECIPIENT DEMONSTRATES, THROUGH EVIDENCE AND ATTESTATION FROM
2 A LICENSED PROFESSIONAL ENGINEER OR DESIGN PROFESSIONAL, THAT:
3 (a) NO COVERED ENERGY-CONSUMING PRODUCT CERTIFIED BY THE
4 ENERGY STAR PROGRAM AND THAT MEETS THE FUNCTIONAL
5 REQUIREMENTS OF THE PROJECT IS REASONABLY AVAILABLE TO THE
6 APPLICANT; OR
7 (b) TAKING ENERGY COST SAVINGS AND THE SOCIAL COST OF
8 CARBON INTO ACCOUNT, NO COVERED ENERGY-CONSUMING PRODUCT
9 CERTIFIED BY THE ENERGY STAR PROGRAM IS COST-EFFECTIVE OVER THE
10 LIFE OF THE PRODUCT.
11 (4) THE FOLLOWING NEW BUILDING CONSTRUCTION PROJECTS ARE
12 EXEMPT FROM THE REQUIREMENTS OF THIS SECTION:
13 (a) PROJECTS THAT HAVE PASSED THE DESIGN PHASE BEFORE
14 JANUARY 1, 2025, AND WOULD REQUIRE SIGNIFICANT REDESIGN TO
15 INCLUDE A COVERED ENERGY-CONSUMING PRODUCT CERTIFIED BY THE
16 ENERGY STAR PROGRAM; AND
17 (b) PROJECTS THAT HAVE RECEIVED A PERMIT FROM A LOCAL
18 GOVERNMENT FOR THE USE OF A COVERED ENERGY-CONSUMING PRODUCT
19 BEFORE JANUARY 1, 2025.
20 (5) IF THE ATTORNEY GENERAL, BY A PREPONDERANCE OF THE
21 EVIDENCE, BELIEVES THAT A PERSON HAS VIOLATED OR CAUSED ANOTHER
22 PERSON TO VIOLATE SUBSECTION (1) OF THIS SECTION, THE ATTORNEY
23 GENERAL MAY BRING A CIVIL ACTION ON BEHALF OF THE STATE TO SEEK
24 THE ASSESSMENT OF A CIVIL PENALTY OF UP TO THE TOTAL AMOUNT OF
25 STATE FINANCIAL ASSISTANCE RECEIVED BY THE VIOLATOR ON OR AFTER
26 JANUARY 1, 2025, WHICH AMOUNT MUST BE TRANSMITTED TO THE STATE
27 TREASURER, WHO SHALL CREDIT THE AMOUNT TO THE ENERGY FUND
28 CREATED IN SECTION 24-38.5-102.4 (1)(a)(I).".

29 Renumber succeeding sections accordingly.

30 Page 18, after line 25 insert:

31 "SECTION 12. In Colorado Revised Statutes, **add** part 16 to
32 article 7 of title 25 as follows:

33 PART 16

34 AFFORDABLE APPLIANCES FOR A HEALTHY COMMUNITY

35 **25-7-1601. Legislative declaration.** (1) THE GENERAL ASSEMBLY
36 FINDS AND DETERMINES THAT:

37 (a) RISING TEMPERATURES ARE INCREASING THE DEMAND FOR AIR
38 CONDITIONERS;

39 (b) COMMON TYPES OF AIR CONDITIONERS CAN ALSO PROVIDE
40 WINTER HEATING IF THEY ARE CONFIGURED AS HEAT PUMPS, WHICH ARE
41 A MORE ENVIRONMENTALLY FRIENDLY OPTION THAN OTHER TYPES OF
42 HEATING, VENTILATION, AND AIR CONDITIONING SYSTEMS;

1 (c) THE "INFLATION REDUCTION ACT OF 2022", THE STATE, AND
2 UTILITIES ARE OPENING UP OPPORTUNITIES TO MAKE THIS TECHNOLOGY
3 LESS EXPENSIVE THAN COOLING-ONLY SYSTEMS; AND
4 (d) COLORADO SHOULD BE PREPARED TO TAKE ADVANTAGE OF
5 NEW OPPORTUNITIES TO THE MAXIMUM EXTENT TO CREATE A MORE
6 AFFORDABLE AND ENVIRONMENTALLY FRIENDLY HOUSING MARKET AND
7 HEATING, VENTILATION, AND AIR CONDITIONING INDUSTRY.
8 (2) THE GENERAL ASSEMBLY, THEREFORE, DETERMINES AND
9 DECLARES THAT IT IS IN THE PUBLIC INTEREST FOR THE HEALTH AND
10 ENVIRONMENT OF THE STATE TO REQUIRE THAT THE COLORADO ENERGY
11 OFFICE CONDUCT A STUDY OF THE TECHNICAL VIABILITY, ECONOMIC
12 CONDITIONS, AND WORKFORCE READINESS OF STANDARDS FOR
13 CONFIGURING NEW RESIDENTIAL AIR CONDITIONERS AS HEAT PUMPS.
14 **25-7-1602. Definitions.** AS USED IN THIS PART 16, UNLESS THE
15 CONTEXT OTHERWISE REQUIRES:
16 (1) "AIR CONDITIONER" MEANS AN ELECTRICALLY POWERED
17 MECHANICAL DEVICE THAT USES THE REFRIGERATION CYCLE TO COOL AN
18 INTERIOR HABITABLE SPACE.
19 (2) "APPLICABLE AIR CONDITIONER" MEANS AN AIR CONDITIONER
20 THAT IS:
21 (a) NEW;
22 (b) POWERED BY A SINGLE-PHASE CURRENT;
23 (c) DESIGNED AND INTENDED FOR RESIDENTIAL USE;
24 (d) DESIGNED AND INTENDED FOR PERMANENT INSTALLATION; AND
25 (e) NOT DESIGNED OR INTENDED TO BE WINDOW MOUNTED.
26 (3) "HEAT PUMP" MEANS AN ELECTRICALLY POWERED
27 MECHANICAL DEVICE THAT USES THE REFRIGERATION CYCLE TO TRANSFER
28 THERMAL ENERGY FROM ONE LOCATION TO ANOTHER.
29 (4) "HVAC" MEANS A HEATING, VENTILATION, AND AIR
30 CONDITIONING SYSTEM.
31 (5) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN
32 SECTION 24-38.5-101 (1).
33 (6) "RESIDENTIAL" MEANS ONE- AND TWO-FAMILY DWELLINGS
34 AND TOWNHOUSES, AS DEFINED IN THE MOST RECENT EDITION OF THE
35 INTERNATIONAL RESIDENTIAL CODE.
36 **25-7-1603. Colorado energy office - study - accelerated**
37 **adoption of heat pump technology.** (1) ON OR BEFORE AUGUST 1, 2024,
38 THE OFFICE SHALL COMMENCE A STUDY WITH TARGETED STAKEHOLDER
39 INPUT TO EXPLORE HOW TO ACCELERATE ADOPTION OF HEAT PUMP
40 TECHNOLOGY IN COLORADO THROUGH A TECHNICAL STANDARD FOR
41 APPLICABLE AIR CONDITIONERS.
42 (2) IN CONDUCTING THE STUDY, THE OFFICE SHALL:
43 (a) FOCUS ON A STATEWIDE POINT-OF-SALE STANDARD ON NEW
44 AND REPLACEMENT AIR CONDITIONERS;
45 (b) CONSIDER EQUIPMENT PERFORMANCE IN DIFFERENT CLIMATE

1 ZONES AND CONDITIONS;

2 (c) CONSULT WITH STAKEHOLDERS FROM MANUFACTURERS,
3 DISTRIBUTORS, CONTRACTORS, HEAT PUMP EXPERTS, GREEN BUILDERS,
4 ENVIRONMENTAL JUSTICE GROUPS, AND UTILITIES SERVING RETAIL
5 CUSTOMERS;

6 (d) USE DATA AND FINDINGS FROM RECENT PUBLIC UTILITY
7 PROCEEDINGS TO ACCELERATE DATA COLLECTION FOR THE STUDY;

8 (e) DETERMINE THE REQUIREMENTS FOR SUCCESSFUL
9 IMPLEMENTATION OF A STATEWIDE POINT-OF-SALE STANDARD; AND

10 (f) MAKE RECOMMENDATIONS ON HOW THE STATE CAN ADDRESS
11 ANY ASSOCIATED NEEDS OR GAPS BEFORE A STATEWIDE POINT-OF-SALE
12 STANDARD TAKES EFFECT.

13 (3) IN CONDUCTING THE STUDY, THE OFFICE SHALL ASSESS AND
14 DETERMINE:

15 (a) UP-FRONT COST GAPS AND ONGOING COSTS AND COST SAVINGS
16 FOR RESIDENTIAL HOMES FROM IMPLEMENTATION OF A STATEWIDE
17 POINT-OF-SALE STANDARD;

18 (b) WHETHER AND WHERE FEDERAL, STATE, LOCAL, AND UTILITY
19 INCENTIVES CAN COVER ANY IDENTIFIED COST GAPS, AND MAKE
20 RECOMMENDATIONS FOR WHAT, IF ANY, NEW INCENTIVES MAY BE NEEDED
21 FOR INCOME-QUALIFIED HOUSEHOLDS;

22 (c) ANY TECHNICAL LIMITATIONS, AND POTENTIAL REMEDIES FOR
23 THOSE LIMITATIONS, FOR A STATEWIDE POINT-OF-SALE STANDARD;

24 (d) SYSTEM CONFIGURATION OPTIONS FOR COLD-TEMPERATURE
25 PERFORMANCE;

26 (e) NECESSARY CUSTOMER INFORMATION REGARDING
27 COLD-TEMPERATURE PERFORMANCE;

28 (f) WHAT, IF ANY, EXCEPTIONS OR EXEMPTIONS MAY BE
29 NECESSARY FOR A STATEWIDE POINT-OF-SALE STANDARD AND HOW SUCH
30 EXCEPTIONS OR EXEMPTIONS COULD BE ADMINISTERED;

31 (g) POTENTIAL IMPROVEMENTS TO THE STATE INCOME TAX CREDIT
32 CREATED IN SECTION 39-22-554;

33 (h) SUPPLY CHAIN STATUS;

34 (i) CONTRACTOR TRAINING NEEDS; AND

35 (j) QUALITY ASSURANCE MEASURES.

36 (4) THE OFFICE SHALL DELIVER THE STUDY RESULTS TO THE
37 CHAIRS OF THE TRANSPORTATION AND ENERGY COMMITTEE OF THE
38 SENATE AND THE ENERGY AND ENVIRONMENT COMMITTEE OF THE HOUSE
39 OF REPRESENTATIVES, OR ANY SUCCESSOR COMMITTEES, ACCORDING TO
40 THE FOLLOWING SCHEDULE:

41 (a) ON OR BEFORE JANUARY 1, 2025, THE OFFICE SHALL DELIVER
42 A PROGRESS REPORT;

43 (b) ON OR BEFORE MARCH 1, 2025, THE OFFICE SHALL DELIVER
44 INTERIM RESULTS AND LEGISLATIVE RECOMMENDATIONS; AND

45 (c) ON OR BEFORE JUNE 1, 2025, THE OFFICE SHALL DELIVER THE

1 FINAL STUDY AND FINAL LEGISLATIVE RECOMMENDATIONS.
2 **25-7-1604. Repeal of part.** THIS PART 16 IS REPEALED, EFFECTIVE
3 JULY 1, 2030."

4 Renumber succeeding sections accordingly.

5 Page 23, after line 24 insert:

6 **"SECTION 16.** In Colorado Revised Statutes, 39-22-554, **amend**
7 (2)(a)(I)(C), (2)(g)(I)(C), (2)(g)(I)(D), (2)(p)(I)(C), (2)(p)(I)(D),
8 (2)(q)(I)(C), (2)(p)(I)(D), (2)(q)(I)(D), (3)(c)(I) introductory portion,
9 (3)(d)(II), (3)(e), (5)(a)(II), (5)(a)(V), and (5)(d)(II)(A); **repeal**
10 (2)(a)(I)(B), (2)(a)(III), (2)(g)(III), (2)(g)(IV), (2)(p)(III), (2)(q)(III), and
11 (5)(a)(III); and **add** (2)(a)(I)(D), (2)(a)(I)(E), (2)(c.5), (2)(d.5),
12 (2)(g)(I)(E), (2)(i.5), (2)(q)(I)(E), and (5)(a)(III.5) as follows:

13 **39-22-554. Heat pump technology and thermal energy**
14 **network tax credit - tax preference performance statement -**
15 **definitions - repeal.** (2) **Definitions.** As used in this section, unless the
16 context otherwise requires:

17 (a) (I) "Air-source heat pump system" means a system that:
18 (B) ~~Has a variable speed compressor; and~~
19 (C) Is listed in the Air-conditioning, Heating, and Refrigeration
20 Institute directory of certified product performance as a matched system;
21 (D) CONFORMS TO ALL APPLICABLE MUNICIPAL, STATE, AND
22 FEDERAL CODES, STANDARDS, REGULATIONS, AND CERTIFICATIONS; AND
23 (E) IS INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S
24 SPECIFICATIONS.

25 (III) ~~"Air-source heat pump system" includes mechanical and~~
26 ~~electrical equipment central to the operation of an air-source heat pump;~~
27 ~~including an upgraded electrical panel if necessary.~~

28 (c.5) "COLD-CLIMATE HEAT PUMP" MEANS A TYPE OF AIR-SOURCE
29 HEAT PUMP SYSTEM THAT:

30 (I) MEETS THE QUALIFICATION CRITERIA OF THE FEDERAL
31 ENVIRONMENTAL PROTECTION AGENCY'S ENERGY STAR PROGRAM'S
32 COLD-CLIMATE HEAT PUMP DESIGNATION OR MEETS THE HIGHEST TIER OF
33 THE CONSORTIUM FOR ENERGY EFFICIENCY'S NORTHERN AIR-SOURCE
34 HEAT PUMP SPECIFICATIONS, NOT INCLUDING AN ADVANCED TIER;

35 (II) IS INSTALLED WITH CONTROLS THAT SET A CROSSOVER
36 TEMPERATURE SPECIFIED BY GUIDELINES ESTABLISHED BY THE OFFICE
37 PURSUANT TO SUBSECTION (7) OF THIS SECTION;

38 (III) CONFORMS TO ALL APPLICABLE MUNICIPAL, STATE, AND
39 FEDERAL CODES, STANDARDS, REGULATIONS, AND CERTIFICATIONS;

40 (IV) IS INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S
41 SPECIFICATIONS; AND

42 (V) IS LISTED IN THE AIR-CONDITIONING, HEATING, AND

1 REFRIGERATION INSTITUTE DIRECTORY OF CERTIFIED PRODUCT
2 PERFORMANCE AS A MATCHED SYSTEM.

3 (d.5) "CROSSOVER TEMPERATURE" MEANS THE POINT THAT A
4 HEAT-PUMP-BASED HVAC SYSTEM SWITCHES EITHER PARTIALLY OR
5 FULLY FROM THE HEAT PUMP TO A SUPPLEMENTARY HEATING SOURCE.

6 (g) (I) "Ground-source heat pump system" means a system that:
7 (C) Has blowers that are variable speed, high-efficiency motors
8 that meet or exceed efficiency levels listed in the National Electrical
9 Manufacturers Association MG 1-1993 publication; and
10 (D) Complies with all state and local drinking water guidelines
11 and regulations and public water system requirements; AND
12 (E) IS INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S
13 SPECIFICATIONS.

14 ~~(III) "Ground-source heat pump system" includes mechanical and~~
15 ~~electrical equipment central to the operation of a ground-source heat~~
16 ~~pump, including an upgraded electrical panel if necessary.~~

17 ~~(IV) "Ground-source heat pump system" may include a heat~~
18 ~~exchanger for water heating.~~

19 (i.5) "HEAT PUMP" MEANS AN ELECTRICALLY POWERED
20 MECHANICAL DEVICE THAT USES THE REFRIGERATION CYCLE TO TRANSFER
21 THERMAL ENERGY FROM ONE LOCATION TO ANOTHER.

22 (p) (I) "Variable refrigerant flow heat pump system" means a
23 system that:
24 (C) Has blowers that are ~~variable speed~~; high-efficiency motors
25 that meet or exceed efficiency levels listed in the National Electrical
26 Manufacturers Association ~~MGI-1993~~ MG 1-1993 publication; and
27 (D) Complies with all state and local drinking water guidelines
28 and regulations and public water system and wastewater system
29 requirements; AND
30 (E) IS INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S
31 SPECIFICATIONS.

32 ~~(III) "Variable refrigerant flow system" includes mechanical and~~
33 ~~electrical equipment central to the operation of a variable refrigerant flow~~
34 ~~system.~~

35 (q) (I) "Water-source heat pump system" means a system that:
36 (C) Has blowers that are ~~variable speed~~; high-efficiency motors
37 that meet or exceed efficiency levels listed in the National Electrical
38 Manufacturers Association MG 1-1993 publication; and
39 (D) Complies with all state and local drinking water guidelines
40 and regulations and public water system and wastewater system
41 requirements; AND
42 (E) IS INSTALLED IN ACCORDANCE WITH THE MANUFACTURER'S
43 SPECIFICATIONS.

44 ~~(III) "Water-source heat pump system" includes mechanical and~~
45 ~~electrical equipment central to the operation of a water-source heat pump.~~

1 (3) (c) Subject to the modifications set forth in subsection (3)(d)
2 of this section and the annual review required pursuant to subsection
3 (3)(e) of this section and except as otherwise provided in subsection (3)(f)
4 of this section, the amount of the credit allowed pursuant to this section
5 is calculated as follows:
6 (I) For the installation of an air-source heat pump system THAT IS
7 NOT A COLD-CLIMATE HEAT PUMP, or FOR a variable refrigerant flow heat
8 PUMP system:
9 (d) Notwithstanding the amounts set forth in subsection (3)(c) of
10 this section, the amount of the credit allowed by this section may be
11 modified as follows:
12 (II) For a nonresidential building, the amount of the credit is the
13 amount of the credit permitted pursuant to subsection (3)(c) of this
14 section multiplied by the number of increments of four tons of heating
15 capacity; ~~up to a maximum of one hundred tons;~~ and
16 (e) The office shall annually review and evaluate the effectiveness
17 of the tax credits and may, FOR THE SUBSEQUENT TAX YEAR:
18 (I) Modify the amounts set forth in subsection (3)(c) of this
19 section; AND
20 (II) ESTABLISH, MODIFY, OR REMOVE LIMITS ON THE CREDITS
21 CALCULATED PURSUANT TO SUBSECTION (3)(d) OF THIS SECTION.
22 (5) (a) The office shall create, and update at least annually, a list
23 containing the names and contact information of eligible taxpayers. To
24 become an eligible taxpayer, and be included on the list described in this
25 subsection (5), a taxpayer shall demonstrate to the office that the taxpayer
26 and any of its employees who will be installing heat pump technology or
27 thermal energy networks:
28 (II) Are knowledgeable of AND AGREE TO FOLLOW the relevant
29 system requirements set forth in subsections (2)(a), ~~(2)(c.5)~~, (2)(g), (2)(h),
30 (2)(i), (2)(m), (2)(n), (2)(p), and (2)(q) of this section;
31 (III) ~~Will install heat pump technology and thermal energy~~
32 ~~networks in accordance with the national electric code and manufacturer's~~
33 ~~specifications;~~
34 (III.5) HAVE RECEIVED TRAINING PURSUANT TO THE GUIDELINES
35 ISSUED BY THE OFFICE PURSUANT TO SUBSECTION (7) OF THIS SECTION;
36 (V) Will meet any additional standards established by the office
37 in its guidelines. ~~including, if applicable, the 2021 international energy~~
38 ~~conservation code.~~
39 (d) (II) (A) The office shall ~~annually~~ PERIODICALLY examine a
40 sample of the eligible taxpayers on the list described in this subsection (5)
41 to substantiate that the eligible taxpayers are meeting the office's
42 standards and properly claiming the credit allowed by this section. Every
43 eligible taxpayer shall produce the books and records described in
44 subsection (5)(d)(I) of this section for examination at any time by the
45 office."

1 Renumber succeeding sections accordingly.

2 Page 25, after line 20 insert:

3 "SECTION 20. In Colorado Revised Statutes, **add** 40-3.2-110 as
4 follows:

5 **40-3.2-110. Requirements related to heat pumps - definitions.**

6 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
7 REQUIRES, "HEAT PUMP" MEANS AN ELECTRICALLY POWERED DEVICE THAT
8 USES THE REFRIGERATION CYCLE TO TRANSFER THERMAL ENERGY FROM
9 ONE LOCATION TO ANOTHER.

10 (2) ON OR BEFORE AUGUST 1, 2027, AN INVESTOR-OWNED UTILITY
11 THAT PROVIDES ELECTRIC OR THERMAL ENERGY SHALL, WITHIN A
12 GENERAL RATE CASE REQUEST, SUBMIT TO THE COMMISSION A PROPOSAL
13 FOR A VOLUNTARY RATE OR RATES FOR ENERGY SUPPLIED TO RESIDENTIAL
14 CUSTOMERS WHO UTILIZE A HEAT PUMP AS THEIR PRIMARY HEATING
15 SOURCE, WHICH VOLUNTARY RATE OR RATES:

16 (a) MAY BE NEW RATES, NEW OR EXISTING RIDERS, OR
17 INCORPORATED INTO AN EXISTING TIME-OF-USE RATE;

18 (b) IF COST-JUSTIFIED, ARE DESIGNED TO LOWER THE AVERAGE
19 MONTHLY ENERGY BILL OF RESIDENTIAL CUSTOMERS WHO UTILIZE A HEAT
20 PUMP AS THEIR PRIMARY HEATING SOURCE; AND

21 (c) AVOID CROSS-SUBSIDIES FROM OTHER CUSTOMERS.".

22 Renumber succeeding sections accordingly.

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