

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

SB22-138 be amended as follows:

1 Amend reengrossed bill, page 6, strike line 14 and substitute "(1)(e)(IX)
2 and (1)(e)(XIII) introductory portion; and **add** (1)(e)(IX.3) and
3 (1)(e)(IX.5) as follows:".

4 Page 6, strike line 20 and substitute:

5 "(e) (IX) (A) In addressing greenhouse gas emissions from an
6 energy-intensive, trade-exposed manufacturing source, the commission
7 shall require the source to execute an energy and emission control audit,
8 according to criteria established by the commission, of the source's
9 operations every five years through at least 2035. A qualified third party,
10 as determined by the commission, shall conduct the audit and submit the
11 results to the commission.

12 (B) If the commission determines that the source currently
13 employs best available emission control technologies for greenhouse gas
14 emissions and best available energy efficiency practices, the commission
15 shall not impose a direct nonadministrative cost on the source directly
16 associated with at least ninety-five percent of the source's greenhouse gas
17 emissions attributable to manufacturing a good in this state for a period
18 of five years, if the source's emissions are not greater than the emissions
19 associated with use of the best available emission control technologies as
20 determined by the commission.

21 (C) The commission shall consider how program design as
22 relevant to those sources can further mitigate the cost of reducing
23 emissions for such manufacturers while providing an incentive to
24 improve efficiency and reduce emissions. Specifically, the commission
25 shall design the program as relevant to those sources such that as the
26 sources are subject to emission reduction requirements, those sources will
27 have, under the program, a pathway to obtain equivalent lower-cost
28 emission reductions at other regulated sources to satisfy their compliance
29 obligations.

30 ~~(B)~~ (IX.3) As used in ~~this~~ subsection (1)(e)(IX) OF THIS SECTION,
31 "energy-intensive, trade-exposed manufacturing source" means ~~an~~ ANY
32 entity, INCLUDING AN entity that principally manufactures iron, steel,
33 aluminum, pulp, paper, or cement, ~~and~~ that is engaged in the manufacture
34 of goods through one or more emissions-intensive, trade-exposed
35 processes, as determined by the commission UPON A PETITION BY SUCH
36 ENTITY, USING THE FOLLOWING DEFINITIONS:

37 (A) "EMISSIONS-INTENSIVE" MEANS THAT AN ENTITY REPORTS
38 DIRECT GREENHOUSE GAS EMISSIONS EQUAL TO OR GREATER THAN
39 TWENTY-FIVE THOUSAND METRIC TONS OF CARBON DIOXIDE EQUIVALENT

1 PER YEAR UNDER FEDERAL REGULATIONS OR STATE RULES.
2 (B) "TRADE-EXPOSED" MEANS THAT AN ENTITY THAT
3 MANUFACTURES GOODS IN THE INDUSTRIAL AND MANUFACTURING SECTOR
4 INCURS COSTS TO COMPLY WITH STATE RULES TO WHICH OUT-OF-STATE
5 COMPETITORS ARE NOT SUBJECT OR THAT SUCH ENTITY WOULD OTHERWISE
6 BE DISADVANTAGED COMPETITIVELY IF REQUIRED TO COMPLY WITH THE
7 RULES THAT THE COMMISSION ADOPTS PURSUANT TO SUBSECTION
8 (1)(e)(XIII) OF THIS SECTION.
9 (IX.5) ON OR BEFORE AUGUST 1, 2023, THE COMMISSION SHALL
10 MODIFY ANY RULES ADOPTED PURSUANT TO SUBSECTION (1)(e)(IX) OF
11 THIS SECTION TO REFLECT THE DEFINITIONS SET FORTH IN SUBSECTION
12 (1)(e)(IX.3) OF THIS SECTION.
13 (XIII) In implementing this subsection (1)(e), the commission".

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