



Attention Energy & Environment Council Members:

Please be advised that the State of Colorado sent out this notice on behalf of the Environmental Defense Fund (“EDF”), which filed a rulemaking petition with the Air Quality Control Commission, to be considered by the Commission at its meeting on February 18, 2021. The State is not taking a position on the petition at this time.

**From EDF:**

The program which is the subject of the EDF petition aims to reduce greenhouse gas emissions across multiple sectors in Colorado. The program would amend Part A of Commission Regulation 22 by adding a reporting requirement for certain fuel suppliers, and would require entities covered by the new Part C of the rule to hold allowances for each ton of greenhouse gas emitted. The amendment would establish a binding, declining emission limit across most of Colorado’s major sources of greenhouse gas emissions, while enabling the use of a cost-effective emissions trading system for compliance with that limit. The requested rule, if adopted, would enable the state to meet its science-based climate targets of 26% by 2025, 50% by 2030, and 90% by 2050 from 2005 levels.

The emissions limit is set to meet Colorado’s greenhouse gas reduction targets, making conservative assumptions about projected emissions from sources not subject to the limit over the course of the upcoming decade. Entities that are subject to this regulation will be required to meet a compliance obligation for each compliance period. On an annual basis, each subject entity must report its emissions and the emissions for which it is responsible and surrender the appropriate number of compliance instruments to account for its emissions or the emissions for which it is responsible. Compliance instruments may be either allowances or offset credits, with certain restrictions.

To fulfill statutory requirements to adopt strategies designed to address harmful air pollution in disproportionately impacted communities, the proposed Part C provides for allocation of valuable emissions allowances to pollution-monitoring and pollution-mitigation projects in these communities. Moreover, it requires greenhouse gas emission reductions—commensurate with the decline in the state’s greenhouse gas emission levels—from any facility that adversely affects a disproportionately impacted community and violates an air pollution standard. The same greenhouse gas reduction requirement applies to any facility that contributes to unacceptable adverse cumulative air pollution impacts on a disproportionately impacted community. As facilities reduce their greenhouse gas emissions, emissions of other harmful air pollutants that are correlated with greenhouse gas emissions will also decline.

The program also provides for the distribution of allowances to meet certain other statutory provisions and further other statutory goals. Included among these are the provisions providing for project-based

allocation, for projects that are consistent with furthering the statutory purposes of the Air Pollution Prevention and Control Act amended by HB19-1216.

The petition materials are available on the [AQCC website](#).

During the meeting, EDF will present an overview of the petition and seek public input. Time will be dedicated to hearing your ideas and concerns and seeking additional input from the public.

**[This Stakeholder Outreach Meeting will be on January 29, 2021 from 12 pm to 2 pm via Zoom.](#)**

Register [HERE](#) below in order to attend and/or provide public comment.

Comments may also be submitted any time to EDF via [climatecommunications@edf.org](mailto:climatecommunications@edf.org), Subject: Regulation 22 Petition.

If you have any questions please contact Kate Wolf at [kwolf@cochamber.com](mailto:kwolf@cochamber.com).

Thank you!

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