



COLORADO
Energy Office

The Aviation Emission Reduction Offering (AERO): Refundable Income Tax Credit Standards & Guidelines

Released: January 1, 2025

Application Deadline: Rolling basis until expended each year

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Terms & Definitions

Accessibility. As defined and enforced by HB24-1454¹ with guidance from the Governor’s Office of Information Technology.

Air Pollutant. Definition is set forth in Colorado Revised Statute (C.R.S) § 25-7- 103 (1.5) and includes air toxics, particulates, ozone precursors, and greenhouse gases.

Colorado Energy Office or ‘Office’. The Colorado Energy Office created in section 24-38.5-101.

Completion. The project in question has been completed, costs have been incurred, and the awardee is prepared to claim the tax credit against their income tax.

Construction. Construction, reconstruction, rehabilitation, modernization, alteration, conversion, extension, repair, or improvement for the purposes of producing or distributing SAF.

Department of Revenue. The Colorado Department of Revenue is the principal tax collecting and tax law enforcement agency for the state. Will be referred to as the “Department.”

Design costs. The actual incurred direct expenses associated with designing a building prior to construction. (Adapted from Law Insider)

Disallowed Costs. Any charges to a Sustainable Aviation Fuel (SAF) approved project that the CEO has determined to be beyond the scope of the purpose of SAF, excessive or otherwise unallowable.

Disproportionately Impacted (DI) Community. Defined in Section 24-4-109 (2)(b)(II): A community that is in a census block group, as determined in accordance with the most recent United States census, where the proportion of households that are low income is greater than forty percent, the proportion of households that identify as minority is greater than forty percent, or the proportion of households that are housing cost-burdened is greater than forty percent; or is any other community as identified or approved by a state agency, if: The community has a history of environmental racism perpetuated through redlining, anti-Indigenous, anti-immigrant, anti-Hispanic, or anti-Black laws; or the community is one where multiple factors, including socioeconomic stressors, disproportionate environmental burdens, vulnerability to environmental degradation, and lack of public participation, may act cumulatively to affect health and the environment and contribute to persistent disparities. As used in this subsection (2)(b)(II), “cost-burdened” means a household that spends more than thirty percent of its income on housing, and “low income” means the median household income is less than or equal to two hundred percent of the federal poverty guideline.

Eligible Taxpayer. A person who is engaged in a trade or business that is subject to

¹ Legislation referenced is HB24-1454: [Accessibility Law for State & Local Government](#)

tax pursuant to C.R.S 39.22, a person or political subdivision of the state of CO that is exempt from tax pursuant to C.R.S 39.22.

Equity, Diversity, Inclusion (EDI). As defined by the Statewide Equity Office.²

Erect. Assemble, align, or install building elements for the purposes of producing or distributing SAF.

Greenhouse Gas. Atmospheric gases that trap and radiate heat back down to the earth's surface. Examples include: carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride, or nitrogen trifluoride.

Independent Third-Party. An engineering or consulting firm. The firm must not be affiliated with the project, its subsidiaries, or related entities; there can be no common ownership between the project and the independent firm.

Land costs. The gross purchase price paid by a person or entity to acquire a property. (Adapted from Law Insider)

Legal fees. Costs associated with using legal services through an attorney or legal firm.

Reconstruction. Replacement of components of an existing facility for the purposes of producing or distributing SAF.

State of Colorado Fiscal Year 2025 Quarter 3. January 1 - March 31, 2025

Sustainable Aviation Fuel (SAF). As defined in section 40B(d) of the Internal Revenue Code,³ which defines SAF as liquid fuel, the portion of which is not kerosene, which:

1. Meets the requirements of:
 - a. [American Society for Testing and Materials \(ASTM\) International Standard D7566](#), or
 - b. [The Fischer-Tropsch provisions of ASTM International Standard D1655, Annex A1](#)
2. Is not derived from coprocessing an applicable material (or materials derived from an applicable material) with a feedstock which is not biomass,
3. Is not derived from palm fatty acid distillates or petroleum, and
4. Has been certified in accordance with subsection (e) as having a lifecycle greenhouse gas emissions reduction percentage of at least 50 percent.

² [Statewide Equity Office](#)

³ Code language referenced is IRC 40B(d): [Sustainable Aviation Fuel](#)

Sustainable Aviation Fuel Production Facility. A facility which produces sustainable aviation fuel; or a facility directly related to enabling the production or distribution of sustainable aviation fuel as determined under the standards established by the Office.

Taxpayer. A person subject to tax pursuant to Article 22 of the Colorado Revised Statutes.

Tax Credit Award. The total tax credit allocated to eligible taxpayer for specific approved Sustainable Aviation Fuel projects.

Tax Year. January 1st - December 31st.

Qualified Taxpayer. A taxpayer that is an aviation business, a sustainable aviation fuel producer, or an airport.

List of Abbreviations

Abbreviation	Definition
AERO	Aviation Emission Reduction Offering
CEO	Colorado Energy Office
CFR	Code of Federal Regulations
CORA	Colorado Open Records Act
CPA	Certified Public Accountant
DEN	Denver International Airport
DI	Disproportionally Impacted
DOR	Department of Revenue
EDI	Equity, Diversity, and Inclusion
GHG	Greenhouse gas
HB	House Bill
SAF	Sustainable Aviation Fuel
SAFPF	Sustainable Aviation Fuel Production Facility

Section I - Program Statement

Colorado's Denver International Airport (DEN) is the third-busiest airport in the world, with an estimated 69.3 million people landing, leaving, or connecting through the airport in 2022 ([Denver International Airport](#)). Colorado's legislature and Governor Polis recognize that such traffic, while economically beneficial, results in a large amount of greenhouse gases (GHG) emitted via jet fuel. To further drive sustainable development and climate-mitigating activity adoption, the State of Colorado passed HB23-1272 Tax Policy That Advances Decarbonization. This bill creates a new, refundable income tax credit for tax years 2024 through 2032 for costs incurred to construct or reconstruct a sustainable aviation fuel production facility. This tax credit is called the Aviation Emission Reduction Offering (AERO). To remain eligible for the full credit, sustainable aviation fuel (SAF) must make up at least 60 percent of total fuel production at the facility or in distribution. Such facilities or distribution projects will provide airline carriers, who have demonstrated a strong demand for such fuels, with a steady supply of SAF for utilization at DEN and other airports throughout the region.

The aggregate amount of all tax credit offerings issued by the Colorado Energy Office (CEO) must not exceed one million dollars for the 2024 income tax year, two million dollars per year for the 2025 and 2026 income tax years, and three million dollars per year for income tax years 2027 through 2032.

This Standards & Guidelines document outlines the eligible project types, and expectations, as well as the application submission, review, and approval processes.

Specific details and requirements pertaining to eligible project types can be found in the [AERO Application Checklist document](#). Applicants must adhere to the stipulations outlined in this Standards & Guidelines and all other documents in the [AERO Program Google Drive Folder](#) and the AERO program webpage.

Program Goals

- A. Support the construction of SAF production & distribution facilities.
- B. Assist in securing long-term supply and distribution networks within the State to support the transition to SAF.
- C. Decrease emissions from Colorado's aviation sector.
- D. Further establish demand and market for SAF in Colorado.

For any questions on this tax credit program, please contact Wil Mannes / wil.mannes@state.co.us.

Tax Credit Program Application Resources

The CEO developed the following resources to help applicants fill out their application forms. All resources are available on the [AERO Program page on the CEO website](#) and in the program [AERO Program Google Drive Folder](#).

- Frequently Asked Questions

- EDI Resources
 - Disproportionately Impacted Community Determination Guidance Document on the AERO Program Google Drive Folder to identify if a facility is located within or adjacent to a disproportionately impacted community.
 - [Colorado Environmental Justice Act](#) - Resource for developers to understand if a proposed facility may be subject to more stringent rules from the Air Quality Control Commission.
 - [Minnesota Sustainable Aviation Fuels Guiding Principles | Fresh Energy](#) - a framework for the development, promotion, and use of sustainable aviation fuels that achieve climate, clean energy, ecological, and social and environmental justice goals.
- [Application Checklist](#)
- [Budget Workbook](#)

Section II - Eligibility Requirements

This AERO program permits these tax credits to be stacked with other State and Federal tax credits. However, it will be at the discretion of other tax credit programs if they will be allowed to stack with the AERO credit.

A. Eligible Applicants

An eligible taxpayer may apply for a tax credit after an eligible project is completed and operational through this AERO program. Therefore, applicants eligible to apply for and receive the AERO credits include the following qualified taxpayers:

- An aviation business
- A sustainable aviation fuel producer or distributor
- An airport

Please see the section below for allowable costs and what constitutes an eligible facility.

B. Allowable Costs

What eligible costs does the tax credit cover?

All eligible project costs must directly support the construction, reconstruction, or erection of a sustainable aviation production or distribution facility in the state of Colorado. A sustainable aviation fuel production facility means (I) A facility which produces sustainable aviation fuel; or (II) A facility directly related to enabling the production or distribution of sustainable aviation fuel as determined under the standards established by the office.

C. Disallowed Costs

Costs not covered by the tax credit include:

- A. Administrative costs incurred by the applicant to apply for AERO.
- B. Conduction & development of any required pre-requisite technical documentation.
- C. Labor and materials associated with overall project management and compliance.
- D. Labor and materials associated with auditing of the AERO cost certification by a licensed certified public accountant.
- E. Project contingency costs.
- F. Fees associated with securing financing.
- G. Legal fees.
- H. Permitting fees or labor associated with permitting requirements.
- I. Fees or labor associated with regulatory compliance.
- J. Interest on borrowed funds.
- K. Plant closure projects.
- L. Taxes and royalties.
- M. Project in-service and performance verification.
- N. Land purchase costs.
- O. Insurance for project execution.
- P. Design costs.
- Q. Other costs as deemed applicable and not outlined as eligible in section B.

D. Limitations and Qualifications

The SAF tax credit offering program is subject to the following limitations and qualifications:

- The application must include information to allow the CEO to make a determination that the applicant is a qualified taxpayer and that the amount for which the tax credit certificate is applied is the actual cost paid to construct, reconstruct, or erect a sustainable aviation fuel production or distribution facility in the state for which a credit is allowed.
- If the sustainable aviation fuel production or distribution comprises less than sixty percent of the total fuel production of the facility in any of the three taxable years immediately following the taxable year in which the facility was placed in service, the credit will be disallowed for that qualified taxpayer. The qualified taxpayer shall add the amount of the disallowed credit to its return as a recaptured credit for the tax year in which the credit is disallowed. This means that income tax the taxpayer has received will need to be returned.
- If a taxpayer qualifies for the tax credit and the credit is more than the income tax they owe for the year, the extra amount will not roll over to future years. Instead, the taxpayer will get a refund for the leftover credit.

Please note that it is the applicant's responsibility to ensure they adhere to all current statutory guidance and permitting, and that State and Federal regulatory requirements are subject to change. These may include, but are not limited to, compliance with Clean Air Act permitting requirements, Clean Water Act and Safe

Drinking Water Act permit requirements, hazardous waste management regulations, and other applicable state and federal environmental regulations.

Section III - Tax Credit Program Information

A. Total Tax Credit Amount

The tax credit will be in effect for tax years 2024 through 2032. The aggregate amount of all tax credit certificates issued by the CEO must not exceed one million dollars for the 2024 income tax year, two million dollars per year for the 2025 and 2026 income tax years, and three million dollars per year for income tax years 2027 through 2032. Please see the table below for more detail.

For tax years commencing on or after January 1, 2024, but before January 1, 2033, a qualified taxpayer is allowed a credit against the income tax imposed under HB23-1272 for an amount of the actual cost paid to construct, reconstruct, or erect a sustainable aviation fuel production facility in the state equal to:

Tax Year That Construction Begins	Credit Amount	Aggregate Maximum of Credits Per Year
2024-26	30%	2024: \$1 million 2025 & 2026: \$2 million/year
2027	24%	\$3 million
2028	18%	\$3 million
2029-32	12%	\$3 million/year

B. Tax Credit Standards

This section outlines the standards that must be met for Applicants to receive a tax credit. All standards must be met for approval of the construction, reconstruction, or erection of a sustainable aviation fuel production facility (SAFPF) in the state and for reviewing the cost certification for the costs related to the construction, reconstruction, or erection of the SAFPF.

Requirements & Standards to Receive AERO Tax Credit

The application must include information to allow the CEO to make a determination that the applicant is a qualified taxpayer and that the amount for which the tax credit certificate is applied is the actual cost paid to construct, reconstruct, or erect a sustainable aviation fuel production facility in the state for which a credit is allowed by this section.

Awardees shall provide the CEO with a cost certificate of eligible expenditures incurred. The awardee will receive a one-time cost coverage tax credit equivalent to

a percentage of eligible expenses incurred between the end of AERO application period and the tax year for the Applicant's tax credit award. These expenses must be included in the cost certificate submitted to the CEO. The credit will be issued after the project is completed, operational, and all required documentation has been submitted.

In addition, the applicant must include a short justification or explanation of the specific costs associated with the expenditure and timing of completed expenditure-related costs for the claimed income tax year.

Please note, prior to submittal to CEO, all cost certificates must be audited by a licensed certified public accountant that is not affiliated with the Applicant. CEO will review submitted cost certifications and verify that it satisfies the information provided by the Applicant in their application. If CEO determines that the project and cost certification are complete, CEO will issue a tax credit certificate. Awardees will claim the credit by filing the tax credit certificate with their state income tax returns with the Colorado DOR. Additionally, CEO will provide DOR with a list of organizations that have been awarded tax credits through the program.

C. Timeline of Awards

Application

- Applicants should apply after the construction, reconstruction, or erection of the SAF facility is complete and the SAF facility is in service.
- Applications are accepted on a rolling basis.
- Applicants can expect to hear back from the CEO regarding their application within 45-60 days.

Awarding Credits

- The tax credit is a one-time cost coverage credit for the tax year in which the sustainable aviation fuel production facility is placed in service. See the table in Section III. A.

Post-Award

- After receipt of the tax credits, the awardee must report annually on impact metrics for three additional years.
- If the sustainable aviation fuel production comprises less than sixty percent of the total fuel production of the facility in any of the three taxable years immediately following the taxable year in which the facility was placed in service, the credit will be disallowed for that qualified taxpayer. The qualified taxpayer shall add the amount of the disallowed credit to its return as a recaptured credit for the tax year in which the credit is disallowed pursuant to this subsection.

Section IV - Application Process

To apply for AERO, applicants must electronically submit all required content and materials to the CEO using (gov_aero@state.co.us). Applications are accepted on a rolling basis. Details on these requirements can be found under Sections IV and V of this document, and in the [Application Checklist](#) and [Application](#).

Before application submission, Applicants should review the checklist available in the [AERO Program Google Drive Folder](#) to ensure all required attachments and documentation are submitted.

During the application period, all Applicant questions regarding program requirements should be submitted via email (gov_aero@state.co.us) or through the office hours described below. Applicants are asked to identify their inquiries via the AERO Standards & Guidelines section number the inquiry applies to. CEO will respond to Applicant questions on a rolling basis. However, all official communication from the CEO, including responses to questions received, will be made via notices or resources (e.g., living Question & Answer (Q&A) Response Document) in the AERO website. Notices may include answers to inquiries received and clarifications to requirements. Applicants are responsible for monitoring the AERO website for any notices or modifications to the AERO program.

CEO will hold virtual office hours once a month after the launch of this application period as an opportunity for Applicants to meet virtually with members of CEO's AERO team to ask questions and seek clarification. To participate in office hours, Applicants must register in advance. Please note that office hours may be canceled if no registrants are confirmed 48 hours prior to the scheduled session. The office hours will be scheduled by {xxx} and posted to the Aero Website.

Applicants are not to contact any other state office or employee regarding this AERO application. Applicants are not to rely on any other statements that alter any specifications or other terms or conditions as outlined in this Standards & Guidelines document or additional supporting documentation.

As detailed below, materials submitted shall become the property of the CEO and will not be returned unless the AERO application period is canceled, in which case applications will be returned unopened or opened only for identification purposes.

Table 3. Schedule of Activities

Activities Timeline	Date	Time
AERO Application Period Launch	Rolling basis until all tax credit funds for the year in question are awarded. Program kick-offs will be	Rolling basis until all tax credit funds for the year in question are awarded. Program kick-offs will be

	hosted in January of each year, and the dates will be added to Aero Updates in the google drive folder .	hosted in January of each year, and the dates will be added to Aero Updates in the google drive folder .
AERO Informational Webinar	will be scheduled by {xxx} and posted to the Aero Website.	will be scheduled by {xxx} and posted to the Aero Website.
AERO Office Hours	Last Tuesday of the month	Noon MT
Estimated Notification of Award	45-60 days after confirmed receipt of application	45-60 days after confirmed receipt of application

Proprietary/Confidential Information

Any restrictions of the use or inspection of material contained within the submitted application materials shall be clearly stated in the materials themselves. Written requests for confidentiality shall accompany the application packet submitted for consideration and acceptance of confidential status by CEO. The Applicant must state specifically what elements of the documents contained within the application packet materials are to be considered confidential/proprietary and must state the statutory basis for the request under the Colorado Open Records Act (CORA). It is recommended that Applicants consult their legal counsel regarding CORA exceptions. Confidential/Proprietary information must be readily identified, marked, and packaged separately from the rest of the application packet materials. Neither an application packet in its entirety, nor application packet price information is considered confidential and proprietary. Any information that will be included in any resulting contract cannot be considered confidential.

Upon receipt of a request, the CEO will make a written determination as to the apparent validity of any written request for confidentiality. In the event the CEO does not concur with the Applicant's request for confidentiality, the written determination will be sent to the Applicant. If the application in its entirety is marked confidential no part of the application will be considered confidential by CEO (§ 24-72-200.1 C.R.S, et seq Colorado Open Records Act).

Conflicts of Interest/Ethics

The Applicant must disclose in its application any potential or actual conflict of interest in connection with a response to this solicitation. A conflict of interest may include but is not limited to, access to any non-public information by the Applicant regarding the solicitation or its subject matter.

The Applicant acknowledges that even the appearance of a conflict of interest may be harmful to the State's interests. The Applicant shall disclose in its application whether there currently is, or potentially could be, the appearance of a conflict of interest regarding this solicitation, its staff, any proposed subcontractors or partners, or any related business with the State.

Requirements set forth in this Section are continuing requirements throughout the

solicitation process and, for the awarded Offeror, the Contract term, including any extensions. Reference §24-18-201, C.R.S., et seq. (Proscribed Acts Related to Contracts and Claims); §24-50-507, C.R.S. (Conflict of Interest); §18-8-301, C.R.S., et seq. (Bribery and Corrupt Influence); §18-8-401, C.R.S., et seq. (Abuse of Public Office); §6-4-101, C.R.S., et seq., (Colorado Antitrust Act of 1992); §24-109-105, C.R.S. (Debarment and Suspension); and Procurement Rule R-24-101-107-01 (Ethics).

AERO Standards & Guidelines Response Material Ownership

All material submitted in response to this solicitation becomes the property of the State after the application submission due date and time have passed. All statistical and fiscal information contained within this Standards & Guidelines document, and any amendments and modifications thereto, reflect the best and most accurate information available to the CEO at the time of preparation. No inaccuracies in such data shall constitute a basis for legal recovery of damages or protests, either real or punitive, except to the extent that any such inaccuracy was a result of intentional misrepresentation by the CEO.

Debarment and Suspension

By submitting a proposal in response to this Standards & Guidelines document, the applicant certifies to the best of its knowledge and belief that it, its principals, and proposed subcontractors (if any): Are not presently debarred, suspended, proposed for disbarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal debarment or agency; Have not within a three-year period preceding the due date of this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements or receiving stolen property; Are not presently under investigation for, indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in Paragraph IV.K.2 of the Code of Federal Regulations (CFR); and Have not within a three-year period preceding the Due Date of this proposal had one or more public transactions (Federal, State, or local) terminated for cause or default. If the applicant is unable to certify any of the statements in this certification, it shall explain an attachment to the proposal. This explanation is exempt from page limitations on the AERO Standards & Guidelines, if any. The inability of the applicant to provide the certification will not necessarily result in disqualification of the applicant. The explanation will be considered in connection with the CEO's determination whether to select an applicant.

Doing Business in Colorado

A vendor wanting to do business in Colorado must register with the Colorado Secretary of State in accordance with Colorado Revised Statute (C.R.S.) 7-90-801. This is the link for the Colorado Secretary of State's website: <http://www.sos.state.co.us> (If any

questions, CEO recommends going to the “FAQs” section, then opening the “Business Organizations” page and “General Information” section to review the FAQs.) A copy of the business entity’s Articles of Incorporation and/or Bylaws may be requested by CEO.

Applicant Acceptance of Terms & Requirements/Application Content

Materials submitted as part of the application for the AERO tax credit program shall not constitute a tax credit reservation. By submitting an application, the applicant affirms its acceptance of the terms and requirements outlined in the AERO Standards & Guidelines, including its attachments and appendices, and agrees to comply with these terms in full. The applicant further agrees to provide all necessary documentation, including cost certificates, upon project completion, and to cooperate with the CEO to verify the eligibility of the expenses incurred.

A. Application Packet Materials

Applicants should review the AERO Application Checklist in the [AERO Tax Credit Google Drive Folder](#) to ensure that their application submissions includes all required materials. Required attachments should be submitted as PDFs other than the Completed AERO Budget, which should be submitted as a Microsoft Excel File.

- a. **AERO Application:** All application questions and requests must be responded to in full directly on the AERO application. Failure to answer any question or failure to provide all required information as outlined in the application may result in immediate disqualification for AERO funding. The Attestation section shall be signed by a person who is legally authorized to bind the applicant to the application.
- b. **Required Technical Documents:** Applicants must provide independent third-party verified technical documents justifying that proposed projects are technically viable and will result in a viable sustainable aviation fuel production project, as outlined in the AERO Application Checklist. If known at the time of application, Applicants should submit a Declaration for SAF Qualified Mixture, a Certificate for SAF Synthetic Blending Component, and/or a Statement of SAF Synthetic Blending Component Reseller as applicable. These forms can be found in the AERO Application Checklist. Applicants may redact information provided in such technical documents that is not directly tied to the proposed project scope and necessary for verification of estimated outcomes, however, give careful consideration to ensure information proposed for redaction is not directly tied to the project scope. The applicant may also provide additional technical documents further detailing the proposed project as deemed beneficial.

c. Required General Attachments:

- i. Project Budget: Program applicants must fill out and return the “AERO Budget Template for Applicants” Excel file and further justify the cost estimates for all AERO eligible project costs. Sources of justification include engineering or construction expenditures as applicable & other relevant documentation justifying cost expenditures. Applicants are responsible for ensuring the calculations in the budget are accurate.
- ii. Organization/Entity W9.
- iii. Certificate of Good Standing with the State of Colorado
- d. [Certified Public Accountant \(CPA\) Verification](#). This document must be completed and signed by an independent third-party CPA. This document, when signed, will verify that all expenses reported by the Applicant were actual qualified expenses incurred within the required timeframe to be eligible for a tax credit.

B. Equity, Diversity, & Inclusion (EDI) Standards

Under the Colorado Environmental Justice Act, a new facility, if located in a disproportionately impacted community, may need to comply with stricter emissions and/or permitting requirements.

Applicants are encouraged to incorporate Equity, Diversity, and Inclusion (EDI) components into their projects. Please respond to the following questions, indicating "N/A" for any that do not apply to your project.

1. Protection of Marginalized Communities

- How will your SAF project ensure it does not exacerbate health and environmental burdens on marginalized communities, especially those historically located near fossil fuel facilities?
- Have you conducted environmental impact assessments (EIAs) that evaluate the following?
 - Land use changes
 - Biodiversity impacts
 - Energy and resource consumption
 - Food security implications
 - Pollutant levels
 - Positive and negative impacts on surrounding communities

2. Training and Reskilling Programs

- What tailored training and reskilling programs will you offer to prepare local workers for roles in the SAF industry?

- Will these programs include certifications or specialized clean energy training to support sustainable workforce development?

3. Economic Diversification

- What strategies does your project employ to support local economic diversification?
- How will your project contribute to:
 - Green supply chains
 - Infrastructure supporting SAF projects
 - Related industries that promote the green economy

4. Sustainable Feedstock Practices

- Does your project prioritize the use of regenerative agricultural practices for feedstock production?
- Are you incorporating alternative methods, such as hydrogen, to avoid or reduce reliance on food crops?

Section V - Tax Recipient Reporting Requirements & Procedures

SAF Certification Requirements

Applicants must follow the procedures and submit the documents required under this section prior to being considered for an AERO tax credit.

Register with the Secretary of State. Every entity producing, distributing, or importing sustainable aviation fuel must register with the Secretary of State.

Register with the Internal Revenue Service (IRS). Applications for registration are to be made on [Form 637](#), Application for Registration, under Activity Letter “SA”. Applicants must write in “Activity Letter SA” and provide the requested information in that section of the form. Appendices A-C of this document can be used to provide the requested information in Form 637.

A. Annual Reporting

After receipt of the tax credits, the awardee must report annually on impact metrics to help the CEO measure the AERO program’s environmental, financial, and equity impacts. Awardees must submit a report to the CEO by the end of the first month after the end of the income tax year in which the awardee’s tax credit was received. Annual reporting is subsequently required for the three years following the receipt of the tax credit. Metrics may include but are not limited to the following topic areas: workforce employed, feedstock, production method, and production volumes. CEO will send the awardee an annual data request to gather this information.

B. Project Documentation & Records Retention

The awardee must maintain for a minimum of four years after project completion full and accurate records relating to the project(s) credited by AERO and must ensure adequate control over related parties in the project. The CEO shall be afforded access to such records, and be granted the ability to inspect all work, invoices, materials, and other relevant records at reasonable times and places. Upon CEO's request, the applicant must furnish all data, reports, contracts, documents, and other information relevant to the project within a reasonable timeframe.

C. Site Visits and Program Evaluation

CEO staff, State of Colorado employees, and other AERO representatives may require access to the site of an AERO credited project, before, during &/or within three calendar years of project implementation (i.e., On-site Monitoring Visit). Awarded applicants shall provide such access upon request. Additionally, the CEO may perform program evaluation(s) to aid in continuous program improvement which may take the form of a questionnaire or a more detailed interview with approved tax credit recipients. The CEO may engage with approved tax credit recipients to discuss the possibility of creating a success story/case study of a project upon project completion, with participation in such an activity voluntary.