

**Senators Sonya Jaquez Lewis and Kevin Priola
Representatives Andy Boeseneker and Julia Marvin**

Summary:

This bill requires a managed phase out of new oil and gas permits and also expands well cleanup liability to reduce pollution sooner and protect taxpayers. Below is a summary of the phase out provisions. Please see [attached fact sheet](#) for information about the liability reform provisions.

THE PROVISIONS FOR PHASING OUT NEW OIL AND GAS PERMITS

- No new permits will be issued after January 1, 2030, with reductions beginning in 2028.
- Reductions of permits will be prioritized in disproportionately impacted communities.
- Permits to be phased out include location assessments, permits to drill, oil and gas development plans, comprehensive area plans, and all permits or approvals that could result in new drilling, deepening, reentering, recompletion operations, or increased hydrocarbon production. Reductions will be based on the number of wells involved in such permits, not the number of permits.
- Wells under permits issued after the bill is enacted and before January 1, 2030 must begin drilling before the end of 2032.
- The bill has a provision to follow up on the workforce transition study that determines how Colorado can support oil and gas workers created by HB23-1074.

Rationale:

- Ending the expansion of oil and gas development is important for public health and environmental justice. Oil and gas pollution is known to cause premature deaths, heart and lung disease, neurological issues, and gastrointestinal problems, and over half of all Coloradans live in areas exposed to pollution from oil and gas operations, including many communities disproportionately impacted by pollution.
- The global investment in renewables is now greater than in fossil fuels. We are already in a transition and this bill plans ahead to manage this transition. It gives certainty to the industry, workers, and communities and plenty of time to plan.
- Oil and gas operations are the biggest cause of ozone and climate pollution in our state. Climate pollution from oil and gas wells in Colorado exacerbates climate change, which has been declared the greatest global threat to public health by 200 medical journals, impacting the health and well-being of Coloradans in many ways including extreme heat, drought, flooding and wildfires.
- International reports and agreements reflect the need to end oil and gas expansion, for example, the 28th United Nations Conference of the Parties of the United Nations Framework Convention on Climate Change called unanimously for a transition away from fossil fuels, and the International Energy Agency says an end to new fossil fuel development is needed for a 50% chance of limiting global warming to 1.5°C.

Is this bill a ban on oil and gas?

No. The bill will not impose any limits on production. There are currently nearly 50,000 active wells in Colorado. After new permits and new drilling are phased out, existing wells will still continue to produce oil and gas for decades.

Will this bill cause a shortage of oil and gas in our state?

No. Existing wells in Colorado produce roughly 4 times the amount of fossil gas and twice as much oil as Colorado uses, and these wells will continue producing after new permits are phased out. Consumption of fossil fuels in our state will continue to decrease as a result of Colorado's decarbonization commitments.

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