



Sweeping legislative and regulatory changes between 2018 and 2020 have added more than \$200 million in new, annual costs to doing business in Colorado for oil and natural gas companies.

The total and individual amounts are taken from state analysis. That analysis is not comprehensive. It does not include new operational costs for which no analysis was conducted, and it does not account for rule changes where no associated economic analysis or cost-benefit analysis was performed. With that in mind, the total is a conservative number with additional, annual operational costs being much higher.

## Regulatory Cost Increases per Year

### 2018

- ✓ APCD Stationary Source [Fee](#) Increases: \$2.7 million dollars per year.
- ✓ COGCC [Mill Levy](#) Increase: \$5 million per year – Mill levy increased from 0.7 to 1.1
- ✓ COGCC [Flowline Rulemaking](#): *Not included in total – No associated economic analysis*

### 2019

- ✓ AQCC [Reg 3](#) & [Reg 7](#) Rulemaking: \$10 million dollars per year
- ✓ COGCC [Flowline Rulemaking](#): *Not included in total – No associated economic analysis*

### 2020

- ✓ [SB-204](#), Stationary Source Fee Increase: \$3.5 million per year beginning FY 21-22 (FY 20-21 was \$1.6 million, representing a stair-step increase).
- ✓ [SB-204](#): Air Enterprise: \$5 million per year beginning FY 24-25 (FY 21-22 is \$1 million, FY 22-23 is \$3 million, FY 23-24 is \$4 million, stair-stepping to the \$5 million per year cap).
- ✓ COGCC [Mill Levy](#) Increase: \$3 million for FY 20-21 – Mill levy increased from 1.1 to 1.5
- ✓ AQCC [Engines, Flowback, & Monitoring](#): \$60 million per year
- ✓ COGCC Mission Change [200-600](#): \$79 million per year – COGCC cost-benefit analysis provided a range of \$13 to \$79 million, based on COGCC draft rules issued by staff. That analysis came before commissioners established a larger 2,000-foot setback during the rulemaking process. No additional COGCC cost-benefit analysis was conducted. The annual cost impact from that setback increase could be larger than \$79 million, but we are using this figure in this document to be conservative.



- ✓ COGCC Mission Change [800, 900, 1200](#): \$32 million per year – COGCC cost-benefit analysis provided a range of \$21 to \$32 million, based on COGCC draft rules issued by staff. That analysis came before commissioners lengthened setback requirements in wildlife areas. No additional COGCC cost-benefit analysis was conducted. The annual cost impact from that setback increase could be larger than \$32 million, but we are using this figure in this document to be conservative.

### **2021**

- ✓ COGCC Financial Assurance Rulemaking: *???* dollars per year
- ✓ COGCC Permit Fee Increase: *???* dollars per year
- ✓ AQCC GHG Rulemaking: *???* dollars per year



Again, the list above is not comprehensive, as there are other regulatory rulemakings on the horizon that will require new operational costs. However, these are some of the most significant.

## Additional Resources & Information

### *Sources*

Colorado Oil & Gas Conservation Commission (COGCC) | [www.cogcc.state.co.us](http://www.cogcc.state.co.us)

[For More Oil & Natural Gas Industry Informational Fact Sheets:](#)

[www.coga.org/factsheets](http://www.coga.org/factsheets)