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DISTRICT COURT, DENVER COUNTY,	CASE NUMBER: 2020CV32688
COLORADO	
Denver City and County Building	
2nd Judicial District	
1437 Bannock Street, Room 256	
Denver, Colorado 80202	
Phone number: (303) 606-2300	
Environmental Defense Fund, Plaintiff	
v.	▲ COURT USE ONLY ▲
Colorado Air Quality Control Commission and Colorado	
Air Pollution Control Division, Defendants	
Attorneys for Plaintiff	
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COMPLAINT	

I. INTRODUCTION

Plaintiff Environmental Defense Fund ("EDF"), on behalf of itself and its adversely affected members, brings this civil action against Defendants the Colorado Air Quality Control Commission ("Commission") and the Colorado Air Pollution Control Division ("APCD") for failing to perform their non-discretionary duty to initiate rulemaking by July 1, 2020 to reduce statewide emissions of greenhouse gases as required by C.R.S. § 25-7-140(2)(a)(III). Pursuant to the Colorado Administrative Procedure Act ("APA") at C.R.S. § 24-4-106(7)(b), the Colorado Air Pollution Prevention and Control Act at C.R.S. § 25-7-140(2)(a)(III), and C.R.C.P. 106(a)(2), EDF seeks an Order from the court that compels the Commission and the APCD to initiate such rulemaking forthwith.

II. JURISDICTION AND VENUE

1. This action arises under the Colorado Air Pollution Prevention and Control Act ("CAPPCA"), C.R.S. §§ 25-7-101 *et seq.*, and the APA, C.R.S. §§ 24-4-101 *et seq.*

- 2. This Court has jurisdiction over this matter pursuant to C.R.S. § 24-4-106(1), (2) and (4), which allow judicial review of agency action or inaction for "persons or parties adversely affected and aggrieved by agency actions." This Court has jurisdiction and authority to compel the required agency action and order other relief as appropriate. C.R.S. § 24-4-106(7)(b); C.R.C.P. 106(a)(2).
- 3. EDF filed this action within 35 days of the Commission's and the APCD's failure to publish a notice of proposed rulemaking by July 1, 2020. C.R.S. § 24-4-106(4).
- 4. Venue in this Court is proper pursuant to C.R.C.P. 98(c) and C.R.S. § 24-4-106(4) ("The residence of a state agency for the purpose of this subsection (4) shall be deemed to be the city and county of Denver.").

III. THE PARTIES

- 5. Plaintiff ENVIRONMENTAL DEFENSE FUND ("EDF") is a national nonprofit organization that links science, economics, and law to create innovative, equitable, and cost-effective solutions to urgent environmental problems. EDF has long pursued initiatives at the state and national levels designed to reduce emissions of health-harming and climate-altering air pollutants from all stationary, mobile and area sources. EDF has over 400,000 members nationwide and over 11,000 members in Colorado. EDF represents the interests of its members.
- 6. For over 30 years EDF has maintained an office and staff in Colorado devoted to addressing climate change and deleterious air pollution. This includes public campaigns to address climate and air pollution, advocating solutions before the General Assembly, working with leading scientists and technical experts and economists (including many at Colorado's universities) to identify effective solutions, working in collaboration with community groups and the private sector, securing commitments for leading action from Colorado's businesses, working with businesses and labor interests to ensure economic prosperity and jobs, and advocating solutions anchored in science, economics and law in numerous proceedings before the Commission.
- 7. EDF and its members are adversely affected by the Commission's and the APCD's failure to comply with their rulemaking obligations to reduce emissions of greenhouse gases ("GHGs"). The Commission's and the APCD's failure to take steps to mitigate elevated and rising concentrations of GHGs in the atmosphere is causing significant and harmful impacts to the interests of EDF and its members in protecting public health, the environment, and the state's economy.
- 8. The Commission's and the APCD's failure to comply with their GHG rulemaking obligations is depriving EDF of its ability to pursue human health protections for disproportionately impacted communities that are afflicted by air pollution.

- 9. The Commission's and the APCD's failure to comply with their GHG rulemaking obligations is frustrating EDF's ability to mitigate the array of air pollutants that exacerbate adverse health effects for those with respiratory illnesses and conditions.
- 10. EDF and its members' economic, recreational, aesthetic and conservational interests are adversely affected, and will continue to be adversely affected, by the Commission's and the APCD's failure to comply with their rulemaking obligations to meet the state's GHG reduction goals. The Commission's and the APCD's failure to take steps to meet the GHG reduction goals increases the risk and severity of climate-related impacts. EDF and its members are adversely affected by climate-related impacts, including those acknowledged by the Colorado General Assembly to be directly related to the excess emission of GHGs, as identified below:
 - a. Declining snowpack,
 - b. Prolonged drought,
 - c. More extreme heat,
 - d. Elevated wildfire risk and risk to first responders,
 - e. Widespread beetle infestation decimating forests,
 - f. Increased risk of vector-borne diseases,
 - g. More frequent and severe flooding,
 - h. More severe ground-level ozone pollution causing respiratory damage and loss of life.
 - i. Decreased economic activity from outdoor recreation and agriculture, and
 - j. Diminished quality of life.

C.R.S. § 25-7-102(2)(a) and (b).

- 11. EDF and its members are also adversely affected by the Commission's and the APCD's failure to initiate rulemaking to reduce GHG emissions, depriving EDF and its members from participating in a governmental process in which they have a substantial interest.
- 12. Finally, EDF and its members are adversely affected by the increased cost of future compliance caused by the Commission's and the APCD's delay in initiating rulemaking to reduce GHG emissions.
- 13. Defendant AIR QUALITY CONTROL COMMISSION ("the Commission") is a nine-member citizen board charged with promulgating rules and regulations consistent with state and federal requirements. C.R.S. §§ 25-7-104 and 105. The Commission is specifically obligated to promulgate rules and regulations related to statewide GHG pollution abatement. C.R.S. § 25-7-105(1)(e)(II).
- 14. Defendant AIR POLLUTION CONTROL DIVISION ("APCD") is charged with administering and enforcing air quality control regulations and programs adopted by the Commission. C.R.S. § 25-7-111(1). Among other duties, the APCD supports the Commission in the development of rules. *Id*.

IV. STATEMENT OF FACTS

A. Greenhouse Gas Reduction Goals

- 15. On May 30, 2019, Colorado Governor Jared Polis signed into law two bills aimed at reducing the state's emission of GHGs, Senate Bill 19-096 and House Bill 19-1261. The provisions of these bills applicable to this action are now found in the Colorado Air Pollution Prevention and Control Act, C.R.S. §§ 25-7-101, et seq.
- 16. House Bill 19-1261 established numerical GHG reduction goals, directed the promulgation and subsequent revision of regulations in order to ensure those goals were timely achieved, and established a set of considerations to be taken into account in designing the regulatory framework; Senate Bill 19-096 established a specific deadline for the proposal of regulations to achieve those goals.
 - 17. Accordingly, House Bill 19-1261 established the following goals:

Colorado shall strive to increase renewable energy generation and eliminate statewide greenhouse gas pollution by the middle of the twenty-first century and have goals of achieving, at a minimum, a twenty-six percent reduction in statewide greenhouse gas pollution by 2025, a fifty percent reduction in statewide greenhouse gas pollution by 2030, and a ninety percent reduction in statewide greenhouse gas pollution by 2050. The reductions identified in this subsection (2)(g) are measured relative to 2005 statewide greenhouse gas pollution levels.

C.R.S. § 25-7-102(2)(g).

18. The Colorado Department of Public Health and Environment ("CDPHE") estimates that statewide net emissions of GHGs in calendar year 2005 were 123,813,000 tons.² (All tons herein are expressed in metric tons, i.e. 1,000 kilograms or approximately 2,200 pounds.) Therefore the GHG annual emission reduction goals in C.R.S. § 25-7-102(2)(g) are estimated to allow at most:

-4-

¹ The state of Colorado defines greenhouse gases as "carbon dioxide (CO₂), methane (CH₄),nitrous oxide (N₂O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃)." C.R.S. § 25-7-140(5).

² Colorado Greenhouse Gas Inventory 2019, December 2019, https://drive.google.com/file/d/1TxyoktxCOLFd6CaUKZzeqsKgEIHMjdqt/view, p. 12.

2025: 91,621,620 tons of GHGs per year (26% reduction). 2030: 61,906,500 tons of GHGs per year (50% reduction). 2050: 12,381,300 tons of GHGs per year (90% reduction).

19. To meet those goals, Senate Bill 19-096 requires Defendant Commission to perform the following, non-discretionary duty:

The Commission shall . . . (III) [b]y July 1, 2020, publish a notice of proposed rule-making that proposes rules to implement measures that would cost-effectively allow the state to meet its greenhouse gas emission reduction goals.

C.R.S. § 25-7-140(2)(a)(III).

20. According to C.R.S. § 25-7-140(5),

[N]othing [in section 25-7-140] or the emissions inventory provisions in section 25-7-102 shall be construed to slow, interfere with, or impede state action to timely adopt rules that reduce greenhouse gas emissions to meet the state's greenhouse gas emission reduction goals.

- B. GHG Reductions from Current Regulations Do Not Satisfy Goals.
- 21. In his May 30, 2019 signing statement regarding Senate Bill 19-096, Governor Polis noted that the Commission,
 - ... plans to move forward with two major greenhouse gas reductions rulemakings over the next year that will likely satisfy the rulemaking requirements set forth in SB 19-096, including: (1) the Zero Emission Vehicle rulemaking as prompted by my Executive Order *B* 2019 002; and (2) a rulemaking to minimize oil and gas emissions, including greenhouse gas emissions, pursuant to SB19-181.
- 22. On August 16, 2019, the Commission finalized the Zero Emission Vehicle ("ZEV") rules. 5 CCR 1001-24 (eff. Sept. 30, 2019). The APCD estimated that the rules would result in a statewide reduction of 73,660 tons of GHG emissions in 2025, and a statewide reduction of 342,358 tons of GHG emissions in 2030. *Environmental Coalition Rebuttal Exhibit-C*, filed in the August 2019 Rulemaking Revisions to AQCC Regulation Number 20: Zero Emission Vehicle Program. Table 6. *Available at* https://drive.google.com/file/d/1yJIIDRKQKUD5BKvlpMrqnUxcyGlf9vaP/view?usp=sharing
- 23. On December 19, 2019, the Commission promulgated regulations to reduce GHG emissions from oil and gas facilities. 5 CCR 1001-5 (revisions described at 348–51); 5 CCR 1001-9 (revisions described at 246–65). The APCD estimates that the oil and gas rules will reduce statewide methane and ethane emissions by 5,000 tons per year. Applying the APCD's

methane to CO₂ equivalent ("CO₂e") multiplier of 28 results in an effective future reduction in GHG emissions of 140,000 tons per year. APCD, *Colorado Air Quality Control Commission's* 2019 Revisions to Regulation Number 7 – Oil and Gas Emissions and Regulation Number 3 – Permitting and APENs Fact Sheet (January 8, 2020), available at: https://drive.google.com/file/d/1b0qXRpFOFayO1r3qF4bdFpG9NPukGJfP/view

- 24. On May 22, 2020, the Commission promulgated rules designed to reduce emissions from hydrofluorocarbons ("HFCs"). APCD, Memorandum of Notice, Regulation Number 22, February 20, 2020 at 5. Based on the Division's analysis, the HFC rules are anticipated to result in statewide GHG reductions in Colorado of about 560,000 tons CO₂e in 2025 and 1.15 million tons CO₂e in 2030.
- 25. The anticipated GHG reductions of the Commission's three rulemakings described above are set forth in Table 1 below.

<u>Table 1</u>: Emission Reductions Projected from GHG Regulations Promulgated by the Commission Since May 2019

(in GHG tons/year)

Year	ZEV Regulation Reductions	Oil & Gas Regulation Reductions	HFC Regulation Reductions	Total Anticipated GHG Regulatory Reductions
2025	73,660	140,000	560,000	773,660
2030	342,358	140,000	1,150,000	1,632,358

26. The anticipated GHG reductions of the Commission's three rulemakings, compared to the 2025 and 2030 GHG reduction goals required by C.R.S. § 25-7-140(2)(a)(III) and C.R.S. § 25-7-102(2)(g), are set forth in Tables 2& 3 below.

<u>Table 2</u>: Projected Emission Reductions from GHG Regulations Promulgated Since May 2019 Compared to 2025 and 2030 Statutory Emission Reduction Goals based on Final 2019 Colorado GHG Inventory Report³ (in GHG tons/year)

Year	GHG Emission Goal (Allowed Emissions in Specified Year)	Business as Usual Emission Projections	GHG Reductions Needed Relative to Business as Usual Projections	Projected Emission Reductions from ZEV, Oil & Gas, and HFC Regulations	Percentage Contribution of Regulations to Needed Reductions (from Business as Usual Projections)
	24 (24 (22				
2025	91,621,620			773,660	
2030	61,906,500	122,448,000	60,541,500	1,632,358	2.7%

<u>Table 3</u>: Projected Emission Reductions from GHG Regulations Promulgated Since May 2019 Compared to 2025 and 2030 Statutory Emission Reduction Goals using Colorado's Updated GHG Inventory⁴ (in GHG tons/year)

Year	GHG Emission Goal (Allowed Emissions in Specified Year)	Business as Usual Emission Projections	GHG Reductions Needed Relative to Business as Usual Projections	Projected Emission Reductions from ZEV, Oil & Gas, and HFC Regulations	Percentage Contribution of Regulations to Needed Reductions (from Business as Usual Projections)
2025	102,964,075	132,100,000	29,135,925	773,660	2.7%
2030	69,570,321	134,300,000	64,729,679	1,632,358	2.5%

- 27. The ZEV, oil and gas, and HFC regulations the Commission has promulgated since May 30, 2020 do not implement measures that will, either alone or together, allow the state to meet its GHG emission reduction goals.
- 28. By Defendants' own admissions, and assuming full compliance, the ZEV, oil and gas, and HFC regulations will only meet approximately 2.7% of the state's 2030 GHG reduction goal based on needed GHG reductions derived from the state's 2030 GHG emission projections

³ Colorado Greenhouse Gas Inventory 2019, December 2019, https://drive.google.com/file/d/1TxyoktxCOLFd6CaUKZzeqsKgEIHMjdqt/view, p. 6. The inventory only presents 2020 and 2030 emission projections.

⁴ Colorado GHG Roadmap Assumptions & Results 2020-06-18, https://drive.google.com/file/d/1Q0C3aRnuxXX2UHghM7F2E0NDy0bZZNhp/view

in the Final 2019 Colorado GHG Inventory Report.

- Even using Colorado's unofficial Updated GHG inventory⁵, and assuming full compliance, the ZEV, oil and gas, and HFC regulations will only deliver approximately 2.7% of the emission reductions needed to meet the state's 2025 GHG goal, and only approximately 2.5% of the emission reductions needed to meet the state's 2030 GHG goal assuming that business-asusual emissions in those years will reflect those projected by the state in the "Reference scenario" of its Updated GHG Inventory. The state's "Reference" scenario was used as the relevant scenario for emission projections, instead of the "2019 Action" scenario, to avoid double counting emission reductions associated with ZEV and oil and gas regulations which were passed in 2019 and included in the 2019 Action scenario⁶.
- 30. The Commission and APCD have not, and could not, satisfy their obligation to meet the state's GHG reduction goals through the promulgation of the ZEV, oil and gas, and HFC regulations alone applying any of Defendants' projections described above.
- The Commission and APCD have not published any notice or notices of proposed rule-making since May 30, 2019 that, alone or together, reflect measures that would costeffectively allow the state to meet fully its GHG emission reduction goals.
- Measures exist that would cost-effectively allow the state to meet fully its GHG 32. emission reduction goals.
 - C. Defendants' Required Development and Promulgation of GHG Reduction Regulations Is Guided By Specific Statutory Criteria.
- The Commission's and APCD's development and promulgation of GHG 33. reduction regulations pursuant to C.R.S. § 25-7-140(2)(b) is guided by specific statutory criteria set forth in C.R.S. § 25-7-105(1). For example, to satisfy their rulemaking obligations, the Commission and APCD shall:

⁵ *Id.*

-8-

⁶ The 2019 Action Scenario projections include aspirational goals, such as the state's support for one million electric vehicles to be sold in Colorado by 2030. However, C.R.S. 25-7-140(2)(a)(III) requires the Commission and the APCD to propose enforceable rules, not aspirational goals. Pursuant to the APA, a "rule" means "the whole or any part of every agency statement of general applicability and future effect implementing, interpreting, or declaring law or policy or setting forth the procedure or practice requirements of any agency. "Rule" includes "regulation." Therefore, the unenforceable provisions of the 2019 Action Scenario are not applicable here. Even assuming the Action Scenario is applicable, its projections in no way suggest the GHG goals would be met by 2025, 2030 or 2050.

- a. "solicit input from other state agencies, stakeholders, and the public on the advantages of different mitigation measures." C.R.S. § 25-7-105(1)(e)(IV);
- b. "consider" . . . "[t]he benefits of compliance, including health, environmental, and air quality; the costs of compliance; economic and job impacts and opportunities; the time necessary for compliance; the relative contribution of each source or source category to statewide greenhouse gas pollution based on current data updated at reasonable intervals as determined by the commission; harmonizing emission reporting requirements with existing federal requirements, where the commission deems appropriate; the importance of striving to equitably distribute the benefits of compliance, opportunities to incentivize renewable energy resources and pollution abatement opportunities in disproportionately impacted communities, opportunities to encourage clean energy in transitioning communities; issues related to the beneficial use of electricity to reduce greenhouse gas emissions; whether program design could enhance the reliability of electric service; the potential to enhance the resilience of Colorado's communities and natural resources to climate impacts; and whether greater or more costeffective emission reductions are available through program design." C.R.S. § 25-7-105(1)(e)(VI);
- c. "consult with the public utilities commission, including on issues of cost of electricity, reliability of electric service, technology developments in electricity production, and beneficial electrification, and keep a record of its consultation." C.R.S. § 25-7-105(1)(e)(VIII)(A);
- d. "take into consideration any clean energy plan" filed at the Colorado Public Utilities Commission. *Id.* § 25-7-105(1)(e)(VIII)(C);
- e. "consider how program design as relevant to those sources can further mitigate the cost of reducing emissions for [energy-intensive, trade-exposed] manufacturers while providing an incentive to improve efficiency and reduce emissions. Specifically, the commission shall design the program as relevant to those sources such that as the sources are subject to emission reduction requirements, those sources will have, under the program, a pathway to obtain equivalent lower-cost emission reductions at other regulated sources to satisfy their compliance obligations." C.R.S. § 25-7-105(1)(e)(IX)(A); and
- f. "provide for ongoing tracking of emissions sources that adversely affect disproportionately impacted communities." C.R.S. § 25-7-105(1)(e)(II).

-9-

- D. Defendants Have Not Proposed, by July 1, 2020, Rules Developed Consistent with Statutory Criteria that Meet GHG Reduction Goals.
- 34. The Commission and the APCD did not propose by July 1, 2020, and have not proposed as of the date of this complaint, any rule or combination of rules that satisfy the requirements of C.R.S. § 25-7-140(2)(a)(III), C.R.S. § 25-7-140(2)(b) and C.R.S. § 25-7-105(1).
- 35. As demonstrated above, EDF has a clear right to seek and obtain an order compelling the Defendants to propose a rule or rules sufficient to satisfy the mandatory requirements of C.R.S. § 25-7-140(2)(a)(III), C.R.S. § 25-7-140(2)(b) and C.R.S. § 25-7-105(1). Moreover, Defendants have a mandatory duty to propose such rules, and there is no other available remedy

V. CAUSE OF ACTION AND PRAYER FOR RELIEF

- 36. Plaintiff incorporates herein by reference each of the allegations set forth above.
- 37. Pursuant to the Colorado Air Pollution Prevention and Control Act at C.R.S. § 25-7-140(2)(a),

The Commission shall . . . (III) [b]y July 1, 2020, publish a notice of proposed rule-making that proposes rules to implement measures that would cost-effectively allow the state to meet its greenhouse gas emission reduction goals.

- 38. Pursuant to the Colorado Administrative Procedure Act ("APA"), "any person adversely affected or aggrieved by any agency action may commence an action for judicial review in the district court within thirty-five days after such agency action becomes effective." C.R.S. § 24-4-106(4).
- 39. Under the APA, the term "aggrieved" means "having suffered actual loss or injury or being exposed to potential loss or injury to legitimate interests including, but not limited to, business, economic, aesthetic, governmental, recreational, or conservational interests." C.R.S. § 24-4-102.
- 40. Under the APA, the term "action" means "the whole or any part of any agency rule, order, interlocutory order, license, sanction, relief, or the equivalent or denial thereof, or failure to act." *Id.* § 24-4-102.
- 41. Pursuant to the APA, the district court "shall . . . compel agency action "unlawfully withheld . . . if the court finds that the agency action is (I) arbitrary or capricious; (II) a denial of statutory right; . . . [or] . . . (IX) otherwise contrary to law." C.R.S. § 24-4-106(7)(b).
 - 42. The obligation set forth in C.R.S. § 25-7-140(2)(a)(III) represents a mandatory,

non-discretionary duty on the part of the Commission and the APCD to propose rules by July 1, 2020 that would cost-effectively allow the state to meet its GHG reduction goals.

- 43. The Commission and the APCD did not publish a notice consistent with the requirements of C.R.S. § 25-7-140(2)(a)(III) by July 1, 2020, and have not done so as of the date of this complaint.
- 44. EDF is a person that is adversely affected or aggrieved within the meaning of C.R.S. § 24-4-106(4) and C.R.S. § 24-4-102 as a result of Defendants' failure to publish such notice.
- 45. The Commission's and APCD's failure to meet the mandatory July 1, 2020 deadline consistent with the requirements of C.R.S. § 25-7-140(2)(a)(III) represents a "failure to act" within the meaning of C.R.S. § 24-4-102 and therefore is an "action" subject to judicial review pursuant to C.R.S. § 24-4-106(2) and (4).
- 46. This complaint has been filed within 35 days of the Commission's and APCD's "action" that is subject to judicial review.
- 47. The Commission's and APCD's failure to meet the mandatory July 1, 2020 deadline consistent with the requirements of C.R.S. § 25-7-140(2)(a)(III) and propose a rule consistent with the requirements of C.R.S. §§ 25-7-102(2)(g), 25-7-105(1)(e), and 25-7-140, represents the unlawful withholding of a mandatory action, is arbitrary and capricious, a denial of a statutory right and otherwise contrary to law within the meaning of C.R.S. § 24-4-106(7)(b).
- 48. This court is empowered by C.R.S. § 24-4-106(7)(b) to compel agency action that has been unlawfully withheld. The court therefore is empowered to compel the Commission and the APCD to fulfill their mandatory duty to propose rules that will cost-effectively allow the state to meet its GHG reduction goals consistent with the requirements of C.R.S. § 25-7-140(2)(a)(III).
- 49. This court is also empowered by C.R.C.P. 106(a)(2) to compel the Commission and the APCD to propose rules that will cost-effectively allow the state to meet its GHG reduction goals consistent with the requirements of C.R.S. § 25-7-140(2)(a)(III). Such a mandamus order is appropriate because (1) EDF has a clear right to the relief sought, (2) the Commission and the APCD have a clear duty to perform the act requested, and (3) there is no other available remedy. *Bd. of Cty. Comm'rs v. County Road Users Ass'n*, 11 P.3d 432, 437 (Colo. 2000).

PRAYER FOR RELIEF

WHEREFORE, Plaintiff respectfully requests the Court to make the following finding and Order the following relief:

- A. Find the Commission's and the APCD's' failure to act by the July 1, 2020 deadline to be arbitrary and capricious, the denial of a statutory right and otherwise contrary to law;
- B. Order the Commission and the APCD forthwith to propose rules that have been unlawfully withheld that will cost-effectively allow the state to meet its GHG reduction goals; and
 - C. Grant such other relief as the Court deems just and equitable.

Respectfully submitted this 5th day of August, 2020.

s/ Reed Zars
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