

Colorado Legislative Council Staff Fiscal Note

**STATE**  
**REVISED FISCAL IMPACT**

(replaces fiscal note dated January 9, 2014)

**Drafting Number:** LLS 14-0249 **Date:** February 25, 2014  
**Prime Sponsor(s):** Rep. Coram; Mitsch Bush **Bill Status:** Senate Agriculture  
 Sen. Schwartz; Roberts **Fiscal Analyst:** Clare Pramuk (303-866-2677)

**SHORT TITLE:** SMALL HYDROELECTRIC INCENTIVES

Fiscal Impact Summary*	FY 2014-2015	FY 2015-2016
State Revenue		
State Expenditures	Minimal workload increase.	
FTE Position Change		
Appropriation Required: None.		

\* This summary shows changes from current law under the bill for each fiscal year.

**Summary of Legislation**

The *reengrossed* bill facilitates the development of hydroelectric energy systems. It requires the State Electrical Board in the Department of Regulatory Agencies (DORA) to apply the minimum standards in the 2011 National Electrical Code for small wind electrical production when inspecting a hydroelectric energy facility generator. In addition, it designates the Colorado Energy Office (CEO) to coordinate the state review of proposed hydroelectric energy projects as part of the federal licensing process. The director of the CEO may establish guidelines concerning the process and deadlines for disseminating information to other state agencies and compiling comments.

**Background**

Hydroelectric power is a renewable energy source produced when water flows through a turbine that spins a generator. Small hydropower projects of 30 megawatts or less can be installed in streams, diversion ditches for irrigation, or existing dams.

The Federal Energy Regulatory Commission (FERC) and the State of Colorado through the Colorado Energy Office (CEO) have an agreement to develop procedures to streamline and simplify the authorization process for small scale hydropower projects. The CEO conducted a pilot project for adding small scale hydropower facilities to existing infrastructure and was able to reduce the amount of time required to complete a project. State agencies that comment on the review of a FERC application include the Division of Parks and Wildlife, Division of Water Resources, Department of Public Health and Environment, and State Historical Society.

### **State Expenditures**

This bill will require a minimal increase in workload for the DORA and continues a function in the CEO.

***Department of Regulatory Agencies.*** The State Electrical Board in the DORA will have minimal legal expenses associated with updating rules for FY 2014-15 only. This is expected to be addressed within existing appropriations.

***Colorado Energy Office.*** Beginning in FY 2014-15, the CEO will have statutory authority for a function it already performs. The CEO currently works with state agencies and the FERC when hydropower projects are in development so continuation of this work will not require new appropriations.

### **Effective Date**

The bill takes effect August 6, 2014, if the General Assembly adjourns on May 7, 2014, as scheduled, and no referendum petition is filed.

### **State and Local Government Contacts**

All State and Local Departments