

Summary of Renewable Energy Bills (As of July 1, 2010)

Signed into Law	
<p>Bill Number: House Bill 10-1001</p> <p>Sponsors: <i>Rep. Tyler</i> <i>Sen. Schwartz and Sen. Whitehead</i></p> <p>The act increases the renewable portfolio standard (RPS) for investor-owned utilities in order to achieve 30 percent renewable energy generation by 2020 according to a graduated schedule. The bill requires that a portion of the RPS be met through distributed generation, which does not require additional transmission facilities to connect to the grid. The bill also repeals the existing 4 percent requirement for solar energy, though solar is still considered a renewable energy resource under the bill.</p> <p>The act sets the amount of the standard rebate to a minimum of \$2.00 per watt. Utilities must pay rebates as an incentive for new customer-sited renewable generation facilities, such as solar panels. The bill also allows qualifying utilities to advance funds from year to year to augment the money collected from retail customers through the renewable energy standard for the acquisition of more renewable energy resources.</p> <p>The act requires that for all new distributed generation systems funded through ratepayer funded incentives, the installation of photovoltaic systems must be supervised by certified practitioners. The bill also specifies required minimum ratios for certified practitioners and assistants and minimum qualifications for workers involved with the installation of such systems.</p> <p>The bill requires the Public Utilities Commission (PUC), when evaluating resource acquisitions for new energy technologies, to consider factors that affect the long-term viability of communities.</p>	<p>Short Title: Renewable Energy Standards Solar Certification</p> <p>Status: Signed into law</p> <p>Appropriations:</p> <p>For FY 2010-11, the PUC will require a cash funds appropriation of \$51,440 and 0.5 FTE from the Fixed Utility Fund, for renewable portfolio standard rulemaking activities as a result of the bill.</p>
<p>Bill Number: House Bill 10-1182</p> <p>Sponsors: <i>Rep. Solano</i> <i>Sen. Schwartz</i></p> <p>This act authorizes federal mineral lease revenues from geothermal resource development of federal lands to be used to provide grants to state agencies, school districts, and political entities through the Geothermal Resource Leasing Fund. The act also requires that the State Engineer deny applications to appropriate groundwater for geothermal purposes if the appropriation will affect a prior geothermal property right. The act specifies that geothermal energy facilities must be valued for property taxes in the same manner in which wind and solar energy facilities are valued. The act also allows municipalities and counties to designate the use of geothermal resources as an activity of state interest under House Bill 74-1041.</p>	<p>Short Title: Clean Energy Development Authority Financing Limits</p> <p>Status: Signed into Law</p> <p>Appropriations:</p> <p>The act earmarks future federal geothermal lease revenue for appropriation to the Department of Local Affairs for the Geothermal Resource Leasing Fund, however, there are currently no geothermal leases in Colorado. Therefore, therefore, there is no appropriation for FY 2011-12.</p>

Summary of Renewable Energy Bills (As of July 1, 2010) (Cont.)

Signed into Law (Cont.)			
Bill Number:	House Bill 10-1267	Short Title:	Property Tax of Independent Residential Solar
Sponsors:	<i>Rep. A. Kerr</i> <i>Sen. Romer</i>	Status:	Signed into Law
<p>This <i>rerevised</i> bill exempts third-party owned (leased) residential solar systems from property tax by defining such facilities as household furnishings. To qualify for the exemption, the bill specifies that solar electric generation facilities may not be owned by the residential property owner, may not have a production capacity in excess of 100 kilowatts, and may not produce income for the homeowner.</p>	<p><i>Appropriations:</i></p> <p>Local governments that are not at their revenue limit will lose property tax revenue because of the bill's provision to provide property tax exemptions for leased solar systems. As a result, in FY 2011-12, School Finance Act expenditures are expected to increase by \$16,500. The state's share of public school total program funding will increase by the amount of local school operating property taxes lost due to this bill.</p>		

Summary of Renewable Energy Bills (As of July 1, 2010) (Cont.)

Signed into Law (Cont.)

Bill Number: **House Bill 10-1328**

Short Title: **New Energy Jobs Creation Act**

Sponsors: *Rep. Miklosi*
Sen. Schwartz

Status: Signed into Law

This *revised* bill creates the Colorado New Energy Improvement District to administer and finance a New Energy Improvement Program for home energy efficiency and renewable energy improvements. The bill specifies the qualifications, manner of appointment, and terms of the board of directors of the district.

Appropriations:

The audits, conducted every fifth year, by the State Auditor's Office are expected to increase expenditures from the General Fund by \$160,000 annually. These costs will be reimbursed by the Colorado New Energy District. To the extent that property values increase as a result of energy improvements financed by the district, local governments will see an increase in property tax revenue. For governments at its Taxpayer Bill of Rights (TABOR) revenue limit, mill levies will decline.

The energy improvements will be financed by bonds issued by the district that are paid by special assessments levied on homes that choose to participate in the program. The total principal amount of bonds that can be issued by the district is limited to \$800 million and cannot exceed 20 years. Bonds are exempt from all taxation and assessments in the state. The amount of the assessment will be based on the cost of the home energy improvements to the district, including paying the contractors who make the energy improvements and district administrative costs.

The Colorado New Energy Improvement District will include all residential properties that apply to and are accepted to join the district. However, the program may be conducted only in counties where the board of county commissioners has explicitly authorized the program.

The bill requires the State Auditor's Office to conduct a performance audit of the Colorado New Energy Improvement District and the New Energy Improvement Program every five years starting no later than June 30, 2014.

The bill creates the Clean Energy Improvement Debt Reserve Fund. The Governor's Energy Office may instruct the State Treasurer to credit up to \$10 million dollars of available moneys from nonstate sources under the control of the Governor's Energy Office to the fund. Local improvement districts and other districts may enter into written agreements with the Governor's Energy Office to use the fund as a backup source of moneys for the payment of principal and interest on bonds issued by a local improvement district or other special district. The fund may also be used to defray any direct and indirect costs incurred by the State Treasurer.

The New Energy Jobs Creation Act will be repealed January 1, 2016, unless the district has issued bonds that have not been repaid in full by that date.

Summary of Renewable Energy Bills (As of July 1, 2010) (Cont.)

Signed into Law (Cont.)	
<p>Bill Number: House Bill 10-1342</p> <p>Sponsors: <i>Rep. Levy</i> <i>Sen. Williams</i></p> <p>This <i>revised</i> bill directs the PUC to begin a rule-making proceeding related to the renewable energy portfolio standard and community solar gardens by October 1, 2010. The rules must specify that rebates and renewable energy credits can apply to solar generation facilities jointly owned by 10 or more customers at a shared location, defined as community solar gardens (CSGs), and that CSGs qualify as retail distributed generation under House Bill 10-1001. The bill allows the creation of a community solar garden by a subscriber organization whose sole purpose is owning and operating the CSG.</p> <p>For the first three years beginning in 2011, the bill specifies that qualifying investor-owned utilities must purchase half of their purchases of electricity from CSGs that are 500 kilowatts or smaller. The bill specifies that a utility must not be obligated to purchase the output from more than six megawatts of newly installed community solar garden generation. Starting in 2014 the PUC will determine the minimum and maximum purchases of electrical output from newly installed community solar gardens that the utility must acquire.</p>	<p>Short Title: Community Solar Gardens Utility Electric Standard</p> <p>Status: Signed into Law</p> <p>Appropriations:</p> <p style="padding-left: 20px;">The <i>reengrossed</i> bill requires the PUC to commence a rulemaking procedure by October 10, 2010, in order to adopt rules under which rebates and RECs will apply to CSGs. Rule promulgation is one of the primary responsibilities of PUC staff, and the PUC can promulgate the required rules within existing budgetary resources.</p>
<p>Bill Number: House Bill 10-1349</p> <p>Sponsors: <i>Rep. Fischer and Rep. Pace</i> <i>Sen. Schwartz and Sen. Tapia</i></p> <p>This <i>revised</i> bill creates the Re-energize Colorado Program in the Division of Parks and Outdoor Recreation (Division) in the Department of Natural Resources (DNR) with the goal of generating or offsetting 100 percent of the division's electrical consumption by 2020 using energy resources on land owned, leased, or controlled by the division. In support of this goal, a qualifying retail utility can waive some of the existing limits placed on net metering (the way retail credits are determined for a customer's electricity generation) and energy generated on a customer's property.</p> <p>The bill requires the Governor's Energy Office (GEO) to conduct a Geographic Information System (GIS) analysis to determine the optimum state park land for renewable energy development. The bill also authorizes the division to acquire lands that have the potential to support renewable energy generation development.</p> <p>The bill also directs the PUC to give the fullest possible consideration to approving projects developed under the Re-energize Colorado Program with particular attention to those projects that offer the prospect of job creation and local economic growth. The GEO is authorized by the bill to accept gifts, grants, and donations to support the activities authorized under the bill.</p> <p>The section will repeal on July 1, 2020.</p>	<p>Short Title: Re-energize Colorado Renewable Electricity for Parks</p> <p>Status: Signed into Law</p> <p>Appropriations:</p> <p style="padding-left: 20px;">The GEO's GIS analysis is expected to cost \$50,000. The study will be funded with federal American Recovery and Reinvestment Act funds.</p>

Summary of Renewable Energy Bills (As of July 1, 2010) (Cont.)

Signed into Law (Cont.)	
<p>Bill Number: House Bill 10-1418</p> <p>Sponsors: <i>Rep. McFadyen and Rep. Sonnenberg</i> <i>Sen. Bacon</i></p> <p>This <i>revised</i> bill modifies the definition of a community-based project within the context of the renewable energy portfolio standard (RPS). The RPS requires certain electric utilities to generate an increasing percentage of their electricity from eligible renewable and recycled energy sources. HB 10-1001 increased the RPS to require certain utilities to obtain 30 percent of their power from renewable sources by 2020.</p> <p>Under HB 10-1418, a community-based project is defined as a project that is controlled by individual residents of the community or by a local government entity or tribe. The bill specifies that each kilowatt-hour of electricity generated from renewable resources at a community-based project be counted for the life of the project as 2 kilowatt-hours for purposes of RPS compliance.</p> <p>Utilities may not claim this 2 kilowatt-hour multiplier for interconnections that first occur after December 31, 2014, or use it in conjunction with another compliance multiplier. The multiplier only applies to the aggregate first 100 megawatts of nameplate capacity of projects statewide that report having achieved commercial operations to the Public Utilities Commission (PUC).</p> <p>Finally, the PUC is required to analyze the implementation of the bill and submit a report to the Senate Local Government and Energy Committee and the House Transportation and Energy Committee by December 31, 2011. The report must include how many megawatts of electricity have been installed or are subject to a power purchase agreement pursuant to the bill and whether the PUC recommends that the multiplier established by the bill should be changed.</p>	<p>Short Title: Community-based Renewable Energy Projects</p> <p>Status: Signed into Law</p> <p><i>Appropriations:</i></p> <p> Although additional rulemaking is required by the PUC, the bill does not apply to individual customer photovoltaic systems, and the hearings are not anticipated to be contentious. Any additional workload can be accomplished within existing appropriations.</p>

Summary of Renewable Energy Bills (As of July 1, 2010) (Cont.)

Signed into Law (Cont.)	
<p>Bill Number: House Bill 10-1431</p> <p>Sponsors: <i>Rep. McKinley</i> <i>Sen. Penry</i></p> <p>This <i>revised</i> bill codifies the methodology that the property tax administrator uses to determine the actual value of renewable energy facilities for purposes of property taxation. Current law requires that the administrator not include the incremental cost of a renewable energy facility relative to a nonrenewable facility in the valuation of the facility.</p> <p>The bill specifies that for renewable facilities that begin generating energy before January 1, 2012, the property tax administrator must include only the cost of all property required to generate and deliver renewable energy to the interconnection meter that does not exceed the cost of the property required to generate nonrenewable energy.</p> <p>For renewable energy facilities that begin generating energy on or after January 1, 2012, the administrator must include only the cost of all property required to generate and deliver renewable energy to the interconnection meter that does not exceed the cost of property required to generate and deliver nonrenewable energy to the interconnection meter.</p>	<p>Short Title: Renew Energy Facility Property Tax Valuation</p> <p>Status: Signed into Law</p> <p>Appropriations:</p> <p>Any fiscal impact is conditional on the legal authority of the administrator to change the method of valuing renewable facilities under current law. To the degree the administrator would have included the cost of transmission lines for nonrenewable facilities in the valuation of renewable facilities operating before January 1, 2012, this bill could reduce property taxes for these facilities.</p>
<p>Bill Number: Senate Bill 10-100</p> <p>Sponsors: <i>Sen. Schwartz</i> <i>Rep. Miklosi</i></p> <p>This act allows local improvement districts for renewable energy to cross county boundaries and include properties in multiple counties, if the county commissioners of the affected counties have entered into an intergovernmental agreement or a memorandum of understanding to share district costs.</p> <p>The act expands the definition of renewable energy improvements for local improvement districts to include improvements located at a qualified community location rather than directly on a residential or commercial building.</p>	<p>Short Title: Cross-boundary Energy Improvement District</p> <p>Status: Signed into Law</p> <p>Appropriations:</p> <p>Counties that enter into agreements to form local improvement districts with other counties where energy improvement loans are repaid through special assessments may incur increased collection and administrative costs. These costs may be somewhat offset by a decrease in administrative costs from the exemption of energy local improvement districts from public notice and debt authorization requirements.</p>

Summary of Renewable Energy Bills (As of July 1, 2010) (Cont.)

Signed into Law (Cont.)	
<p>Bill Number: Senate Bill 10-174</p> <p>Sponsors: <i>Sen. Schwartz</i> <i>Rep. Massey and Rep. Scanlan</i></p> <p>This act authorizes federal mineral lease revenues from geothermal resource development on federal lands to be used to provide grants to state agencies, school districts, and political entities through the Geothermal Resource Leasing Fund. The act also requires that the state engineer deny applications to appropriate groundwater for geothermal purposes if the appropriation will affect a prior geothermal property right. The act specifies that geothermal energy facilities must be valued for property taxes in the same manner in which wind and solar energy facilities are valued. The act also allows municipalities and counties to designate the use of geothermal resources as an activity of state interest under House Bill 74-1041.</p>	<p>Short Title: Promote Geothermal Energy Development</p> <p>Status: Signed into Law</p> <p>Appropriations:</p> <p style="padding-left: 20px;">The act earmarks future federal geothermal lease revenue for appropriation to the Department of Local Affairs for the Geothermal Resource Leasing Fund, however there are currently no geothermal leases in Colorado. Therefore, there is no appropriation for FY 2011-12.</p>
<p>Bill Number: Senate Bill 10-177</p> <p>Sponsors: <i>Sen. Schwartz and Sen. Gibbs</i> <i>Rep. Tyler</i></p> <p>The act defines biomass and biomass energy facilities for purposes of renewable energy generation. The act specifies that a biomass facility must be valued for property tax purposes in the same manner as wind and solar energy facilities, using the income approach. The act also specifies that biomass facilities qualify as clean energy and energy-efficient technologies when the Public Utilities Commission considers energy generation acquisitions. Finally, the bill makes changes to the renewable energy credit system used by utilities to comply with the renewable portfolio standard.</p>	<p>Short Title: Promotion Biomass Energy Development</p> <p>Status: Signed into Law</p> <p>Appropriations:</p> <p style="padding-left: 20px;">As part of the School Finance Act, K-12 education in Colorado is funded with state aid and local property tax revenue. If property tax revenue declines, the state is required to increase its aid to make up the difference. To the degree that qualifying biomass energy facilities that would have been put into service without the bill begin operating after January 1, 2010, state aid for local school districts will increase in the short term and decrease in the long term, which will potentially increase state aid for school finance starting in FY 2011-12.</p>

Summary of Renewable Energy Bills (As of July 1, 2010) (Cont.)

Signed into Law (Cont.)			
Bill Number:	Senate Bill 10-207	Short Title:	Finance State Energy Efficiency Projects
Sponsors:	Sen. Johnston and Sen. Romer Rep. Tyler and Rep. Levy	Status:	Signed into Law
<p>This <i>revised</i> bill authorizes the Governor's Energy Office to propose a prioritized list of projects associated with current utility cost-savings contracts that will improve the energy efficiency of state buildings or facilities. If the list is approved by the Office of State Planning and Budgeting and Capitol Development Committee, the State Treasurer may enter into lease-purchase and ancillary agreements on behalf of the state to finance the projects. The bill limits the total par value of any lease-purchase agreement to \$73 million and grants the State Treasurer the sole discretion of determining the timing of any agreements. The bill also establishes parameters and required terms that must be included in any agreements.</p> <p>Under current law, any utility cost-savings measures must create savings beyond the annual lease payment. The bill clarifies that any rebates; gifts, grants, and donations designated for a particular measure; appropriations made for a distinct line item; or funds within the Department of Transportation reserved for certain projects do not count towards this calculation.</p>		<p><i>Appropriations:</i></p> <p>This bill is assessed as having a conditional fiscal impact of at least \$20,900 and 0.2 FTE in FY 2010-11 and \$21,485 and 0.2 FTE in FY 2011-12. By authorizing the State Treasurer to enter into one or more lease-purchase agreements, subject to legislative and executive branch approval, this bill will result in an increase in state expenditures to manage the accounting and reporting requirements of the lease-purchase agreements within the Office of the State Controller. There will also be a change in state transfers to the Energy Efficiency Project Proceeds Fund, which has not been quantified. The Governor's Energy Office has identified eight projects, with a total value of approximately \$45 million, that it will submit for approvals should this bill become law.</p>	

Summary of Renewable Energy Bills (As of May 12, 2010) (Cont.)

Postponed Indefinitely	
<p>Bill Number: House Bill 10-1158</p> <p>Sponsors: <i>Rep. C. Gardner</i></p> <p>This bill, which was postponed indefinitely, would have clarified several aspects of the ownership and right to use wind that blows across real property. The bill would have allowed wind rights to be "severed" or separated from the land and sold or leased, as mineral rights are currently handled. The bill would have specified that the wind right belongs to the surface owner unless the right is separated from the surface property.</p>	<p>Short Title: Clarify Wind Rights</p> <p>Status: Postponed Indefinitely in House Agriculture, Livestock, and Natural Resources</p> <p>Appropriations:</p> <p style="padding-left: 20px;">No new appropriations would have been required. However, the bill could have increased the workload of county assessors.</p>
<p>Bill Number: House Bill 10-1282</p> <p>Sponsors: <i>Rep. King and Rep. Bradford</i> <i>Sen. Penry</i></p> <p>This bill would have prohibited the closing of any coal-solar power plant until August 31, 2011, regardless of whether such closure was approved by the Colorado Public Utilities Commission (PUC). The bill defines a coal-solar power plant as an investor-owned, coal-fired electric generation facility that augments or is being equipped to augment coal with concentrated solar power.</p>	<p>Short Title: Moratorium Coal-solar Power Plant Close</p> <p>Status: Deemed Lost on House Second Reading</p> <p>Appropriations:</p> <p style="padding-left: 20px;">No appropriation would have been required for this bill. The bill appeared to only impact the Cameo Power Plant near Grand Junction. Prohibiting its closure would have created excess generation capacity for the Public Service Company of Colorado.</p>
<p>Bill Number: Senate Bill 10-134</p> <p>Sponsors: <i>Sen. Brophy</i> <i>Rep. Sonnenberg and Rep. Frangas</i></p> <p>This bill, which was postponed indefinitely, would have defined "distributed electric generation" as wholesale generation from eligible resources, not exceeding 30 megawatts in capacity, that interconnects directly with transmission lines owned by cooperative electric associations or municipally owned utilities. The bill would have specified that each kilowatt-hour of electricity generated from distributed generation resources counts as 2 kilowatt-hours for the purposes of compliance with the renewable energy portfolio standard.</p>	<p>Short Title: Electric Utility Renewable Portfolio Standard More Credit for Distributed Generation</p> <p>Status: Postponed Indefinitely in Senate State, Veterans, and Military Affairs</p> <p>Appropriations:</p> <p style="padding-left: 20px;">No new appropriations would have been required. The PUC staff would have seen an increase in rulemaking workload as a result of the bill's requirements.</p>