

# STATE OF COLORADO

## GOVERNOR'S ENERGY OFFICE

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Bill Ritter, Jr., Governor

Tom Plant, Director



## Notice of Board Meeting

### Colorado Clean Energy Development Authority

Colorado Legislative Services Building

220 East 14<sup>th</sup> Avenue, Denver 80203 – Hearing Room A

Across the street from the Capitol – SE corner of Sherman Street and 14<sup>th</sup> Avenue

Attire- business casual

**Thursday, November 1, 2007, 9:00 a.m. to noon**

### Draft Agenda

**9:00 to 9:30 Welcome and Introductions:** Tom Plant, Director, Governor's Energy Office (GEO)

**Call to order.** Five members of the board shall constitute a quorum for the purpose of conducting business and exercising the powers of the board. Action may be taken by the board upon the affirmative vote of at least five of its members.

#### **Extended introductions by Members of the CEDA Board:**

State Treasurer	Cary Kennedy
Director of Economic Development	Don Elliman
Commissioner of Agriculture	John Stulp
Director GEO	Tom Plant
Appointed by the Governor	Lee White
Appointed by Speaker of the House	Jeffrey Nathanson
Appointed by President of Senate	Sam Weaver
Appointed by Minority Leader House	Lola Spradley
Appointed by Minority Leader Senate	Joel Bladow

**9:30 Review, Modify and Approve the Draft Agenda: CEDA Board**

**Background**

Review of HB07-1150

Legislative background on HB07-1150

Representative Cory Gardner, Senator Chris Romer, possibly other legislators

**Elect a Vice-Chairperson and a Secretary**

**9:45 Briefings**

**Doug Larson, Executive Director, Western Interstate Energy Board.**

Overview briefing regarding transmission developments under consideration in the region.

**Jim Tarpey**, of Counsel, Holland & Hart; Member, Wyoming Infrastructure Authority.

Briefing regarding the Lessons Learned from the Wyoming Infrastructure Authority.

**Joel Bladow**, Senior Vice President of Transmission, Tri-State Generation & Transmission Association; Member, CEDA.

Briefing regarding the Eastern Plains Transmission Project.

**Robin Kittel**, Director, Regulatory and Strategic Analysis, Public Service Company of Colorado.

Briefing on SB100, regarding identifying energy zones and applications to build new transmission to the zones.

**Morey Wolfson**, Utilities Program Manager, GEO; Member, SB91 Task Force.

Briefing on the SB91 Task Force regarding mapping of Colorado's renewable resource generation development areas.

Information will be presented offered by Jerry Vaninetti, Vice-President Western Development, Trans-Elect Development Company, LLC regarding "Enabling Renewables via Transmission WCI & HPX Examples"

**11:00 Break** (refreshments)

**11:10 Challenges and Opportunities**

Discuss:

- Organizational structure
- Staffing
- Budget
- Legislative requirements
- Participation with regional infrastructure authorities
- Coordination with stakeholders (utilities, developers, legislators, government agencies, members of the public, etc.)
- Meeting schedules

**11:50 Next Steps**

**Next Meeting**

**Announcements:**

- November 14th High Plains Express Stakeholders Meeting in Denver.

**12:00 Adjourn**

## **Overview of the CEDA**

### **Duties and Powers:**

- Hire employees as necessary.
- Maintain records and accounts as required by the State Auditor.
- Convene task forces to develop proposed recommendations regarding the types of clean energy projects that the authority should finance.
- Finance projects and enter into financing agreements.
- Issue bonds and refunding bonds.
- Enter into contracts and financing agreements as necessary.
- Use moneys in the Colorado Clean Energy Development Authority to make loans or enter into other financing agreements.
- Use any portion of the fund to secure the payment of bonds or other obligations.
- Receive and accept gifts, grants and donations.
- Enter into contracts or agreements as necessary.
- Sell, with or without public bidding, notes, bonds, loans or other secured or unsecured obligations.

### **Bonding Authority**

- Issue bonds to provide moneys used for clean energy development and improvements in the state's electric transmission infrastructure.
- Purchase bonds out of available funds and/or resell bonds according to agreements with bondholders.

### **Colorado Clean Energy Development Authority Fund**

- Consists of gifts, grants, donations, revenues paid to the authority by public entities and other persons using projects financed by the authority, and moneys appropriated by the Colorado General Assembly.
- Moneys in the fund will be used to pay operating costs of the authority, finance projects, or pay for or secure bonds or other obligations incurred by the authority.
- No bonds or other obligations may be paid from or secured by tax revenue.
- Unless voters of Colorado have approved bonds or other obligations, no moneys in the fund other than those specifically earmarked for that purpose may be used to pay or secure bonds or other obligations.
- Voter approval required for the authority to incur multi-year obligations.
- Authority is authorized to finance a wind energy transmission facility project of up to \$40 million and/or a solar energy project up to \$25 million.
- For any given fiscal year, the aggregate amount of scheduled payments of all outstanding bonds issued by the authority is limited to \$8 million.
- Prior to issuance of bonds, the authority is required to obtain assurance to guarantee the completion of the project.
- No authority bonds or obligations will become a state liability.
- Income or revenue of the authority, all property owned by the authority, and any bonds or obligations issued by the authority are exempt from all state taxation.
- Authority expenses are payable solely from authority money.
- The authority may borrow money to cover initial start up expenses.
- The authority is authorized to file a petition in state district court requesting a judicial determination on any contract.

- The authority is prohibited from financing a project subject to regulation by the Colorado Public Utilities Commission without receiving prior approval from the Commission.
- The authority must keep accurate records of all activities, receipts and expenditures and the State Auditor may investigate the affairs of the authority and examine its properties and records.
- The authority is required to submit a report on its activities to the Governor and specified committees of the General Assembly by February 1 of each year which must include a complete operating and financial statement covering the authority's operations for the previous year.

*Colorado Legislative Council Staff Fiscal Note*  
**STATE and STATUTORY PUBLIC ENTITY**  
**FINAL FISCAL IMPACT**

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<b>Drafting</b>	LLS 07-0287	<b>Date:</b> July 16, 2007
<b>Number:</b>	Rep. Gardner C.	<b>Bill Status:</b> Signed into Law
<b>Prime</b>	Sen. Kester	<b>Fiscal Analyst:</b> Marc Carey (303-866-4102)
<b>Sponsor(s):</b>		

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**TITLE:** CONCERNING THE CREATION OF THE RENEWABLE ENERGY AND INFRASTRUCTURE AUTHORITY.

Fiscal Impact Summary	FY 2007-2008	FY 2008-2009
<b>State Revenue</b>		
Cash Funds - Colorado Clean Energy Development Authority Fund	Potential Increase	Potential Increase
<b>State Expenditures</b>		
Cash Funds - Colorado Clean Energy Development Authority Fund	Potential Increase	Potential Increase
<b>FTE Position Change</b>	0.0 FTE	0.0 FTE
<b>Effective Date:</b> The bill was signed by the Governor and became law on May 23, 2007.		
<b>Appropriation Summary for FY 2007-2008:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill, creates the Colorado Clean Energy Development Authority and declares that it is a statutory public entity, not subject to administrative direction by any other state agency. The bill establishes the authority's 9-member board of directors, and specifies that the director of the Governor's Office of Energy Management and Conservation (OEMC) will serve as chairman of the board. Board members will not be compensated, but will be reimbursed for necessary expenses, paid from authority funds.

The bill specifies the duties and powers of the authority, including the power to:

- hire employees as necessary;
- maintain records and accounts as required by the State Auditor;
- convene task forces that to develop proposed recommendations regarding the types of clean energy projects that the authority should finance;
- finance projects and enter into financing agreements;
- issue bonds and refunding bonds;
- enter into contracts and financing agreements as necessary;

- use moneys in the Colorado Clean Energy Development Authority Fund to make loans or enter into other financing agreements;
- use any portion of the fund to secure the payment of bonds or other obligations;
- receive and accept gifts, grants and donations;
- enter into contracts or agreements as necessary; and
- sell, with or without public bidding, notes, bonds, loans or any other secured or unsecured obligations.

The bill authorizes the issuance of bonds by the authority to provide moneys used for clean energy development and improvements in the state's electric transmission infrastructure. The authority may purchase its bonds out of available funds and may resell bonds according to agreements with bondholders.

The bill creates the Colorado Clean Energy Development Authority Fund, consisting of gifts grants and donations, revenues paid to the authority by public utilities and other persons using projects finance by the authority, and moneys appropriated by the General Assembly. Moneys in the fund will be used to pay operating costs of the authority, finance projects, or pay for or secure bonds or other obligations incurred by the authority. No bonds or other obligations may be paid from or secured by tax revenue. Unless voters of the state have approved bonds or other obligations, no moneys in the fund other than those specifically earmarked for that purpose may be used to pay or secure bonds or other obligations. Voter approval is also required for the authority to incur a multi-year obligation.

The authority is authorized to finance a wind energy transmission facility project of up to \$40 million and/or a solar energy project up to \$25 million. However, for any given fiscal year, the aggregate amount of scheduled payments of all outstanding bonds issued by the authority is limited to \$8 million. In addition, prior to issuance of bonds, the authority is required to obtain assurance to guarantee the completion of the project.

The bill specifies that authority bonds or obligations will not become a state liability. Income or revenue of the authority, all property owned by the authority, and any bonds or obligations issued by the authority are exempt from all state taxation. Authority expenses are payable solely from authority moneys. However, the authority may borrow moneys to cover initial start-up expenses.

The authority is authorized to file a petition in a district court requesting a judicial determination on any contract, and is prohibited from financing a project subject to regulation by the Colorado Public Utilities Commission without receiving prior approval from the commission. The authority must keep an accurate account of all activities, receipts and expenditures, and the State Auditor may investigate the affairs of the authority, and examine its properties and records. Finally, the authority is required to submit a report of its activities to the Governor and specified committees of the General Assembly by February 1 each year. The report must include a complete operating and financial statement covering the authority's operations for the previous fiscal year.