

Be it Enacted by the People of the State of Colorado:

SECTION 1. Legislative declaration of intent:

Energy is critically important to Colorado's welfare and development, and its use has a profound impact on the economy and environment. Growth of the state's population and economic base will continue to create a need for new energy resources, and Colorado's renewable energy resources are currently underutilized.

Therefore, in order to save consumers and businesses money, attract new businesses and jobs, promote development of rural economies, minimize water use for electricity generation, diversify Colorado's energy resources, reduce the impact of volatile fuel prices, and improve the natural environment of the state, it is in the best interests of the citizens of Colorado to develop and utilize renewable energy resources to the maximum practicable extent.

SECTION 2. Article 2 of title 40, Colorado Revised Statutes, is amended BY THE ADDITION OF THE FOLLOWING NEW SECTION to read:

ARTICLE 2

Renewable Energy Standard

40-2-124. Renewable Energy Standard. EACH PROVIDER OF RETAIL ELECTRICITY SERVICE IN THE STATE OF COLORADO SERVING 40,000 CUSTOMERS OR MORE SHALL ACQUIRE A MINIMUM OF 5% AND 10% OF ANNUAL RETAIL ENERGY SALES BY THE END OF 2010 AND 2015, RESPECTIVELY, FROM ELECTRIC GENERATING RESOURCES USING SOLAR, WIND, GEOTHERMAL, BIOMASS, HYDROELECTRICITY WITH A NAMEPLATE RATING OF 10 MEGAWATTS OR LESS, AND RUN-OF-RIVER HYDROELECTRICITY. OF THESE REQUIRED AMOUNTS, 4% SHALL BE DERIVED FROM CUSTOMER-SITED RENEWABLE GENERATION. ALL SUCH RESOURCES MUST BE BUILT AFTER JANUARY 1, 2003. THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO (COMMISSION) SHALL DEVELOP RULES TO ENSURE THAT UTILITIES SUBJECT TO THE STANDARD HAVE SUFFICIENT INCENTIVES, INCLUDING PENALTIES, TO ACHIEVE THE STANDARD.