

# New Energy Improvements and Jobs Creation

by State Representative Joe Miklosi

(HB 09-1350)

## Summary

Many Colorado citizens would like to increase their home's property value, make their home more energy efficient, participate in the new green economy in a practical way, and help stimulate Colorado's economy. Passing this bill will accomplish all of these worthwhile goals.

HB 09-1350 will create a non-contiguous, statewide special improvement district under title 32 of Colorado statute with a board similar to the Clean Energy Development Authority (CEDA), for the purpose of issuing bonds and then funding renewable energy and energy efficiency improvements for homeowners who **volunteer** for the program and who agree to pay for the improvements over 20 years via a special assessment on the property. The bonds would be securitized through placing a lien on the properties and the 20-year loan, would be a fixed rate. The funding will be originated through banks and credit unions to take advantage of their local presence and expertise and in return for a service fee of approximately 2%.

The New Energy Improvements and Jobs Creation bill will empower homeowners to hire companies to install solar, wind or geothermal renewable energy systems or energy efficiency improvements. Originally, the voluntary plan was proposed to be capped at \$2,000,000,000 in bonding authority, which would benefit approximately 130,000 homes assuming an average of \$15,000 per home. After negotiations with the various stakeholders, such as Xcel, CREA, and Tri-State, Representative Miklosi decided to create a \$225,000,000 pilot program, which would service approximately 15,000 homes. The assessment would be paid annually, there would be no pre-payment penalty, and the administration of the program would be outsourced to a private sector entity (which would create additional jobs) and paid for by a one-time, fee wrapped into the total assessment. The average annual assessment would run \$500 to \$1500 per homeowner, but for many improvements, the utility savings would more than cover the annual assessment, providing the homeowner with positive cash flow. A percentage of the assessments would be set aside for reserves in case of foreclosures.

## Benefits

- Creates approximately 2,000 – 3,000 installation and supplemental jobs.
- Increases residential property value by approximately 8% to 10%.
- Provides a practical way for Colorado home owners to help protect the environment.
- Attracts renewable energy manufacturing companies to Colorado because we will continue to be a national leader in the new energy economy.
- Eliminates the up-front cost that has blocked the widespread adoption of sensible energy improvements that can take many years to pay for themselves. Property owners can save money from day one, since the energy cost savings can be greater than the special property tax assessment.
- The resulting widespread investment in energy improvements provides an immediate economic boost for Colorado and creates desirable jobs in the New Energy Economy.
- Best of all, there's **no cost to taxpayers**, since the bonds are paid off over time by the property owners who choose to participate in the program.
- Other benefits include cutting our dependence on foreign oil, reducing global warming, and enhancing Colorado's position as a renewable energy leader.

# **New Energy Jobs Creation Bill Endorsements**

**by State Representative Joe Miklosi**

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Colorado Solar Energy Industries Association

International Center for Appropriate and Sustainable Technologies

Main Street Power

National Energy Services Corporation

Michael Bowman 25x25 Industries

The Rocky Mountain Climate Organization

The Apollo Alliance

Dee Wisor, Sherman and Howard, bonding expert

City and County of Boulder

Colorado Conservation Voters

Environment Colorado

Wes Perrin, written testimony - San Miguel Power Association, President of the Board

Bill Lunsford - Metro West Housing Solutions, Director of Development

David Hiller - Colorado Collaboratory, Executive Director

John Lefebvre - Weld County Treasurer