


Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 09-0301
Prime Sponsor(s): Sen. Carroll M.
 Rep. Levy

Date: February 9, 2009
Bill Status: Senate Local Government & Energy
Fiscal Analyst: Harry Zeid (303-866-4753)

TITLE: CONCERNING MEASURES TO FACILITATE THE FINANCING OF ENERGY-EFFICIENT STRUCTURES.

Fiscal Impact Summary	FY 2009-2010	FY 2010-2011
State Revenue		
State Expenditures		
Cash Funds		
Fixed Utility Fund	\$260,494	\$226,038
FTE Position Change	2.6 FTE	2.6 FTE
Effective Date: September 1, 2009, unless a referendum petition is filed. The bill applies to agreements entered into on or after that date.		
Appropriation Summary for FY 2009-2010: See the State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

SB09-051 increases the amount that the state treasurer may invest as part of the Colorado Clean Energy Finance Program. The amount is increased from \$30 million to \$40 million of state moneys in bonds or notes issued by participating public or private lenders for the purpose of funding clean energy loans from FY 2008-09 through FY 2010-11. The cap on loans guaranteed by the state treasurer is increased from \$10 million to \$15 million during FY 2008-09, and to no more than \$25 million during the two-year period of FY 2008-09 through FY 2009-10.

The bill amends the Colorado Clean Energy Finance Program Act to include banks, credit unions, and mortgage lenders among the types of lenders that may make loans under the program. It also includes renewable energy developers and installers of solar panels and other renewable energy generation equipment among the contractors that the program may certify.

As administrator of the Colorado Clean Energy Finance Program, the Governor's Energy Office is authorized to develop and license the use of a "Clean & Green Colorado" logo and marketing materials for use by lenders and certified contractors. The bill also requires landlords to allow energy audits of rental properties if requested by a tenant, at the tenant's expense.

Finally, SB09-051 creates the Renewable Energy Suppliers Act to authorize and encourage the installation of renewable energy generation equipment on property owned by others in exchange for future purchases of energy under power purchase agreements, assignments of utility rebates under the existing renewable energy standard statute, or both. The Public Utilities Commission (PUC) is directed to require utilities to set aside a portion of their annual budget for rebates under the standard rebate offer program of Amendment 37 for low-income utility customers.

State Expenditures

Department of Regulatory Agencies. The PUC requires **\$285,014 CF and 2.3 FTE in FY 2009-10 and \$253,056 CF and 2.3 FTE in FY 2010-11** from the Fixed Utility Fund to comply with the requirements of the bill. The PUC will develop rules for the issuance of operating permits, issue the permits, and regulate the new entities. The PUC will need 2.3 FTE, including 1.0 FTE Rate Financial Analyst IV, 1.0 FTE Professional Engineer II, and 0.3 FTE Administrative Law Judge. A summary of expenditures necessary for implementation of the Renewable Energy Suppliers Act is provided in Table 1.

Table 1. Expenditures Under SB09-051		
Cost Components	FY 2009-10	FY 2010-11
Personal Services	\$197,409	\$176,890
FTE	2.3 FTE	2.3 FTE
Operating Expenses	28,670	2,2100
Capital Outlay	7,997	0
Legal Expenses (0.3 FTE)	46,938	46,938
TOTAL	\$260,494	\$257,524

Department of Law. The PUC will require legal counsel from the Department of Law throughout the application process. In total, 625 hours (0.3 FTE) at a blended rate of \$75.10 will be necessary.

Governor's Energy Office. The Governor's Energy Office, as administrator of the Colorado Clean Energy Finance Program, is authorized to develop and license the use of a "Clean & Green Colorado" logo and marketing materials for use by lenders and certified contractors. The bill also requires landlords to allow energy audits of rental properties if requested by a tenant, at the tenant's expense. This task will be accomplished within the existing budgetary resources of the Governor's Energy Office.

State Treasurer. The bill increases the amount that the state treasurer may invest as part of the Colorado Clean Energy Finance Program created in SB08-184. To invest in these securities, the treasurer requires a rate of return from clean energy loans equivalent to the rate that could have been achieved through other investments. Therefore, this provision will not affect state revenue or expenditures.

Expenditures Not Included

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. The centrally appropriated costs subject to this policy are summarized in Table 2.

Table 2. Expenditures Not Included Under SB09-051*		
Cost Components	FY 2009-10	FY 2010-11
Employee Insurance (Health, Life, Dental, and Short-term Disability)	\$15,746	\$15,746
Supplemental Employee Retirement Payments	5,749	7,341
Leased Space	8,400	8,400
TOTAL	\$29,895	\$31,487

**More information is available at: http://www.state.co.us/gov_dir/leg_dir/lcsstaff/2009/comsched/CommonPolicies2009.pdf*

State Appropriations

The fiscal note implies that the Department of Regulatory Agencies requires a cash fund appropriation of \$260,494 from the Fixed Utility Fund and 2.3 FTE in FY 2009-10 to implement the bill. Of the amount, \$46,938 in reappropriated funds and 0.3 FTE should be appropriated to the Department of Law.

Departments Contacted

Regulatory Agencies

Governor's Office

State Treasury