



Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 11-0944
Prime Sponsor(s): Sen. Lundberg

Date: April 25, 2011
Bill Status: Senate SVMA
Fiscal Analyst: Josh Abram (303-866-3561)

TITLE: CONCERNING CHANGES NECESSARY TO MAKE THE REGIONAL HAZE STATE IMPLEMENTATION PLAN COST-EFFECTIVE IN ACCORDANCE WITH COLORADO LAW, AND, IN CONNECTION THEREWITH, DISAPPROVING THOSE PORTIONS OF THE REGIONAL HAZE EMISSION ELEMENT OF THE STATE IMPLEMENTATION PLAN THAT RELATE TO THE REQUIREMENT FOR EMISSION CONTROLS FOR THE HAYDEN ELECTRIC GENERATING UNITS; REPEALING THE RULES ASSOCIATED WITH THE DISAPPROVED PORTION OF THE STATE IMPLEMENTATION PLAN; APPROVING OTHER ASPECTS OF THE STATE IMPLEMENTATION PLAN; AND POSTPONING THE AUTOMATIC EXPIRATION OF THE RULES ASSOCIATED WITH THE APPROVED PORTION OF THE STATE IMPLEMENTATION PLAN.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures		
Cash Funds		
Stationary Sources Control Fund	\$29,259	
Federal Funds		
FTE Position Change	0.4 FTE	
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

Under federal law, each state prepares a state implementation plan (SIP) to meet specific requirements of the national Clean Air Act. The SIP is submitted to the Environmental Protection Agency (EPA) for approval.

This bill approves a portion of the most recent SIP revisions, and eliminates the automatic expiration of the rules contained in the plan that, under current law, would otherwise expire automatically on May 15, 2012. This bill disapproves those portions of the SIP that relate to the requirement for emission controls for the Hayden electric generating units 1 and 2, and the associated rules are repealed.

Background

In Colorado, the Air Quality Control Commission (AQCC) in the Colorado Department of Public Health and Environment (CDPHE) is responsible for preparing and revising the SIP. In January 2011, the AQCC adopted a visibility and regional haze SIP. Section 25-7-133(1) and (2) C.R.S., creates a special SIP review process in which any legislator can request a hearing by Legislative Council. At the hearing, the committee may vote to introduce a bill to affect the SIP. Once a bill is introduced, the AQCC can submit the SIP to the EPA for provisional acceptance until the legislative process is resolved.

In the absence of an approved SIP, the state may be subject to a regional haze federal implementation plan (FIP), for which the EPA could withhold money from the state air grant in an amount sufficient to offset EPA's costs to create the FIP. In FY 2010-11, the EPA temporarily withheld \$1.1 million in anticipation of creating a FIP for the state; however funding was eventually released when the EPA determined that Colorado was making progress in adopting a revised SIP that would be submitted to the EPA for approval in FY 2011-12.

State Expenditures

The CDPHE will incur additional costs of \$29,259 and 0.4 FTE in FY 2011-12 as shown in Table 1. The EPA is required to approve a completed regional haze SIP. This bill disallows a portion of the Colorado's plan for Clean Air Act implementation, leaving the state's SIP incomplete. CDPHE staff will be required to work with EPA to amend the regional haze SIP, and the AQCC will need to re-promulgate rules associated with the new SIP.

Table 1. Expenditures Under SB11-237	
Cost Components	FY 2011-12
Personal Services (CDPHE)	\$26,218
FTE	0.4
PERA and Medicare	3,041
TOTAL	\$29,259

Federal funds. To the extent that this bill affects EPA approval of the SIP, it could also affect federal clean air grants. Any impact to federal funds is conditioned on actions taken by the federal government and have not been estimated for this fiscal note.

State Appropriations

In FY 2011-12, this bill requires an appropriation of \$29,259 and 0.4 FTE from the Stationary Sources Control Fund to the Colorado Department of Public Health and Environment.

Departments Contacted

Law

Public Health and Environment

Regulatory Agencies