

STATE OF COLORADO



GOVERNOR'S ENERGY OFFICE

1580 Logan Street, Suite 100
Denver, CO 80203-1625
Phone: (303) 866-2100
Fax: (303) 866-2930
tanuj.deora@state.co.us
www.colorado.gov/energy

John Hickenlooper, Governor
Tanuj Deora, Director

February 1, 2012

To:

Governor John Hickenlooper

Members of the Colorado Senate Agriculture & Natural Resources Committee: Gail Schwartz, Chair; Cheri Jahn, Vice-Chair; Greg Brophy, Angela Giron; Lois Tochtrop, Ted Harvey, Kevin Grantham

Members of the Colorado House Agriculture, Livestock, and Natural Resources Committee: Jerry Sonnenberg, Chair; Randy Baumgardner, Vice-Chair; J. Paul Brown, Marsha Looper, Glenn Vaad, Don Coram, Wes McKinley, Ed Vigil, Randy Fischer, Su Ryden, Roger Wilson, Matt Jones, Ray Scott

COLORADO CLEAN ENERGY DEVELOPMENT AUTHORITY REPORT TO THE LEGISLATURE

Dear Governor Hickenlooper, Senators, and Representatives:

The Colorado Clean Energy Development Authority (CEDA) was created by HB07-1150. By statute, I serve as the Chair.

Each year CEDA submits its report on activities pursuant to 40-9.7-123:

“the authority shall submit a report of its activities to the governor and to the agriculture, natural resources, and energy committee of the senate and the transportation and energy committee of the house of representatives, or any successor committees, no later than February 1 of each year. Each report shall set forth a complete operating and financial statement covering the authority's operations for the previous fiscal year.”

The following pages provide you with a report on CEDA's activities in 2011.

Please feel free to contact me should you want further information about CEDA.

Best personal regards,

Tanuj Deora
Director, Governor's Energy Office
Chairman, Colorado Clean Energy Development Authority

Pursuant to statutory requirement, CEDA submits the following:

Legislative declaration

- 40-9.7-102. (1) the General Assembly finds and declares that:
- (a) there are extensive clean energy resources in Colorado, and additional facilities are needed to develop and market these resources;
 - (b) Colorado has a great capacity to produce and consume clean energy, but additional projects, including projects to improve production, transportation, transmission, and storage of clean energy, are needed to develop and market this capacity;
 - (c) timely development of projects for the production, transportation, transmission, and storage of clean energy sources will stabilize and increase state revenues;
 - (d) the promotion of the economic welfare of the state and its residents through the development and utilization of clean energy resources is in the public interest and serves a public purpose because it will increase employment, stimulate economic activity, augment sources of tax revenue, foster economic stability, and improve the balance of the state's economy;
 - (e) it is also in the public interest and in furtherance of a public purpose to develop Colorado's vast sources of clean energy for in-state consumption and for export to other clean energy markets and to promote Colorado as a national center for clean energy finance and development;
 - (f) investment in the production, transportation, transmission, and storage of clean energy pursuant to the provisions of this article will result in significant environmental benefits both within and outside Colorado.
- (2) The General Assembly further finds and declares that the purpose of this article is to create the Colorado Clean Energy Development Authority and to endow the authority with powers sufficient to enable it to:
- (a) facilitate the production and consumption of clean energy; and
 - (b) increase the transmission and use of clean energy by financing and refinancing projects located within or outside the state for the production, transportation, transmission, and storage of clean energy, including pipelines, and related supporting infrastructure and interests therein.

The CEDA Board of Directors

The CEDA Board of Directors serves pursuant to 40-9.7-104, selected by the appointing authorities (the Governor; the President of the Senate, the Speaker of the House, the Minority Leader of the Senate, the Minority Leader of the House). The following constituted the CEDA Board in 2011. The 2011 statutory members are shown in bold.

Chairman: **Tanuj Deora**, Director, Governor's Energy Office

Vice Chairman: Jeffrey Nathanson, appointed by the Speaker of the House

Secretary: Sam Weaver, appointed by the President of the Senate

Joel Bladow, appointed by the Minority Leader of the Senate

Walker Stapleton, State Treasurer

Ken Lund, Director of the Colorado Office of Economic Development and International Trade

Lola Spradley, appointed by the Minority Leader of the House

John Salazar, Commissioner of Agriculture

Lee White, appointed by the Governor

CEDA Staff and Budget

CEDA does not have an Executive Director or other employees. As an interim measure, staffing services have been provided by the Governor's Energy Office. GEO will staff the Authority until such time that CEDA can fund the Executive Director position. CEDA has received no revenues and has incurred no expenditures.

CEDA Task Forces

CEDA has not established Task Forces. CEDA will consider establishing Task Forces if and when there is a practical need to do so, and only if funding and staffing capabilities can support the Task Forces.

CEDA Three Year Plan and Mission Statement

The CEDA Board has determined that it will not develop a Three Year Plan and mission statement due to the practical limitations bounded by the CEDA statute. Should a statutory framework be enacted that expands CEDA's role, the Authority would create and approve a Three Year Plan and a mission statement.

CEDA Decisions

No formal decisions were made by the CEDA Board in 2011.

CEDA Financing and Bonding

CEDA has not financed or refinanced any projects, either within or outside the state. CEDA has not issued any bonds.

CEDA Meeting Announcements, Copies of Presentations, and Minutes

The public is notified of all CEDA meetings, and is sent CEDA minutes via a distribution list maintained by the GEO. The public has access to CEDA's activities via the GEO's website.

CEDA Legislative Activity - Amendment to HB07-1150, via HB10-1182

CEDA did not initiate, or engage, in legislative activity in 2011.

2011 CEDA Board Meeting

The Board held one meeting in 2011, on April 19, 2011 at the offices of PattonBoggs.

The meeting was called to order by Chairman Deora at 1:00 p.m. A quorum was declared. Twelve members of the public were in attendance. The minutes of the previous CEDA meeting was approved.

The Board discussed these items:

- 1) the limitations on the CEDA statute that provides the opportunity for CEDA to use the moral obligation authority of the State of Colorado to help support generation tie-line projects
- 2) the results of an Informal Opinion of the Attorney General's Office that clarified CEDA's statutory boundaries, and
- 3) the interest level of generation tie line developers to go through the CEDA process (that includes approvals by the General Assembly of any CEDA assisted project).

Following input from developers who would be potential beneficiaries of CEDA's assistance, the Board determined that the "CEDA process" was not of sufficient benefit to generation tie-lines to participate.

The Board concluded with a determination that CEDA had two choices:

- 1) amend the CEDA statute, or
- 2) ask the General Assembly to sunset the Authority.

No further decisions were made.

The meeting was adjourned at 2:30 p.m.