

Second Regular Session
Sixty-fourth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 04-0120.02 Gregg Fraser

SENATE BILL 04-168

SENATE SPONSORSHIP

Phillips,

HOUSE SPONSORSHIP

(None),

Senate Committees

House Committees

Business Affairs & Labor

A BILL FOR AN ACT

101 CONCERNING RURAL RENEWABLE ELECTRIC RESOURCES IN
102 COLORADO.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Authorizes the creation of renewable energy cooperatives (cooperatives) to promote electric energy efficiency technologies and to generate, transmit, and sell electricity from renewable resources and technologies at wholesale.

Allows the Colorado agricultural development authority and the Colorado housing and finance authority to issue revenue bonds to construct renewable energy generation facilities and electric transmission lines to facilitate the transmission of electricity generated by

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

cooperatives. Requires the bonds to be repaid from revenues derived from the use of the generation facilities or transmission lines. Provides that the bonds shall not constitute indebtedness of the state and that income derived from the bonds shall be exempt from specified state and local taxes.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** Part 2 of article 56 of title 7, Colorado Revised
3 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
4 read:

5 **7-56-210. Renewable energy cooperatives.** (1) IT IS THE POLICY
6 OF THIS STATE TO ENCOURAGE LOCAL OWNERSHIP OF RENEWABLE ENERGY
7 GENERATION FACILITIES TO IMPROVE THE FINANCIAL STABILITY OF RURAL
8 COMMUNITIES.

9 (2) SUBJECT TO THE PROVISIONS OF THIS ARTICLE, A RENEWABLE
10 ENERGY COOPERATIVE MAY BE ORGANIZED FOR THE PURPOSE OF
11 PROMOTING ELECTRIC ENERGY EFFICIENCY TECHNOLOGIES TO ITS
12 MEMBERS, GENERATING ELECTRICITY FROM RENEWABLE RESOURCES AND
13 TECHNOLOGIES, AND TRANSMITTING AND SELLING THE ELECTRICITY AT
14 WHOLESALE.

15 (3) FOR PURPOSES OF THIS SECTION, "RENEWABLE RESOURCES OR
16 TECHNOLOGIES" MEANS BIOMASS, GEOTHERMAL ENERGY, SOLAR ENERGY,
17 SMALL HYDROELECTRICITY, AND WIND ENERGY. HYDROGEN DERIVED
18 FROM BIOMASS, GEOTHERMAL ENERGY, SOLAR ENERGY, SMALL
19 HYDROELECTRICITY, AND WIND ENERGY IS ALSO CONSIDERED TO BE
20 RENEWABLE ENERGY FOR THE PURPOSES OF THIS ARTICLE. "RENEWABLE
21 RESOURCES OR TECHNOLOGIES" DOES NOT INCLUDE PUMPED STORAGE
22 FACILITIES; HYDROELECTRICITY OTHER THAN SMALL HYDROELECTRICITY;
23 COAL, NATURAL GAS, OIL, PROPANE, OR ANY OTHER FOSSIL FUEL; OR

1 NUCLEAR ENERGY. "RENEWABLE RESOURCES OR TECHNOLOGIES" ALSO
2 DOES NOT INCLUDE HYDROGEN DERIVED FROM PUMPED STORAGE
3 FACILITIES; HYDROELECTRICITY OTHER THAN SMALL HYDROELECTRICITY;
4 COAL, NATURAL GAS, OIL, PROPANE, OR ANY OTHER FOSSIL FUEL; OR
5 NUCLEAR ENERGY.

6 **SECTION 2.** Part 5 of article 56 of title 7, Colorado Revised
7 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
8 read:

9 **7-56-510. Renewable energy cooperatives - powers.** (1) IN
10 ADDITION TO THE POWERS GRANTED IN THIS ARTICLE, RENEWABLE ENERGY
11 COOPERATIVES MAY GENERATE ELECTRICITY FROM RENEWABLE
12 RESOURCES OR TECHNOLOGIES AND TRANSMIT AND SELL ELECTRICITY AT
13 WHOLESALE.

14 (2) NO RENEWABLE ENERGY COOPERATIVE SHALL SELL
15 ELECTRICITY AT RETAIL OR HAVE A CERTIFICATED TERRITORY IN THE
16 STATE EXCEPT AS ALLOWED FOR ITS OWN SERVICE OR PURSUANT TO PUBLIC
17 UTILITY LAW OR OTHER LEGAL AUTHORITY.

18 **SECTION 3.** Part 7 of article 4 of title 29, Colorado Revised
19 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
20 read:

21 **29-4-710.8. Powers of the board - issuance of bonds to**
22 **construct renewable energy generation facilities and electric**
23 **transmission lines - renewable energy cooperatives.** (1) TO
24 FACILITATE THE TRANSMISSION OF ELECTRICITY GENERATED BY A
25 RENEWABLE ENERGY COOPERATIVE ESTABLISHED PURSUANT TO SECTION
26 7-56-210, C.R.S., THE AUTHORITY MAY ISSUE REVENUE BONDS IN
27 AMOUNTS SUFFICIENT TO PAY THE FOLLOWING DESCRIBED COSTS OF

1 CONSTRUCTION, UPGRADING, AND ACQUISITION, INCLUDING ANY REQUIRED
2 INTEREST ON THE BONDS DURING CONSTRUCTION, UPGRADING, AND
3 ACQUISITION, PLUS ALL AMOUNTS REQUIRED FOR THE COSTS OF BOND
4 ISSUANCE AND ANY REQUIRED RESERVES ON THE BONDS:

5 (a) CONSTRUCTION OF RENEWABLE ENERGY GENERATION
6 FACILITIES;

7 (b) CONSTRUCTION OR UPGRADING OF ELECTRIC TRANSMISSION
8 LINES AND APPURTENANCES TO BE USED FOR THE TRANSFER OF
9 ELECTRICITY AT ONE HUNDRED FIFTEEN KILOVOLTS OR GREATER;

10 (c) ACQUISITION OF THE RIGHT-OF-WAY ON WHICH RENEWABLE
11 ENERGY GENERATION FACILITIES OR ELECTRIC TRANSMISSION LINES AND
12 APPURTENANCES TO BE USED FOR THE TRANSFER OF ELECTRICITY AT ONE
13 HUNDRED FIFTEEN KILOVOLTS OR GREATER ARE TO BE CONSTRUCTED; AND

14 (d) CONSTRUCTION OR UPGRADING OF ELECTRIC DISTRIBUTION
15 LINES AND APPURTENANCES TO BE USED TO CONNECT RENEWABLE
16 RESOURCES OR TECHNOLOGIES TO ELECTRIC TRANSMISSION LINES AND
17 APPURTENANCES.

18 (2) REVENUE BONDS, AND INTEREST THEREON, ISSUED PURSUANT
19 TO THIS SECTION SHALL BE PAYABLE FROM REVENUES DERIVED FROM USE
20 OF THE RENEWABLE ENERGY GENERATION FACILITIES OR ELECTRIC
21 TRANSMISSION LINES CONSTRUCTED, UPGRADED, OR ACQUIRED THROUGH
22 THE USE OF BOND PROCEEDS.

23 (3) REVENUE BONDS, INCLUDING REFUNDING REVENUE BONDS,
24 ISSUED HEREUNDER SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE
25 STATE, NOR SHALL THEY CONSTITUTE INDEBTEDNESS WITHIN THE MEANING
26 OF ANY CONSTITUTIONAL OR STATUTORY PROVISION LIMITING THE
27 INCURRING OF INDEBTEDNESS.

1 (4) REVENUE BONDS, INCLUDING REFUNDING REVENUE BONDS,
2 ISSUED HEREUNDER AND THE INCOME DERIVED THEREFROM SHALL BE
3 EXEMPT FROM ALL STATE, COUNTY, AND MUNICIPAL TAXATION IN THE
4 STATE, EXCEPT COLORADO ESTATE TAXES.

5 **SECTION 4.** Part 1 of article 75 of title 35, Colorado Revised
6 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
7 read:

8 **35-75-111.5. Issuance of bonds to construct renewable energy**
9 **generation facilities and electric transmission lines - renewable energy**
10 **cooperatives.** (1) TO FACILITATE THE TRANSMISSION OF ELECTRICITY
11 GENERATED BY A RENEWABLE ENERGY COOPERATIVE ESTABLISHED
12 PURSUANT TO SECTION 7-56-210, C.R.S., THE AUTHORITY MAY ISSUE
13 REVENUE BONDS IN AMOUNTS SUFFICIENT TO PAY THE FOLLOWING
14 DESCRIBED COSTS OF CONSTRUCTION, UPGRADING, AND ACQUISITION,
15 INCLUDING ANY REQUIRED INTEREST ON THE BONDS DURING
16 CONSTRUCTION, UPGRADING, AND ACQUISITION, PLUS ALL AMOUNTS
17 REQUIRED FOR THE COSTS OF BOND ISSUANCE AND ANY REQUIRED
18 RESERVES ON THE BONDS:

19 (a) CONSTRUCTION OF RENEWABLE ENERGY GENERATION
20 FACILITIES;

21 (b) CONSTRUCTION OR UPGRADING OF ELECTRIC TRANSMISSION
22 LINES AND APPURTENANCES TO BE USED FOR THE TRANSFER OF
23 ELECTRICITY AT ONE HUNDRED FIFTEEN KILOVOLTS OR GREATER;

24 (c) ACQUISITION OF THE RIGHT-OF-WAY ON WHICH RENEWABLE
25 ENERGY GENERATION FACILITIES OR ELECTRIC TRANSMISSION LINES AND
26 APPURTENANCES TO BE USED FOR THE TRANSFER OF ELECTRICITY AT ONE
27 HUNDRED FIFTEEN KILOVOLTS OR GREATER ARE TO BE CONSTRUCTED; AND

1 (d) CONSTRUCTION OR UPGRADING OF ELECTRIC DISTRIBUTION
2 LINES AND APPURTENANCES TO BE USED TO CONNECT RENEWABLE
3 RESOURCES OR TECHNOLOGIES TO ELECTRIC TRANSMISSION LINES AND
4 APPURTENANCES.

5 (2) REVENUE BONDS, AND INTEREST THEREON, ISSUED PURSUANT
6 TO THIS SECTION SHALL BE PAYABLE FROM REVENUES DERIVED FROM USE
7 OF THE RENEWABLE ENERGY GENERATION FACILITIES OR ELECTRIC
8 TRANSMISSION LINES CONSTRUCTED, UPGRADED, OR ACQUIRED THROUGH
9 THE USE OF BOND PROCEEDS.

10 (3) REVENUE BONDS, INCLUDING REFUNDING REVENUE BONDS,
11 ISSUED HEREUNDER SHALL NOT CONSTITUTE AN INDEBTEDNESS OF THE
12 STATE, NOR SHALL THEY CONSTITUTE INDEBTEDNESS WITHIN THE MEANING
13 OF ANY CONSTITUTIONAL OR STATUTORY PROVISION LIMITING THE
14 INCURRING OF INDEBTEDNESS.

15 (4) REVENUE BONDS, INCLUDING REFUNDING REVENUE BONDS,
16 ISSUED HEREUNDER AND THE INCOME DERIVED THEREFROM SHALL BE
17 EXEMPT FROM ALL STATE, COUNTY, AND MUNICIPAL TAXATION IN THE
18 STATE, EXCEPT COLORADO ESTATE TAXES.

19 **SECTION 5. Safety clause.** The general assembly hereby finds,
20 determines, and declares that this act is necessary for the immediate
21 preservation of the public peace, health, and safety.