

Colorado Legislative Council Staff

**STATUTORY PUBLIC ENTITY
REVISED CONDITIONAL FISCAL IMPACT**

(replaces fiscal impact dated February 2, 2004)

No State General Fund Impact

Drafting Number: LLS 04-0120
Prime Sponsor(s): Sen. Phillips

Date: February 18, 2004
Bill Status: Senate 3rd Reading
Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING RURAL RENEWABLE ELECTRIC RESOURCES IN COLORADO.

Fiscal Impact Summary	FY 2003/2004	FY 2004/2005
State Revenues General Fund		
State Expenditures General Fund		
FTE Position Change	0.0 FTE	0.0 FTE
Other State Impact: None		
Effective Date: Upon signature of the Governor.		
Appropriation Summary for FY 2003-2004: None		
Local Government Impact: None		

Summary of Legislation

This bill, as amended by the Senate Business Affairs and Labor Committee, authorizes the creation of renewable energy cooperatives to promote electric energy efficiency technologies, to generate electricity from renewable resources, and to transmit and sell generated electricity at wholesale rates. The bill specifically prohibits a cooperative from selling electricity at retail rates or from having its own certificated territory within the state.

The amended bill authorizes the Colorado Agricultural Development Authority to issue revenue bonds to cover the costs associated with the:

- construction of renewable energy generation facilities;
- construction of upgrade of 115 kilovolt energy transmission lines;
- acquisition of the right-of-way for lands on which these generation or transmission facilities will be constructed; and
- construction or upgrade of the requisite energy distribution lines.

The amended bill requires that the revenue bonds be repaid from revenues derived from the use of these generation facilities or transmission lines. The amended bill also provides that these bonds shall not constitute indebtedness of the state with respect to statutory or constitutional debt limitations, and they shall be exempt from all state, county, and municipal taxation in Colorado, with the exception of Colorado estate taxes.

The bill, as introduced, also authorized the Colorado Housing and Finance Authority to issue similar revenue bonds. This provision was removed by amendment.

State Expenditures

It is currently unclear whether renewable energy cooperatives would fall under the jurisdiction of the Colorado Public Utilities Commission, and thus require a Certificate of Public Convenience and Necessity from the commission for the construction of generation and transmission facilities. However, even if these cooperatives do come under the commission's authority, the costs associated with the review of these certificates could be absorbed within existing budgetary resources.

Statutory Public Entity Impact

In addition, if the Colorado Agricultural Development Authority issues revenue bonds, their revenues and expenditures will be affected. These impacts have not been quantified. The authority anticipates that they will be able to administer the provisions of the bill within existing resources.

Departments Contacted

Regulatory Agencies Colorado Housing and Finance Authority
Colorado Agricultural Development Authority