A BILL FOR AN ACT

CONCERNING THE CREATION OF THE RENEWABLE ENERGY AND INFRASTRUCTURE AUTHORITY.

Bill Summary

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

Creates the renewable energy and infrastructure authority (authority). Specifies the composition of the board of directors of the authority. Identifies the purpose of the authority as providing loans and grants for the development of electric transmission lines designed to transmit electricity generated by renewable energy resources.

Allows the authority to issue and sell revenue bonds and to make loans for the development of electric transmission lines.
Requires the authority to make an annual report to the governor and the transportation and energy committee of the house and the agriculture, natural resources, and energy committee of the senate. Requires the authority to develop and adopt an annual operating budget.

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

SECTION 1. Title 40, Colorado Revised Statutes, is amended by the addition of a new article to read:

ARTICLE 4.5
Colorado Renewable Energy and Infrastructure Authority Act

40-4.5-101. Short title. This article shall be known and may be cited as the "Colorado Renewable Energy and Infrastructure Authority Act".

40-4.5-102. Legislative declaration. (1) The general assembly finds and declares that:

(a) There are extensive renewable energy resources in Colorado, and additional facilities are needed to develop and market these resources.

(b) Timely development of renewable energy sources will stabilize and increase revenue to the state.

(c) New electric transmission infrastructure and storage will increase development of renewable energy sources and improve the reliability of the transmission grid.

(d) It is in the public interest to promote the economic welfare of the state and its residents by utilizing renewable energy resources, thereby increasing employment, stimulating economic activity, augmenting sources of tax revenue, fostering
ECONOMIC STABILITY, AND DIVERSIFYING THE STATE’S ECONOMY.

(e) It is also in the public interest to develop Colorado’s vast sources of clean, renewable energy for in-state consumption and for exportation to other markets desirous of clean, renewable energy.

(f) The public purposes to be served by the passage of this article outweighs all other individual interests.

(2) The general assembly further finds and declares that the purposes of this article are to:

(a) Diversify and expand the economy through improvements in the electric transmission infrastructure and the development of energy storage technologies;

(b) Facilitate the transmission and use of renewable energy by providing grants and loans for the development of transmission lines; and

(c) Provide for the creation of the Colorado renewable energy and infrastructure authority to facilitate the development of transmission lines.

40-4.5-103. Definitions. As used in this article, unless the context otherwise requires:

(1) "Authority" means the Colorado renewable energy and infrastructure authority created in section 40-4.5-104.

(2) "Board" means the board of directors of the authority.

(3) "Bonds" means renewable energy transmission bonds or other bonds, notes, or obligations issued by the authority pursuant to this article.
(4) "Borrower" means an enterprise engaged in the generation of renewable energy resources in Colorado.

(5) "Contracting party" means any party, other than the authority, to a lease, contract, or loan agreement.

(6) "Eligible transmission lines" means lines or appurtenances to be used for the transfer of electricity, generated by using renewable energy, at one hundred fifteen kilovolts or greater.

(7) "Facility" means an electric transmission and interconnected electricity storage facility and all related structures, properties, and supporting infrastructure, including any interests therein.

(8) "Fund" means the Colorado renewable energy and infrastructure authority operational fund created in section 40-4.5-118.

(9) (a) "Governmental agency" means a department, division, or other unit of state government; a special district, water conservation district, metropolitan water district, conservancy district, or irrigation district; a municipal corporation, county, city, or other political subdivision; and the United States or any agency or instrumentality thereof.

(b) "Governmental agency" also includes an enterprise and any entity, agency, commission, or authority established by any governmental agency specified in paragraph (a) of this subsection (9), including, without limitation, those established pursuant to an interstate compact or other intergovernmental compact or agreement.
(10) "LENDER" MEANS ANY STATE OR FEDERALLY CHARTERED BANK, FEDERAL LAND BANK, PRODUCTION CREDIT ASSOCIATION, BANK FOR COOPERATIVES, SAVINGS AND LOAN ASSOCIATION, BUILDING AND LOAN ASSOCIATION, SMALL BUSINESS INVESTMENT COMPANY, OR OTHER INSTITUTION QUALIFIED WITHIN THE STATE TO ORIGINATE AND SERVICE LOANS, INCLUDING, BUT NOT LIMITED TO, INSURANCE COMPANIES, CREDIT UNIONS, AND MORTGAGE LOAN COMPANIES.

(11) "LOAN" MEANS ANY LEASE, LOAN AGREEMENT, OR CONTRACT ENTERED INTO WITH A BORROWER.

(12) "LOAN AGREEMENT" MEANS AN AGREEMENT THAT PROVIDES FOR THE AUTHORITY, OR A LENDER WITH WHICH THE AUTHORITY HAS CONTRACTED, TO LOAN THE PROCEEDS DERIVED FROM THE ISSUANCE OF BONDS PURSUANT TO SECTION 40-4.5-105 TO A CONTRACTING PARTY TO BE USED TO PAY THE COST OF BUILDING TRANSMISSION LINES AND THAT PROVIDES FOR THE REPAYMENT OF SUCH LOAN BY THE CONTRACTING PARTY. SUCH AGREEMENT MAY PROVIDE FOR THE LOANS TO BE SECURED OR EVIDENCED BY ONE OR MORE NOTES, DEBENTURES, BONDS, OR OTHER SECURED OR UNSECURED DEBT OBLIGATIONS OF THE CONTRACTING PARTY, DELIVERED TO THE AUTHORITY OR TO THE TRUSTEE UNDER THE INDENTURE PURSUANT TO WHICH THE BONDS WERE ISSUED.

(13) "LOAN INSURER" OR "LOAN GUARANTOR" MEANS AN AGENCY, DEPARTMENT, ADMINISTRATION, OR INSTRUMENTALITY, CORPORATE OR OTHERWISE, OF THE STATE OF COLORADO OR THE UNITED STATES GOVERNMENT, OR ANY PRIVATE MORTGAGE INSURANCE COMPANY, OR ANY OTHER PUBLIC OR PRIVATE AGENCY THAT INSURES OR GUARANTEES LOANS.

(14) "PERSON" MEANS ANY INDIVIDUAL, FIRM, PARTNERSHIP,
(15) "PROJECT" means an undertaking by the Authority to provide grants or loans to a borrower for the development of eligible transmission lines.

(16) "PUBLIC UTILITY" means a public utility as defined in section 40-1-103 and regulated by the Commission.

(17) "RENEWABLE ENERGY" means electric energy:

(a) generated using low- or zero-emissions generation technology with substantial long-term production potential; and

(b) generated by use of renewable energy resources, which include, without limitation:

(I) solar, wind, hydropower, and geothermal resources;

(II) fuel cells whose energy is not derived from fossil fuels;

(III) ethanol;

(IV) biodiesel; and

(V) biomass resources, such as agriculture or animal waste, small-diameter timber, tamarisk, and other phreatophyte or woody vegetation removed from river basins or watersheds in Colorado, landfill gas, and anaerobically digested waste biomass; except that electric energy generated in part by the use of fossil fuel or nuclear energy shall not qualify as electric energy generated from biomass resources.

40-4.5-104. Colorado renewable energy and infrastructure authority - creation - membership. (1) There is hereby created the Colorado Renewable Energy and Infrastructure Authority,
WHICH SHALL BE A BODY CORPORATE AND A POLITICAL SUBDIVISION OF
THE STATE. THE AUTHORITY SHALL NOT BE AN AGENCY OF STATE
GOVERNMENT, NOR SHALL IT BE SUBJECT TO ADMINISTRATIVE DIRECTION
BY ANY DEPARTMENT, COMMISSION, BOARD, BUREAU, OR AGENCY OF THE
STATE, EXCEPT TO THE EXTENT PROVIDED BY THIS ARTICLE.

(2) (a) The powers of the authority shall be vested in the
governing body of the authority, which shall be a board of
directors consisting of five members who shall be appointed as
follows:

(I) One member shall be appointed by the speaker of the
house of representatives.

(II) One member shall be appointed by the minority leader
of the house of representatives.

(III) One member shall be appointed by the president of the
senate.

(IV) One member shall be appointed by the minority leader
of the senate.

(V) One member shall be appointed by the governor.

(b) No more than three members shall be of the same
political party.

(c) Each member shall have at least one of the following:

(I) SPECIAL KNOWLEDGE OF THE PUBLIC UTILITY INDUSTRY, AS
EVIDENCED BY A COLLEGE DEGREE OR BY EXPERIENCE, AT LEAST FIVE
YEARS OF WHICH MUST HAVE BEEN WITH THE PUBLIC UTILITY INDUSTRY;

(II) KNOWLEDGE OF RENEWABLE ENERGY DEVELOPMENT; OR

(III) EXPERTISE IN FINANCIAL MATTERS INVOLVING THE FINANCING
OF MAJOR PROJECTS.
(3) In addition to the appointed members, the Director of the Commission shall serve as an ex officio, nonvoting member of the Authority.

(4) Members shall be appointed for four-year terms; except that, of the members initially appointed, those appointed by the Speaker of the House of Representatives and the Minority Leader of the House of Representatives shall serve one-year terms, the member appointed by the Minority Leader of the Senate shall serve a two-year term, the member appointed by the President of the Senate shall serve a three-year term, and the member appointed by the Governor shall serve a four-year term. Each member shall hold office for the term of his or her appointment and until his or her successor has been appointed and has qualified for the appointment. A member shall be eligible for reappointment. Any vacancy in the membership occurring other than by expiration of a term shall be filled in the same manner as the original appointment, but for the unexpired term only.

(5) A member may be removed from office by the Governor for cause, after a public hearing, and may be suspended by the Governor pending the completion of such hearing. A member, before entering upon his or her duties, shall take and subscribe to an oath to perform the duties of his or her office faithfully, impartially, and justly to the best of his or her ability. A record of all such oaths shall be filed in the office of the Secretary of State.

(6) The members of the board shall elect a chair and a

(7) EACH MEMBER OF THE BOARD NOT OTHERWISE IN FULL-TIME EMPLOYMENT OF THE STATE SHALL RECEIVE PER DIEM COMPENSATION OF ONE HUNDRED DOLLARS FOR EACH DAY ACTUALLY AND NECESSARILY SPENT IN THE DISCHARGE OF OFFICIAL DUTIES, AND ALL MEMBERS SHALL RECEIVE TRAVELING AND OTHER NECESSARY EXPENSES ACTUALLY INCURRED IN THE PERFORMANCE OF OFFICIAL DUTIES.

(8) THE AUTHORITY MAY BE DISSOLVED BY AN ACT PASSED BY THE GENERAL ASSEMBLY ON CONDITION THAT THE AUTHORITY HAS NO DEBTS OR OBLIGATIONS OUTSTANDING OR THAT PROVISION HAS BEEN MADE FOR THE PAYMENT OR RETIREMENT OF SUCH DEBTS OR OBLIGATIONS. UPON ANY SUCH DISSOLUTION OF THE AUTHORITY, ALL PROPERTY, FUNDS, AND ASSETS THEREOF SHALL BE VESTED IN THE STATE.

40-4.5-105. Authority - duties and powers - rules. (1) THE AUTHORITY SHALL:

(a) DO ANY AND ALL THINGS NECESSARY OR PROPER TO ACCOMPLISH THE PURPOSES OF THIS ARTICLE; AND

(b) HIRE AN EXECUTIVE DIRECTOR AND SUCH OTHER EMPLOYEES OR OTHER AGENTS AS IT DEEMS NECESSARY FOR THE PERFORMANCE OF ITS

(2) THE AUTHORITY MAY:

(a) MAKE AND EXECUTE AGREEMENTS, CONTRACTS, AND OTHER INSTRUMENTS NECESSARY OR CONVENIENT IN THE EXERCISE OF ITS POWERS AND FUNCTIONS WITH ANY PERSON OR GOVERNMENTAL AGENCY;

(b) ENTER INTO CONTRACTUAL AGREEMENTS WITH RESPECT TO ONE OR MORE PROJECTS UPON SUCH TERMS AND CONDITIONS AS THE AUTHORITY CONSIDERS ADVISABLE;

(c) UTILIZE THE SERVICES OF EXECUTIVE DEPARTMENTS OF THE STATE UPON MUTUALLY AGREEABLE TERMS AND CONDITIONS;

(d) ENTER INTO PARTNERSHIPS WITH PUBLIC OR PRIVATE ENTITIES;

(e) ESTABLISH CORRIDORS FOR THE TRANSMISSION OF ELECTRICITY WITHIN THE STATE AND INVESTIGATE, PLAN, PRIORITIZE, AND NEGOTIATE WITH ENTITIES WITHIN AND OUTSIDE THE STATE FOR ACCESS TO SUCH CORRIDORS;

(f) PURSUANT TO SUBSECTION (3) OF THIS SECTION, PROVIDE FINANCIAL ASSISTANCE FOR THE BUILDING OF ELIGIBLE TRANSMISSION LINES NECESSARY OR USEFUL FOR THE ACCOMPLISHMENT OF THE PURPOSES OF THIS ARTICLE;

(g) RECEIVE BY GIFT, GRANT, DONATION, OR OTHERWISE, ANY SUM OF MONEY, AID, OR ASSISTANCE FROM THE UNITED STATES, THE STATE OF COLORADO, ANY OTHER STATE, ANY POLITICAL SUBDIVISION, OR ANY
(h) issue bonds pursuant to this article as necessary to undertake a project;

(i) enter into contracts as necessary for financing the development and building of eligible transmission lines; and

(j) adopt such reasonable administrative, regulatory, and procedural rules as may be necessary or appropriate to carry out its powers and duties.

(3) except as provided in this subsection (3), the authority shall not enter into any project if public utilities or other private entities are performing the acts, are constructing or have constructed the transmission lines, or are providing the services contemplated by the authority and are willing to finance and own new infrastructure to meet an identified need and market. before entering into a project, the authority shall implement the following procedures:

(a) the authority shall provide to each public utility and publish, once in a newspaper of general circulation, once in a newspaper in the area where the eligible transmission lines are contemplated, and on a publicly accessible web page maintained by the authority, an initial notice describing the project that the authority is contemplating, including a detailed description of the existing or anticipated renewable energy sources that justify the determination by the authority that the project is necessary. the description shall contain, at a minimum, the names of all persons that are developing or will develop the renewable energy sources; all persons that own or will own the
RENEWABLE ENERGY SOURCES; AND THE PEAK OUTPUT CAPACITY, SOURCE
TYPE, LOCATION, AND ANTICIPATED CONNECTION DATE OF THE
RENEWABLE ENERGY SOURCES.

(b) Any person with an interest that may be affected by
the proposed project shall have thirty days after the date of
publication of the initial notice to challenge, in writing, the
determination by the authority that the transmission lines are
eligible transmission lines. If a challenge is submitted to the
authority within thirty days after publication of the notice, the
authority shall hold a public hearing after a minimum of two
weeks' notice in the same newspapers and web page in which the
initial notice was given. Following the public hearing, the
authority shall make a final determination of eligibility and
shall give notice of the determination pursuant to article 4 of
title 24, C.R.S. Any person or governmental entity participating
in the hearing may appeal the final determination by filing a
notice of appeal with the district court pursuant to article 4 of
title 24, C.R.S.

(c) A public utility or other private entity willing and
able to finance, acquire, and operate the eligible transmission
lines described in the notice shall have thirty days after the
date of the final notice to notify the authority of the intention
and ability to finance, acquire, and operate the eligible
transmission lines described in the notice.

(d) In the absence of notification by a public utility or
other private entity, or if an entity, having given notice of
intention to finance and construct the eligible transmission
LINES CONTEMPLATED BY THE AUTHORITY, FAILS TO MAKE A GOOD FAITH
EFFORT TO COMMENCE THE FINANCING AND CONSTRUCTION THEREOF
WITHIN TWELVE MONTHS AFTER THE DATE OF NOTIFICATION BY THE
AUTHORITY OF ITS INTENTION, THE AUTHORITY MAY PROCEED TO ASSIST
IN THE FINANCING OF THE ELIGIBLE TRANSMISSION LINES ORIGINALLY
CONTEMPLATED.

(4) IN SOLICITING AND ENTERING INTO CONTRACTS FOR THE
DEVELOPMENT OF ELIGIBLE TRANSMISSION LINES, THE AUTHORITY SHALL,
IF PRACTICAL, GIVE PRIORITY TO THOSE CONTRACTS THAT WILL TRANSMIT
OR STORE ELECTRICITY TO BE SOLD AND CONSUMED IN COLORADO.

40-4.5-106. Authority - loans to, or made by, lenders. (1) The
AUTHORITY MAY:

(a) MAKE, AND UNDERTAKE COMMITMENTS TO MAKE, LOANS TO
LENDERS UNDER TERMS AND CONDITIONS REQUIRING THE PROCEEDS
THEREOF TO BE USED BY SUCH LENDERS TO MAKE LOANS TO FINANCE THE
BUILDING OF TRANSMISSION LINES. LOAN COMMITMENTS OR ACTUAL
LOANS SHALL BE ORIGINATED THROUGH, AND SERVICED BY, ANY BANK,
TRUST COMPANY, SAVINGS AND LOAN ASSOCIATION, MORTGAGE BANKER,
OR OTHER FINANCIAL INSTITUTION AUTHORIZED TO TRANSACT BUSINESS
IN THIS STATE.

(b) INVEST IN, PURCHASE, OR MAKE COMMITMENTS TO INVEST IN
OR PURCHASE, OR TAKE ASSIGNMENTS OR MAKE COMMITMENTS TO TAKE
ASSIGNMENTS OF LOANS MADE BY LENDERS FOR THE BUILDING OF
TRANSMISSION LINES. NO LOAN SHALL BE ELIGIBLE FOR INVESTMENT IN,
PURCHASE, OR ASSIGNMENT BY THE AUTHORITY IF THE LOAN WAS MADE
MORE THAN SIX MONTHS BEFORE THE DATE OF INVESTMENT, PURCHASE,
OR ASSIGNMENT BY THE AUTHORITY.
(2) BEFORE EXERCISING ANY OF THE POWERS AUTHORIZED IN
SUBSECTION (1) OF THIS SECTION, THE AUTHORITY SHALL REQUIRE THE
LENDER TO CERTIFY AND AGREE THAT:

(a) THE LOAN IS, OR IF THE LOAN HAS NOT YET BEEN MADE, WILL
AT THE TIME OF MAKING BE, IN ALL RESPECTS, A PRUDENT INVESTMENT;
AND
(b) SUCH LENDER WILL USE THE PROCEEDS OF THE LOAN,
INVESTMENT, SALE, OR ASSIGNMENT WITHIN A REASONABLE PERIOD TO
MAKE LOANS OR PURCHASE LOANS TO FINANCE THE BUILDING OF
TRANSMISSION LINES; OR, IF SUCH LENDER HAS MADE A COMMITMENT TO
MAKE LOANS TO FINANCE THE BUILDING OF TRANSMISSION LINES ON THE
BASIS OF A COMMITMENT FROM THE AUTHORITY TO PURCHASE SUCH
LOANS, SUCH LENDER WILL MAKE AND SELL THE LOANS TO THE AUTHORITY
WITHIN A REASONABLE PERIOD.

(3) PRIOR TO EXERCISING ANY OF THE POWERS UNDER SUBSECTION
(1) OF THIS SECTION, THE AUTHORITY MAY, BUT IS NOT OBLIGATED TO:

(a) REQUIRE THAT THE LOAN INVOLVED BE INSURED BY A LOAN
INSURER OR BE GUARANTEED BY A LOAN GUARANTOR;

(b) REQUIRE ANY TYPE OF SECURITY THAT IT DEEMS REASONABLE
AND NECESSARY; OR

(c) AUTHORIZE THE RESERVATION OF FUNDS BY LENDERS IN SUCH
AMOUNT AND SUBJECT TO SUCH CONDITIONS AS THE AUTHORITY
CONSIDERS REASONABLE AND NECESSARY.

40-4.5-107. Renewable energy transmission bonds. The
AUTHORITY IS AUTHORIZED TO ISSUE AND SELL REVENUE BONDS, KNOWN
AS "RENEWABLE ENERGY TRANSMISSION BONDS", PAYABLE SOLELY FROM
THE COLORADO RENEWABLE ENERGY AND INFRASTRUCTURE AUTHORITY
OPERATIONAL FUND CREATED IN SECTION 40-4.5-118, IN COMPLIANCE
WITH THIS ARTICLE, FOR THE PURPOSE OF FINANCING APPROPRIATE
PROJECTS.

40-4.5-108. Bonds or notes - issuance - terms. (1) The
authority has the power and is hereby authorized from time to
time to issue its bonds or notes in such principal amounts as in
the opinion of the board are necessary to provide sufficient
funds for any of its corporate purposes, including the payment,
funding, or refunding of the principal of, or interest or
redemption premiums on, any bonds or notes issued by it, whether
the bonds or notes or interest to be funded or refunded have or
have not become due, and including the establishment or
increase of such reserves to secure or to pay such bonds or
notes or interest thereon and all other costs or expenses of the
authority incident to and necessary to carry out its corporate
purposes and powers. The authority shall subsidize some or all
of the cost of issuance of bonds and notes pursuant to this
article for projects that are jointly sponsored by two or more
governmental agencies that do not share the same governing
body.

(2) Except as may be otherwise expressly provided in this
article or by the authority, every issue of bonds or notes shall
be special obligations payable out of any revenues or funds of
the authority, subject only to any agreements with the holders
of particular bonds or notes pledging any particular revenues
or funds. The authority may issue such types of bonds or notes
as it may determine, including, without limiting the generality
OF THE FOREGOING, BONDS OR NOTES AS TO WHICH THE PRINCIPAL AND INTEREST ARE PAYABLE:

(a) EXCLUSIVELY FROM THE REVENUES AND RECEIPTS OF THE PART OF THE PROJECT FINANCED WITH THE PROCEEDS OF SUCH BONDS OR NOTES;

(b) EXCLUSIVELY FROM THE REVENUES AND RECEIPTS OF CERTAIN DESIGNATED PARTS OF A PROJECT, WHETHER OR NOT THE SAME ARE FINANCED IN WHOLE OR IN PART FROM THE PROCEEDS OF SUCH BONDS OR NOTES; OR

(c) FROM ITS REVENUES AND RECEIPTS GENERALLY.

(3) ANY SUCH BONDS OR NOTES MAY BE ADDITIONALLY SECURED BY A PLEDGE OF ANY GRANT, SUBSIDY, OR CONTRIBUTION FROM THE UNITED STATES OR ANY AGENCY OR INSTRUMENTALITY THEREOF, OR THE STATE OR ANY GOVERNMENTAL AGENCY THEREOF, OR ANY PERSON, FIRM, OR CORPORATION OR BY A PLEDGE OF ANY INCOME OR REVENUES, FUNDS, OR MONEYS OF THE AUTHORITY FROM ANY SOURCE WHATSOEVER.


(5) BONDS OR NOTES OF THE AUTHORITY SHALL BE AUTHORIZED BY A RESOLUTION OR RESOLUTIONS OF THE BOARD; MAY BE ISSUED IN ONE OR MORE SERIES; AND SHALL BEAR SUCH DATE OR DATES, MATURE AT SUCH TIME OR TIMES, BEAR INTEREST AT SUCH RATE OR RATES OF INTEREST PER ANNUM, BE IN SUCH DENOMINATION OR DENOMINATIONS, BE IN SUCH FORM, EITHER COUPON OR REGISTERED, CARRY SUCH CONVERSION
OR REGISTRATION PRIVILEGES, HAVE SUCH RANK OR PRIORITY, BE EXECUTED IN SUCH MANNER, BE PAYABLE FROM SUCH SOURCES IN SUCH MEDIUM OF PAYMENT AT SUCH PLACE OR PLACES WITHIN OR WITHOUT THE STATE, AND BE SUBJECT TO SUCH TERMS OF REDEMPTION, WITH OR WITHOUT PREMIUM, AS SUCH RESOLUTION OR RESOLUTIONS MAY PROVIDE.

(6) BONDS OR NOTES OF THE AUTHORITY MAY BE SOLD AT PUBLIC OR PRIVATE SALE AT SUCH PRICE OR PRICES AND IN SUCH MANNER AS THE BOARD SHALL DETERMINE.

(7) BONDS OR NOTES MAY BE ISSUED UNDER THIS ARTICLE WITHOUT OBTAINING THE CONSENT OF ANY DEPARTMENT, DIVISION, COMMISSION, BOARD, BUREAU, OR AGENCY OF THE STATE AND WITHOUT ANY OTHER PROCEEDING OR THE HAPPENING OF ANY OTHER CONDITIONS OR OTHER THINGS THAN THOSE PROCEEDINGS, CONDITIONS, OR THINGS THAT ARE SPECIFICALLY REQUIRED BY THIS ARTICLE.

(8) BONDS AND NOTES OF THE AUTHORITY ISSUED UNDER THIS ARTICLE SHALL NOT BE IN ANY WAY A DEBT OR LIABILITY OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF OTHER THAN THE AUTHORITY AND SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY, OR OBLIGATION OF THE STATE OR OF ANY SUCH POLITICAL SUBDIVISION OR BE OR CONSTITUTE A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OR OF ANY SUCH POLITICAL SUBDIVISION, BUT ALL SUCH BONDS AND NOTES, UNLESS FUNDED OR REFUNDED BY BONDS OR NOTES OF THE AUTHORITY, SHALL BE PAYABLE SOLELY FROM REVENUES OR FUNDS PLEDGED OR AVAILABLE FOR THEIR PAYMENT AS AUTHORIZED IN THIS ARTICLE. EACH BOND AND NOTE SHALL CONTAIN ON ITS FACE A STATEMENT TO THE EFFECT THAT THE AUTHORITY IS OBLIGATED TO PAY THE PRINCIPAL THEREOF OR THE INTEREST THEREON ONLY FROM REVENUES OR FUNDS OF
THE AUTHORITY AND THAT NEITHER THE STATE NOR ANY POLITICAL SUBDIVISION THEREOF IS OBLIGATED TO PAY SUCH PRINCIPAL OR INTEREST AND THAT NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON SUCH BONDS OR NOTES.

(9) ALL EXPENSES INCURRED IN CARRYING OUT THIS ARTICLE SHALL BE PAYABLE SOLELY FROM REVENUES OR FUNDS PROVIDED OR TO BE PROVIDED UNDER THE PROVISIONS OF THIS ARTICLE, AND NOTHING IN THIS ARTICLE SHALL BE CONSTRUED TO AUTHORIZE THE AUTHORITY TO INCUR ANY INDEBTEDNESS OR LIABILITY ON BEHALF OF OR PAYABLE BY THE STATE OR ANY POLITICAL SUBDIVISION THEREOF.

40-4.5-109. Pledge of revenues, moneys, funds, or other property - lien. ANY PLEDGE OF REVENUES, MONEYS, FUNDS, OR OTHER PROPERTY MADE BY THE AUTHORITY SHALL BE VALID AND BINDING FROM THE TIME WHEN THE PLEDGE IS MADE, AND THE REVENUES, MONEYS, FUNDS, OR OTHER PROPERTY SO PLEDGED AND THEREAFTER RECEIVED BY THE AUTHORITY SHALL IMMEDIATELY BE SUBJECT TO THE LIEN OF SUCH PLEDGE WITHOUT ANY PHYSICAL DELIVERY THEREOF OR FURTHER ACT. THE LIEN OF ANY SUCH PLEDGE SHALL BE VALID AND BINDING AS AGAINST ALL PARTIES HAVING CLAIMS OF ANY KIND IN TORT, CONTRACT, OR OTHERWISE AGAINST THE AUTHORITY, IRRESPECTIVE OF WHETHER SUCH PARTIES HAVE NOTICE THEREOF. NEITHER THE RESOLUTION NOR ANY OTHER INSTRUMENT BY WHICH A PLEDGE OF REVENUES, MONEYS, OR FUNDS IS CREATED NEED BE FILED OR RECORDED, EXCEPT IN THE RECORDS OF THE AUTHORITY.

40-4.5-110. Personal liability. NEITHER THE MEMBERS OF THE
BOARD NOR ANY PERSON EXECUTING BONDS OR NOTES ISSUED PURSUANT TO THIS ARTICLE SHALL BE LIABLE PERSONALLY ON SUCH BONDS OR NOTES BY REASON OF THE ISSUANCE THEREOF.

40-4.5-111. Guarantee by state not to limit or alter rights or powers vested in authority. The State of Colorado does hereby pledge to, and covenant and agree with, the holders of any bonds or notes issued pursuant to the powers set forth in this article that the state will not limit or alter the rights or powers vested by this article in the authority to acquire, construct, maintain, improve, repair, and operate the project in any way that would jeopardize the interest of such holders, or to perform and fulfill the terms of any agreement made with the holders of such bonds or notes, or to fix, establish, charge, and collect such rents, fees, rates, or other charges as may be convenient or necessary to produce sufficient revenues to meet all expenses of the authority and fulfill the terms of any agreement made with the holders of such bonds and notes, together with interest thereon, with interest on any unpaid installments of interest, and all costs and expenses in connection with any action or proceedings by or on behalf of such holders, until the bonds, together with interest thereon, are fully met and discharged or provided for.

40-4.5-112. Exemption of bonds from taxation. Any bonds issued by the authority under this article, their transfer, and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation by the state or any political subdivision or other instrumentality of the state.
40-4.5-113. Annual report - annual audit - annual budget.

(1) On or before April 30 of each year, beginning in 2008, the authority shall make an annual report of its activities for the preceding fiscal year to the governor and the transportation and energy committee of the house of representatives and the agriculture, natural resources, and energy committee of the senate, or their successor committees. Each such report shall set forth a complete operating and financial statement covering its operations during the year. Included within such report shall be detailed financial data setting forth the manner in which any previously appropriated state funds have been used. The authority, no later than November 30 of each year, shall report to the governor any requests for state funds for the upcoming state fiscal year, detailing the purposes for which such funds are to be utilized.

(2) The authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants, and the cost thereof shall be considered as expenses of the authority, and a copy thereof shall be filed with the state treasurer.

(3) The authority shall develop and adopt an annual administrative operating budget and timely submit such budget to each district, governmental entity, and other entity participating in projects, so as to permit such districts and entities to make necessary adjustments in their respective budgets, fees, and charges.

40-4.5-114. Services by state officers, departments, boards,
agencies, divisions, and commissions. All officers, departments, boards, agencies, divisions, and commissions of the state are hereby authorized and empowered to render any and all of such services to the authority as may be within the area of their respective governmental functions as fixed or established by law and as may be requested by the authority. The cost and expense of any such services shall be met and provided for by the authority.

40-4.5-115. Bonds eligible for investment. Bonds issued under this article are hereby made securities in which all insurance companies, trust companies, banking associations, savings and loan associations, investment companies, executors, administrators, trustees, and other fiduciaries may properly and legally invest funds, including capital, in their control or belonging to them. Public entities, as defined in section 24-75-601 (1), C.R.S., may invest public funds in such bonds only if said bonds satisfy the investment requirements established in part 6 of article 75 of title 24, C.R.S. Such bonds are hereby made securities that may properly and legally be deposited with, and received by, any public entity for any purpose for which the deposit of bonds, notes, or obligations of the state is authorized by law.

40-4.5-116. Agreements with governmental agencies or persons. (1) Governmental agencies or persons may enter into lease or loan agreements with the authority with respect to any project. Such lease or loan agreements may be for a term covering the life of a project, or for any other term, or for an
INDEFINITE PERIOD. PURSUANT TO ANY SUCH AGREEMENTS, SUCH
GOVERNMENTAL AGENCIES OR PERSONS MAY OBLIGATE THEMSELVES TO
MAKE PAYMENTS IN AMOUNTS THAT SHALL BE SUFFICIENT TO ENABLE THE
AUTHORITY TO MEET ITS EXPENSES; THE INTEREST AND PRINCIPAL
PAYMENTS, WHETHER AT MATURITY OR UPON SINKING FUND REDEMPTION,
FOR ITS BONDS; ITS REASONABLE RESERVES FOR DEBT SERVICE, OPERATION
AND MAINTENANCE, AND RENEWALS AND REPLACEMENTS; AND THE
REQUIREMENTS OF ANY RATE COVENANT WITH RESPECT TO DEBT SERVICE
COVERAGE CONTAINED IN ANY RESOLUTION, TRUST INDENTURE, OR OTHER
SECURITY INSTRUMENT.

(2) PURCHASE AGREEMENTS BETWEEN THE AUTHORITY AND ANY
GOVERNMENTAL AGENCY OR PERSONS MAY CONTAIN SUCH OTHER TERMS
AND CONDITIONS AS THE AUTHORITY AND THE PURCHASERS MAY
DETERMINE, INCLUDING PROVISIONS WHEREBY THE PURCHASER IS
OBLIGATED TO PAY FOR THE DEVELOPMENT OF ELIGIBLE TRANSMISSION
LINES.

(3) THE OBLIGATIONS OF A GOVERNMENTAL AGENCY OR PERSONS
UNDER AN AGREEMENT WITH THE AUTHORITY OR ARISING OUT OF THE
DEFAULT BY ANY OTHER PURCHASER WITH RESPECT TO SUCH AN
AGREEMENT SHALL NOT, UNLESS OTHERWISE LAWFUL, BE CONSTRUED TO
CONSTITUTE A DEBT OF THE GOVERNMENTAL AGENCY OR PERSONS. TO
THE EXTENT PROVIDED IN AGREEMENTS WITH THE AUTHORITY, SUCH
OBLIGATIONS SHALL CONSTITUTE SPECIAL OBLIGATIONS OF THE
GOVERNMENTAL AGENCY OR PERSONS, PAYABLE SOLELY FROM THE
REVENUES AND OTHER MONEYS DERIVED BY THE GOVERNMENTAL AGENCY
OR PERSONS FROM THEIR UTILITY SYSTEMS, AND SHALL BE TREATED AS
EXPENSES OF OPERATING SUCH SYSTEMS.
40-4.5-117. Effect on inconsistent acts and rules adopted thereunder. It is the intent of the General Assembly that, in the event of any conflict or inconsistency in the provisions of this article and any other statutes pertaining to matters established or provided for in this article or in any rules adopted under this article or under said other statutes, to the extent of such conflict or inconsistency, the provisions of this article and the rules adopted under this article shall be enforced, and the provisions of such other statutes and rules adopted thereunder shall be of no force and effect; except that nothing in this article shall be construed to amend or affect any existing law.

40-4.5-118. Colorado renewable energy and infrastructure authority operational fund. There is hereby created in the state treasury the Colorado renewable energy and infrastructure authority operational fund, also referred to in this section as the "fund". The fund shall consist of moneys appropriated and transferred to the fund. Earnings from investment of the fund shall be credited to the fund. Moneys in the fund shall be annually appropriated to the authority for the purpose of carrying out the provisions of this article. Any unexpended or unencumbered moneys remaining in the fund at the end of any fiscal year shall not revert to the general fund or any other fund.

40-4.5-119. Severability. If any provision of this article or the application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or
APPLICATIONS OF THE ARTICLE THAT CAN BE GIVEN EFFECT WITHOUT THE INVALID PROVISION OR APPLICATION, AND TO THIS END THE PROVISIONS OF THIS ARTICLE ARE DECLARED TO BE SEVERABLE.

SECTION 2. 24-77-102 (15) (b), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

24-77-102. Definitions. As used in this article, unless the context otherwise requires:

(15) (b) "Special purpose authority" includes, but is not limited to:

(XVI) THE COLORADO RENEWABLE ENERGY AND INFRASTRUCTURE AUTHORITY CREATED PURSUANT TO SECTION 40-4.5-104, C.R.S.

SECTION 3. Effective date. This act shall take effect July 1, 2007.

SECTION 4. Safety clause. The general assembly hereby finds, determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.