

Second Regular Session  
Sixty-sixth General Assembly  
STATE OF COLORADO

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 08-0563.02 Jason Gelender

**SENATE BILL 08-184**

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**SENATE SPONSORSHIP**

**Romer,**

**HOUSE SPONSORSHIP**

**(None),**

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**Senate Committees**

Agriculture, Natural Resources & Energy  
Appropriations

**House Committees**

Transportation & Energy  
Appropriations

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**A BILL FOR AN ACT**

101 **CONCERNING THE CREATION OF \_\_\_\_\_ CLEAN ENERGY FINANCE**  
102 **PROGRAMS, AND MAKING AN APPROPRIATION THEREFOR.**

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**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 Colorado clean energy finance program (program) to provide below market-rate clean energy loans in limited amounts to homeowners for the purpose of financing home repairs, additions, or improvements that will improve the energy efficiency of homes or allow homes to use more energy from renewable rather than nonrenewable sources (clean energy improvements). Requires the governor's energy office (office) to oversee the program, select a program administrator

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.*

SENATE  
3rd Reading Unamended  
April 21, 2008

SENATE  
Amended 2nd Reading  
April 18, 2008

(administrator) to issue clean energy loans, directly market the program to the general public, and develop and operate or contract with the administrator for the development and operation of a quality assurance, measurement, and verification program for the program.

Creates a clean energy program fund (program fund) and creates loan buy-down and loan loss reserve accounts within the program fund. Specifies that the program fund and accounts shall consist of moneys appropriated thereto by the general assembly. Requires interest and income earned on the deposit and investment of moneys in the program fund and accounts to be used to make new clean energy loans. Requires the office to expend moneys in the loan buy-down account to buy down the interest rate on clean energy loans issued to income-qualified borrowers and to expend moneys in the loan loss reserve account to compensate the administrator for losses from uncollectible clean energy loans written off by the administrator. Requires the state treasurer to periodically transfer moneys from the loan buy-down account to the loan loss reserve account to ensure that the balance of the loan loss reserve account is maintained at a specified level.

Requires the administrator to generate capital to issue clean energy loans by issuing bonds or other notes payable from clean energy loan payments, and authorizes the state treasurer to invest up to a specified amount of state moneys in the bonds or other notes. Requires the administrator to recruit, select, screen, train, and certify contractors, make clean energy loans to qualified borrowers, including clean energy loans at specified below-market interest rates to income-qualified borrowers, and issue annual reports regarding its administration of the program. Specifies an annual deadline for and information to be included in the annual reports, and also specifies an annual deadline for the office to report to specified committees of the general assembly regarding the program.

Defines terms.

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

2 **SECTION 1.** Title 24, Colorado Revised Statutes, is amended BY  
3 THE ADDITION OF A NEW ARTICLE to read:

4 **ARTICLE 38.5**

5 **Colorado Clean Energy Finance Program**

6 **24-38.5-101. Short title.** THIS ARTICLE SHALL BE KNOWN AND  
7 MAY BE CITED AS THE "COLORADO CLEAN ENERGY FINANCE PROGRAM

1 ACT".

2 **24-38.5-102. Definitions.** AS USED IN THIS ARTICLE, UNLESS THE  
3 CONTEXT OTHERWISE REQUIRES:

4 (1) "AREA MEDIAN INCOME" MEANS THE MEDIAN INCOME OF THE  
5 COUNTY IN WHICH THE PRIMARY RESIDENCE OF A QUALIFIED BORROWER  
6 IS LOCATED IN RELATION TO FAMILY SIZE, AS PUBLISHED ANNUALLY BY  
7 THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN  
8 DEVELOPMENT.

9 (2) "CERTIFIED CONTRACTOR" MEANS A CONTRACTOR, INCLUDING  
10 BUT NOT LIMITED TO A GENERAL, HEATING, AIR CONDITIONING, OR  
11 LIGHTING CONTRACTOR, CERTIFIED BY THE PROGRAM ADMINISTRATOR TO  
12 MARKET THE PROGRAM TO POTENTIAL QUALIFIED BORROWERS AND MAKE  
13 CLEAN ENERGY IMPROVEMENTS THAT MAY BE FINANCED BY CLEAN  
14 ENERGY LOANS.

15 (3) "CLEAN ENERGY IMPROVEMENT" MEANS ANY REPAIR OF OR  
16 ADDITION OR IMPROVEMENT TO RESIDENTIAL REAL PROPERTY COMPLETED  
17 BY OR UNDER THE SUPERVISION OF A CERTIFIED CONTRACTOR THAT  
18 IMPROVES THE ENERGY EFFICIENCY OF THE PROPERTY OR REPLACES ALL  
19 OR A PORTION OF THE ENERGY FROM NONRENEWABLE SOURCES USED IN  
20 CONNECTION WITH THE PROPERTY WITH ENERGY FROM RENEWABLE  
21 SOURCES.

22 (4) "CLEAN ENERGY LOAN" MEANS A LOAN IN A MAXIMUM  
23 AMOUNT OF TWELVE THOUSAND FIVE HUNDRED DOLLARS ORIGINATED  
24 BY A PARTICIPATING PUBLIC LENDER OR A PARTICIPATING PRIVATE LENDER  
25 TO A QUALIFIED BORROWER FOR THE PURPOSE OF FINANCING ONE OR MORE  
26 CLEAN ENERGY IMPROVEMENTS TO THE BORROWER'S PRIMARY RESIDENCE;  
27 EXCEPT THAT, IF THE QUALIFIED BORROWER IS A CORPORATION OR LOCAL

1 GOVERNMENT HOUSING AUTHORITY THAT PROVIDES UNITS IN A  
2 MULTI-UNIT HOUSING PROJECT AS HOMES TO INDIVIDUALS OR FAMILIES  
3 WHO MEET THE INCOME QUALIFICATIONS OF FIRST TIER OR SECOND TIER  
4 QUALIFIED BORROWERS, THE MAXIMUM AMOUNT OF A LOAN SHALL BE  
5 TWELVE THOUSAND FIVE HUNDRED DOLLARS MULTIPLIED BY THE NUMBER  
6 OF UNITS IN THE MULTI-UNIT HOUSING FACILITY PROVIDED TO THE  
7 INDIVIDUALS OR FAMILIES.

8 (5) "FIRST TIER QUALIFIED BORROWER" MEANS A QUALIFIED  
9 BORROWER WHOSE INCOME IS LESS THAN EIGHTY PERCENT OF AREA  
10 MEDIAN INCOME.

11 (6) "OFFICE" MEANS THE GOVERNOR'S ENERGY OFFICE.

12 (7) "PROGRAM" MEANS THE COLORADO CLEAN ENERGY FINANCE  
13 PROGRAM.

14 (8) "PROGRAM ADMINISTRATOR" OR "ADMINISTRATOR" MEANS  
15 ONE OR MORE ENTITIES SELECTED BY THE OFFICE TO:

16 (a) MARKET THE PROGRAM;

17 (b) RECRUIT, TRAIN, AND CERTIFY CONTRACTORS;

18 (c) MEASURE AND VERIFY, IN ACCORDANCE WITH STANDARDS  
19 ESTABLISHED BY THE OFFICE, ENERGY, EMISSIONS, AND GROSS AND NET  
20 COST SAVINGS RESULTING FROM CLEAN ENERGY IMPROVEMENTS FINANCED  
21 BY CLEAN ENERGY LOANS ORIGINATED AND SERVICED BY PARTICIPATING  
22 PUBLIC LENDERS AND PRIVATE LENDERS; AND

23 (d) PERFORM SUCH OTHER DUTIES AS MAY BE AUTHORIZED IN THIS  
24 ARTICLE OR REQUIRED BY THE OFFICE.

25 (9) "PROGRAM FUND" MEANS THE CLEAN ENERGY PROGRAM FUND  
26 CREATED IN SECTION 24-38.5-103 (2) (a).

27 (10) "PUBLIC LENDER" MEANS A COUNTY, MUNICIPALITY,

1 DISTRICT, AUTHORITY, OR OTHER POLITICAL SUBDIVISION OF THE STATE  
2 AUTHORIZED TO MAKE ECONOMIC DEVELOPMENT, AFFORDABLE HOUSING,  
3 OR HOUSING REHABILITATION LOANS.

4 (11) "QUALIFIED BORROWER" MEANS AN INDIVIDUAL OR FAMILY  
5 WHO OWNS HIS, HER, OR THEIR PRIMARY RESIDENCE AND SATISFIES  
6 LENDING GUIDELINES ESTABLISHED BY THE PROGRAM ADMINISTRATOR OR  
7 A COLORADO CHARITABLE NONPROFIT CORPORATION EXEMPT FROM  
8 TAXATION UNDER SECTION 501 (c) (3) OF THE FEDERAL "INTERNAL  
9 REVENUE CODE OF 1986", AS AMENDED, OR A COUNTY OR MUNICIPAL  
10 HOUSING AUTHORITY THAT PROVIDES HOMES FOR OWNERSHIP OR RENTAL  
11 TO HOMEOWNERS OR RENTERS WHO MEET THE INCOME QUALIFICATIONS OF  
12 FIRST TIER OR SECOND TIER QUALIFIED BORROWERS.

13 (12) "SECOND TIER QUALIFIED BORROWER" MEANS A QUALIFIED  
14 BORROWER WHOSE INCOME IS EIGHTY PERCENT OR MORE, BUT LESS THAN  
15 ONE HUNDRED TWENTY PERCENT, OF AREA MEDIAN INCOME.

16 (13) "THIRD TIER QUALIFIED BORROWER" MEANS A QUALIFIED  
17 BORROWER WHOSE INCOME IS ONE HUNDRED TWENTY PERCENT OR MORE  
18 OF AREA MEDIAN INCOME.

19 **24-38.5-103. Governor's energy office - powers and duties -**  
20 **funds created.** (1) THE COLORADO CLEAN ENERGY FINANCE PROGRAM  
21 IS HEREBY CREATED. THE OFFICE SHALL OVERSEE THE PROGRAM AND THE  
22 PROGRAM ADMINISTRATOR AND SHALL, IN ADDITION TO EXERCISING ANY  
23 OTHER POWERS AND PERFORMING ANY OTHER DUTIES SPECIFIED IN THIS  
24 ARTICLE:

25 (a) SELECT THE PROGRAM ADMINISTRATOR IN ACCORDANCE WITH  
26 THE PROVISIONS OF THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF  
27 THIS TITLE. IN SELECTING THE PROGRAM ADMINISTRATOR, THE OFFICE

1 SHALL CONSIDER THE EXTENT TO WHICH A POTENTIAL PROGRAM  
2 ADMINISTRATOR HAS DEMONSTRATED EXPERIENCE IN      RECRUITING,  
3 TRAINING, AND CERTIFYING CONTRACTORS OR CAN OTHERWISE ESTABLISH  
4 THAT IT WILL BE ABLE TO PERFORM SUCH FUNCTIONS.

5 (b) DIRECTLY MARKET THE PROGRAM TO THE GENERAL PUBLIC OR  
6 CONTRACT WITH THE PROGRAM ADMINISTRATOR FOR THE MARKETING OF  
7 THE PROGRAM TO THE GENERAL PUBLIC;

8 (c) DEVELOP AND OPERATE OR CONTRACT WITH THE PROGRAM  
9 ADMINISTRATOR FOR THE DEVELOPMENT AND OPERATION OF A QUALITY  
10 ASSURANCE, MEASUREMENT, AND VERIFICATION PROGRAM TO:

11 (I) MONITOR THE QUALITY OF CLEAN ENERGY IMPROVEMENT  
12 INSTALLATIONS; AND

13 (II) MEASURE AND REPORT ON ENERGY, EMISSIONS, AND GROSS  
14 AND NET COST SAVINGS RESULTING FROM CLEAN ENERGY IMPROVEMENTS  
15 FINANCED BY CLEAN ENERGY LOANS;

16 (d) EXERCISE SUCH OTHER POWERS AND PERFORM SUCH OTHER  
17 DUTIES NECESSARY OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC  
18 POWERS AND DUTIES SPECIFIED IN THIS ARTICLE.

19 (2) (a) THE CLEAN ENERGY PROGRAM FUND IS HEREBY CREATED  
20 IN THE STATE TREASURY, AND THE FOLLOWING ACCOUNTS ARE HEREBY  
21 CREATED IN THE FUND:

22 (I) THE LOAN BUY-DOWN ACCOUNT; AND

23 (II) THE LOAN LOSS RESERVE ACCOUNT.

24 (b) THE PROGRAM FUND AND THE ACCOUNTS OF THE PROGRAM  
25 FUND SHALL CONSIST OF SUCH MONEYS AS THE GENERAL ASSEMBLY MAY  
26 APPROPRIATE THERETO FROM THE CLEAN ENERGY FUND CREATED IN  
27 SECTION 27-75-1201 (1) AND ANY GIFTS, GRANTS, OR DONATIONS THAT

1 MAY BE MADE TO THE PROGRAM FUND. IN ACCORDANCE WITH SECTION  
2 24-36-113 (1) (a), WHICH REQUIRES THE STATE TREASURER, IN MAKING  
3 INVESTMENTS, TO USE PRUDENCE AND CARE TO PRESERVE THE PRINCIPAL  
4 AND TO SECURE THE MAXIMUM RATE OF INTEREST CONSISTENT WITH  
5 SAFETY AND LIQUIDITY, IF THE GENERAL ASSEMBLY CHOOSES NOT TO  
6 APPROPRIATE MONEYS TO THE PROGRAM FUND OR TO THE ACCOUNTS OF  
7 THE PROGRAM FUND, NOTHING IN THIS ARTICLE SHALL BE DEEMED TO  
8 REQUIRE THE STATE TREASURER TO CREDIT ANY MONEYS TO THE  
9 PROGRAM FUND OR THE ACCOUNTS OF THE PROGRAM FUND. ALL INTEREST  
10 AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN  
11 THE PROGRAM FUND AND THE ACCOUNTS OF THE PROGRAM FUND SHALL  
12 BE USED      FOR THE LOAN BUY-DOWN ACCOUNT AND THE LOAN LOSS  
13 RESERVE ACCOUNT. MONEYS IN THE LOAN BUY-DOWN ACCOUNT AND  
14 LOAN LOSS RESERVE ACCOUNT OF THE PROGRAM FUND SHALL REMAIN IN  
15 THE ACCOUNTS AND SHALL NOT BE TRANSFERRED TO THE GENERAL FUND  
16 OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR.

17 (3) (a) ALL MONEYS IN THE PROGRAM FUND ARE CONTINUOUSLY  
18 APPROPRIATED TO THE OFFICE, AND THE OFFICE SHALL MAKE PAYMENTS  
19 FROM THE LOAN BUY-DOWN ACCOUNT OF THE PROGRAM FUND      TO  
20 PARTICIPATING PUBLIC LENDERS AND PRIVATE LENDERS TO COMPENSATE  
21 THE LENDERS FOR THE REDUCTION IN THE AMOUNT OF FUTURE INTEREST  
22 PAYMENTS RESULTING FROM THE PROVISION OF CLEAN ENERGY LOANS TO  
23 FIRST TIER AND SECOND TIER QUALIFIED BORROWERS AT THE  
24 BELOW-MARKET INTEREST RATES SPECIFIED IN SECTION 24-38.5-104 (2)  
25 (a) (I) AND (2) (a) (II). THE OFFICE SHALL PAY THE COMPENSATION FOR  
26 EACH CLEAN ENERGY LOAN BY PAYING TO THE LENDER A LUMP SUM EQUAL  
27 TO THE PRESENT VALUE OF THE REDUCTION IN FUTURE INTEREST

1 PAYMENTS ON THE DATE THE LOAN CLOSES.

2 (b) THE OFFICE SHALL MAKE PAYMENTS FROM THE LOAN LOSS  
3 RESERVE ACCOUNT OF THE PROGRAM FUND TO COMPENSATE \_\_\_\_\_  
4 PARTICIPATING PUBLIC LENDERS AND PRIVATE LENDERS FOR THE  
5 UNCOLLECTIBLE AMOUNT OF CLEAN ENERGY LOANS ANY SUCH LENDERS  
6 HAVE WRITTEN OFF. THE OFFICE SHALL PAY THE COMPENSATION FOR  
7 EACH UNCOLLECTIBLE CLEAN ENERGY LOAN BY PAYING TO THE LENDER A  
8 LUMP SUM EQUAL TO THE PRESENT VALUE OF THE UNCOLLECTIBLE  
9 PORTION OF THE LOAN ON THE DATE THE LENDER WROTE IT OFF.

10 (c) THE STATE TREASURER SHALL PERIODICALLY TRANSFER  
11 MONEYS FROM THE LOAN BUY-DOWN ACCOUNT OF THE PROGRAM FUND TO  
12 THE LOAN LOSS RESERVE ACCOUNT OF THE PROGRAM FUND TO ENSURE  
13 THAT THE BALANCE OF THE LOAN LOSS RESERVE ACCOUNT IS AT LEAST  
14 FIVE PERCENT OF THE TOTAL PRINCIPAL AMOUNT OF OUTSTANDING CLEAN  
15 ENERGY LOANS MADE BY PARTICIPATING PUBLIC LENDERS AND PRIVATE  
16 LENDERS. THE ADMINISTRATOR SHALL UPDATE THE STATE TREASURER  
17 REGARDING \_\_\_\_\_ OUTSTANDING CLEAN ENERGY LOANS ORIGINATED BY  
18 SUCH LENDERS AS REQUIRED BY THE STATE TREASURER SO THAT THE  
19 STATE TREASURER CAN ACCURATELY DETERMINE THE APPROPRIATE  
20 AMOUNT AND TIMING OF TRANSFERS.

21 (d) THE STATE TREASURER MAY INVEST UP TO A TOTAL AMOUNT  
22 OF THIRTY MILLION DOLLARS OF STATE MONEYS IN BONDS OR NOTES  
23 ISSUED BY PARTICIPATING PUBLIC LENDERS FOR THE PURPOSE OF FUNDING  
24 CLEAN ENERGY LOANS DURING THE 2008-09, 2009-10, AND 2010-11  
25 FISCAL YEARS SUBJECT TO THE LIMITATION THAT THE STATE TREASURER  
26 MAY INVEST NO MORE THAN TEN MILLION DOLLARS DURING THE 2008-09  
27 FISCAL YEAR AND NO MORE THAN A TOTAL AMOUNT OF TWENTY MILLION

1 DOLLARS DURING THE 2008-09 AND 2009-10 FISCAL YEARS.

2 **24-38.5-104. Program administrator - training and**  
3 **certification of contractors -           reporting.** (1) IN ACCORDANCE  
4 WITH TERMS CONTRACTUALLY AGREED TO BY THE PROGRAM  
5 ADMINISTRATOR AND THE OFFICE, ACTING ON BEHALF OF THE STATE, THE  
6 PROGRAM ADMINISTRATOR SHALL IMPLEMENT AND ADMINISTER THE  
7 PROGRAM BY:

8            
9 (a) RECRUITING, SELECTING, SCREENING, TRAINING, AND  
10 CERTIFYING CONTRACTORS, INCLUDING BUT NOT LIMITED TO GENERAL,  
11 HEATING, AIR CONDITIONING, AND LIGHTING CONTRACTORS, TO BE  
12 CERTIFIED CONTRACTORS CAPABLE OF MARKETING THE PROGRAM AND  
13 COMPLETING CLEAN ENERGY IMPROVEMENTS. THE PROGRAM  
14 ADMINISTRATOR MAY CHARGE CONTRACTORS A REASONABLE FEE FOR  
15 TRAINING AND CERTIFICATION, AND THE RECRUITING, SELECTION,  
16 SCREENING, TRAINING, AND CERTIFICATION PROCESS SHALL INCLUDE, AT  
17 A MINIMUM:

- 18 (I) DIRECT MARKETING OF THE PROGRAM TO CONTRACTORS;  
19 (II) FINANCIAL AND BUSINESS PRACTICES BACKGROUND CHECKS  
20 OF CONTRACTORS SEEKING TO BECOME CERTIFIED CONTRACTORS; AND  
21 (III) INITIAL TRAINING THAT INCLUDES:  
22 (A) EDUCATION REGARDING THE ELEMENTS OF THE PROGRAM, THE  
23 FINANCIAL AND ENVIRONMENTAL BENEFITS OF CLEAN ENERGY  
24 IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO SPECIFIC EDUCATION  
25 REGARDING PRODUCTS QUALIFIED TO BEAR THE FEDERAL ENERGY STAR  
26 LABEL, AND RECOMMENDED MEANS OF MARKETING THE PROGRAM TO  
27 POTENTIAL PROGRAM CUSTOMERS; AND

1 (B) THE PROVISION OF INFORMATION REGARDING ADDITIONAL  
2 REQUIRED TRAINING AND OTHER REQUIREMENTS FOR CONTRACTORS WHO  
3 MAY WISH TO BECOME PREFERRED CONTRACTORS UNDER THE FEDERAL  
4 HOME PERFORMANCE WITH ENERGY STAR PROGRAM.

5 ==  
6 (b) ISSUING ANNUAL REPORTS REGARDING THE ADMINISTRATION  
7 OF THE PROGRAM AS SPECIFIED IN SUBSECTION (3) OF THIS SECTION.

8 (2) = A POTENTIAL QUALIFIED BORROWER SHALL APPLY FOR A  
9 CLEAN ENERGY LOAN BY COMPLETING AN INITIAL LOAN APPLICATION. THE  
10 OFFICE OR, AT THE DISCRETION OF THE OFFICE, THE PROGRAM  
11 ADMINISTRATOR OR PARTICIPATING PUBLIC LENDERS AND PRIVATE  
12 LENDERS SHALL PRESCRIBE THE FORM OF THE LOAN APPLICATION AND  
13 SHALL DETERMINE, BASED ON THE APPLICATION AND SUCH OTHER  
14 INFORMATION AS THE ADMINISTRATOR MAY REASONABLY REQUIRE FROM  
15 THE APPLICANT, WHETHER THE APPLICANT IS A QUALIFIED BORROWER  
16 AND, IF SO, WHETHER THE QUALIFIED BORROWER IS A FIRST TIER, SECOND  
17 TIER, OR THIRD TIER QUALIFIED BORROWER. HOWEVER, A PARTICIPATING  
18 PUBLIC LENDER MAY ONLY ORIGINATE CLEAN ENERGY LOANS FOR FIRST  
19 TIER AND SECOND TIER QUALIFIED BORROWERS. A QUALIFIED BORROWER  
20 MAY CHOOSE A LOAN TERM OF UP TO TEN YEARS. THE STATE TREASURER  
21 SHALL, USING A FORMULA TIED TO A REGULARLY PUBLISHED INTEREST  
22 RATE INDEX SELECTED BY THE STATE TREASURER, DETERMINE A BASE  
23 ANNUAL RATE OF INTEREST TO BE CHARGED ON LOANS MADE TO THIRD  
24 TIER QUALIFIED BORROWERS. THE STATE TREASURER SHALL SET AN  
25 ANNUAL RATE OF INTEREST FOR LOANS TO SECOND TIER QUALIFIED  
26 BORROWERS BY SUBTRACTING A NUMBER OF BASIS POINTS SELECTED BY  
27 THE STATE TREASURER FROM THE BASE ANNUAL RATE AND SHALL SET AN

1 ANNUAL RATE OF INTEREST FOR LOANS TO FIRST TIER QUALIFIED  
2 BORROWERS BY SUBTRACTING A NUMBER OF BASIS POINTS SELECTED BY  
3 THE STATE TREASURER FROM THE ANNUAL RATE OF INTEREST FOR LOANS  
4 TO SECOND TIER QUALIFIED BORROWERS. THE INTEREST RATE CHARGED  
5 TO A QUALIFIED BORROWER THAT IS A CORPORATION OR A HOUSING  
6 AUTHORITY SHALL BE THE INTEREST RATE CHARGED TO SECOND TIER  
7 QUALIFIED BORROWERS; EXCEPT THAT THE INTEREST RATE CHARGED TO  
8 A CORPORATION OR HOUSING AUTHORITY SHALL BE THE INTEREST RATE  
9 CHARGED TO FIRST TIER QUALIFIED BUYERS IF THE CORPORATION OR  
10 HOUSING AUTHORITY ONLY PROVIDES THE HOUSING FOR WHICH THE LOAN  
11 WILL FINANCE CLEAN ENERGY IMPROVEMENTS TO INDIVIDUALS OR  
12 FAMILIES WHO ARE FIRST TIER QUALIFIED BORROWERS.

13

14 (3) (a) NO LATER THAN ONE YEAR FROM THE DATE OF ISSUANCE OF  
15 THE FIRST CLEAN ENERGY LOAN BY A PARTICIPATING PUBLIC LENDER OR  
16 PRIVATE LENDER PURSUANT TO THIS ARTICLE, AND NO LATER THAN THE  
17 SAME DATE EACH SUBSEQUENT YEAR, THE PROGRAM ADMINISTRATOR  
18 SHALL PROVIDE TO THE OFFICE A REPORT DETAILING ITS ADMINISTRATION  
19 OF THE PROGRAM SINCE ITS INCEPTION AND FOR THE PRIOR FISCAL YEAR.  
20 THE REPORT SHALL INCLUDE, AT A MINIMUM:

21 (I) A DETAILED ACCOUNTING OF THE FINANCIAL STATUS OF THE  
22 PROGRAM, INCLUDING STATEMENTS REGARDING:

23 (A) THE TOTAL NUMBER AND PRINCIPAL AMOUNT OF CLEAN  
24 ENERGY LOANS ORIGINATED AND THE NUMBER AND PRINCIPAL AMOUNT OF  
25 CLEAN ENERGY LOANS ORIGINATED TO FIRST TIER, SECOND TIER, AND  
26 THIRD TIER QUALIFIED BORROWERS;

27 (B) THE TOTAL AMOUNT OF OUTSTANDING PRINCIPAL AND

1 INTEREST ON CLEAN ENERGY LOANS OWED      BY QUALIFIED BORROWERS  
2 AND THE AMOUNT OF SUCH PRINCIPAL AND INTEREST OWED BY FIRST TIER,  
3 SECOND TIER, AND THIRD TIER QUALIFIED BORROWERS;

4 (C) THE TOTAL NUMBER AND PRINCIPAL AND INTEREST AMOUNTS  
5 OF ANY UNCOLLECTIBLE CLEAN ENERGY LOANS WRITTEN OFF BY       
6 PARTICIPATING PUBLIC LENDERS AND PRIVATE LENDERS AND THE NUMBER  
7 AND PRINCIPAL AMOUNTS OF SUCH LOANS ISSUED TO FIRST TIER, SECOND  
8 TIER, AND THIRD TIER QUALIFIED BORROWERS;

9 (D) THE TOTAL AMOUNT OF BONDS OR OTHER NOTES      IN WHICH  
10 THE STATE TREASURER HAS INVESTED AS AUTHORIZED BY SECTION  
11 24-38.5-103 (3) (d), THE PAYMENTS MADE ON SUCH BONDS OR OTHER  
12 NOTES, AND THE PAYMENTS TO BE MADE IN THE FUTURE ON SUCH BONDS  
13 OR OTHER NOTES; AND

14 (E) THE AMOUNTS PAID TO THE ADMINISTRATOR BY THE STATE  
15 PURSUANT TO SECTION 24-38.5-103 (3) (a) AND (3) (b) AND ANY  
16 CONTRACTS ENTERED INTO BY THE STATE AND THE ADMINISTRATOR AS  
17 AUTHORIZED BY THIS ARTICLE;

18 (II) ESTIMATES OF THE TOTAL ENERGY, EMISSIONS, AND GROSS  
19 AND NET COST SAVINGS RESULTING FROM CLEAN ENERGY IMPROVEMENTS  
20 FINANCED BY CLEAN ENERGY LOANS; AND

21 (III) ANY RECOMMENDED PROGRAM IMPROVEMENTS.

22 (b) SUBJECT TO THE LIMITATION SET FORTH IN SECTION 24-1-136  
23 (11), NO LATER THAN JANUARY 30, 2010, AND NO LATER THAN EACH  
24 JANUARY 30 THEREAFTER, THE OFFICE SHALL REPORT TO THE  
25 TRANSPORTATION AND ENERGY COMMITTEE OF THE HOUSE OF  
26 REPRESENTATIVES AND THE AGRICULTURE, NATURAL RESOURCES, AND  
27 ENERGY COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES,

1 REGARDING THE PROGRAM. THE REPORT SHALL INCLUDE THE  
2 INFORMATION PROVIDED TO THE OFFICE IN THE PROGRAM  
3 ADMINISTRATOR'S ANNUAL REPORT AND WHATEVER ADDITIONAL  
4 INFORMATION THE OFFICE DEEMS RELEVANT TO FULLY APPRISE THE  
5 COMMITTEES REGARDING THE STATUS OF THE PROGRAM.

6 **SECTION 2. 24-36-113 (5), Colorado Revised Statutes, is**  
7 **amended to read:**

8 **24-36-113. Investment of state moneys - limitations. (5) The**  
9 **state treasurer may engage in reverse repurchase agreements and**  
10 **securities lending programs for any securities in the state treasurer's**  
11 **custody AND MAY PURCHASE LOANS, IF, IN THE STATE TREASURER'S**  
12 **DISCRETION, THE PURCHASE OF LOANS WILL YIELD A FAIR AND EQUITABLE**  
13 **RETURN TO THE STATE.**

14 **SECTION 3. Article 20 of title 30, Colorado Revised Statutes, is**  
15 **amended BY THE ADDITION OF A NEW PART to read:**

16 **PART 12**  
17 **RURAL CLEAN ENERGY**  
18 **PROJECT FINANCE PROGRAM**

19 **30-20-1201. Short title. THIS PART 12 SHALL BE KNOWN AND**  
20 **MAY BE CITED AS THE "RURAL CLEAN ENERGY PROJECT FINANCE**  
21 **PROGRAM ACT".**

22 **30-20-1202. Definitions. AS USED IN THIS PART 12, UNLESS THE**  
23 **CONTEXT OTHERWISE REQUIRES:**

24 **(1) "BOARD" MEANS THE BOARD OF COUNTY COMMISSIONERS OF**  
25 **A COUNTY OR A CITY AND COUNTY.**

26 **(2) "CLEAN ENERGY" MEANS ENERGY DERIVED FROM BIOMASS, AS**  
27 **DEFINED IN SECTION 40-2-124 (1) (a) (I), C.R.S., GEOTHERMAL ENERGY,**

1 SOLAR ENERGY, SMALL HYDROELECTRICITY, AND WIND ENERGY, AS WELL  
2 AS ANY HYDROGEN DERIVED FROM ANY OF THE FOREGOING.

3 (3) "COOPERATIVE ELECTRIC ASSOCIATION" SHALL HAVE THE  
4 SAME MEANING AS SET FORTH IN SECTION 40-9.5-102, C.R.S.

5 (4) "ELIGIBLE APPLICANT" MEANS AN INDIVIDUAL PROPERTY  
6 OWNER OR A GROUP OF PROPERTY OWNERS THAT DO NOT OWN THE  
7 ENTIRETY OF A COOPERATIVE ELECTRIC ASSOCIATION AND THAT SEEK TO  
8 CONSTRUCT, EXPAND, OR UPGRADE AN ELIGIBLE CLEAN ENERGY PROJECT  
9 LOCATED OR TO BE LOCATED ON THE APPLICANT'S PROPERTY.

10 (5) "ELIGIBLE CLEAN ENERGY PROJECT" MEANS A PROJECT OWNED  
11 BY AN ELIGIBLE APPLICANT THAT PRODUCES OR TRANSMITS CLEAN  
12 ENERGY FOR PUBLIC BENEFIT ONLY, HAS A NAMEPLATE RATING OF NO  
13 MORE THAN FIFTY MEGAWATTS AND IS NOT A PART OF A LARGER PROJECT  
14 WITH A NAMEPLATE RATING OF MORE THAN FIFTY MEGAWATTS, AND IS  
15 LOCATED WITHIN THE CERTIFICATED SERVICE AREA OF A COOPERATIVE  
16 ELECTRIC ASSOCIATION. "ELIGIBLE CLEAN ENERGY PROJECT" INCLUDES  
17 TRANSMISSION LINES TO THE POINT OF ENTRY TO THE POWER GRID OF A  
18 COOPERATIVE ELECTRIC ASSOCIATION, A GENERATION AND TRANSMISSION  
19 ELECTRIC CORPORATION OR ASSOCIATION, OR ANY FEDERAL AGENCY AND  
20 ANY OTHER EQUIPMENT OR FACILITY, INCLUDING, BUT NOT LIMITED TO,  
21 SUBSTATION UPGRADES NEEDED TO DELIVER THE CLEAN ENERGY  
22 PRODUCED BY AN ELIGIBLE CLEAN ENERGY PROJECT TO A MARKET.

23 **30-20-1203. Eligible clean energy project financing - county**  
24 **approval - private activity bond financing.** (1) AN ELIGIBLE  
25 APPLICANT MAY APPLY TO THE BOARD OF THE COUNTY OR CITY AND  
26 COUNTY IN WHICH IT PROPOSES TO CONSTRUCT, EXPAND, OR UPGRADE AN  
27 ELIGIBLE CLEAN ENERGY PROJECT FOR ASSISTANCE IN THE FINANCING OF

1 THE PROJECT. SUBJECT TO THE REQUIREMENTS AND LIMITATIONS  
2 SPECIFIED IN FEDERAL LAW, THE "COLORADO PRIVATE ACTIVITY BOND  
3 CEILING ALLOCATION ACT", PART 17 OF ARTICLE 32 OF TITLE 24, C.R.S.,  
4 AND SUBSECTION (2) OF THIS SECTION, IF THE BOARD APPROVES THE  
5 APPLICATION, IT MAY PROVIDE FINANCING ASSISTANCE BY ISSUING  
6 TAX-EXEMPT PRIVATE ACTIVITY BONDS IN A MINIMUM AMOUNT OF ONE  
7 MILLION DOLLARS ON BEHALF OF THE ELIGIBLE APPLICANT.

8 (2) A BOARD SHALL ISSUE TAX-EXEMPT PRIVATE ACTIVITY BONDS  
9 ON BEHALF OF AN ELIGIBLE APPLICANT TO FINANCE AN ELIGIBLE CLEAN  
10 ENERGY PROJECT SUBJECT TO THE FOLLOWING REQUIREMENTS AND  
11 LIMITATIONS:

12 (a) THE BOARD SHALL ENTER INTO AGREEMENTS WITH THE  
13 ELIGIBLE APPLICANT UNDER WHICH:

14 (I) THE BOARD AGREES TO LOAN TO THE ELIGIBLE APPLICANT THE  
15 NET PROCEEDS OF THE BONDS ISSUED SO THAT THE ELIGIBLE APPLICANT  
16 CAN FINANCE ALL OR A PORTION OF THE ELIGIBLE CLEAN ENERGY PROJECT;  
17 AND

18 (II) THE ELIGIBLE APPLICANT AGREES THAT IT HAS THE SOLE  
19 RESPONSIBILITY TO PAY, EITHER DIRECTLY OR INDIRECTLY THROUGH THE  
20 BOARD OR A BOND TRUSTEE, ALL FINANCIAL OBLIGATIONS OWED TO  
21 BONDHOLDERS AND THAT IT SHALL PROVIDE AND MAINTAIN ANY RESERVE  
22 DEEMED NECESSARY BY THE BOARD TO ENSURE THAT THE FINANCIAL  
23 OBLIGATIONS ARE PAID;

24 (b) THE BONDS ISSUED SHALL SPECIFY THAT BONDHOLDERS MAY  
25 NOT LOOK TO ANY COUNTY OR CITY AND COUNTY REVENUES FOR  
26 REPAYMENT OF THE BONDS. THE BONDS SHALL FURTHER SPECIFY THAT  
27 THE ONLY SOURCES OF REPAYMENT FOR THE BONDS ARE REVENUES

1 PROVIDED BY THE ELIGIBLE APPLICANT, PROPERTY OF THE ELIGIBLE  
2 APPLICANT, OR CREDIT ENHANCEMENT OBTAINED BY THE ELIGIBLE  
3 APPLICANT THAT MAY BE PLEDGED TO THE PAYMENT OF THE BONDS; AND

4 (c) THE REPAYMENT TERM FOR THE BONDS ISSUED SHALL NOT  
5 EXCEED TEN YEARS.

6 (3) BECAUSE PRIVATE ACTIVITY BONDS ARE PAYABLE ONLY FROM  
7 THE SOURCES SPECIFIED IN PARAGRAPH (b) OF SUBSECTION (2) OF THIS  
8 SECTION, SUCH BONDS SHALL NOT BE DEEMED TO CREATE COUNTY OR CITY  
9 AND COUNTY INDEBTEDNESS OR A MULTIPLE-FISCAL YEAR OBLIGATION  
10 WITHIN THE MEANING OF ANY PROVISION OF THE STATE CONSTITUTION OR  
11 THE LAWS OF THIS STATE, AND A BOARD MAY ISSUE SUCH BONDS WITHOUT  
12 VOTER APPROVAL.

13 (4) THE RATES CHARGED BY AN ELIGIBLE APPLICANT FOR THE  
14 DELIVERY OF CLEAN ENERGY PRODUCED BY AN ELIGIBLE CLEAN ENERGY  
15 PROJECT SHALL BE SET TO ALLOW RECOVERY OF ALL COSTS NECESSARILY  
16 INCURRED TO DELIVER THE CLEAN ENERGY TO A MARKET, INCLUDING, BUT  
17 NOT LIMITED TO, THE COSTS OF SUBSTATION UPGRADES, TRANSMISSION  
18 LINES TO THE POINT OF ENTRY TO THE POWER GRID OF A COOPERATIVE  
19 ELECTRIC ASSOCIATION, AND ANY WHEELING CHARGES IMPOSED BY A  
20 COOPERATIVE ELECTRIC ASSOCIATION.

21 **SECTION 4. Appropriation - adjustments to the 2008 long**  
22 **bill.** For the implementation of this act, the appropriation made in the  
23 annual general appropriation act for the fiscal year beginning July 1,  
24 2008, to the office of the governor, for allocation to the governor's energy  
25 office, clean energy, is increased by 1.0 FTE. This 1.0 FTE shall be  
26 supported by moneys in the clean energy program fund created in section  
27 24-38.5-103 (2) (a), Colorado Revised Statutes, and any gifts, grants, or

1 donations made to the governor's energy office for the purposes of  
2 implementing this act. Moneys in the clean energy program fund are  
3 continuously appropriated pursuant to section 24-38.5-103 (3) (a),  
4 Colorado Revised Statutes.

5

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