

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**

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**A BILL FOR AN ACT**

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

**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.*



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 (5) "FIRST TIER QUALIFIED BORROWER" MEANS A QUALIFIED

1 BORROWER WHOSE INCOME IS LESS THAN EIGHTY PERCENT OF AREA  
2 MEDIAN INCOME.

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

4 (7) "PROGRAM" MEANS THE COLORADO CLEAN ENERGY FINANCE  
5 PROGRAM.

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

8 (a) MARKET THE PROGRAM;

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

10 (c) MEASURE AND VERIFY ENERGY, EMISSIONS, AND GROSS AND  
11 NET COST SAVINGS RESULTING FROM CLEAN ENERGY IMPROVEMENTS  
12 FINANCED BY CLEAN ENERGY LOANS ORIGINATED AND SERVICED BY  
13 PARTICIPATING PUBLIC LENDERS AND PRIVATE LENDERS; AND

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

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

18 (10) "PUBLIC LENDER" MEANS A COUNTY, MUNICIPALITY,  
19 DISTRICT, AUTHORITY, OR OTHER POLITICAL SUBDIVISION OF THE STATE  
20 AUTHORIZED TO MAKE ECONOMIC DEVELOPMENT, AFFORDABLE HOUSING,  
21 OR HOUSING REHABILITATION LOANS.

22 (11) "QUALIFIED BORROWER" MEANS AN INDIVIDUAL OR FAMILY  
23 WHO OWNS HIS, HER, OR THEIR PRIMARY RESIDENCE AND SATISFIES  
24 LENDING GUIDELINES ESTABLISHED BY THE PROGRAM ADMINISTRATOR.

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

1           (13) "THIRD TIER QUALIFIED BORROWER" MEANS A QUALIFIED  
2 BORROWER WHOSE INCOME IS ONE HUNDRED TWENTY PERCENT OR MORE  
3 OF AREA MEDIAN INCOME.

4           **24-38.5-103. Governor's energy office - powers and duties -**  
5 **funds created.** (1) THE COLORADO CLEAN ENERGY FINANCE PROGRAM  
6 IS HEREBY CREATED. THE OFFICE SHALL OVERSEE THE PROGRAM AND THE  
7 PROGRAM ADMINISTRATOR AND SHALL, IN ADDITION TO EXERCISING ANY  
8 OTHER POWERS AND PERFORMING ANY OTHER DUTIES SPECIFIED IN THIS  
9 ARTICLE:

10           (a) SELECT THE PROGRAM ADMINISTRATOR IN ACCORDANCE WITH  
11 THE PROVISIONS OF THE "PROCUREMENT CODE", ARTICLES 101 TO 112 OF  
12 THIS TITLE. IN SELECTING THE PROGRAM ADMINISTRATOR, THE OFFICE  
13 SHALL CONSIDER THE EXTENT TO WHICH A POTENTIAL PROGRAM  
14 ADMINISTRATOR HAS DEMONSTRATED EXPERIENCE IN      RECRUITING,  
15 TRAINING, AND CERTIFYING CONTRACTORS OR CAN OTHERWISE ESTABLISH  
16 THAT IT WILL BE ABLE TO PERFORM SUCH FUNCTIONS.

17           (b) DIRECTLY MARKET THE PROGRAM TO THE GENERAL PUBLIC OR  
18 CONTRACT WITH THE PROGRAM ADMINISTRATOR FOR THE MARKETING OF  
19 THE PROGRAM TO THE GENERAL PUBLIC;

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

23           (I) MONITOR THE QUALITY OF CLEAN ENERGY IMPROVEMENT  
24 INSTALLATIONS; AND

25           (II) MEASURE AND REPORT ON ENERGY, EMISSIONS, AND GROSS  
26 AND NET COST SAVINGS RESULTING FROM CLEAN ENERGY IMPROVEMENTS  
27 FINANCED BY CLEAN ENERGY LOANS;

1 (d) EXERCISE SUCH OTHER POWERS AND PERFORM SUCH OTHER  
2 DUTIES NECESSARY OR INCIDENTAL TO OR IMPLIED FROM THE SPECIFIC  
3 POWERS AND DUTIES SPECIFIED IN THIS ARTICLE.

4 (2) (a) THE CLEAN ENERGY PROGRAM FUND IS HEREBY CREATED  
5 IN THE STATE TREASURY, AND THE FOLLOWING ACCOUNTS ARE HEREBY  
6 CREATED IN THE FUND:

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

8 (II) THE LOAN LOSS RESERVE ACCOUNT.

9 (b) THE PROGRAM FUND AND THE ACCOUNTS OF THE PROGRAM  
10 FUND SHALL CONSIST OF SUCH MONEYS AS THE GENERAL ASSEMBLY MAY  
11 APPROPRIATE THERETO FROM THE CLEAN ENERGY FUND CREATED IN  
12 SECTION 27-75-1201 (1) AND ANY GIFTS, GRANTS, OR DONATIONS THAT  
13 MAY BE MADE TO THE PROGRAM FUND. IN ACCORDANCE WITH SECTION  
14 24-36-113 (1) (a), WHICH REQUIRES THE STATE TREASURER, IN MAKING  
15 INVESTMENTS, TO USE PRUDENCE AND CARE TO PRESERVE THE PRINCIPAL  
16 AND TO SECURE THE MAXIMUM RATE OF INTEREST CONSISTENT WITH  
17 SAFETY AND LIQUIDITY, IF THE GENERAL ASSEMBLY CHOOSES NOT TO  
18 APPROPRIATE MONEYS TO THE PROGRAM FUND OR TO THE ACCOUNTS OF  
19 THE PROGRAM FUND, NOTHING IN THIS ARTICLE SHALL BE DEEMED TO  
20 REQUIRE THE STATE TREASURER TO CREDIT ANY MONEYS TO THE  
21 PROGRAM FUND OR THE ACCOUNTS OF THE PROGRAM FUND. ALL INTEREST  
22 AND INCOME EARNED ON THE DEPOSIT AND INVESTMENT OF MONEYS IN  
23 THE PROGRAM FUND AND THE ACCOUNTS OF THE PROGRAM FUND SHALL  
24 BE USED \_\_\_ FOR THE LOAN BUY-DOWN ACCOUNT AND THE LOAN LOSS  
25 RESERVE ACCOUNT. MONEYS IN THE LOAN BUY-DOWN ACCOUNT AND  
26 LOAN LOSS RESERVE ACCOUNT OF THE PROGRAM FUND SHALL REMAIN IN  
27 THE ACCOUNTS AND SHALL NOT BE TRANSFERRED TO THE GENERAL FUND

1 OR ANY OTHER FUND AT THE END OF ANY FISCAL YEAR.

2 (3) (a) THE OFFICE SHALL MAKE PAYMENTS FROM THE LOAN  
3 BUY-DOWN ACCOUNT OF THE PROGRAM FUND TO PARTICIPATING PUBLIC  
4 LENDERS AND PRIVATE LENDERS TO COMPENSATE THE LENDERS FOR THE  
5 REDUCTION IN THE AMOUNT OF FUTURE INTEREST PAYMENTS RESULTING  
6 FROM THE PROVISION OF CLEAN ENERGY LOANS TO FIRST TIER AND SECOND  
7 TIER QUALIFIED BORROWERS AT THE BELOW-MARKET INTEREST RATES  
8 SPECIFIED IN SECTION 24-38.5-104 (2) (a) (I) AND (2) (a) (II). THE OFFICE  
9 SHALL PAY THE COMPENSATION FOR EACH CLEAN ENERGY LOAN BY  
10 PAYING TO THE LENDER A LUMP SUM EQUAL TO THE PRESENT VALUE OF  
11 THE REDUCTION IN FUTURE INTEREST PAYMENTS ON THE DATE THE LOAN  
12 CLOSES.

13 (b) THE OFFICE SHALL MAKE PAYMENTS FROM THE LOAN LOSS  
14 RESERVE ACCOUNT OF THE PROGRAM FUND TO COMPENSATE \_\_\_\_\_  
15 PARTICIPATING PUBLIC LENDERS AND PRIVATE LENDERS FOR THE  
16 UNCOLLECTIBLE AMOUNT OF CLEAN ENERGY LOANS ANY SUCH LENDERS  
17 HAVE WRITTEN OFF. THE OFFICE SHALL PAY THE COMPENSATION FOR  
18 EACH UNCOLLECTIBLE CLEAN ENERGY LOAN BY PAYING TO THE LENDER A  
19 LUMP SUM EQUAL TO THE PRESENT VALUE OF THE UNCOLLECTIBLE  
20 PORTION OF THE LOAN ON THE DATE THE LENDER WROTE IT OFF.

21 (c) THE STATE TREASURER SHALL PERIODICALLY TRANSFER  
22 MONEYS FROM THE LOAN BUY-DOWN ACCOUNT OF THE PROGRAM FUND TO  
23 THE LOAN LOSS RESERVE ACCOUNT OF THE PROGRAM FUND TO ENSURE  
24 THAT THE BALANCE OF THE LOAN LOSS RESERVE ACCOUNT IS AT LEAST  
25 FIVE PERCENT OF THE TOTAL PRINCIPAL AMOUNT OF OUTSTANDING CLEAN  
26 ENERGY LOANS MADE BY PARTICIPATING PUBLIC LENDERS AND PRIVATE  
27 LENDERS. THE ADMINISTRATOR SHALL UPDATE THE STATE TREASURER

1 REGARDING        OUTSTANDING CLEAN ENERGY LOANS ORIGINATED BY  
2 SUCH LENDERS AS REQUIRED BY THE STATE TREASURER SO THAT THE  
3 STATE TREASURER CAN ACCURATELY DETERMINE THE APPROPRIATE  
4 AMOUNT AND TIMING OF TRANSFERS.

5 (d) THE STATE TREASURER MAY INVEST UP TO A TOTAL AMOUNT  
6 OF THIRTY MILLION DOLLARS OF STATE MONEYS IN BONDS OR NOTES  
7 ISSUED BY PARTICIPATING PUBLIC LENDERS FOR THE PURPOSE OF FUNDING  
8 CLEAN ENERGY LOANS DURING THE 2008-09, 2009-10, AND 2010-11  
9 FISCAL YEARS SUBJECT TO THE LIMITATION THAT THE STATE TREASURER  
10 MAY INVEST NO MORE THAN TEN MILLION DOLLARS DURING THE 2008-09  
11 FISCAL YEAR AND NO MORE THAN A TOTAL AMOUNT OF TWENTY MILLION  
12 DOLLARS DURING THE 2008-09 AND 2009-10 FISCAL YEARS.

13 **24-38.5-104. Program administrator - training and**  
14 **certification of contractors -               reporting.** (1) IN ACCORDANCE  
15 WITH TERMS CONTRACTUALLY AGREED TO BY THE PROGRAM  
16 ADMINISTRATOR AND THE OFFICE, ACTING ON BEHALF OF THE STATE, THE  
17 PROGRAM ADMINISTRATOR SHALL IMPLEMENT AND ADMINISTER THE  
18 PROGRAM BY:

19                
20 (a) RECRUITING, SELECTING, SCREENING, TRAINING, AND  
21 CERTIFYING CONTRACTORS, INCLUDING BUT NOT LIMITED TO GENERAL,  
22 HEATING, AIR CONDITIONING, AND LIGHTING CONTRACTORS, TO BE  
23 CERTIFIED CONTRACTORS CAPABLE OF MARKETING THE PROGRAM AND  
24 COMPLETING CLEAN ENERGY IMPROVEMENTS. THE PROGRAM  
25 ADMINISTRATOR MAY CHARGE CONTRACTORS A REASONABLE FEE FOR  
26 TRAINING AND CERTIFICATION, AND THE RECRUITING, SELECTION,  
27 SCREENING, TRAINING, AND CERTIFICATION PROCESS SHALL INCLUDE, AT

1 A MINIMUM:

2 (I) DIRECT MARKETING OF THE PROGRAM TO CONTRACTORS;

3 (II) FINANCIAL AND BUSINESS PRACTICES BACKGROUND CHECKS  
4 OF CONTRACTORS SEEKING TO BECOME CERTIFIED CONTRACTORS; AND

5 (III) INITIAL TRAINING THAT INCLUDES:

6 (A) EDUCATION REGARDING THE ELEMENTS OF THE PROGRAM, THE  
7 FINANCIAL AND ENVIRONMENTAL BENEFITS OF CLEAN ENERGY  
8 IMPROVEMENTS, INCLUDING BUT NOT LIMITED TO SPECIFIC EDUCATION  
9 REGARDING PRODUCTS QUALIFIED TO BEAR THE FEDERAL ENERGY STAR  
10 LABEL, AND RECOMMENDED MEANS OF MARKETING THE PROGRAM TO  
11 POTENTIAL PROGRAM CUSTOMERS; AND

12 (B) THE PROVISION OF INFORMATION REGARDING ADDITIONAL  
13 REQUIRED TRAINING AND OTHER REQUIREMENTS FOR CONTRACTORS WHO  
14 MAY WISH TO BECOME PREFERRED CONTRACTORS UNDER THE FEDERAL  
15 HOME PERFORMANCE WITH ENERGY STAR PROGRAM.

16 ==

17 (b) ISSUING ANNUAL REPORTS REGARDING THE ADMINISTRATION  
18 OF THE PROGRAM AS SPECIFIED IN SUBSECTION (3) OF THIS SECTION.

19 (2) = A POTENTIAL QUALIFIED BORROWER SHALL APPLY FOR A  
20 CLEAN ENERGY LOAN BY COMPLETING AN INITIAL LOAN APPLICATION. THE  
21 OFFICE OR, AT THE DISCRETION OF THE OFFICE, THE PROGRAM  
22 ADMINISTRATOR OR PARTICIPATING PUBLIC LENDERS AND PRIVATE  
23 LENDERS SHALL PRESCRIBE THE FORM OF THE LOAN APPLICATION AND  
24 SHALL DETERMINE, BASED ON THE APPLICATION AND SUCH OTHER  
25 INFORMATION AS THE ADMINISTRATOR MAY REASONABLY REQUIRE FROM  
26 THE APPLICANT, WHETHER THE APPLICANT IS A QUALIFIED BORROWER  
27 AND, IF SO, WHETHER THE QUALIFIED BORROWER IS A FIRST TIER, SECOND

1 TIER, OR THIRD TIER QUALIFIED BORROWER. A QUALIFIED BORROWER MAY  
2 CHOOSE A LOAN TERM OF UP TO TEN YEARS. THE STATE TREASURER  
3 SHALL, USING A FORMULA TIED TO A REGULARLY PUBLISHED INTEREST  
4 RATE INDEX SELECTED BY THE STATE TREASURER, DETERMINE A BASE  
5 ANNUAL RATE OF INTEREST TO BE CHARGED ON LOANS MADE TO THIRD  
6 TIER QUALIFIED BORROWERS. THE STATE TREASURER SHALL SET AN  
7 ANNUAL RATE OF INTEREST FOR LOANS TO SECOND TIER QUALIFIED  
8 BORROWERS BY SUBTRACTING A NUMBER OF BASIS POINTS SELECTED BY  
9 THE STATE TREASURER FROM THE BASE ANNUAL RATE AND SHALL SET AN  
10 ANNUAL RATE OF INTEREST FOR LOANS TO FIRST TIER QUALIFIED  
11 BORROWERS BY SUBTRACTING A NUMBER OF BASIS POINTS SELECTED BY  
12 THE STATE TREASURER FROM THE ANNUAL RATE OF INTEREST FOR LOANS  
13 TO SECOND TIER QUALIFIED BORROWERS.

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

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

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

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

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

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

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

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

22 (III) ANY RECOMMENDED PROGRAM IMPROVEMENTS.

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

1 ENERGY COMMITTEE OF THE SENATE, OR ANY SUCCESSOR COMMITTEES,  
2 REGARDING THE PROGRAM. THE REPORT SHALL INCLUDE THE  
3 INFORMATION PROVIDED TO THE OFFICE IN THE PROGRAM  
4 ADMINISTRATOR'S ANNUAL REPORT AND WHATEVER ADDITIONAL  
5 INFORMATION THE OFFICE DEEMS RELEVANT TO FULLY APPRISE THE  
6 COMMITTEES REGARDING THE STATUS OF THE PROGRAM.

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

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

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

17 PART 12

18 RURAL CLEAN ENERGY

19 PROJECT FINANCE PROGRAM

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

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

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

27 (2) "CLEAN ENERGY" MEANS ENERGY DERIVED FROM BIOMASS, AS

1 DEFINED IN SECTION 40-2-124 (1) (a) (I), C.R.S., GEOTHERMAL ENERGY,  
2 SOLAR ENERGY, SMALL HYDROELECTRICITY, AND WIND ENERGY, AS WELL  
3 AS ANY HYDROGEN DERIVED FROM ANY OF THE FOREGOING.

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

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

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

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

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

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

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

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

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

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

1 THE ONLY SOURCES OF REPAYMENT FOR THE BONDS ARE REVENUES  
2 PROVIDED BY THE ELIGIBLE APPLICANT, PROPERTY OF THE ELIGIBLE  
3 APPLICANT, OR CREDIT ENHANCEMENT OBTAINED BY THE ELIGIBLE  
4 APPLICANT THAT MAY BE PLEDGED TO THE PAYMENT OF THE BONDS; AND

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

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

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

22 **SECTION 4. Appropriation.** In addition to any other  
23 appropriation, there is hereby appropriated, out of any moneys in the  
24 clean energy fund created in section 24-75-1201 (1), Colorado Revised  
25 Statutes, not otherwise appropriated, to the office of the governor, for  
26 allocation to the governor's energy office, to provide sub-market rate  
27 loans to homeowners and businesses to finance structural improvements

1 that will improve energy efficiency and increase the use of renewable  
2 energy, for the fiscal year beginning July 1, 2008, the sum of nine  
3 hundred eighty-one thousand seven hundred sixty-one dollars (\$981,761)  
4 and 1.0 FTE, or so much thereof as may be necessary, for the  
5 implementation of this act.

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.