

**NO FISCAL IMPACT****Drafting Number:** LLS 08-0416**Date:** January 10, 2008**Prime Sponsor(s):** Rep. Weissmann**Bill Status:** House Transportation and Energy**Fiscal Analyst:** Marc Carey (303-866-4102)**TITLE:** CONCERNING THE GOVERNOR'S ENERGY OFFICE.**Summary of Legislation**

This bill creates the Governor's Energy Office as the successor to the Governor's Office of Energy Management and Conservation. The bill specifies that the office shall:

- work with communities, utilities, private and public organizations, and individuals to promote renewable energy;
- develop programs to promote high performance buildings for commercial and residential markets;
- make state government more energy efficient;
- promote technology transfer and economic development;
- advance energy efficiency and renewable energy throughout the state;
- distribute money to the Renewable Energy Authority;
- provide information and technical assistance concerning energy codes to counties and municipalities;
- provide public utilities with assistance, if requested, in seeking and obtaining support and sponsorship for an integrated gasification combined cycle generation facility; and
- convene the task force on renewable resource generation development areas.

In addition, the bill expands the authorized uses for moneys in the Clean Energy Fund to include grants and loans made by the office. In determining whether to make a grant or loan, the bill requires the office to consider the following information:

- the amount of the grant or loan;
- the quantified impact on energy demand or renewable energy production that will result from the grant or loan;
- the potential economic impact of the grant or loan; and
- the public benefits expected to result from the grant or loan.

The bill becomes effective upon signature of the Governor, or upon becoming law without his signature.

**Background.** Pursuant to Executive Order D 0010 07, the Governor's Office of Energy Management and Conservation was renamed the Governor's Energy Office (GEO). The office has historically been funded with federal moneys associated with the Low-income Energy Assistance Program (LEAP) and litigation funding through petroleum violation escrow funds. In FY 2005-06,

the office was appropriated \$4 million in state moneys from the operational account of the Severance Tax Trust Fund for home energy efficiency improvements for low-income households. In FY 2006-07, the office was continuously appropriated moneys allocated from the Limited Gaming Fund to the newly created Clean Energy Fund, projected to be \$7.7 million in FY 2007-08 and \$12.5 in FY 2008-09. That fund also includes a \$3.5 million balance of the moneys that had been appropriated for low-income energy assistance. In FY 2007-08, the office's budget is comprised of 14 percent federal funds, and 86 percent state money from the Clean Energy Fund. The state's share will increase in the coming years as federal funding is expected to decline.

### **Assessment**

The additional duties for the office that this bill clarifies are existing duties. The bill also specifies that moneys may be used by the office to make grants or loans to individuals, businesses or governmental entities for advancing energy efficiency and renewable energy. While this bill expands the duties and powers of the office, the aggregate amount of state funding within the Clean Energy Fund, which is *continuously appropriated* to the office, is unaffected. Thus, because the bill does not affect state or local revenues or expenditures, it is assessed as having no fiscal impact.

### **Departments Contacted**

Governor's Office