

**JBC STAFF FISCAL ANALYSIS  
HOUSE APPROPRIATIONS COMMITTEE**

CONCERNING INCENTIVES FOR THE INSTALLATION OF NEW DISTRIBUTED RENEWABLE ENERGY GENERATION FACILITIES IN COLORADO, AND, IN CONNECTION THEREWITH, INCREASING THE TARGET PERCENTAGES UNDER THE ELECTRIC UTILITY PORTFOLIO STANDARD TO ENCOURAGE COLORADO UTILITIES TO GENERATE FIVE PERCENT OF THEIR RETAIL ELECTRICITY SALES FROM DISTRIBUTED RENEWABLE SOURCES BY THE YEAR 2020, AND ADOPTING STANDARDS FOR THE INSTALLATION OF DISTRIBUTED SOLAR ELECTRIC GENERATION EQUIPMENT.

Prime Sponsors: Representative Tyler  
Sens. Schwartz and Whitehead

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Phone: 303-866-2061  
Date Prepared: February 9, 2010

**Summary of Amendments Made to the Bill After the 02/09/10 Legislative Council Staff Revised Fiscal Note Was Prepared (Amended by the House Transportation and Energy Committee 02/05/10)**

The House Transportation and Energy Committee Report amended the strike below amendment to the bill in the following ways:

- ▶ Adjusted the percentage of retail electricity sales that must be from distributed renewable electric generation for years 2011 through 2020 and thereafter;
- ▶ Clarified that one half of the renewable energy requirement must be derived from retail distributed generation;
- ▶ Struck the requirement that the Public Utilities Commission (Commission) monitor compliance with the distributed generation requirement through the issuance of credits;
- ▶ Struck the legislative declaration;
- ▶ Added language allowing the Commission to change the distributed generation required in year 2015 and years thereafter if the Commission finds the percentages are no longer in the public interest;
- ▶ Struck the language requiring a single meter for eligible solar electric generation in order to qualify for a rebate offer;
- ▶ Struck the language requiring the Commission to:
  - ▶ Set a rate for distributed renewable electric generation incentives;
  - ▶ Direct qualifying retail utilities to notify customers of declining distributed generation incentives;
  - ▶ Consider performance-based incentives for distributed generation systems;
  - ▶ Apply the incentives only to specified market segments;
  - ▶ Design incentives so customers may receive a higher level of incentives over the life of a project;
  - ▶ Develop financing options to help offset installation costs;
  - ▶ Direct retail utilities to spend an amount sufficient to develop 50% of their distributed generation from retail sources;

- ▶ Struck language allowing a utility to retain funds reflecting costs of administration;
- ▶ Added language to allow a utility to acquire retail distributed generation at levels different from group allocations based upon market response;
- ▶ Struck language allowing the Commission to modify an approved compliance plan if the compliance plan would cause retail rates to exceed limits in the bill; and,
- ▶ Added language clarifying that neither the Commission nor utilities have a responsibility for monitoring or enforcing the requirements of solar photovoltaic installations.

Pursuant to House Rule 32A (b):

When a measure for which a fiscal note has been prepared is amended by a committee of reference and referred for further action, the Legislative Council staff shall, if practicable, review the measure as amended for its fiscal impact and prepare an updated fiscal note or a statement that the measure has no fiscal impact.

The Legislative Council Staff Fiscal Note dated February 9, 2010 has not been update for amendment L.010 to the strike below amendment, because Legislative Council Staff determined it was not practicable in the time available. Both Legislative Council Staff and Joint Budget Committee staff believe L.010 reduced the fiscal impact of the bill, but without more time are unable to make a determination of the impact.

**JBC Staff Concurrence with Legislative Council Staff Fiscal Note**

<input checked="" type="checkbox"/> <b>XXX</b>	<b>Concurs</b>	<input type="checkbox"/>	<b>Does Not Concur</b>	<input type="checkbox"/>	<b>Updated Analysis</b>
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**Amendments/Appropriation Status**

The bill requires but does not contain an appropriation clause. Staff has prepared amendment **J.001** (attached) to add a provision appropriating \$51,656 cash funds from the Fixed Utility Fund and 0.5 FTE. This amendment does not take into account the reduced cost of implementing the bill as a result of L.010, since the total impact of L.010 has not yet been assessed.

**Bill Sponsor Amendments**

Staff is not aware of any sponsor amendments to be offered.

**Points to Consider**

None.