



*Colorado Legislative Council Staff Fiscal Note*  
**STATE**  
**FISCAL IMPACT**

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<b>Drafting Number:</b> LLS 10-1045	<b>Date:</b> April 19, 2010
<b>Prime Sponsor(s):</b> Rep. McFadyen; Sonnenberg Sen. Bacon	<b>Bill Status:</b> House Transportation & Energy <b>Fiscal Analyst:</b> Marc Carey (303-866-4102)

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**TITLE:** CONCERNING REQUIREMENTS APPLICABLE TO COMMUNITY-BASED PROJECTS THAT QUALIFY FOR SPECIAL TREATMENT UNDER THE RENEWABLE ENERGY PORTFOLIO STANDARD.

<b>Fiscal Impact Summary</b>	<b>FY 2010-2011</b>	<b>FY 2011-2012</b>
<b>State Revenue</b>		
<b>State Expenditures</b>		
<b>FTE Position Change</b>		
<b>Effective Date:</b> August 11, 2010, assuming the General Assembly adjourns May 12, 2010, as scheduled and no referendum petition is filed.		
<b>Appropriation Summary for FY 2010-2011:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

Existing law creates a renewable energy portfolio standard (RPS) under which certain electric utilities are required to generate an increasing percentage of their electricity from eligible renewable and recycled energy sources.

This bill modifies the definition of a community-based project within the context of the RPS to mean either a project that interconnects to electric transmission or distribution facilities owned by a Colorado cooperative electric association (CEA) or municipally-owned utility (MOU) or a project owned by an organization or cooperative controlled by community residents. The bill then specifies that each kilowatt-hour of electricity generated from renewable resources at a community-based project be counted as 2 kilowatt-hours for purposes of RPS compliance.

Finally, the bill clarifies that utilities may not claim this multiplier for electricity designated as distributed generation under the provisions of HB 10-1001.

## **State Expenditures**

*Department of Regulatory Agencies, Public Utilities Commission (PUC).* The PUC staff will see an increase in workload related to rulemaking as a result of the bill's requirements. Specifically, the PUC will need to revise or clarify existing RPS rules applicable to CEAs and MOUs in order to:

- incorporate the expanded definition of a community-based project; and
- adjust the RPS compliance rules to apply a multiplier of 2 to community-based projects for purposes of RPS compliance.

Although additional rulemaking is required, the bill does not apply to individual customer photovoltaic systems, and the hearings are not anticipated to be contentious. Any additional workload can be accomplished within existing appropriations.

## **Departments Contacted**

Regulatory Agencies