

HOUSE COMMITTEE OF REFERENCE REPORT

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Chairman of Committee

May 4, 2010  
Date

Committee on Transportation & Energy.

After consideration on the merits, the Committee recommends the following:

HB10-1431 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and  
2 substitute:

3 "SECTION 1. 39-4-102 (1) (e) (I) (A) and (1.5) (b) (IV),  
4 Colorado Revised Statutes, are amended to read:

5 **39-4-102. Valuation of public utilities.** (1) The administrator  
6 shall determine the actual value of the operating property and plant of  
7 each public utility as a unit, giving consideration to the following factors  
8 and assigning such weight to each of such factors as in the administrator's  
9 judgment will secure a just value of such public utility as a unit:

10 (e) (I) When determining the actual value of a renewable energy  
11 facility that primarily produces more than two megawatts of alternating  
12 current electricity, the administrator shall:

13 (A) Consider the additional incremental cost per kilowatt of the  
14 construction of the renewable energy facility over that of the construction  
15 cost of a comparable nonrenewable energy facility, INCLUSIVE OF THE  
16 COST OF ALL PROPERTY REQUIRED TO GENERATE AND DELIVER ENERGY TO  
17 THE INTERCONNECTION METER, that primarily produces alternating current  
18 electricity to be an investment cost and shall not include such additional  
19 incremental cost in the valuation of the facility; and

1 (1.5) The administrator shall determine the actual value of a wind  
2 energy facility or a solar energy facility as follows:

3 (b) (IV) As used in this paragraph (b), "tax factor" means a factor  
4 annually established by the administrator. The tax factor shall be a  
5 number that when applied to the selling price at the interconnection meter  
6 results in approximately the same tax revenue over a twenty-year period  
7 on a nominal dollar basis that would have been collected using the cost  
8 basis method of taxation as determined by the administrator for a  
9 renewable energy facility pursuant to paragraph (e) of subsection (1) of  
10 this section. FOR A RENEWABLE ENERGY FACILITY THAT BEGINS  
11 GENERATING ENERGY ON OR AFTER JANUARY 1, 2012, THE  
12 ADMINISTRATOR SHALL INCLUDE ONLY THE COST OF ALL PROPERTY  
13 REQUIRED TO GENERATE AND DELIVER RENEWABLE ENERGY TO THE  
14 INTERCONNECTION METER THAT DOES NOT EXCEED THE COST OF PROPERTY  
15 REQUIRED TO DELIVER NONRENEWABLE ENERGY TO THE  
16 INTERCONNECTION METER.

17 **SECTION 2. Act subject to petition - effective date.** This act  
18 shall take effect at 12:01 a.m. on the day following the expiration of the  
19 ninety-day period after final adjournment of the general assembly (August  
20 11, 2010, if adjournment sine die is on May 12, 2010); except that, if a  
21 referendum petition is filed pursuant to section 1 (3) of article V of the  
22 state constitution against this act or an item, section, or part of this act  
23 within such period, then the act, item, section, or part shall not take effect  
24 unless approved by the people at the general election to be held in  
25 November 2010 and shall take effect on the date of the official  
26 declaration of the vote thereon by the governor."

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