



Colorado Legislative Council Staff Fiscal Note
STATE
FISCAL IMPACT

Drafting Number: LLS 11-0940
Prime Sponsor(s): Sen. Tochtrop

Date: April 25, 2011
Bill Status: Senate SVMA
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TITLE: CONCERNING A REQUIREMENT THAT THE AIR QUALITY CONTROL COMMISSION INCORPORATE INTO THE REGIONAL HAZE ELEMENT OF THE STATE IMPLEMENTATION PLAN PUBLIC SERVICE COMPANY OF COLORADO'S EMISSION REDUCTION PLAN SCENARIO 5B, AND, IN CONNECTION THEREWITH, DISAPPROVING THE EMISSION REDUCTION PLAN RELATING TO PUBLIC SERVICE COMPANY OF COLORADO THAT WAS INCORPORATED INTO THE REGIONAL HAZE ELEMENT OF THE STATE IMPLEMENTATION PLAN, APPROVING OTHER ASPECTS OF THE STATE IMPLEMENTATION PLAN, AND POSTPONING THE AUTOMATIC EXPIRATION OF THE PORTION OF THE STATE IMPLEMENTATION PLAN THAT CONSISTS OF RULES.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures		
Cash Funds		
Stationary Sources Control Fund	\$116,663	
Federal Funds		
FTE Position Change	0.7 FTE	
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2011-2012: See State Appropriations section.		
Local Government Impact: None.		

Summary of Legislation

Under federal law, each state prepares a state implementation plan (SIP) to meet specific requirements of the national Clean Air Act. The SIP is submitted to the Environmental Protection Agency (EPA) for approval.

This bill approves most of the most-recent regional haze SIP revisions and postpones the automatic expiration of the associated rules, but alters the plan in several specific ways. In particular, the bill:

- disapproves the emission plan applicable to the Public Service Company of Colorado (PSCo), and repeals the associated rules;

- requires the Public Utilities Commission (PUC) to initiate proceedings to approve PSCo's revised emission reduction plan known as scenario 5B; and
- requires the Air Quality Control Commission (AQCC) to initiate proceedings to incorporate scenario 5B into the SIP.

Background

In Colorado, the AQCC in the Colorado Department of Public Health and Environment (CDPHE) is responsible for preparing and revising the SIP. In January 2011, the AQCC adopted a visibility and regional haze SIP. Section 25-7-133(1) and (2) C.R.S. creates a special SIP review process in which any legislator can request a hearing by Legislative Council. At the hearing, the committee may vote to introduce a bill to affect the SIP. Once a bill is introduced, the AQCC can submit the SIP to the EPA for provisional acceptance until the legislative process is resolved.

In the absence of an approved SIP, the state may be subject to a regional haze federal implementation plan (FIP), for which the EPA could withhold money from the state air grant in an amount that offsets its costs to create the FIP. In FY 2010-11, the EPA temporarily withheld \$1.1 million in anticipation of creating a FIP for the state. The funding was eventually released when the EPA determined that Colorado was making progress towards adopting a revised SIP that would be submitted to the EPA for approval in FY 2011-12.

State Expenditures

Department of Public Health and Environment. The department will incur additional administrative costs of \$116,663 and 0.7 FTE in FY2011-12 in order to revise the SIP. As shown in Table 1, these costs include \$60,970 in legal services from the Department of Law.

The EPA is required to approve a completed regional haze SIP. This bill proposes significant changes the state's plan, effectively delaying a complete Colorado SIP. To complete the SIP the CDPHE will work with the EPA to amend the regional haze SIP, and develop new rules.

Cost Components	FY 2011-12
Personal Services (CDPHE)	\$51,739
FTE	0.7
Operating Expenses and Capital Outlay	3,957
Legal Services (831 hours)	60,970
TOTAL	\$116,663

Federal Funds. To the extent that this bill affects EPA approval of the SIP, it could also affect federal clean air grants. Any impact to federal funds is conditioned on actions taken by the federal government and have not been estimated for this fiscal note.

Expenditures Not Included

Certain costs not associated with this bill are addressed through the annual budget process and appropriated through the Long Bill. The costs subject to this policy are summarized below in Table 2.

Table 2. Expenditures Not Included Under SB11-236 *	
Cost Components	FY 2011-2012
Employee Insurance (Health, Life, Dental and Short-term Disability)	\$4,970
Supplemental Employee Retirement Payments	2,341
TOTAL	\$7,311

* More information available at <http://colorado.gov/fiscalnotes>

State Appropriations

In FY 2011-12, this bill requires an appropriation of \$116,663 and 0.7 FTE from the Stationary Sources Control Fund to the Colorado Department of Public Health and Environment. Of this amount, the Department of Law requires \$60,970 is reappropriated funds.

Departments Contacted

Law

Public Health and Environment

Regulatory Agencies