

**STATE
FISCAL IMPACT**

Note: This fiscal note is written pursuant to Joint Rule 22(b)(2) and reflects strike below Amendment L.001.

Drafting Number: LLS 11-0197

Date: March 16, 2011

Prime Sponsor(s): Sen. Williams S.
Rep. Solano

Bill Status: Senate Agriculture

Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING THE CREATION OF A SMART ENERGY GRID IN COLORADO, AND, IN CONNECTION THEREWITH, IMPLEMENTING THE RECOMMENDATIONS OF THE COLORADO SMART GRID TASK FORCE.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
Cash Funds		
Smart Grid Cash Fund	indeterminate	indeterminate
State Expenditures		
Cash Funds		
Clean Energy Fund	up to \$50,000	\$0
Smart Grid Cash Fund	indeterminate	indeterminate
FTE Position Change	0.5 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

SB 10-180, adopted in the 2010 legislative session, created an interim task force to study issues related to the development of a smart energy grid in Colorado and to make recommendations for future legislation. This bill, *as amended by L.001*, implements those recommendations through three separate state agencies.

First, the bill directs the Division of Employment and Training in the Department of Labor and Employment to study the scope, magnitude, and impact of the development of the smart grid on jobs in Colorado. In collaboration with the Department of Higher Education (DHE), the division is also required to identify public-private partnerships to fund programs to support the technical skills necessary to deploy a smart grid in Colorado. Finally, the division is tasked with producing and delivering a report of its findings by January 20, 2012, to the Governor and the General Assembly. Funding for these tasks is to come from gifts, grants and donations received by the

Governor's Energy Office (GEO), and is subject to annual appropriation by the General Assembly. If by June 1, 2011, the GEO has not received sufficient funds to support this study, the division is relieved of its obligations under the bill and all moneys received to that point are returned.

Second, the bill directs the GEO to establish an independent clearinghouse of information for consumers. This information is intended to supplement information provided by utilities through existing demand-side management programs.

Third, the bill creates a smart grid division within the Office of Economic Development and International Trade (OEDIT) to promote entrepreneurship, technology transfers, and other economic development efforts related to the smart grid. Division operations are to be funded through gifts, grants and donations from public or private sources, that are subject to annual appropriation by the General Assembly.

State Revenue

Gifts, Grants, and Donations. The bill specifies that the responsibilities of the Division of Employment and Training are to be funded with gifts, grants, and donations deposited in the Clean Energy Fund. These moneys are to be provided from the GEO and are subject to annual appropriation by the General Assembly. These funds may also be used by the GEO to adopt and implement an electric utility customer education program on energy usage options.

In addition, the responsibilities of the newly created Smart Grid Division are to be funded with gifts, grants and donations deposited in the Smart Grid cash fund that are subject to annual appropriation by the General Assembly.

State Expenditures

Division of Employment and Training, Department of Labor and Employment. The division will incur additional costs of \$34,519 and 0.5 FTE in FY 2011-12 to conduct the required study. A General Professional IV staff (0.5 FTE) will be responsible for assisting with the required study, coordinating existing training projects and programs with the initiatives of the newly created Smart Grid Division in OEDIT and the GEO, and producing the required report for the Governor and the General Assembly. Money to support these efforts will come from a \$50,000 Energy Emergency grant obtained by the GEO from the U.S. Department of Energy.

Governor's Energy Office. The GEO will use remaining funds from the Energy Emergency grant to establish a consumer information clearinghouse. Much of the information is readily available and can be collected and consolidated for the required program.

Office of Economic Development and International Trade. The new smart grid director and staff is to be funded through gifts, grants, and donations, deposited in the Smart Grid cash fund. At this time, it is unknown how much money the division will require to complete its charge. No source of gifts, grants or donations has been identified. This fiscal note will be updated as new information becomes available.

State Appropriations

In FY 2011-12, the Department of Labor and Employment will require a cash funds appropriation of \$34,519 from the Clean Energy Fund for allocation to the Division of Employment and Training and 0.5 FTE.

Departments Contacted

Labor and Employment Office of Economic Development Regulatory Agencies