

**STATE**

**CONDITIONAL FISCAL IMPACT**

**Drafting Number:** LLS 11-0338

**Date:** February 21, 2011

**Prime Sponsor(s):** Rep. Solano  
Sen. Schwartz

**Bill Status:** House Agriculture

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

**TITLE:** CONCERNING MEASURES TO PROMOTE ECONOMIC DEVELOPMENT THROUGH THE USE OF DISTRIBUTED RENEWABLE ENERGY GENERATION, AND, IN CONNECTION THEREWITH, AUTHORIZING AN INDEPENDENT STUDY OF THE POTENTIAL FOR JOB CREATION AND PRESERVATION AND OTHER BENEFITS AVAILABLE FROM ADOPTION OF INCENTIVES FOR DISTRIBUTED RENEWABLE ENERGY GENERATION.

<b>Fiscal Impact Summary</b>	<b>FY 2011-2012</b>	<b>FY 2012-2013</b>
<b>State Revenue</b>		
Cash Funds		
Distributed Generation Economic Development Fund	\$250,000	
<b>State Expenditures</b>		
Cash Funds		
Distributed Generation Economic Development Fund	\$250,000	
<b>FTE Position Change</b>		
<b>Effective Date:</b> Upon signature of the Governor, or upon becoming law without his signature.		
<b>Appropriation Summary for FY 2011-2012:</b> See State Appropriations section.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

This bill directs the Office of Economic Development (OED), by July 1, 2011, to commission a study of the potential economic benefits to increasing the amount of distributed generation (DG) within the state's renewable portfolio standard (RPS). Specifically, the OED would contract with a private analyst to look at additional, market-based incentives to promote DG, and the potential new job and economic development that these incentives could provide. The bill specifies the structure of the study, and various elements that must be included in the final report.

The study is to be funded through gifts, grants, and donations. A report is due to the business affairs committees of the General Assembly by December 15, 2011. The bill is repealed on July 1, 2012.

### **State Revenue**

The bill authorizes the OED to accept private gifts, grants and donations to support the selected analyst in conducting the study, and that no General Fund money may be used.

At this time, it is anticipated that about \$250,000 will be required to sufficiently fund a study of this scope. While no specific donations have been identified to date, likely contributors include community foundations and other private donors, including corporate entities in the utility and renewable energy sectors. If by June 1, 2011, sufficient moneys have not been received to support this study, the study will not be undertaken, and all gifted money will be returned to donors. Any interest earned on this money would be transferred to the General Fund. Thus, the revenue impact is conditional on sufficient funds being donated in support of the study.

### **State Expenditures**

*Office of Economic Development.* Assuming about \$250,000 in private gifts, grants, and donations are realized by July 1, 2011, the OED will commission the study. The study will be conducted during the late summer and fall of 2011, and a report summarizing the findings will be submitted to the business affairs committees of the General Assembly. This expenditure impact is conditional on sufficient private funds being donated in support of the study.

### **State Appropriations**

In FY 2011-12, the bill requires a cash funds appropriation of \$250,000 from the Distributed Generation Economic Development Fund to the Office of Economic Development.

### **Departments Contacted**

Governor's Office