

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0962	Date: April 4, 2013
Prime Sponsor(s): Sen. Morse; Schwartz Rep. Ferrandino; Duran	Bill Status: Senate SVMA Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING MEASURES TO INCREASE COLORADO'S RENEWABLE ENERGY STANDARD SO AS TO ENCOURAGE THE DEPLOYMENT OF METHANE CAPTURE TECHNOLOGIES.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures	See State Expenditure Section	
FTE Position Change		
Effective Date: July 1, 2013.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill makes several changes to Colorado's renewable electricity standard. Specifically, the bill expands the definition of eligible energy resources that may be used to comply with the standard to include coal mine methane and synthetic gas produced by pyrolysis of municipal solid waste. This expansion is subject to a determination by the Colorado Public Utilities Commission (PUC) that the production and use of these gases to generate electricity will not result in a net increase in greenhouse gas emissions.

The bill also increases from 10 to 25 percent the share of retail electricity sales that must be achieved from eligible energy resources by cooperative electric associations (CEAs) serving more than 100,000 meters, beginning in the year 2020. In addition, the allowable retail rate impact for CEAs is raised from 1 percent to 2 percent. Generation and transmission CEAs providing wholesale electricity to CEAs in Colorado are also subject to this standard and retail rate impact, beginning in 2020. Generation and transmission CEAs may take credit for energy generated from eligible resources by its Colorado members. Generation and transmission CEAs are required to report annually to the PUC on compliance with the standard.

Finally, for CEAs serving fewer than 100,000 meters, the bill adds a distributed generation requirement of 1 percent of total electricity sales. The bill eliminates:

- in-state preferences for wholesale distributed generation;
- the in-state requirement for the "community-based project" 1.5 kilowatt-hour multiplier; and
- the 1.25 kilowatt-hour multiplier for eligible energy resources beginning operation on or after January 1, 2015.

State Expenditures

Department of Regulatory Agencies, Public Utilities Commission. The PUC will incur costs associated with rulemaking to conform PUC rules to the new requirements for both CEAs and generation and transmission wholesale CEAs. As the rules generally reflect specific statutory language, little controversy is expected. The bill also requires the PUC to assess whether any coal mine methane or pyrolysis projects are greenhouse gas neutral. These will be handled on a case-by-case basis for projects proposed by utilities. As such, no additional appropriation is required.

Departments Contacted

Regulatory Agencies