

Second Regular Session  
Sixty-ninth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 14-1052.01 Duane Gall x4335

SENATE BILL 14-202

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SENATE SPONSORSHIP

Kerr,

HOUSE SPONSORSHIP

(None),

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Senate Committees  
Education

House Committees

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A BILL FOR AN ACT

101 CONCERNING MODIFICATIONS TO THE REQUIREMENTS APPLICABLE TO  
102 THE SCHOOL ENERGY LOAN PROGRAM.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

The bill increases the availability of funds for school districts to invest in renewable energy and energy efficiency improvements by:

- ! Expanding the types of financial institutions from which school districts are required to explore their loan options to include institutions other than "banks" as defined in the

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.*  
*Dashes through the words indicate deletions from existing statute.*

- ! "Colorado Banking Code" (**section 1**);
- ! Specifically including solar thermal as well as solar photovoltaic among the types of projects for which loans are available under the "Renewable Energy and Energy Efficiency for Schools Loan Program Act" (section 1);
- ! Eliminating the requirement that a school district inquire of at least 2 banks before seeking a loan from the state under the program (**section 2**);
- ! Explicitly allowing a school district to obtain renewable energy through a power purchase agreement, third-party ownership of energy generation facilities, or participation in a community solar garden (section 2);
- ! Changing the certification requirement for projects funded through the program from federal "energy star" certification to compliance with the state standards for energy-efficient school buildings and structures (**section 3**); and
- ! Lowering the interest rate charged to schools so that it equals, rather than exceeds, the average book yield earned by the state fund in the previous quarter (**section 4**).

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 22-92-103, **amend**  
3 (8); and **repeal** (1) as follows:

4           **22-92-103. Definitions.** As used in this article, unless the context  
5 otherwise requires:

6           (1) ~~"Bank" shall have the same meaning as set forth in section~~  
7 ~~11-101-401 (5), C.R.S.~~

8           (8) "Renewable energy project" means a project to help a qualified  
9 school district install equipment and related infrastructure that will help  
10 defray the school district's energy costs and provide educational  
11 opportunities for students relating to the generation of renewable energy.

12 A "renewable energy project" shall be operated in compliance with  
13 existing laws and may incorporate one or more of the following:

14           (a) Wind energy;

1 (b) Solar energy, INCLUDING BOTH PHOTOVOLTAIC AND SOLAR  
2 THERMAL TECHNOLOGIES; or

3 (c) Other sources of renewable energy.

4 **SECTION 2.** In Colorado Revised Statutes, 22-92-104, **amend**  
5 (3) (b); and **repeal** (2) as follows:

6 **22-92-104. Renewable energy and energy efficiency for schools**  
7 **loan program - created - applications - permissible uses of loans.**

8 ~~(2) If a qualified school district applies for a loan from the loan program~~  
9 ~~pursuant to subsection (1) of this section, and the state treasurer~~  
10 ~~authorizes a loan for the school district pursuant to section 22-92-107, the~~  
11 ~~school district shall not accept the loan unless the school district has first~~  
12 ~~determined what financing terms are available to it from at least two~~  
13 ~~banks.~~

14 (3) (b) A qualified school district that receives a loan through the  
15 loan program for a renewable energy project may use the moneys  
16 received to finance the acquisition of a renewable energy project,  
17 INCLUDING A RENEWABLE ENERGY PROJECT THAT INCORPORATES OR  
18 CONSISTS OF A POWER PURCHASE AGREEMENT, THIRD-PARTY OWNERSHIP,  
19 OR AN INTEREST IN A COMMUNITY SOLAR GARDEN OR SIMILAR  
20 ARRANGEMENT.

21 **SECTION 3.** In Colorado Revised Statutes, 22-92-105, **amend**  
22 (1) (b) (I) as follows:

23 **22-92-105. Renewable energy and energy efficiency for schools**  
24 **loan program - rules - awarding loans.** (1) On or before October 15,  
25 2009, the state board of education, in consultation with the Colorado  
26 energy office, shall promulgate rules establishing policies and procedures  
27 for the administration of the renewable energy and energy efficiency for  
28 schools loan program. At a minimum, the rules shall include:

1 (b) The requirements that the office shall require of loan  
2 applicants, which requirements shall include, but need not be limited to  
3 a requirement that a loan applicant submit with its application:

4 (I) An energy rating for the facility for which the loan is intended  
5 that demonstrates that the facility ~~qualifies for the federal energy star~~  
6 ~~label, which rating has been issued as a result of an audit performed by~~  
7 ~~a qualified energy efficiency auditor~~ MEETS THE EFFICIENCY  
8 REQUIREMENTS SET FORTH IN SECTION 22-32-124.3; or

9 **SECTION 4.** In Colorado Revised Statutes, 22-92-107, **amend**  
10 (2) (a) as follows:

11 **22-92-107. Loans from public school fund authorized.**

12 (2) (a) Subject to the limitations described in this section, the state  
13 treasurer shall determine the amount of the permanent school fund that  
14 may be loaned out pursuant to this section, which qualified school  
15 districts shall receive loans, the amount of each loan, the terms of  
16 repayment of each loan, and the rate of interest to be charged on loans.  
17 The average rate of interest charged on loans made in any calendar year  
18 must ~~exceed~~ AT LEAST EQUAL the average book yield earned by the fund  
19 in the most recently completed quarter. Payments of the principal of and  
20 interest on all loans shall be returned to the public school fund.

21 **SECTION 5. Applicability.** This act applies to applications  
22 submitted pursuant to section 22-92-104, Colorado Revised Statutes, on  
23 or after the effective date of this act.

24 **SECTION 6. Safety clause.** The general assembly hereby finds,  
25 determines, and declares that this act is necessary for the immediate  
26 preservation of the public peace, health, and safety.