

Colorado Legislative Council Staff Fiscal Note

**STATE and LOCAL
FISCAL IMPACT**

Drafting Number: LLS 15-0289
Prime Sponsor(s): Rep. Brown

Date: January 20, 2015
Bill Status: House SVMA
Fiscal Analyst: Marc Carey (303-866-4102)

BILL TOPIC: HYDROELECTRIC POWER

Fiscal Impact Summary*	FY 2015-2016	FY 2016-2017
State Revenue		
State Expenditures	Minimal impact. See State Expenditures section	
FTE Position Change		
Appropriation Required: None		

* This summary shows changes from current law under the bill for each fiscal year.

Summary of Legislation

This bill amends the definition of renewable energy resources that can be used to meet the state's renewable energy standard (RES) to include hydroelectricity and pumped hydroelectricity. The bill repeals the allowance in current law for new hydroelectricity with a generation capacity of 10 megawatts (MW) or less, and hydroelectricity in existence on January 1, 2005, with a generation capacity of 30 MW or less.

State Expenditures

Department of Regulatory Agencies, Public Utilities Commission (PUC). The bill requires minor conforming changes to the PUC's RES rules to allow hydroelectricity and pumped hydroelectricity as an eligible energy resource. As such, the impact is minimal, and no additional appropriation is required.

State Agency Impact. By allowing hydroelectricity and pumped hydroelectricity as eligible energy resources under the RES, this bill reduces the amount of energy required to be generated from other eligible resources (principally wind). This could affect electricity rates for state agencies, depending on their power supplier. According to the PUC, Xcel Energy has contracts with many of the small hydroelectric plants in Colorado and owns the Cabin Creek pumped storage facility (162 MW). The Western Area Power Administration manages the Mount Elbert pumped storage facility (200 MW) and provides wholesale power to cooperative electric associations and municipalities. It is unclear, however, whether the resulting renewable energy credits would flow through to these entities. The municipal utilities of Boulder and Colorado Springs own hydroelectric facilities for which they would now receive renewable energy credits for the electricity they generate.

Local Government Impact

By allowing hydroelectricity and pumped hydroelectricity as eligible energy resources under the RES, this bill reduces the amount of energy required to be generated from other eligible resources, and could affect electricity rates for local governments, depending on their power supplier. The degree to which this will occur and the distribution of the impact is unknown for the reasons discussed in the State Agency Impact section above.

Effective Date

The bill takes effect August 5, 2015, if the General Assembly adjourns on May 6, 2015, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Regulatory Agencies