

**STATE
FISCAL IMPACT**

Drafting Number: LLS 13-0025	Date: January 23, 2013
Prime Sponsor(s): Sen. Baumgardner Rep. Coram	Bill Status: Senate SVMA Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING METHANE GAS CAPTURED FROM ACTIVE AND INACTIVE COAL MINES.

Fiscal Impact Summary	FY 2013-2014	FY 2014-2015
State Revenue		
State Expenditures		
FTE Position Change		
Effective Date: August 7, 2013, if the General Assembly adjourns on May 8, 2013, as scheduled, and no referendum petition is filed.		
Appropriation Summary for FY 2013-2014: None required.		
Local Government Impact: None.		

Summary of Legislation

This bill defines coal mine methane (CMM) gas as methane captured from active and inactive coal mines that would otherwise escape into the atmosphere. The bill specifies that each kilowatt-hour (kwh) of electricity generated from the combustion of CMM gas counts as one kwh for purposes of complying with the state renewable portfolio standard (RPS), as long as the total electricity generated from CMM gas is less than 50 megawatts.

Background

CMM gas is methane that is naturally degassing from coals that have been disturbed by mining activities. CMM gas is different from coalbed methane (CBM) gas, which results from the injection of fluids into virgin coal seams that have not or will not be mined. According to the U.S. EPA, there is currently an opportunity to utilize CMM gas for power generation at three operating coal mines in Colorado.

State Expenditures

Department of Regulatory Agencies, Public Utilities Commission. Adding captured methane gas to the list of eligible energy resources under the state's RPS will require a minor conforming rulemaking procedure by the PUC. Costs associated with this procedure are minimal and can be absorbed within existing appropriations.

Departments Contacted

Regulatory Agencies