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Legislative
Council
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MEMORANDUM

May 9, 2007

TO: Members of the Senate Select Committee on Renewable Energy

FROM: David Beaujon, Research Associate II, 303-866-4781

SUBJECT: Renewable Energy and Energy Conservation Legislation in 2007

This memorandum summarizes the provisions of 14 House bills and 8 Senate bills that were introduced in the 2007 legislative session concerning renewable energy and energy conservation. As of May 9, 8 bills have been signed by the Governor, 10 bills are awaiting the Governor's signature, and four bills were postponed indefinitely. For each bill, the attached table identifies the bill's sponsor(s), status, and major provisions. It also identifies which department(s) of state government will be financially impacted by the bill.

Table 1
Summary of 2007 Renewable Energy and Energy Conservation Legislation
(Reflects Amendments as of May 4, 2007)

Bill No. / Short Title/ Sponsor (s) / Status	Bill Summary	Department(s) with Expenditure Impact	Total FY 2007-08 Expenditure Impact
Signed by the Governor			
<p>HB 07-1087</p> <p>Wind for Schools Grant Program</p> <p><i>Rep. Kerr</i> <i>Sen. Romer</i></p> <p>Signed by the Governor</p>	<p>House Bill 07-1087 establishes the Wind for Schools Grant Program to fund wind energy projects at qualified public schools and community colleges. Grants are limited to \$5,000 per school. The program will be administered by the Office of Energy Management and Conservation.</p>	<p>Governor's Office of Energy Management and Conservation</p>	<p>The law requires the Office of Energy Management to spend \$50,000 of federal funds for the program within its existing budget.</p>
<p>HB 07-1281</p> <p>Increase Renewable Energy Standard</p> <p><i>Reps. Pommer and Witwer</i> <i>Sen. Schwartz</i></p> <p>Signed by the Governor</p>	<p>House Bill 07-1281 increases the renewable energy requirements approved by Colorado voters in 2004 (Amendment 37) to include all utilities, except municipally-owned utilities serving fewer than 40,000 customers, and defines "eligible energy sources" to include recycled energy. The law raises the standard for electricity generation from eligible energy sources for investor-owned utilities from:</p> <ul style="list-style-type: none"> • 3 to 5 percent for 2008 through 2010; • 6 to 10 percent for 2011 through 2014; • 10 to 15 percent for 2015 through 2019; and • 10 to 20 percent for 2020 and after. <p>The law also establishes a new standard for electricity generation from eligible energy sources for rural electric cooperatives and municipally-owned utilities serving over 40,000 customers:</p> <ul style="list-style-type: none"> • 1 percent for 2008 through 2010; • 3 percent for 2011 through 2014; • 6 percent for 2015 through 2019; and • 10 percent for 2020 and after. 	<p>Public Utilities Commission in the Department of Regulatory Agencies</p>	<p>No state fiscal impact.</p>

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<p>SB 07-51</p> <p>High Performance State Buildings</p> <p><i>Sen. Gordon</i> <i>Reps. Witwer and Levy</i></p> <p>Signed by the Governor</p>	<p>Senate Bill 07-51 requires the Department of Personnel and Administration to consult with the Colorado Commission on Higher Education to adopt a "high performance standard certification program" for state building projects. The program must:</p> <ul style="list-style-type: none"> • include quantifiable and verifiable standards; • reduce long-term operating costs (e.g., energy, water consumption); • recoup increased initial costs within 15 years through lower operating costs; • improve indoor environmental quality; • encourage the use of local building products and materials; and • comply with the federal standards for historic properties. <p>This act applies to facilities that:</p> <ol style="list-style-type: none"> (1) are substantially renovated, designed, or constructed with state moneys; (2) are at least 5,000 gross square feet; (3) include heating, ventilation, or air conditioning systems; and (4) have not entered a design phase prior to January 1, 2008. <p>The act affects any renovation that exceeds 25 percent of the property's value. It exempts certain projects including historic buildings, projects that cannot reduce operating cost enough to recoup the initial costs within 15 years; and those that substantially increase the cost of the building or other extenuating circumstances. The department is required to report annually to the Capital Development Committee regarding the high performance standard certification program.</p>	<p>Department of Personnel and Administration</p> <p>Colorado Commission on Higher Education</p>	<p>The law will likely affect state expenditures, but its impact cannot yet be quantified.</p>
<p>SB 07-126</p> <p>Renewable Energy Authority within the Governor's Office</p> <p><i>Sen. Keller</i> <i>Rep. Pommer</i></p> <p>Signed by the Governor</p>	<p>Senate Bill 07-126 appropriates revenues that would otherwise be appropriated directly to the Colorado Renewable Energy Authority to the Office of the Governor to the Governor's Office of Energy Management and Conservation. The office is then required to distribute the funds to the authority. HB 06-1322 appropriated \$2.0 million annually to the Colorado Renewable Energy Authority. However, appropriations may not be made directly to entities that are not state agencies. This act clarifies the moneys go to the Governor's Office of Energy Management and Conservation and then distributed to the authority.</p>	<p>Governor's Office of Energy Management and Conservation</p>	<p>No appropriation is required.</p>

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<p>SB 07-145</p> <p>Renewable Energy Fixtures Incentives</p> <p><i>Sen. Tupa</i> <i>Rep. Gibbs</i></p> <p>Signed by the Governor</p>	<p>Senate Bill 07-145 allows a county, city and county, or municipality to offer either a property tax or sales tax credit or rebate to residential or commercial property owners who install a fixture on their property that produces electricity from renewable resources, including photovoltaic, solar thermal, small wind, biomass, or geothermal systems.</p>	<p>None</p>	<p>No state fiscal impact.</p>
<p>SB 07-100</p> <p>Transmission Facility Development in Energy Resource Zones</p> <p><i>Sen. Fitz-Gerald</i> <i>Rep. McFadyen</i></p> <p>Signed by the Governor</p>	<p>Senate Bill 07-100 requires regulated electric utilities to biennially review designated <i>Energy Resource Zones</i> where transmission constraints hinder the delivery of electricity. The law requires utilities to submit plans for the construction of additional transmission capacity in these zones to the Public Utilities Commission (PUC). The PUC is then required to grant or deny certificates of public necessity and convenience within 180 days if:</p> <ul style="list-style-type: none"> • the construction or expansion is required to ensure reliable delivery of electricity or enable the utility to meet the state's renewable energy standards; and • public convenience and necessity require such construction or expansion. <p>The law allows utilities to recover costs during construction through a rate adjustment clause.</p>	<p>Public Utilities Commission in the Department of Regulatory Agencies</p>	<p>No state fiscal impact.</p>
<p>HB 07-1145</p> <p>Renewable Energy Development on State Lands</p> <p><i>Rep. Merrifield</i> <i>Sen. Gordon</i></p> <p>Signed by the Governor</p>	<p>House Bill 07-1145 requires the State Board of Land Commissioners to examine land under its control and to identify land suitable for developing qualified renewable energy resources. In conducting this examination, the board is required to collaborate with the National Renewable Energy Laboratory, the University of Colorado, Colorado State University, and the Colorado School of Mines. The board must also collaborate with the Office of Energy Management and Conservation to ensure that potential renewable energy resource developers are aware of any lands suitable for renewable energy resource development. The board is also authorizes the board to lease renewable energy resources.</p>	<p>State Board of Land Commissioners</p> <p>Governor's Office of Energy Management and Conservation</p>	<p>This law may increase state revenue from new leases if the study identifies additional lands that are suitable for resource development.</p>

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Awaiting Governor's Signature			
<p>HB 07-1037 Natural Gas Distributors and Electric Utility Energy Efficiency</p> <p><i>Rep. Levy</i> <i>Sen. Fitz-Gerald</i></p> <p>Awaiting the Governor's Signature</p>	<p>House Bill 07-1037 requires investor-owned natural gas distributors and electric utilities to adopt <i>demand side management</i> (DSM) plans which include energy efficiency, conservation, load management, and demand response programs. Demand response programs encourage customers to change their energy consumption based on the price of energy or incentive payments from an energy provider.</p> <p>By September 30, 2007, the act requires the Public Utilities Commission (PUC) to start a rule-making process for natural gas distributors establishing:</p> <ul style="list-style-type: none"> • an expenditure target of at least 0.5% of revenues being spent on DSM programs; • a savings target that is expressed in the amount of gas saved per expenditure; • procedures to recover DSM program costs without having to file a rate case; • a method of tying cost-recovery to the group (residential or non-residential) that is receiving the benefit of the DSM program; and • a bonus structure for utilities that achieve the commission's targets. <p>For investor-owned electric utilities, the PUC is required to:</p> <ul style="list-style-type: none"> • establish energy savings and peak demand reduction goals using specific guidelines and other factors identified by the PUC; • ensure that electric DSM programs are developed to give all classes of customers an opportunity to participate; and • ensure that DSM investments by utility providers are profitable by either implementing incentive mechanisms specified by the bill or by developing other incentive mechanisms. <p>Within 12 months of rule promulgation, investor-owned gas distribution providers are required to begin implementing their DSM programs. These programs may target low-income households. Electric utilities must satisfy their energy savings and peak demand reduction goals by 2018. The utilities must submit an annual report to the PUC that documents expenditures and savings impacts. The PUC must submit an annual report to the General Assembly describing the effect of energy efficiency legislation and any recommendations to implement the DSM programs.</p>	<p>Public Utilities Commission in the Department of Regulatory Agencies</p> <p>Department of Law</p>	<p>The act appropriates \$191,776 to the PUC from the PUC Fixed Utility Fund. It also appropriates \$13,554 from this fund to the Department of Law.</p>

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Awaiting Governor's Signature (Cont.)			
<p>HB 07-1060</p> <p>Bioscience Research Grants</p> <p><i>Rep. Riesberg</i> <i>Sen. Shaffer</i></p> <p>Awaiting the Governor's Signature</p>	<p>House Bill 07-1060 establishes, within the existing Bioscience Discovery Evaluation Grant Program, separate maximum grant amounts for research projects based on whether the project is funded by grants from the federal Small Business Innovation Research program (SBIR) or a federal Small Business Technology Transfer program (STTR). The grants are limited to:</p> <p>- \$150,000 for each project that <i>is not</i> a SBIR or STTR project; and - \$100,000 for each project that <i>is</i> a SBIR or STTR project.</p> <p>The bill allocates grant money appropriated from the Bioscience Discovery Evaluation Cash Fund as follows:</p> <ul style="list-style-type: none"> • 20 percent to biofuel research projects that are not SBIR projects or STTR projects, and • 80 percent to SBIR or STTR projects. Seventy-five percent of this allocation must be used for life sciences research projects, and 25 percent for biofuel research projects. 	<p>Governor's Office of Economic Development</p>	<p>The act requires a transfer of \$2.5 million from the General Fund to the Bioscience Discovery Evaluation Cash Fund. These moneys are then to be appropriated to the Governor's Office of Economic Development.</p>
<p>HB 07-1146</p> <p>Energy Conservation Building Codes</p> <p><i>Rep. Levy</i> <i>Sen. Gordon</i></p> <p>Signed by the Governor</p>	<p>House Bill 07-1146 requires boards of county commissioners and municipal governing boards that have a building code in place to adopt and enforce a building energy code that meets or exceeds the 2003 International Energy Conservation Code standard, or any successor edition, by July 1, 2008. The energy code applies to the construction of, and the renovation and additions to, all commercial and residential buildings. The act exempts certain buildings from the energy code. The Governor's Office of Energy Management and Conservation is required to provide information that explains the requirements and compliance methods of the energy code to builders, designers, engineers, and architects. It must also provide technical assistance to local governments regarding the function and enforcement of the code.</p>	<p>Governor's Office of Energy Management and Conservation</p>	<p>No appropriation is required.</p>

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Awaiting Governor's Signature (Cont.)			
<p>HB 07-1150</p> <p>Creation of the Renewable Energy and Infrastructure Authority</p> <p><i>Rep. Cory Gardner</i> <i>Sen. Kester</i></p> <p>Awaiting the Governor's Signature</p>	<p>House Bill 07-1150 creates the Colorado Clean Energy Development Authority which will issue loans and grants to increase the production and consumption of clean energy resources including biodiesel, biomass, ethanol, zero emission generation technology, renewable resources, and integrated gasification combined cycle generation (IGCC) facilities. The nine-member authority board is comprised of the State Treasurer, the Director of the Colorado Office of Economic Development; the Commissioner of Agriculture; the Director of the Governor's Office of Energy Management; an appointee of the Governor; and four appointees of the House and Senate leadership who have expertise in the public utility industry, clean energy development, and major project financing.</p> <p>The authority's powers include:</p> <ul style="list-style-type: none"> • financing projects; • issuing and refunding bonds; • entering into contracts and financing agreements; • issuing loans and other financing agreements; • receiving gifts, grants and donations; • enter into contracts or agreements as necessary; and • selling notes, bonds, loans or any other secured or unsecured obligations. <p>The act prohibits bonds or other obligations that are to be paid from or secured by tax revenue. Unless voters of the state have approved bonds or other obligations, no moneys in the fund other than those specifically earmarked for that purpose may be used to pay or secure bonds or other obligations. Voter approval is also required for the authority to incur a multi-year obligation. The act allows the General Assembly to appropriate up to \$8 million annually to service the debt for bonds issued by the authority. The authority is required to report annually to the General Assembly concerning bond that its seeks to issue with a state obligation to repay the debt.</p>	<p>None. The Colorado Renewable Energy and Infrastructure Authority is independent of any state agency.</p>	<p>The act creates the Colorado Renewable Energy and Infrastructure Authority Development Operational Fund. However, the act is silent on the amount of money to be appropriated to the fund or its source.</p>

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Awaiting Governor's Signature (Cont.)			
<p>HB 07-1169</p> <p>Net Metering for Cooperative Electric Associations</p> <p><i>Rep. Solano</i> <i>Sen. Shaffer</i></p> <p>Awaiting the Governor's Signature</p>	<p>House Bill 07-1169 requires cooperative electric utilities and customer-generators to comply with the Public Utilities Commission's interconnection standards for net metering systems. These systems enable a customers' electricity consumption to be offset by electricity that they generate from renewable energy resources including solar, wind, biomass, or hydro-power resources.</p>	<p>Public Utilities Commission in the Department of Regulatory Agencies</p>	<p>No state fiscal impact</p>
<p>HB 07-1203</p> <p>Energy Management and Conservation Studies</p> <p><i>Rep. Fischer</i> <i>Sen. Romer</i></p> <p>Awaiting the Governor's Signature</p>	<p>House Bill 07-1203 finds that Colorado can realize substantial economic benefits by helping to satisfy the nation's need for alternative energy sources and for the mitigation of greenhouse gas emissions. The act declares that the Governor's Office of Energy Management and Conservation is best able to help Colorado meet these needs and it encourages the Governor's Office to set a high priority on funding for:</p> <ul style="list-style-type: none"> • a county-level appraisal of greenhouse gas mitigation and potential for carbon sequestration which removes carbon dioxide from the atmosphere and places it in long-term storage; and • creation of a Colorado energy profile that analyzes Colorado's current and projected future energy resources. 	<p>Governor's Office of Energy Management and Conservation</p>	<p>No state fiscal impact</p>

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Awaiting Governor's Signature (Cont.)			
<p>HB 07-1228</p> <p>Renewable Energy Fuels and Production</p> <p><i>Rep. Cory Gardner</i> <i>Sen. Shaffer</i></p> <p>Awaiting the Governor's Signature</p>	<p>House Bill 07-1228 requires the Department of Personnel and Administration to purchase flexible fuel vehicles by 2008 unless they cost more than 10 percent over the cost of comparable non-flexible fueled vehicles. Flexible fuel vehicles can run on either petroleum gasoline or on an E85 ethanol blend. An E85 ethanol blend is made up of 85 percent ethanol and 15 percent petroleum gasoline. The act requires the Division of Oil and Public Safety in the Department of Labor and Employment to establish uniform regulations for above-ground storage tanks that hold renewable fuels. It also requires the Public Utilities Commission to establish incentives for consumers who produce distributed generation, including small wind turbines, thermal biomass, electric biomass, and solar thermal energy.</p>	<p>Department of Regulatory Agencies</p> <p>Division of Oil and Public Safety in the Department of Labor and Employment</p>	<p>The act requires appropriations from the General Fund of \$8,400 to the Department of Regulatory Agencies and an appropriation of \$35,653 from the Petroleum Storage Tank Fund to the Department of Labor and Employment.</p>
<p>HB 07-1279</p> <p>Machinery Exempt from Sales and Use Tax</p> <p><i>Rep. McKinley</i> <i>Sen. Romer</i></p> <p>Awaiting the Governor's Signature</p>	<p>House Bill 07-1279 specifies that machinery used to produce electricity from renewable resources, including wind energy, is exempt from the Colorado sales and use tax. It also exempts machinery that is used in a facility that obtained a power purchase agreement with an energy provider between February 5, 2001 and November 7, 2006. The bill applies to all audits, assessments, appeals, refund claims and transactions pending on or after the bill's effective date. This bill addresses a ruling from the Colorado Department of Revenue concerning the sales and use tax exemption for machinery. Prior to November 6, 2007, Colorado machinery manufacturers entered into contracts with the expectation, based upon regulatory direction from the department, that machinery used to produce electricity was tax-exempt. After these contracts had been executed, a subsequent regulatory reversal of this decision was made by the department and has resulted in the assessment of back taxes to these companies.</p>	<p>Projects that receive Highway Users Tax Fund moneys</p> <p>Capital construction projects</p>	<p>This act reduces General Fund revenue by \$18 million from FY 2006-07 through FY 2008-09.</p>

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Awaiting Governor's Signature (Cont.)			
<p>HB 07-1309</p> <p>Use Interest on Severance Tax to Increase Energy Efficiency in Public Schools</p> <p><i>Rep. Weissmann</i> <i>Sen. Tupa</i></p> <p>Awaiting the Governor's Signature</p>	<p>House Bill 07-1309 requires estimated tax payments and withholding for oil and gas severance taxes to be made on a monthly basis, rather than quarterly. The bill also specifies that payments are to be made electronically. The additional interest earned from making monthly payments will be deposited into the Public School Energy Efficiency Fund, up to a maximum of \$1.5 million annually. Money in the fund is continuously appropriated to the Governor's Office of Energy Management and Conservation for energy efficiency projects and programs in public schools. In administering the program, the office is required to consider whether schools are located in areas affected mineral development. The 2007 Interim Committee to Study the Allocation of Severance Tax and Federal Mineral Lease Revenue (created in Senate Joint Resolution 07-42) is required to study the allocation of the revenue generated from the monthly payments.</p> <p>Legislative Council Staff is required to determine the additional interest earnings generated by the bill and to notify the State Treasurer of the amount on a quarterly basis, which will be deposited into the Public School Energy Efficiency Fund. The calculation and distribution of additional interest will begin on December 1, 2007, and continue every three months thereafter until September 1, 2012.</p>	<p>Governor's Office of Energy Management and Conservation</p> <p>Department of Revenue</p>	<p>Department of Revenue will require a \$2,722 General Fund appropriation.</p> <p>The act appropriates \$489,000 from the Public School Energy Efficiency Fund to the Governor's Office of Energy Management and Conservation in FY 2007-08.</p>
<p>SB 07-91</p> <p>Renewable Resource Generation Development Areas</p> <p><i>Sen. Schwartz</i> <i>Rep. Massey</i></p> <p>Awaiting the Governor's Signature</p>	<p>Senate Bill 07-91 creates a 16-member Renewable Resource Generation Development Area Task Force to identify areas in Colorado with potential to support competition among developers for renewable energy projects. The task force must consider:</p> <ul style="list-style-type: none"> • the use of enterprise zones in the development of these areas; • the transmission needs of these areas to locations where customers can use the renewable resources; and • the potential development of various renewable resources. 	<p>Governor's Office of Energy Management and Conservation</p>	<p>Task force funding is expected to come from gifts, grants, and donations. No appropriation is needed but expenditures are estimated to be \$45,411.</p>

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Awaiting Governor's Signature (Cont.)			
<p>SB 07-246</p> <p>Clean Energy Fund</p> <p><i>Sen. Fitz-Gerald</i> <i>Rep. Buescher</i></p> <p>Awaiting the Governor's Signature</p>	<p>Senate Bill 07-246 creates the Clean Energy Fund and capitalizes it with money from the Limited Gaming Fund that would otherwise be transferred to the General Fund at the end of the fiscal year under current law. If it becomes law, this act will transfer \$9.5 million to the Clean Energy Fund at the end of FY 2007-08 that will otherwise be transferred to the General Fund. The bill also transfers to the Clean Energy Fund unexpended moneys at the end of the fiscal year received by the Governor's Office of Energy Management and Conservation for home energy efficiency improvements for low-income households.</p> <p>The bill authorizes the Governor's Office of Energy Management and Conservation to use moneys in the Clean Energy Fund to advance energy efficiency and renewable energy throughout Colorado including:</p> <ul style="list-style-type: none"> • attracting investment from the renewable energy industry; • assisting transfers of technology into the marketplace ; • providing incentives to purchase and distribute energy efficient and renewable energy products; • implementing energy efficiency projects; • aiding governmental agencies in greening government initiatives; • removing regulatory barriers to implement renewable energy technology; and • serving any other manner that advances energy efficiency and renewable energy. <p>The act requires all income and interest earned on moneys in the Clean Energy Fund be credited to the fund all moneys remaining in the fund at the end of the fiscal year remain in the fund. It also requires the General Assembly to conduct a post-enactment review of the act to determine whether it advances energy efficiency and renewable energy.</p>	<p>Governor's Office of Energy Management and Conservation</p>	<p>The act requires a transfer of \$9.5 million from the Limited Gaming Fund to the Clean Energy Fund. These moneys are then to be continuously appropriated to the Governor's Office of Economic Development.</p>

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Postponed Indefinitely			
<p>HB 07-1191</p> <p>Property Tax Exemption for Alternative Energy Generating Facilities</p> <p><i>Rep. May</i> <i>Sen. Harvey</i></p> <p>Postponed indefinitely in House Finance</p>	<p>Starting in 2008, House Bill 07-1191 would have exempted alternative energy generating facilities from the business personal property tax. The amount of the tax exemption would have been 25 percent in 2008, 50 percent in 2009, and 100 percent in 2010 and each year thereafter.</p>	<p>Division of Property Taxation in the Department of Local Affairs.</p>	<p>No appropriation was required to implement the bill in FY 2007-08.</p>
<p>HB 07-1268</p> <p><i>Rep. Weissmann</i> <i>Sen. (none)</i></p> <p>Postponed indefinitely in House Finance</p>	<p>House Bill 07-1268 would have required oil and gas producers to pay the severance tax monthly. Under current law, severance tax withholding by oil and gas producers is paid quarterly. The additional interest earned from monthly withholding would have been deposited into the Public School Energy Efficiency Fund to pay for public school energy efficiency programs and projects. The amount deposited would have been limited to \$1.5 million annually. Any interest earnings above this amount would have been divided equally between the Severance Tax Trust Fund and the Local Government Severance Tax Fund, as specified under current law. Legislative Council staff would have been required to estimate the additional interest earnings and notify the State Treasurer of the amount to be transferred to the Public School Energy Efficiency Fund. House Bill 07-1309, also sponsored by Representative Weissmann, includes provisions similar to HB 07-1268.</p>	<p>Governor's Office of Energy Management and Conservation</p> <p>Department of Revenue</p> <p>Legislative Council Staff</p>	<p>No appropriation was required to implement the bill in FY 2007-08. The Governor's Office of Energy Management and Conservation would have had continuous spending authority to use any interest earnings received.</p>
<p>SB 07-147</p> <p>Requirement for Alternative Fuels in Gasoline</p> <p><i>Sen. Shaffer</i> <i>Rep. (none)</i></p> <p>Postponed indefinitely in Senate State, Veterans & Military Affairs</p>	<p>Starting in 2008, Senate Bill 07-147 would have required that at least 75 percent of gasoline sold in Colorado from November through April contain at least 10 percent alternative fuel that is made from non-petroleum products. Gasoline dealers would have had to state monthly the total volume of gasoline and alternative fuel sold, and the Department of Labor and Employment was required to verify that the gasoline sold in Colorado complied with the requirement. The department was allowed to assess up to \$500 per month in fines against dealers who did not comply with the alternative fuel requirement.</p>	<p>Department of Labor and Employment</p> <p>Department of Law</p>	<p>The bill required a \$208,122 General Fund appropriation to the Department of Labor and Employment. It also required a \$9,759 cash funds exempt appropriation to the Department of Law.</p>

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<p>SB 07-238</p> <p>Ethanol Biodiesel Fuel Clean Energy</p> <p><i>Sen. Shaffer</i> <i>Rep. Fischer</i></p> <p>Postponed indefinitely in Senate Appropriations</p>	<p>The <i>introduced</i> Senate Bill 07-238 would have established renewable fuel standards for diesel and gasoline, based on Colorado production levels of biodiesel and ethanol respectively. It required the Department of Labor and Employment to notify dealers when production of these fuels reaches the required levels. For ethanol, production must be at least 115 million gallons. Ninety days after this threshold is reached, gasoline must contain at least 10 percent ethanol by volume. For biodiesel, annualized production must reach:</p> <ul style="list-style-type: none"> • 5 million gallons for a 3 month period. Ninety days after the threshold is reached, diesel fuel must contain at least 2 percent renewable diesel fuel by volume; and • 15 million gallons for a 3 month period. Ninety days after the threshold is reached diesel fuel must contain at least 5 percent renewable diesel fuel by volume. <p>The bill required the executive director of the Department of Labor and Employment to adopt rules for the composition of renewable diesel fuel sold in Colorado. The department would have been authorized to test any renewable diesel for compliance with these standards.</p> <p>If the bill became effective, the Venture Capital Authority would have been required to use its moneys for clean energy development in Colorado. Clean energy includes energy produced from biodiesel, biomass, clean coal, ethanol, solar, wind, hydropower, and geothermal. The Venture Capital Authority was created in 2004 and funded by an allocation of \$50 million in tax credits which were sold to insurance companies. The bill required a post-enactment review of the renewable fuel requirement in 5 years by the legislative service agencies.</p>	<p>Division of Oil and Public Safety in the Department of Labor and Employment</p> <p>Air Quality Control Commission in the Department of Public Health and Environment</p> <p>Legislative Service Agencies of the Colorado General Assembly</p>	<p>The bill requires a General Fund appropriation of \$125,075 and 1.5 FTE to the Division of Oil and Public Safety and \$12,465 and 0.2 FTE to the Air Quality Control Commission.</p>