

**STATE
REVISED FISCAL IMPACT**

(replaces fiscal note dated February 22, 2010)

Drafting Number: LLS 10-0746

Date: April 8, 2010

Prime Sponsor(s): Rep. Levy
Sen. Williams

Bill Status: Senate Local Government and Energy
Fiscal Analyst: Marc Carey (303-866-4102)

TITLE: CONCERNING MEASURES TO ENCOURAGE ADDITIONAL INVESTMENT IN SOLAR ENERGY GENERATION FACILITIES, AND, IN CONNECTION THEREWITH, AUTHORIZING THE CREATION OF COMMUNITY SOLAR GARDENS.

Fiscal Impact Summary	FY 2010-2011	FY 2011-2012
State Revenue		
State Expenditures Cash Funds Fixed Utility Fund	See State Expenditures section	
FTE Position Change		
Effective Date: Upon signature of the Governor, or upon becoming law without his signature.		
Appropriation Summary for FY 2010-2011: None required.		
Local Government Impact: None.		

Summary of Legislation

Current rules promulgated by the Colorado Public Utilities Commission (PUC) related to the Amendment 37 renewable energy portfolio standard (RPS) provide for customer rebates and renewable energy credits (RECs). This reengrossed bill directs the PUC to begin a rulemaking proceeding by October 1, 2010, to adopt rules under which rebates and RECs can apply to solar generation facilities jointly owned by 10 or more customers at a shared location, defined as community solar gardens (CSGs). Specifically, the bill:

- defines a CSG as an on-site solar electric generation facility with a capacity of up to 2 megawatts in which subscriptions are owned by 10 or more customers;
- specifies that CSGs qualify as retail distributed generation as defined in HB 10-1001, but that CSG RECs may not count for more than 20 percent of retail distributed generation in 2011 through 2014;
- allows the creation of a CSG owned by a subscriber organization and limits the size of a subscription to 120 percent of the average annual electric consumption of each subscriber at the premises to which the subscription is attributed;
- specifies that, beginning in 2011, qualifying investor owned utilities must purchase the greater of 3 megawatts or half of the total planned CSG purchases from CSGs with capacity under 500 kilowatts;

- directs the PUC to adopt rules governing transfers of ownership of subscriptions and allocation of RECs;
- specifies that cooperative electric associations and municipally-owned utilities are exempt from the bill.

State Expenditures

Department of Regulatory Agencies, Public Utilities Commission (PUC). The bill requires the PUC to commence a rulemaking procedure by October 10, 2010, in order to adopt rules under which rebates and RECs will apply to CSGs. Rule promulgation is one of the primary responsibilities of PUC staff, and the PUC can promulgate the required rules within existing budgetary resources.

Departments Contacted

Regulatory Agencies