

**First Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 17-1155.01 Esther van Mourik x4215

SENATE BILL 17-301

SENATE SPONSORSHIP

Scott,

HOUSE SPONSORSHIP

(None),

Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

A BILL FOR AN ACT

101 **CONCERNING ENERGY-RELATED STATUTES.**

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://leg.colorado.gov>.)

Section 1 of the bill provides a nonstatutory legislative declaration about the changes in law set forth in section 2 of the bill.

Section 2 directs the public utilities commission to adopt rules under which investor-owned utilities may submit plans for the acquisition of natural gas reserves to meet their long-term supply needs, subject to the commission's review and approval of applications.

Section 3 repeals the wind for schools grant program.

Section 4 repeals the renewable energy and energy efficiency for

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.

schools loan program.

Section 5 removes the Colorado energy office's (office) involvement with the forest service and the air quality control commission to support the increased use of woody biomass in bio-heating.

Section 6 removes the office's involvement in grants with the Colorado energy research institute for the development of a central resource for building trade professionals.

Section 7:

- ! Specifies nuclear and hydroelectric power as a cleaner energy source that the office should promote;
- ! Amends the office's requirement to develop and encourage increased utilization of energy curricula, and expands the collaborative groups to include the energy industry and executive departments;
- ! Repeals certain programs for which the office is responsible; and
- ! Requires the director of the office and the executive director of the department of natural resources, or their designees, to convene stakeholders for one or more meetings before November 1, 2017, to identify voluntary methods to address funding shortfalls associated with the long-term management of abandoned oil and gas facilities.

Section 8 renames the clean and renewable energy fund as the energy fund and continues the general fund transfer to the energy fund for 4 years and adds the authority to spend the money in the fund for educating the general public on energy issues and opportunities.

Section 9 adds 4 years of funding for the innovative energy fund from the general fund and removes the requirement that the funds used in the innovative energy fund for grants or loans shall be limited to innovative energy efficiency projects and policy development.

Section 10 repeals the office's authority to submit a proposal for credentialing photovoltaic installers.

Section 11 repeals the green building incentive pilot program.

Section 12 repeals the "Colorado Clean Energy Finance Program Act".

Section 13 removes the office's responsibility to maintain a list of solar installers, the requirement for a builder to offer that list to customers, and the requirement for the office to offer training on solar installations.

Section 14 removes a requirement for a 2018 study by the office on alternative fuel truck emissions.

Section 15 removes an obsolete section of law pertaining to a computer system for tracking the movement of gasoline or special fuel in the state.

Section 16 removes the office as the administrator of the Colorado carbon fund special license plate.

Section 17 increases the registration fee on electric motor vehicles and the portion of the fee that is earmarked for the highway users tax fund to offset the reduced gas tax collected as a result of the vehicle's increased efficiency.

Current law authorizes a homeowner to finance certain energy efficiency improvements to the home through a loan pursuant to the property assessed clean energy program (PACE). PACE requires an applicant to file a title commitment on the home and a hearing must be held in order to seek a voluntary subordination of existing liens to PACE's junior lien. **Sections 18 through 21** exempt a homeowner from the title commitment and hearing requirements if the owner is not seeking to subordinate the priority of existing liens and clarifies that housing authorities can use PACE as a completely voluntary assessment.

Sections 22 and 23 make conforming amendments.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 hereby finds and declares that:

4 (a) Diversification of a public utility's supply portfolio offers
5 potential benefits to the utility's customers and to Colorado residents
6 generally through enhanced reliability, greater price stability, and, in the
7 case of Colorado-based resources, the multiplier effect of employing local
8 workers and businesses;

9 (b) When properly hedged, a low natural gas price environment
10 offers the opportunity to enhance a utility's natural gas acquisition
11 portfolio by creating the flexibility to pursue long-term supply strategies;
12 and

13 (c) It may be predicted that a utility's investment in natural gas
14 reserves can lower the average long-term cost of delivered natural gas,
15 and supplement existing term contracts and spot market purchases.

16 **SECTION 2.** In Colorado Revised Statutes, **add** 40-2-122.5 as

1 follows:

2 **40-2-122.5. Supply portfolio diversification - beneficial**
3 **ownership of natural gas reserves - contents of application -**
4 **consideration by commission - legislative declaration - definitions -**
5 **rules.** (1) THE GENERAL ASSEMBLY DIRECTS THE COMMISSION TO ADOPT
6 RULES BY WHICH IT WOULD EVALUATE APPLICATIONS MADE BY
7 COLORADO'S INVESTOR-OWNED UTILITIES TO ACQUIRE A WORKING
8 INTEREST IN COLORADO-BASED NATURAL GAS RESERVES FOR UP TO FIFTY
9 PERCENT OF THEIR ANTICIPATED NATURAL GAS REQUIREMENTS. THE
10 COMMISSION SHALL ADOPT THE RULES IN TWO STAGES, AS FOLLOWS:

11 (a) ON OR BEFORE JULY 1, 2017, THE COMMISSION SHALL
12 COMMENCE A RULE-MAKING PROCEEDING TO ESTABLISH:

13 (I) THE ACCEPTABLE SCOPE, TRANSACTION TYPE, AND
14 PERCENTAGE OF PORTFOLIO FOR APPLICATIONS;

15 (II) A REGULATORY FRAMEWORK FOR ACCOUNTING FOR THE
16 ALLOCATION OF BENEFITS AND RISKS, INCLUDING THE COST OF CAPITAL;

17 (III) THE COMMISSION'S REVIEW PROCESS RELATED TO THE ISSUES
18 OF PRICE, BENCHMARK, TIMING, AND FILING REQUIREMENTS; AND

19 (IV) ANY OTHER APPLICATION REQUIREMENTS FOR THE
20 COMMISSION'S CONSIDERATION; AND

21 (b) IN CONJUNCTION WITH, OR IMMEDIATELY FOLLOWING, THE
22 ADOPTION OF RULES PURSUANT TO SUBSECTION (1)(a) OF THIS SECTION,
23 THE COMMISSION SHALL ADOPT RULES SETTING FORTH THE FRAMEWORK
24 FOR PROJECT AND ASSET EVALUATION, INCLUDING:

25 (I) PROJECT BRIEF AND MARKET JUSTIFICATION;

26 (II) PROPERTY DESCRIPTION;

27 (III) FUTURE DEVELOPMENT PLANS;

- 1 (IV) FINANCIAL AND VOLUMETRIC FORECAST;
- 2 (V) THIRD-PARTY RESERVES REPORT;
- 3 (VI) THIRD-PARTY DEAL VALUATION;
- 4 (VII) COST RECOVERY IN ACCORDANCE WITH SUBSECTION (5) OF
- 5 THIS SECTION;
- 6 (VIII) PROJECTED COSTS AND ASSOCIATED CONFIDENCE
- 7 INTERVALS;
- 8 (IX) ECONOMIC IMPACT; AND
- 9 (X) OTHER FACTORS THE COMMISSION DEEMS RELEVANT TO
- 10 DETERMINE WHETHER APPROVAL OF AN APPLICATION IS IN THE PUBLIC
- 11 INTEREST.

12 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
13 OTHERWISE REQUIRES:

14 (a) "CUSTOMER" MEANS A NATURAL GAS CUSTOMER OR CONSUMER
15 OF NATURAL GAS SUPPLY OR NATURAL GAS TRANSMISSION FACILITIES.

16 (b) "INVESTOR-OWNED UTILITY" MEANS A UTILITY REGULATED BY
17 THE COMMISSION THAT PROVIDES NATURAL GAS SERVICES TO THE PUBLIC.
18 STORAGE FACILITIES, OR DISTRIBUTION FACILITIES.

19 (c) "NATURAL GAS PRODUCTION AND GATHERING ASSETS COST OF
20 SERVICE" MEANS A RETURN ON INVESTED CAPITAL AND ALL COSTS
21 ASSOCIATED WITH THE ACQUISITION, CONSTRUCTION, ADMINISTRATION,
22 OPERATION, AND MAINTENANCE OF A PLANT OR EQUIPMENT, MINERALS,
23 AND MINERAL RIGHTS OWNED OR LEASED BY A PUBLIC UTILITY AND USED
24 FOR NATURAL GAS PRODUCTION AND GATHERING.

25 (d) "NATURAL GAS PRODUCTION AND GATHERING RESOURCES"
26 MEANS PLANTS OR EQUIPMENT, MINERALS, AND MINERAL RIGHTS USED TO
27 EXTRACT NATURAL GAS FROM THE EARTH AND TO COLLECT, PURIFY,

1 MEASURE, REGULATE, COMPRESS, AND TRANSPORT NATURAL GAS FROM ITS
2 PLACE OF PRODUCTION TO ITS CONNECTION WITH A TRANSMISSION
3 FACILITY.

4 (3) **Application - procedure.** AN INVESTOR-OWNED UTILITY MAY
5 ACQUIRE NATURAL GAS PRODUCTION AND GATHERING RESOURCES AND
6 INCLUDE THEM IN ITS RATE BASE AS FOLLOWS:

7 (a) AN INVESTOR-OWNED UTILITY MAY APPLY TO THE COMMISSION
8 FOR APPROVAL OF A NATURAL GAS PRODUCTION AND GATHERING
9 RESOURCE THAT IS NOT YET PROCURED;

10 (b) THE COMMISSION SHALL DETERMINE WHETHER OR NOT THE
11 APPLICATION IS ADEQUATE AND IN COMPLIANCE WITH THE COMMISSION'S
12 MINIMUM FILING REQUIREMENTS. IF THE COMMISSION DETERMINES THAT
13 THE APPLICATION IS INADEQUATE, THE COMMISSION SHALL, WITHIN TEN
14 DAYS OF THE DETERMINATION, PROVIDE WRITTEN NOTICE TO THE
15 INVESTOR-OWNED UTILITY OF THE DEFICIENCIES.

16 (c) THE COMMISSION SHALL ISSUE A DECISION REGARDING THE
17 APPLICATION FOR APPROVAL OF AN APPLICATION TO LEASE OR ACQUIRE AN
18 EQUITY INTEREST IN NATURAL GAS PRODUCTION AND GATHERING
19 RESOURCES WITHIN THE STANDARD PROCEDURAL TIMELINE SET FORTH IN
20 SECTION 40-6-109.5;

21 (d) TO FACILITATE TIMELY CONSIDERATION OF AN APPLICATION,
22 THE COMMISSION MAY INITIATE PROCEEDINGS TO EVALUATE PLANNING
23 AND PROCUREMENT ACTIVITIES RELATED TO A POTENTIAL RESOURCE
24 PROCUREMENT PRIOR TO THE INVESTOR-OWNED UTILITY'S SUBMISSION OF
25 AN APPLICATION FOR APPROVAL;

26 (e) (I) THE COMMISSION MAY APPROVE OR DENY, IN WHOLE OR IN
27 PART, AN APPLICATION FOR APPROVAL OF A NATURAL GAS PRODUCTION

1 RESOURCE, A GATHERING RESOURCE, OR BOTH.

2 (II) THE COMMISSION MAY CONSIDER ALL RELEVANT INFORMATION
3 KNOWN UP TO THE TIME THAT THE ADMINISTRATIVE RECORD IN THE
4 PROCEEDING IS CLOSED IN THE EVALUATION OF AN APPLICATION FOR
5 APPROVAL.

6 (III) A COMMISSION ORDER GRANTING APPROVAL OF AN
7 APPLICATION MUST FIND THAT THE APPLICATION IS IN WHOLE OR IN PART
8 IN THE PUBLIC INTEREST.

9 (IV) THE COMMISSION ORDER MAY INCLUDE A PROVISION FOR
10 ALLOWABLE NATURAL GAS PRODUCTION AND GATHERING ASSETS COST OF
11 SERVICE WHEN THE INVESTOR-OWNED UTILITY HAS FILED AN APPLICATION
12 FOR THE LEASE OR ACQUISITION OF AN EQUITY INTEREST IN NATURAL GAS
13 PRODUCTION AND GATHERING RESOURCES.

14 (V) THE COMMISSION ORDER MAY INCLUDE OTHER FINDINGS THAT
15 THE COMMISSION DETERMINES NECESSARY.

16 (VI) A COMMISSION ORDER THAT DENIES APPROVAL MUST
17 DESCRIBE WHY THE FINDINGS REQUIRED IN SUBSECTION (3)(e)(III) OF THIS
18 SECTION COULD NOT BE REACHED.

19 (f) EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, IF THE
20 COMMISSION HAS ISSUED AN ORDER CONTAINING THE FINDINGS REQUIRED
21 UNDER SUBSECTION (3)(e)(III) OF THIS SECTION, THE COMMISSION MAY
22 NOT SUBSEQUENTLY DISALLOW THE RECOVERY OF COSTS RELATED TO THE
23 APPROVED NATURAL GAS PRODUCTION AND GATHERING RESOURCE BASED
24 ON CONTRARY FINDINGS.

25 (4) **Cost recovery.** (a) AN INVESTOR-OWNED UTILITY'S COSTS
26 ASSOCIATED WITH ANY APPROVED NATURAL GAS SUPPLY INVESTMENT
27 PLAN MAY BE RECOVERED THROUGH ANY EXISTING RATE ADJUSTMENT

1 CLAUSE THAT RECOVERS FUEL COSTS. THE COMMISSION SHALL APPROVE
2 A NATURAL GAS SUPPLY INVESTMENT PLAN IF THE PLAN ENHANCES AN
3 INVESTOR-OWNED UTILITY'S NATURAL GAS ACQUISITION PORTFOLIO BY
4 CREATING THE FLEXIBILITY TO PURSUE LONG-TERM SUPPLY STRATEGIES
5 AND THE INVESTMENTS CONTAINED IN THE PLAN ARE PROJECTED TO
6 PROVIDE DELIVERED NATURAL GAS SUPPLY AT A COST THAT IS AT OR
7 BELOW THE LONG-TERM PROJECTED COST OF NATURAL GAS SUPPLY SET
8 FORTH IN THE INVESTOR-OWNED UTILITY'S MOST RECENT GAS PURCHASE
9 PLAN FILED WITH THE COMMISSION.

10 (b) (I) NATURAL GAS PRODUCTION AND GATHERING RESOURCES
11 ACQUIRED BY AN INVESTOR-OWNED UTILITY PURSUANT TO THIS SECTION:

12 (A) MUST BE USED BY THE INVESTOR-OWNED UTILITY TO SERVE
13 AND BENEFIT CUSTOMERS WITHIN THE INVESTOR-OWNED UTILITY'S
14 COLORADO SERVICE TERRITORY; AND

15 (B) MAY NOT BE REMOVED FROM THE RATE BASE UNLESS THE
16 COMMISSION FINDS THAT CUSTOMERS OF THE INVESTOR-OWNED UTILITY
17 WILL NOT BE ADVERSELY AFFECTED.

18 (II) NATURAL GAS PRODUCTION AND GATHERING ASSETS COST OF
19 SERVICE MAY NOT BE ALLOCATED TO A CUSTOMER BEING SERVED BY AN
20 ALTERNATIVE NATURAL GAS SUPPLIER.

21 (c) NOTHING IN THIS SECTION LIMITS THE COMMISSION'S ABILITY
22 TO, IN ANY FUTURE RATE PROCEEDING, INQUIRE INTO THE MANNER IN
23 WHICH THE INVESTOR-OWNED UTILITY HAS MANAGED, DISPATCHED,
24 OPERATED, OR MAINTAINED ANY RESOURCE OR MANAGED ANY NATURAL
25 GAS SUPPLY PURCHASE AGREEMENT AS PART OF ITS OVERALL RESOURCE
26 PORTFOLIO. THE COMMISSION MAY SUBSEQUENTLY DISALLOW RATE
27 RECOVERY FOR THE COSTS THAT RESULT FROM THE FAILURE OF AN

1 INVESTOR-OWNED UTILITY TO REASONABLY MANAGE, DISPATCH, OPERATE,
2 MAINTAIN, OR ADMINISTER NATURAL GAS PRODUCTION AND GATHERING
3 RESOURCES IN A MANNER CONSISTENT WITH COMMISSION RULES.

4 **SECTION 3.** In Colorado Revised Statutes, **repeal** article 89 of
5 title 22 as follows:

6 **ARTICLE 89**

7 **Wind for Schools Grant Program**

8 **22-89-101. Short title.** ~~This article shall be known and may be~~
9 ~~cited as the "Wind for Schools Grant Program".~~

10 **22-89-102. Legislative declaration.** ~~(1) The general assembly~~
11 ~~hereby finds, determines, and declares that:~~

12 ~~(a) Colorado's schools face a perennial struggle with tight budgets,~~
13 ~~and their financial difficulties are worsened by volatile electricity prices~~
14 ~~that often lead to high electricity bills;~~

15 ~~(b) A small but growing number of schools have responded to~~
16 ~~these difficulties by beginning to produce their own electricity with wind~~
17 ~~turbines;~~

18 ~~(c) By producing their own electricity with wind turbines, some~~
19 ~~schools have reduced their electricity costs while promoting energy~~
20 ~~independence and environmental responsibility and have provided~~
21 ~~students with an opportunity to understand this burgeoning technology;~~

22 ~~(d) The general assembly would serve the best interests of~~
23 ~~Colorado schools by supporting the efforts of public schools and~~
24 ~~community colleges that are considering wind power projects.~~

25 **22-89-103. Definitions.** ~~As used in this article, unless the context~~
26 ~~otherwise requires:~~

27 ~~(1) "Colorado energy office" means the Colorado energy office~~

1 created in section ~~24-38.5-101~~, C.R.S.

2 (2) ~~"Qualified school" means a public school or community~~
3 ~~college in the state that is working with the national renewable energy~~
4 ~~laboratory to establish a wind for schools project. A qualified school shall~~
5 ~~have a project team involved that includes the school, community, and~~
6 ~~technical assistance membership.~~

7 (3) ~~"Wind for schools grant program" or "grant program" means~~
8 ~~the grant program created pursuant to section 22-89-104 to fund wind~~
9 ~~power projects at a qualified school.~~

10 (4) ~~"Wind for schools project" means a project supported by the~~
11 ~~national renewable energy laboratory and wind powering America to help~~
12 ~~a qualified school install a wind turbine that will help defray the school's~~
13 ~~energy costs and provide educational opportunities for students relating~~
14 ~~to the generation of wind power.~~

15 **22-89-104. Wind for schools grant program - created -**
16 **applications.** (1) ~~There is hereby created the wind for schools grant~~
17 ~~program to fund wind for schools projects at qualified schools. A~~
18 ~~qualified school may, with the written authorization of the local board of~~
19 ~~education, apply to the Colorado energy office, in accordance with~~
20 ~~procedures and deadlines adopted by the office, to receive moneys~~
21 ~~through the grant program. The office shall administer the grant program~~
22 ~~as provided in this article and pursuant to policies adopted by the office.~~

23 (2)(a) ~~The Colorado energy office shall adopt policies specifying~~
24 ~~when a qualified school may request a grant and the procedure for making~~
25 ~~the request.~~

26 (b) ~~A qualified school that receives a grant through the grant~~
27 ~~program shall use the moneys received to pay for technical assistance,~~

1 ~~equipment, or installation costs associated with a wind for schools~~
2 ~~project.~~

3 **22-89-105. Wind for schools grant program - policies -**
4 **awarding grants.** (1) ~~The Colorado energy office shall adopt policies for~~
5 ~~the implementation of the wind for schools grant program. At a minimum,~~
6 ~~the policies shall specify the procedures for applying for a grant, the form~~
7 ~~of the grant application, the information to be provided by the applicant,~~
8 ~~and the criteria for awarding grants.~~

9 ~~(2) (a) The Colorado energy office shall review each grant~~
10 ~~application received from a qualified school pursuant to section~~
11 ~~22-89-104 and shall make a determination as to whether the grant should~~
12 ~~be awarded and, except as provided in paragraph (c) of this subsection~~
13 ~~(2), the amount of the grant. If the office determines an application is~~
14 ~~missing any information required by the office's policy to be included~~
15 ~~with the application, the office may contact the applicant to obtain the~~
16 ~~missing information.~~

17 ~~(b) In awarding grants pursuant to this article, the Colorado~~
18 ~~energy office shall consider, at a minimum, whether a qualified school:~~

19 ~~(I) Would reduce its electricity costs by the implementation of a~~
20 ~~wind for schools project; and~~

21 ~~(II) Has a plan in place to incorporate the implementation of a~~
22 ~~wind for schools project into its educational curriculum.~~

23 ~~(c) A qualified school shall not receive an aggregate amount of~~
24 ~~grants pursuant to this article that exceeds five thousand dollars.~~

25 ~~(3) The Colorado energy office shall use at least fifty thousand~~
26 ~~dollars for the implementation of this grant program from the existing~~
27 ~~resources of the office. The minimum funding requirement for the~~

1 implementation of this grant program may be met in one or more fiscal
2 years. The office shall not submit a request for an appropriation or a
3 supplemental appropriation for this purpose.

4 **SECTION 4.** In Colorado Revised Statutes, **repeal** article 92 of
5 title 22 as follows:

6 **22-92-101. Short title.** This article shall be known and may be
7 cited as the "Renewable Energy and Energy Efficiency for Schools Loan
8 Program Act".

9 **22-92-102. Legislative declaration.** (1) The general assembly
10 hereby finds that:

11 (a) Colorado's school districts face a perennial struggle with tight
12 budgets, and their financial difficulties are worsened by volatile energy
13 prices that often lead to high utility bills;

14 (b) A small but growing number of school districts have
15 responded to these difficulties by beginning to produce their own energy
16 with renewable energy sources;

17 (c) By producing their own energy with renewable energy sources,
18 some school districts have reduced their energy costs while promoting
19 energy independence and environmental responsibility and have provided
20 students with an opportunity to understand this burgeoning technology;
21 and

22 (d) Some school districts have also reduced their energy costs by
23 improving the efficiency of their existing energy sources.

24 (2) The general assembly further finds that section 3 of article IX
25 of the state constitution authorizes the general assembly to adopt laws
26 establishing the terms and conditions upon which the state treasurer may
27 make loans to school districts in order to assist public schools in

1 ~~providing necessary buildings, land, and equipment.~~

2 ~~(3) Now, therefore, the general assembly determines and declares~~
3 ~~that it would serve the best interests of Colorado schools for the state to~~
4 ~~make available loans to support the efforts of school districts that choose~~
5 ~~to undertake renewable energy projects or energy efficiency projects.~~
6 ~~Furthermore, to ensure that the best interests of Colorado schools are~~
7 ~~being served, the legislative service agencies of the general assembly~~
8 ~~shall conduct a post-enactment review of this act and report their~~
9 ~~conclusions to the education committees of the house of representatives~~
10 ~~and senate, or any successor committees. The review shall include~~
11 ~~consideration of the following information:~~

12 ~~(a) The name and location of each qualified school district that~~
13 ~~has applied for a loan from the loan program;~~

14 ~~(b) The number of loans that have been awarded to qualified~~
15 ~~school districts from the loan program;~~

16 ~~(c) The name and location of each qualified school district that~~
17 ~~has been awarded a loan from the loan program;~~

18 ~~(d) The amount of each loan that is awarded to a qualified school~~
19 ~~district from the loan program;~~

20 ~~(e) The terms of repayment for each loan that is awarded to a~~
21 ~~qualified school district from the loan program;~~

22 ~~(f) The rate of interest that is being charged on each loan that is~~
23 ~~awarded to a qualified school district from the loan program; and~~

24 ~~(g) Any other information that the legislative service agencies~~
25 ~~determine may be helpful to the education committees of the house of~~
26 ~~representatives and senate, or any successor committees, in evaluating the~~
27 ~~effectiveness of the loan program.~~

1 **22-92-103. Definitions.** As used in this article, unless the context
2 otherwise requires:

3 ~~(1) "Bank" shall have the same meaning as set forth in section~~
4 ~~11-101-401 (5), C.R.S.~~

5 ~~(1.5) "Colorado energy office" or "office" means the Colorado~~
6 ~~energy office created in section 24-38.5-101, C.R.S., or any successor~~
7 ~~office.~~

8 ~~(2) "Energy efficiency project" means a project that will result in~~
9 ~~more efficient use of energy or resources. The term includes:~~

10 ~~(a) Installation of equipment and related infrastructure that will~~
11 ~~help defray energy costs;~~

12 ~~(b) Improving the energy efficiency of a building by addressing~~
13 ~~lighting issues, improving mechanical systems and equipment, adding~~
14 ~~insulation or otherwise improving the building envelope, adding or~~
15 ~~incorporating solar thermal technologies, or improving operations~~
16 ~~management;~~

17 ~~(c) Reducing water usage or water consumption; and~~

18 ~~(d) Improving the energy efficiency of motor vehicle fleets,~~
19 ~~including bus fleets, through measures including the use of hybrid or~~
20 ~~alternative-fuel vehicles and the addition of fuel-saving technologies to~~
21 ~~existing vehicles.~~

22 ~~(3) Repealed.~~

23 ~~(4) "Public school fund" means the public school fund created and~~
24 ~~existing pursuant to section 3 of article IX of the state constitution.~~

25 ~~(5) "Qualified school district" means a school district in the state~~
26 ~~that has a renewable energy project team.~~

27 ~~(6) "Renewable energy and energy efficiency for schools loan~~

1 program" or "loan program" means the renewable energy and energy
2 efficiency for schools loan program created in section 22-92-104.

3 (7) ~~"Renewable energy and energy efficiency for schools loan
4 program administration fund" or "fund" means the renewable energy and
5 energy efficiency for schools loan program administration fund created
6 in section 22-92-106.~~

7 (8) "Renewable energy project" means a project to help a qualified
8 school district install equipment and related infrastructure that will help
9 defray the school district's energy costs and provide educational
10 opportunities for students relating to the generation of renewable energy.
11 A "renewable energy project" shall be operated in compliance with
12 existing laws and may incorporate one or more of the following:

13 (a) Wind energy;

14 (b) Solar energy; or

15 (c) Other sources of renewable energy.

16 (9) "Renewable energy project team" means a team of people who
17 are dedicated to a renewable energy project at a school district. A
18 renewable energy project team shall include, at a minimum,
19 representatives of the school district, representatives of the local
20 community, and at least one member who provides professional technical
21 assistance to the school district to facilitate a renewable energy project or
22 energy efficiency project. The member of a renewable energy project
23 team who provides professional technical assistance to the school district
24 may be a representative of a local electrical utility.

25 **22-92-104. Renewable energy and energy efficiency for schools**
26 **loan program - created - applications - permissible uses of loans.**

27 (1) ~~There is hereby created the renewable energy and energy efficiency~~

1 for schools loan program to fund renewable energy projects and energy
2 efficiency projects at qualified school districts. A qualified school district
3 may, with the written authorization of the school district board of
4 education, apply to the Colorado energy office, in accordance with
5 procedures and deadlines established by rules promulgated by the state
6 board of education pursuant to section 22-92-105, to receive moneys
7 through the loan program. The office shall administer the loan program
8 as provided in this article and pursuant to the policies adopted by the
9 office.

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

16 (3)(a) A qualified school district that receives a loan through the
17 loan program shall use the moneys received to pay for technical
18 assistance, equipment, or installation costs associated with a renewable
19 energy project or an energy efficiency project.

20 (b) A qualified school district that receives a loan through the loan
21 program for a renewable energy project may use the moneys received to
22 finance the acquisition of a renewable energy project that is located on the
23 school premises and, if it generates electricity, is interconnected on the
24 customer side of the utility meter in accordance with interconnection
25 standards adopted by the public utilities commission. Such a project may
26 incorporate or consist of third-party ownership, as authorized under part
27 2 of article 38.7 of title 24, C.R.S., or an interest in a community solar

1 garden, as defined in section 40-2-127, C.R.S.

2 (4) ~~A qualified school district that applies for a loan through the~~
3 ~~loan program for a renewable energy project shall contact its local~~
4 ~~electrical utility and allow the utility, at the utility's discretion, to place a~~
5 ~~representative of the utility on the school district's renewable energy~~
6 ~~project team.~~

7 (5) ~~A qualified school district may apply for a loan from the loan~~
8 ~~program for a renewable energy project or an energy efficiency project~~
9 ~~that is located at a charter school of the school district.~~

10 **22-92-105. Renewable energy and energy efficiency for schools**
11 **loan program - rules - awarding loans.** ~~(1) On or before October 15,~~
12 ~~2009, the state board of education, in consultation with the Colorado~~
13 ~~energy office, shall promulgate rules establishing policies and procedures~~
14 ~~for the administration of the renewable energy and energy efficiency for~~
15 ~~schools loan program. At a minimum, the rules shall include:~~

16 (a) ~~Policies specifying the procedures by which a qualified school~~
17 ~~district may apply for a loan, the form of the loan application, the~~
18 ~~information to be provided by an applicant, and the criteria used by the~~
19 ~~office for awarding and denying loans;~~

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

23 (I) ~~An energy rating for the facility for which a renewable energy~~
24 ~~project loan is intended that demonstrates that the facility qualifies for the~~
25 ~~federal energy star label or meets the efficiency requirements set forth in~~
26 ~~section 22-32-124.3; or~~

27 (II) ~~An energy efficiency plan that is created in consultation with~~

1 the office, which plan includes:

2 (A) ~~Cost-effective energy-saving measures and programs that the~~
3 ~~applicant will implement; and~~

4 (B) ~~Actions that the applicant will take to implement, monitor,~~
5 ~~review, and revise the plan.~~

6 (2) (a) ~~The Colorado energy office shall review each loan~~
7 ~~application received from a qualified school district pursuant to section~~
8 ~~22-92-104 (1), evaluate the renewable energy project or energy efficiency~~
9 ~~project described therein, and make a recommendation to the state~~
10 ~~treasurer as to whether to award the loan and the amount of the loan. If~~
11 ~~the office determines an application is missing any information required~~
12 ~~by the office's policy to be included with the application, the office may~~
13 ~~contact the applicant to obtain the missing information.~~

14 (b) ~~In reviewing loan applications for renewable energy projects~~
15 ~~and energy efficiency projects pursuant to paragraph (a) of this subsection~~
16 ~~(2), the Colorado energy office shall consider, at a minimum, whether a~~
17 ~~qualified school district would reduce its energy costs by the~~
18 ~~implementation of the renewable energy project or energy efficiency~~
19 ~~project that is the subject of each loan application.~~

20 (3) ~~The state treasurer is authorized to require each qualified~~
21 ~~school district that receives a loan from the loan program to pay to the~~
22 ~~Colorado energy office a fee that reflects the direct and indirect costs~~
23 ~~incurred by the state treasurer in administering loans pursuant to section~~
24 ~~22-92-107. If the state treasurer elects to impose a fee pursuant to this~~
25 ~~subsection (3), he or she shall notify the Colorado energy office and the~~
26 ~~state board of education of the decision to impose the fee. A fee imposed~~
27 ~~pursuant to this subsection (3) may be imposed on a regularly scheduled~~

1 basis to be determined by the state treasurer. A qualified school district
2 that receives a loan from the loan program shall be required to pay the fee
3 until the loan is repaid in full.

4 (4) If the state treasurer elects to impose a fee as part of the loan
5 application process pursuant to subsection (3) of this section, the
6 Colorado energy office shall forward all moneys received as fees to the
7 state treasurer.

8 **22-92-106. Renewable energy and energy efficiency for schools**
9 **loan program administration fund - creation - administrative costs.**

10 (1) There is hereby created in the state treasury the renewable energy and
11 energy efficiency for schools loan program administration fund. The fund
12 shall consist of:

13 (a) Moneys appropriated to the fund from the public school energy
14 efficiency fund created in section 39-29-109.5 (2), C.R.S.;

15 (b) Any other moneys appropriated by the general assembly to the
16 fund;

17 (c) Any gifts, grants, or donations received by the office for the
18 fund pursuant to subsection (4) of this section; and

19 (d) Any other moneys directed to the fund by the office pursuant
20 to subsection (5) of this section.

21 (2) The moneys in the fund shall be subject to annual
22 appropriation by the general assembly for the direct and indirect costs
23 incurred by the office in administering the program pursuant to this
24 article. The moneys in the fund shall not be included in any loan made to
25 a qualified school district pursuant to this article.

26 (3) Any moneys in the fund not expended for the purpose of this
27 article may be invested by the state treasurer as provided by law. All

1 interest and income derived from the investment and deposit of moneys
2 in the fund shall be credited to the fund. Any unexpended and
3 unencumbered moneys remaining in the fund at the end of a fiscal year
4 shall remain in the fund and shall not be credited or transferred to the
5 general fund or another fund.

6 (4) The office may seek and accept gifts, grants, and donations
7 from public and private sources to fund the program, but receipt of gifts,
8 grants, and donations shall not be a prerequisite to the implementation of
9 the program. All private and public funds received through gifts, grants,
10 and donations shall be transmitted to the state treasurer, who shall credit
11 the same to the fund.

12 (5) To the extent permitted by law, the office may, at its
13 discretion, direct other moneys to fund the program.

14 **22-92-107. Loans from public school fund authorized.** (1) As
15 authorized under the provisions of section 3 of article IX of the state
16 constitution, the state treasurer may make loans to school districts to
17 assist them in providing necessary buildings, land, and equipment,
18 including renewable energy projects and energy efficiency projects as
19 described in this article. Loans made pursuant to this article shall not be
20 subject to the provisions of section 24-36-113, C.R.S., that require the
21 state treasurer to secure the maximum rate of interest on investments of
22 state moneys. The procedures for the making of loans shall be determined
23 by the state treasurer subject to the following:

24 (a) No loan shall be authorized for any renewable energy project
25 or energy efficiency project that has not been evaluated by the Colorado
26 energy office pursuant to section 22-92-105 (2)(a).

27 (b) No loan shall be authorized in an amount exceeding the

1 amount recommended by the Colorado energy office pursuant to section
2 22-92-105 (2)(a) unless the Colorado energy office approves the change
3 in the loan amount.

4 (c) No loan shall be authorized unless the method for repayment
5 of the loan is specified in the application.

6 (2)(a) Subject to the limitations described in this section, the state
7 treasurer shall determine the amount of the permanent school fund that
8 may be loaned out pursuant to this section, which qualified school
9 districts shall receive loans, the amount of each loan, the terms of
10 repayment of each loan, and the rate of interest to be charged on loans.
11 The average rate of interest charged on loans made in any calendar year
12 must at least equal the average book yield earned by the fund in the most
13 recently completed quarter. Payments of the principal of and interest on
14 all loans shall be returned to the public school fund.

15 (b) The state treasurer may include, as part of any loan agreement
16 with any qualified school district, whatever terms and conditions he or
17 she feels are necessary to protect the principal of the public school fund
18 against loss.

19 (3) The general assembly shall appropriate money from the
20 general fund to restore moneys to the public school fund, together with
21 interest, that are lost by reason of the failure of any school district to
22 repay a loan made pursuant to this section.

23 (4) Administrative costs that will be incurred by a qualified school
24 district as a result of the renewable energy project or energy efficiency
25 project that is the basis for the loan may be included in the amount of the
26 loan.

27 **SECTION 5.** In Colorado Revised Statutes, 23-31-313, **amend**

1 (7)(b) as follows:

2 **23-31-313. Healthy forests - vibrant communities - funds**
3 **created - repeal. (7) Enhanced economic opportunities.** In order to
4 support local business development and job creation through the
5 implementation of forest treatments, the forest service shall:

6 (b) Work with ~~the Colorado energy office created in section~~
7 ~~24-38.5-101, C.R.S., and the air quality control commission created in~~
8 ~~section 25-7-104 C.R.S.,~~ to support the appropriately increased use of
9 woody biomass in bio-heating.

10 **SECTION 6.** In Colorado Revised Statutes, 23-41-114, **amend**
11 (4)(b)(VI)(A) as follows:

12 **23-41-114. Colorado energy research institute - creation.**

13 (4) The institute shall conduct:

14 (b) The following specific research and educational programs
15 designed to meet the information needs of the department of natural
16 resources, other agencies of the state's executive branch, the legislature,
17 and the public:

18 (VI) (A) To provide grants ~~through the Colorado energy office~~
19 ~~created in section 24-38.5-101, C.R.S.,~~ for the development of a central
20 resource for building trade professionals, including contractors,
21 engineers, architects, and designers, for the purpose of increasing
22 available tools and education to advance energy-efficient design and
23 construction.

24 **SECTION 7.** In Colorado Revised Statutes, 24-38.5-102, **amend**
25 (1)(a)(III) and (1)(o); **repeal** (1)(f), (1)(g), and (1)(r); and **add** (4) as
26 follows:

27 **24-38.5-102. Colorado energy office - duties and powers.**

- 1 (1) The Colorado energy office shall:
- 2 (a) Work with communities, utilities, private and public
3 organizations, and individuals to promote:
- 4 (III) Cleaner energy sources such as biogas, ~~and~~ biomass,
5 HYDROELECTRIC, AND NUCLEAR;
- 6 (f) ~~Implement and administer a wind for schools project pursuant
7 to article 89 of title 22, C.R.S.;~~
- 8 (g) ~~Work with the Colorado energy research institute to provide
9 grants to advance energy-efficient design and construction as specified in
10 section 23-41-114 (4)(b)(VI), C.R.S.;~~
- 11 (o) Collaborate with ~~the department of higher education~~
12 STAKEHOLDERS to develop AND ENCOURAGE INCREASED UTILIZATION OF
13 energy curricula, INCLUDING SCIENCE, TECHNOLOGY, ENGINEERING, AND
14 MATH CURRICULA, that will serve the work force needs of all energy
15 industries. Such collaboration may include EXECUTIVE DEPARTMENTS,
16 research institutions, state colleges, community colleges, INDUSTRY, and
17 trade organizations in an effort to develop a means by which the state may
18 address all facets of work force demands in developing a balanced energy
19 portfolio. Institutions may also partner in the development of curricula
20 with organizations that have existing energy curricula and training
21 programs.
- 22 (r) ~~Implement and administer the renewable energy and energy
23 efficiency for schools loan program pursuant to article 92 of title 22,
24 C.R.S.;~~
- 25 (4) THE DIRECTOR OF THE OFFICE AND THE EXECUTIVE DIRECTOR
26 OF THE DEPARTMENT OF NATURAL RESOURCES, OR THEIR DESIGNEES,
27 SHALL CONVENE STAKEHOLDERS FOR ONE OR MORE MEETINGS BEFORE

1 NOVEMBER 1, 2017, TO IDENTIFY VOLUNTARY METHODS TO ADDRESS
2 FUNDING SHORTFALLS ASSOCIATED WITH THE LONG-TERM MANAGEMENT
3 OF ABANDONED OIL AND GAS FACILITIES.

4 **SECTION 8.** In Colorado Revised Statutes, 24-38.5-102.4,
5 **amend** (1)(a)(I), (2)(a), and (2)(b); and **add** (1)(a)(IV) as follows:

6 **24-38.5-102.4. Energy fund - creation - use of fund -**
7 **definitions - repeal.** (1) (a) (I) ~~The clean and renewable energy fund is~~
8 hereby created in the state treasury. The principal of the fund ~~shall consist~~
9 CONSISTS of ~~moneys~~ MONEY transferred to the fund from the general fund,
10 ~~moneys~~ MONEY transferred to the fund at the end of the 2006-07 state
11 fiscal year and at the end of each succeeding state fiscal year from
12 ~~moneys~~ MONEY received by the Colorado energy office, ~~moneys~~ MONEY
13 received pursuant to the federal "American Recovery and Reinvestment
14 Act of 2009", Pub.L. 111-5, or any amendments thereto, or from revenue
15 contracts, court settlement funds, supplemental environmental program
16 funds, repayment or return of funds from eligible public depositories, and
17 gifts, grants, and donations, and any other ~~moneys~~ MONEY received by the
18 Colorado energy office. Interest and income earned on the deposit and
19 investment of ~~moneys~~ MONEY in the ~~clean and renewable energy fund~~
20 ~~shall be~~ ARE credited to the fund. ~~Moneys~~ MONEY in the fund at the end
21 of any state fiscal year ~~shall remain~~ REMAINS in the fund and ~~shall~~ MAY
22 not be credited to the state general fund or any other fund. ~~Moneys~~
23 MONEY in the fund ~~shall~~ MAY not be transferred to the innovative energy
24 fund created in section 24-38.5-102.5.

25 (IV) (A) ON JULY 1, 2017, AND EACH JULY 1 THEREAFTER
26 THROUGH JULY 1, 2020, THE STATE TREASURER SHALL TRANSFER ONE
27 MILLION SIX HUNDRED THOUSAND DOLLARS TO THE ENERGY FUND FROM

1 THE GENERAL FUND.

2 (B) THIS SUBSECTION (1)(a)(IV) IS REPEALED, EFFECTIVE JULY 1,
3 2021.

4 (2) (a) All ~~moneys~~ MONEY in the ~~clean and renewable~~ energy fund
5 ~~are~~ IS continuously appropriated to the Colorado energy office for the
6 purposes of advancing energy efficiency and renewable energy
7 throughout the state.

8 (b) The Colorado energy office may expend ~~moneys~~ MONEY from
9 the ~~clean and renewable~~ energy fund:

10 (I) To attract renewable energy industry investment in the state;

11 (II) To assist in technology transfer into the marketplace for newly
12 developed energy efficiency and renewable energy technologies;

13 (III) To provide market incentives for the purchase and
14 distribution of energy efficient and renewable energy products;

15 (IV) To assist in the implementation of energy efficiency projects
16 throughout the state;

17 (V) To aid governmental agencies in energy efficiency
18 government initiatives;

19 (VI) To facilitate widespread implementation of renewable energy
20 technologies; ~~and~~

21 (VII) TO EDUCATE THE GENERAL PUBLIC ON ENERGY ISSUES AND
22 OPPORTUNITIES; AND

23 ~~(VII)~~ (VIII) In any other manner that serves the purposes of
24 advancing energy efficiency and renewable energy throughout the state.

25 **SECTION 9.** In Colorado Revised Statutes, 24-38.5-102.5,
26 **amend** (1)(a) and (2)(c)(II) as follows:

27 **24-38.5-102.5. Innovative energy fund - creation - use of fund**

1 **- definitions - repeal.** (1) (a) (I) The innovative energy fund is hereby
2 created in the state treasury. The principal of the fund ~~shall consist~~
3 CONSISTS of ~~moneys~~ MONEY transferred to the fund by the general
4 assembly, ~~moneys~~ MONEY transferred at the end of each state fiscal year
5 from ~~moneys~~ MONEY received by the Colorado energy office, ~~moneys~~
6 ~~received pursuant to section 39-29-108 (2), C.R.S.,~~ or from revenue
7 contracts, court settlement funds, supplemental program funds, repayment
8 or return of funds from eligible public depositories, and gifts, grants, and
9 donations, and any other ~~moneys~~ MONEY received by the Colorado energy
10 office. Interest and income earned on the deposit and investment of
11 ~~moneys~~ MONEY in the innovative energy fund ~~shall be~~ IS credited to the
12 fund. ~~Moneys~~ MONEY in the fund at the end of any state fiscal year ~~shall~~
13 ~~remain~~ REMAINS in the fund and ~~shall~~ MAY not be credited to the state
14 general fund or any other fund. ~~Moneys~~ MONEY in the fund ~~shall~~ MAY not
15 be transferred to the ~~clean and renewable~~ energy fund created in section
16 24-38.5-102.4.

17 (II) (A) ON JULY 1, 2017, AND EACH JULY 1 THEREAFTER
18 THROUGH JULY 1, 2020, THE STATE TREASURER SHALL TRANSFER ONE
19 MILLION FIVE HUNDRED THOUSAND DOLLARS TO THE INNOVATIVE ENERGY
20 FUND FROM THE GENERAL FUND.

21 (B) THIS SUBSECTION (1)(a)(II) IS REPEALED, EFFECTIVE JULY 1,
22 2021.

23 (2) (c) (II) The Colorado energy office may establish terms and
24 conditions for making grants or loans pursuant to this section and in
25 accordance with the objectives of the office as set forth in section
26 24-38.5-102. ~~except that the grants or loans shall be limited to innovative~~
27 ~~energy efficiency projects and policy development.~~

1 **SECTION 10.** In Colorado Revised Statutes, **repeal** 24-38.5-104
2 as follows:

3 **24-38.5-104. Photovoltaic installer qualifications - cooperation**
4 **with department of regulatory agencies.** ~~(1) Effective July 1, 2011, all~~
5 ~~photovoltaic installations funded wholly or partially through state or~~
6 ~~federal grants, including grants under the federal "American Recovery~~
7 ~~and Reinvestment Act of 2009", Pub.L. 111-5, shall be subject to the~~
8 ~~requirements set forth in section 40-2-128, C.R.S.~~

9 ~~(2) If the governor, by executive order, appoints a committee to~~
10 ~~study the desirability of credentialing of solar installers, the committee,~~
11 ~~or the Colorado energy office on the committee's behalf, is specifically~~
12 ~~authorized to submit a proposal for such credentialing to the department~~
13 ~~of regulatory agencies pursuant to section 24-34-104.1 (2). In addition,~~
14 ~~the committee may study and make recommendations concerning the~~
15 ~~scope-of-work provisions of section 40-2-128, C.R.S., specifically~~
16 ~~including enforcement of the supervision and worker ratio requirements~~
17 ~~of section 40-2-128 (1)(c) and (1)(d), C.R.S.~~

18 **SECTION 11.** In Colorado Revised Statutes, **repeal** part 2 of
19 article 38.5 of title 24 as follows:

20 PART 2

21 GREEN BUILDING INCENTIVE

22 PILOT PROGRAM

23 **24-38.5-201. Legislative declaration.** ~~(1) The general assembly~~
24 ~~hereby finds and declares that:~~

25 ~~(a) An incentive-based green building pilot program will strive to~~
26 ~~reduce electricity, gas, and water use in older homes while providing an~~
27 ~~incentive for homebuyers to purchase new residential construction that~~

1 meets stringent energy efficiency standards;

2 (b) ~~Providing incentives for new residential construction that~~
3 ~~meets stringent energy efficiency standards and improving energy~~
4 ~~efficiency in existing residences can stimulate local and state economies~~
5 ~~and provide opportunities for job growth in green jobs and industries that~~
6 ~~are focused on improving energy efficiency of both new and existing~~
7 ~~residences; and~~

8 (c) ~~An incentive-based green building pilot program will benefit~~
9 ~~homebuyers who are attempting to purchase highly energy efficient new~~
10 ~~residential construction and retrofit existing homes in an attempt to~~
11 ~~reduce energy and water consumption.~~

12 **24-38.5-202. Definitions.** ~~As used in this part 2, unless the~~
13 ~~context otherwise requires:~~

14 (1) ~~"Energy code" means the 2006 international energy~~
15 ~~conservation code, or any successor edition, published by the~~
16 ~~international code council or any state or local energy code that has more~~
17 ~~recent or more stringent requirements.~~

18 (2) ~~"Energy efficiency improvement" means:~~

19 (a) ~~An upgrade to a structure, appliance, fixture, plumbing,~~
20 ~~heating or cooling system, or water heater in any existing residence that~~
21 ~~is intended to reduce the consumption of electricity, natural gas, water, or~~
22 ~~any other fuel or energy source; and~~

23 (b) ~~The installation or upgrade of building insulation, air sealing~~
24 ~~measures, and duct sealing in any existing residence.~~

25 (3) ~~"Existing residence" means a residence, either single-family~~
26 ~~detached or multi-family, that:~~

27 (a) ~~Is located in Colorado;~~

1 (b) Is used as the qualified homebuyer's primary residence; and

2 (c) ~~Has a current home energy rating, as determined by a~~
3 ~~recognized green building rating system, that is below minimum~~
4 ~~standards, as determined by the energy code.~~

5 (4) "Green building incentive pilot program" or "pilot program"
6 means the green building incentive pilot program described in section
7 24-38.5-203.

8 (5) "Highly efficient new residential construction" means a new
9 single-family detached residence or new multi-family residence located
10 in Colorado that is designed and constructed to be at least twenty-five
11 percent more efficient than the energy code's requirements, as
12 documented by a recognized green building rating system.

13 (6) "Home energy audit" means an inspection, survey, and
14 analysis of a home's structure and systems in order to quantify the
15 building's projected energy consumption.

16 (7) "Home energy rating" means an objective and standard
17 measurement of a home's energy efficiency relative to standards
18 contained in an energy code, such as those developed by the residential
19 energy services network or any successor organization.

20 (8) "Qualified homebuyer" means a person that has entered into
21 a sales contract to purchase highly efficient new residential construction
22 and will be selling the person's existing residence in order to purchase the
23 highly efficient new residential construction as the person's primary
24 residence.

25 (9) "Recognized green building rating system" means a system of
26 rules for comparing the performance of a whole building or building
27 system to the energy code, to a problem, or to a test case that serves as a

1 basis for evaluation or comparison. "Recognized green building rating
2 system" includes, but is not limited to:

3 (a) ~~The federal energy star program, jointly operated by the United
4 States environmental protection agency and the United States department
5 of energy, or its successor program;~~

6 (b) ~~The January 2008 version, or any successor standard, of the
7 "LEED for Homes Rating System" administered by the United States
8 green building council or its successor organization;~~

9 (c) ~~The national green building standard, commonly cited as
10 ANSI/ICC 700-2008, established by the national association of home
11 builders and the international council code, or any successor standard; and~~

12 (d) ~~Energy audits that are performed by the electric utility, or its
13 designee, providing service to the residence.~~

14 **24-38.5-203. Green building incentive pilot program.**

15 (1) ~~Except as provided in paragraph (b) of subsection (9) of this section,
16 the Colorado energy office shall establish and administer a green building
17 incentive pilot program in accordance with the requirements established
18 in this part 2.~~

19 (2) (a) ~~A qualified homebuyer may submit an application,
20 provided by the Colorado energy office, to the Colorado energy office for
21 a grant to make energy efficiency improvements to the homebuyer's
22 existing residence that the homebuyer is selling in preparation for
23 purchasing a highly efficient new residential construction.~~

24 (b) ~~The Colorado energy office shall award a larger grant to a
25 qualified homebuyer with an existing residence that has a home energy
26 rating or home energy audit showing greater inefficiency.~~

27 (3) ~~The energy efficiency improvements shall be performed by~~

1 ~~contractors approved by the Colorado energy office as specified in~~
2 ~~subsection (6) of this section.~~

3 ~~(4) The Colorado energy office shall require the qualified~~
4 ~~homebuyer to submit documentation:~~

5 ~~(a) That the home energy rating of the qualified homebuyer's~~
6 ~~existing residence is below the energy code's requirements;~~

7 ~~(b) That the qualified homebuyer has entered into a sales contract~~
8 ~~to purchase a highly efficient new residential construction;~~

9 ~~(c) Of the estimated completion date of the qualified homebuyer's~~
10 ~~highly efficient new residential construction;~~

11 ~~(d) Of the name or names of the contractors that will perform the~~
12 ~~energy efficiency improvements on the existing residence; and~~

13 ~~(e) That the highly efficient new residential construction meets the~~
14 ~~definition specified in section 24-38.5-202 (5). The qualified homebuyer~~
15 ~~may seek such documentation from the home builder, who may then~~
16 ~~submit the documentation on behalf of the qualified homebuyer.~~

17 ~~(5) Energy efficiency improvements made to an existing residence~~
18 ~~shall be completed in a manner that is consistent with a home energy~~
19 ~~rating or a home energy audit, and shall result in improved energy~~
20 ~~efficiency. Retrofits and upgrades to improve the energy efficiency of a~~
21 ~~qualified homebuyer's existing residence shall be completed before the~~
22 ~~closing of the sale of the residence.~~

23 ~~(6) The Colorado energy office shall create a list of contractors~~
24 ~~eligible to perform energy efficiency improvements to a qualified~~
25 ~~homebuyer's existing residence.~~

26 ~~(7) In order to confirm that the qualified homebuyer met the~~
27 ~~requirements of the pilot program, the qualified homebuyer shall submit~~

1 to the Colorado energy office copies of closing documentation for the
2 highly efficient new residential construction no later than thirty days after
3 the construction is complete. If construction is delayed and not completed
4 by the estimated completion date, the Colorado energy office may grant
5 a waiver or extension for submission of this documentation.

6 (8) If the purchase of the highly efficient new residential
7 construction is not finalized for any reason, including but not limited to
8 the cancellation of the sale by the qualified homebuyer or the failure of
9 the qualified homebuyer to secure financing, the qualified homebuyer
10 shall reimburse the total amount of the grant to the Colorado energy
11 office within thirty days after such cancellation or failure.

12 (9) (a) Funding for the pilot program shall be provided from
13 federal funds transferred to the Colorado energy office that the Colorado
14 energy office has already received prior to August 10, 2011, or may
15 receive after August 10, 2011. The Colorado energy office may require
16 additional documentation or information from the qualified homebuyer
17 as required to secure any additional federal funds.

18 (b) The Colorado energy office shall not establish the pilot
19 program set forth in this part 2 if federal funds are not available.

20 **SECTION 12.** In Colorado Revised Statutes, **repeal** article 38.7
21 of title 24 as follows:

22 **ARTICLE 38.7**

23 **Colorado Clean Energy Finance Program**

24 **PART 1**

25 **GENERAL PROVISIONS**

26 **24-38.7-101. Short title.** This article shall be known and may be
27 cited as the "~~Colorado Clean Energy Finance Program Act~~".

1 **24-38.7-101.5. Legislative declaration.** ~~The general assembly~~
2 ~~finds, determines, and declares that energy-efficiency improvements for~~
3 ~~existing buildings are one of the wisest investments that any individual or~~
4 ~~business can make. However, many Coloradans may be under the~~
5 ~~mistaken impression that the cost of such improvements is out of reach~~
6 ~~for them or that financing would be difficult to obtain. Therefore, the~~
7 ~~general assembly encourages all Coloradans to investigate the possibility~~
8 ~~of financing energy-efficiency improvements by contacting their current~~
9 ~~lenders, including banks, mortgage lenders, credit unions, and other~~
10 ~~financial institutions. Nothing in this article is intended to affect lending~~
11 ~~requirements or limitations nor to alter the scope of lending as currently~~
12 ~~defined between banks and credit unions or other lenders.~~

13 **24-38.7-102. Definitions.** ~~As used in this part 1, unless the~~
14 ~~context otherwise requires:~~

15 (1) ~~"Area median income" means the median income of the county~~
16 ~~in which the primary residence of a qualified borrower is located in~~
17 ~~relation to family size, as published annually by the United States~~
18 ~~department of housing and urban development.~~

19 (2) ~~"Certified contractor" means:~~

20 (a) ~~A contractor, including but not limited to a general, heating,~~
21 ~~air conditioning, or lighting contractor, certified by the program~~
22 ~~administrator to market the program to potential qualified borrowers and~~
23 ~~make clean energy improvements that may be financed by clean energy~~
24 ~~loans; and~~

25 (b) ~~A manufacturer or dealer of manufactured homes, as defined~~
26 ~~in section 24-32-3302, who is certified by the program administrator to~~
27 ~~market the program to potential qualified borrowers and make clean~~

1 energy improvements that may be ~~financed by clean energy loans.~~

2 (3) ~~"Clean energy improvement" means:~~

3 (a) ~~Any repair of or addition or improvement to residential real~~
4 ~~property completed by or under the supervision of a certified contractor~~
5 ~~that improves the energy efficiency of the property or replaces all or a~~
6 ~~portion of the energy from nonrenewable sources used in connection with~~
7 ~~the property with energy from renewable sources; and~~

8 (b) ~~Any installation of, or connection with, equipment that~~
9 ~~produces or conducts recycled energy or renewable energy resources, as~~
10 ~~defined in section 40-2-124, C.R.S., or solar heating and cooling systems,~~
11 ~~for use on residential or commercial real property if such installation or~~
12 ~~connection is completed by or under the supervision of a certified~~
13 ~~contractor.~~

14 (4) ~~"Clean energy loan" means a loan in a maximum amount of~~
15 ~~twelve thousand five hundred dollars originated by a participating public~~
16 ~~lender or a participating private lender, including but not limited to a bank~~
17 ~~or mortgage lender, to a qualified borrower for the purpose of financing~~
18 ~~one or more clean energy improvements to the borrower's primary~~
19 ~~residence, rental property, or place of business; except that, if the~~
20 ~~qualified borrower is a nonprofit corporation or local government housing~~
21 ~~authority that provides units in a multi-unit housing project as homes to~~
22 ~~individuals or families who meet the income qualifications of first tier or~~
23 ~~second tier qualified borrowers, the maximum amount of a loan shall be~~
24 ~~twelve thousand five hundred dollars multiplied by the number of units~~
25 ~~in the multi-unit housing project provided to the individuals or families.~~

26 (5) ~~"First tier qualified borrower" means a qualified borrower~~
27 ~~whose income is less than eighty percent of area median income.~~

- 1 ~~(6) "Office" means the Colorado energy office.~~
- 2 ~~(7) "Program" means the Colorado clean energy finance program.~~
- 3 ~~(8) "Program administrator" or "administrator" means one or more~~
4 ~~entities selected by the office to:~~
- 5 ~~(a) Market the program;~~
- 6 ~~(b) Recruit, train, and certify contractors;~~
- 7 ~~(c) Measure and verify, in accordance with standards established~~
8 ~~by the office, energy, emissions, and gross and net cost savings resulting~~
9 ~~from clean energy improvements financed by clean energy loans~~
10 ~~originated and serviced by participating public lenders and private~~
11 ~~lenders;~~
- 12 ~~(d) Encourage homeowners to participate in utility demand side~~
13 ~~management programs where applicable; and~~
- 14 ~~(e) Perform such other duties as may be authorized in this article~~
15 ~~or required by the office.~~
- 16 ~~(9) "Program fund" means the clean energy program fund created~~
17 ~~in section 24-38.7-103 (2)(a).~~
- 18 ~~(10) "Public lender" means a county, municipality, district,~~
19 ~~authority, or other political subdivision of the state authorized to make~~
20 ~~economic development, affordable housing, or housing rehabilitation~~
21 ~~loans.~~
- 22 ~~(11) "Qualified borrower" means an individual or family who~~
23 ~~owns his, her, or their primary residence and satisfies lending guidelines~~
24 ~~established by the program administrator or a Colorado charitable~~
25 ~~nonprofit corporation exempt from taxation under section 501 (c) (3) of~~
26 ~~the federal "Internal Revenue Code of 1986", as amended, or county or~~
27 ~~municipal housing authority that provides homes for ownership or rental~~

1 to homeowners or renters who meet the income qualifications of first tier
2 or second tier qualified borrowers.

3 (12) "Second tier qualified borrower" means a qualified borrower
4 whose income is eighty percent or more, but less than one hundred twenty
5 percent, of area median income.

6 (13) "Third tier qualified borrower" means a qualified borrower
7 whose income is one hundred twenty percent or more of area median
8 income.

9 **24-38.7-103. Colorado energy office - powers and duties -**
10 **program - fund created.** (1) ~~The Colorado clean energy finance~~
11 ~~program is hereby created. The office shall oversee the program and the~~
12 ~~program administrator and shall, in addition to exercising any other~~
13 ~~powers and performing any other duties specified in this article:~~

14 (a) ~~Select the program administrator in accordance with the~~
15 ~~provisions of the "Procurement Code", articles 101 to 112 of this title. In~~
16 ~~selecting the program administrator, the office shall consider the extent~~
17 ~~to which a potential program administrator has demonstrated experience~~
18 ~~in recruiting, training, and certifying contractors or can otherwise~~
19 ~~establish that it will be able to perform such functions:~~

20 (b) ~~Directly market the program to the general public or contract~~
21 ~~with the program administrator for the marketing of the program to the~~
22 ~~general public;~~

23 (c) ~~Develop and operate or contract with the program~~
24 ~~administrator for the development and operation of a quality assurance,~~
25 ~~measurement, and verification program to:~~

26 (I) ~~Monitor the quality of clean energy improvement installations;~~

27 (II) ~~Measure and report on energy, emissions, and gross and net~~

1 cost savings resulting from clean energy improvements financed by clean
2 energy loans; and

3 ~~(HH) Authorize participating lenders, certified contractors, and~~
4 ~~qualified borrowers on whose property clean energy improvements are~~
5 ~~made to use the "Colorado Clean & Green" logo or other logo and~~
6 ~~marketing materials prepared in accordance with section 24-38.7-105.~~

7 ~~(d) Determine, in consultation with the state treasurer, when the~~
8 ~~administrative and procedural framework for the program and the~~
9 ~~available administrative and financial resources for the program are~~
10 ~~sufficiently developed to allow the office to effectively oversee the~~
11 ~~program. No clean energy loan shall be marketed to a potential qualified~~
12 ~~borrower, applied for by a potential qualified borrower, or made to a~~
13 ~~qualified borrower until the office has determined that it is ready to~~
14 ~~effectively oversee the program and instructed certified contractors to~~
15 ~~begin marketing clean energy loans.~~

16 ~~(e) Exercise such other powers and perform such other duties~~
17 ~~necessary or incidental to or implied from the specific powers and duties~~
18 ~~specified in this article.~~

19 ~~(2) (a) The clean energy program fund is hereby created in the~~
20 ~~state treasury, and the following accounts are hereby created in the fund:~~

21 ~~(I) The loan buy-down account; and~~

22 ~~(H) The loan loss reserve account.~~

23 ~~(b) The program fund and the accounts of the program fund shall~~
24 ~~consist of such moneys as the general assembly may appropriate thereto~~
25 ~~from the innovative energy fund created in section 24-38.5-102.5, the~~
26 ~~clean and renewable energy fund created in section 24-38.5-102.4, and~~
27 ~~any gifts, grants, or donations that may be made to the program fund. In~~

1 ~~accordance with section 24-36-113 (1)(a), which requires the state~~
2 ~~treasurer, in making investments, to use prudence and care to preserve the~~
3 ~~principal and to secure the maximum rate of interest consistent with~~
4 ~~safety and liquidity, if the general assembly chooses not to appropriate~~
5 ~~moneys to the program fund or to the accounts of the program fund;~~
6 ~~nothing in this article shall be deemed to require the state treasurer to~~
7 ~~credit any moneys to the program fund or the accounts of the program~~
8 ~~fund. All interest and income earned on the deposit and investment of~~
9 ~~moneys in the program fund and the accounts of the program fund shall~~
10 ~~be used for the loan buy-down account and the loan loss reserve account.~~
11 ~~Moneys in the loan buy-down account and loan loss reserve account of~~
12 ~~the program fund shall remain in the accounts and shall not be transferred~~
13 ~~to the general fund or any other fund at the end of any fiscal year.~~

14 ~~(3) (a) All moneys in the program fund are continuously~~
15 ~~appropriated to the office, and the office shall make payments from the~~
16 ~~loan buy-down account of the program fund to participating public~~
17 ~~lenders and private lenders to compensate the lenders for the reduction in~~
18 ~~the amount of future interest payments resulting from the provision of~~
19 ~~clean energy loans to first tier and second tier qualified borrowers at the~~
20 ~~below-market interest rates determined pursuant to section 24-38.7-104~~
21 ~~(2). The office shall pay the compensation for each clean energy loan by~~
22 ~~paying to the lender a lump sum equal to the present value of the~~
23 ~~reduction in future interest payments on the date the loan closes.~~

24 ~~(b) The office shall make payments from the loan loss reserve~~
25 ~~account of the program fund to compensate participating public lenders~~
26 ~~and private lenders for the uncollectible amount of clean energy loans any~~
27 ~~such lenders have written off. The office shall pay the compensation for~~

1 each uncollectible clean energy loan by paying to the lender a lump sum
2 equal to the present value of the uncollectible portion of the loan on the
3 date the lender wrote it off.

4 (c) ~~The state treasurer shall periodically transfer moneys from the~~
5 ~~loan buy-down account of the program fund to the loan loss reserve~~
6 ~~account of the program fund to ensure that the balance of the loan loss~~
7 ~~reserve account is at least five percent of the total principal amount of~~
8 ~~outstanding clean energy loans made by participating public lenders and~~
9 ~~private lenders. The administrator shall update the state treasurer~~
10 ~~regarding outstanding clean energy loans originated by such lenders as~~
11 ~~required by the state treasurer so that the state treasurer can accurately~~
12 ~~determine the appropriate amount and timing of transfers.~~

13 (d) ~~The state treasurer may invest up to a total amount of forty~~
14 ~~million dollars of state moneys in bonds or notes issued by participating~~
15 ~~public or private lenders for the purpose of funding clean energy loans~~
16 ~~under this part 1 and under part 2 of this article during the 2008-09,~~
17 ~~2009-10, and 2010-11 fiscal years subject to the following conditions:~~

18 (I) ~~The state treasurer may invest no more than fifteen million~~
19 ~~dollars during the 2008-09 fiscal year and no more than a total amount of~~
20 ~~twenty-five million dollars during the 2008-09 and 2009-10 fiscal years;~~
21 ~~and~~

22 (II) ~~Such investments shall be subject to the state treasurer's~~
23 ~~discretion and shall comply with the qualifications for state investments~~
24 ~~listed in section 24-36-113.~~

25 **24-38.7-104. Program administrator - training and**
26 **certification of contractors - reporting.** (1) ~~In accordance with terms~~
27 ~~contractually agreed to by the program administrator and the office,~~

1 acting on behalf of the state, the program administrator shall implement
2 and administer the program by:

3 ~~(a) Recruiting, selecting, screening, training, and certifying~~
4 ~~contractors, including but not limited to general, heating, air conditioning,~~
5 ~~and lighting contractors, to be certified contractors capable of marketing~~
6 ~~the program and completing clean energy improvements. The program~~
7 ~~administrator may charge contractors a reasonable fee for training and~~
8 ~~certification, and the recruiting, selection, screening, training, and~~
9 ~~certification process shall include, at a minimum:~~

10 ~~(I) Direct marketing of the program to contractors;~~

11 ~~(II) Financial and business practices background checks of~~
12 ~~contractors seeking to become certified contractors; and~~

13 ~~(III) Initial training that includes:~~

14 ~~(A) Education regarding the elements of the program, the~~
15 ~~financial and environmental benefits of clean energy improvements,~~
16 ~~including but not limited to specific education regarding products~~
17 ~~qualified to bear the federal energy star label, and recommended means~~
18 ~~of marketing the program to potential program customers; and~~

19 ~~(B) The provision of information regarding additional required~~
20 ~~training and other requirements for contractors who may wish to become~~
21 ~~preferred contractors under the federal home performance with energy~~
22 ~~star program.~~

23 ~~(b) Issuing annual reports regarding the administration of the~~
24 ~~program as specified in subsection (3) of this section.~~

25 ~~(2) A potential qualified borrower shall apply for a clean energy~~
26 ~~loan by completing an initial loan application. The office or, at the~~
27 ~~discretion of the office, the program administrator or participating public~~

1 lenders and private lenders shall prescribe the form of the loan application
2 and shall determine, based on the application and such other information
3 as the administrator may reasonably require from the applicant, whether
4 the applicant is a qualified borrower and, if so, whether the qualified
5 borrower is a first tier, second tier, or third tier qualified borrower.
6 However, a participating public lender may only originate clean energy
7 loans for first tier and second tier qualified borrowers. A qualified
8 borrower may choose a loan term of up to ten years. The state treasurer
9 shall, using a formula tied to a regularly published interest rate index
10 selected by the state treasurer, determine a base annual rate of interest to
11 be charged on loans made to third tier qualified borrowers. The state
12 treasurer shall set an annual rate of interest for loans to second tier
13 qualified borrowers by subtracting a number of basis points selected by
14 the state treasurer from the base annual rate and shall set an annual rate
15 of interest for loans to first tier qualified borrowers by subtracting a
16 number of basis points selected by the state treasurer from the annual rate
17 of interest for loans to second tier qualified borrowers. The interest rate
18 charged to a qualified borrower that is a nonprofit corporation or a
19 housing authority shall be the interest rate charged to second tier qualified
20 borrowers; except that the interest rate charged to a nonprofit corporation
21 or housing authority shall be the interest rate charged to first tier qualified
22 buyers if the nonprofit corporation or housing authority only provides the
23 housing for which the loan will finance clean energy improvements to
24 individuals or families who are first tier qualified borrowers.

25 (2.5) (a) The office shall not issue a clean energy loan under this
26 article for the installation of solar photovoltaic equipment to a qualified
27 borrower until the borrower certifies that:

1 ~~(I) (A) The performance of all photovoltaic electrical work, the~~
2 ~~installation of photovoltaic modules, and the installation of photovoltaic~~
3 ~~module mounting equipment is subject to on-site supervision by a~~
4 ~~certified photovoltaic energy practitioner as designated by the North~~
5 ~~American board of certified energy practitioners (NABCEP) or a licensed~~
6 ~~master electrician, licensed journeyman electrician, or licensed residential~~
7 ~~wireman, as defined in section 12-23-101, C.R.S.~~

8 ~~(B) In the case of building-integrated photovoltaic technology, if~~
9 ~~the type of building-integrated photovoltaic technology installed or the~~
10 ~~scope of the building-integrated photovoltaic installation involved does~~
11 ~~not require a licensed master electrician, licensed journeyman electrician,~~
12 ~~or licensed residential wireman to perform the installation work and the~~
13 ~~installation work concerns the installation of roofing materials, the on-site~~
14 ~~supervision may be performed by a certified solar energy installer, as~~
15 ~~designated by NABCEP or roof integrated solar energy (RISE).~~

16 ~~(C) For a building-integrated photovoltaic installation, a licensed~~
17 ~~master electrician, licensed journeyman electrician, or licensed residential~~
18 ~~wireman must perform the installation work for any stage of the~~
19 ~~installation after the installation materials penetrate the roof, a structural~~
20 ~~wall, or another part of the building, or any stage of the installation in~~
21 ~~which the building-integrated photovoltaic materials transition to a~~
22 ~~surface-mounted junction box and utilize types of conduit and building~~
23 ~~wire that are approved by the national electrical code, as defined in~~
24 ~~section 12-23-101 (3.2), C.R.S.~~

25 ~~(D) By submitting an initial application for funding or an initial~~
26 ~~contract proposal, the applicant assumes responsibility for employing or~~
27 ~~contracting with one or more certified energy practitioners or licensed~~

1 ~~master electricians, licensed journeyman electricians, or licensed~~
2 ~~residential wiremen to supervise the installation and as necessary to~~
3 ~~maintain the three-to-one ratio required by subparagraphs (II) and (III) of~~
4 ~~this paragraph (a), including during any off-site, pre-installation~~
5 ~~assembly. To receive final payment for the work, the applicant must~~
6 ~~supply the name and certification number of each certified energy~~
7 ~~practitioner or the license number of each master electrician, journeyman~~
8 ~~electrician, or residential wireman who actually provided on-site~~
9 ~~supervision or was present to maintain the three-to-one ratio required by~~
10 ~~subparagraphs (III) and (IV) of this paragraph (a).~~

11 ~~(II) All work performed on the alternating-current side of the~~
12 ~~inverter will be performed by an electrical contractor who employs a~~
13 ~~licensed journeyman electrician or a licensed residential wireman who~~
14 ~~will perform the work. All electrical work that pertains to article 23 of~~
15 ~~title 12, C.R.S., will be performed by an electrical apprentice registered~~
16 ~~with the appropriate state regulatory agency, a licensed journeyman~~
17 ~~electrician, or a licensed residential wireman. The appropriate ratio of no~~
18 ~~less than one journeyman or residential wireman for every three electrical~~
19 ~~apprentices will be maintained.~~

20 ~~(III) On a system with a direct current design capacity of more~~
21 ~~than five hundred kilowatts:~~

22 ~~(A) During any photovoltaic electrical work, the ratio of the~~
23 ~~number of persons who are assisting with the work and who are neither~~
24 ~~licensed electricians nor registered electrical apprentices to the number~~
25 ~~of persons who are certified as provided in subparagraph (I) of this~~
26 ~~paragraph (a) shall never exceed three to one, and a person who is both~~
27 ~~licensed and certified shall not count double for purposes of measuring~~

1 this ratio; and

2 ~~(B) There shall be at least one on-site supervisor who is certified~~
3 ~~as provided in subparagraph (I) of this paragraph (a) during the~~
4 ~~installation of photovoltaic modules, the installation of photovoltaic~~
5 ~~module mounting equipment, and any photovoltaic electrical work;~~
6 ~~except that, if at any time during any of these stages, there are more than~~
7 ~~twelve persons on the work site who are neither licensed electricians nor~~
8 ~~registered electrical apprentices and who are not certified as provided in~~
9 ~~subparagraph (I) of this paragraph (a), there shall be at least two persons~~
10 ~~who are certified as provided in subparagraph (I) of this paragraph (a)~~
11 ~~present on the work site and providing direct supervision.~~

12 ~~(IV) On a system with a direct current design capacity of five~~
13 ~~hundred kilowatts or less:~~

14 ~~(A) During the installation of photovoltaic modules, the~~
15 ~~installation of photovoltaic module mounting equipment, and any~~
16 ~~photovoltaic electrical work, the ratio of the number of persons who are~~
17 ~~assisting with the work and who are neither licensed electricians nor~~
18 ~~registered electrical apprentices to the number of persons who are~~
19 ~~certified as provided in paragraph (a) of this subsection (2.5) shall never~~
20 ~~exceed three to one, and a person who is both licensed and certified shall~~
21 ~~not count double for purposes of measuring this ratio; and~~

22 ~~(B) There shall be, at all times, at least one on-site supervisor who~~
23 ~~is certified as provided in subparagraph (I) of this paragraph (a).~~

24 ~~(b) As used in this subsection (2.5), the terms "photovoltaic~~
25 ~~electrical work" and "photovoltaic module mounting equipment" shall~~
26 ~~have the meanings set forth in section 40-2-128, C.R.S.~~

27 ~~(3)(a) No later than one year from the date of issuance of the first~~

1 ~~clean energy loan by a participating public lender or private lender~~
2 ~~pursuant to this article, and no later than the same date each subsequent~~
3 ~~year, the program administrator shall provide to the office a report~~
4 ~~detailing its administration of the program since its inception and for the~~
5 ~~prior fiscal year. The report shall include, at a minimum:~~

6 ~~(I) A detailed accounting of the financial status of the program,~~
7 ~~including statements regarding:~~

8 ~~(A) The total number and principal amount of clean energy loans~~
9 ~~originated and the number and principal amount of clean energy loans~~
10 ~~originated to first tier, second tier, and third tier qualified borrowers;~~

11 ~~(B) The total amount of outstanding principal and interest on~~
12 ~~clean energy loans owed by qualified borrowers and the amount of such~~
13 ~~principal and interest owed by first tier, second tier, and third tier~~
14 ~~qualified borrowers;~~

15 ~~(C) The total number and principal and interest amounts of any~~
16 ~~uncollectible clean energy loans written off by participating public~~
17 ~~lenders and private lenders and the number and principal amounts of such~~
18 ~~loans issued to first tier, second tier, and third tier qualified borrowers;~~

19 ~~(D) The total amount of bonds or other notes in which the state~~
20 ~~treasurer has invested as authorized by section 24-38.7-103 (3)(d), the~~
21 ~~payments made on such bonds or other notes, and the payments to be~~
22 ~~made in the future on such bonds or other notes; and~~

23 ~~(E) The amounts paid to participating public lenders and private~~
24 ~~lenders by the office pursuant to section 24-38.7-103 (3)(a) and (3)(b) and~~
25 ~~any contracts entered into by the state and the administrator as authorized~~
26 ~~by this article;~~

27 ~~(H) Estimates of the total energy, emissions, and gross and net~~

1 cost savings resulting from clean energy improvements financed by clean
2 energy loans; and

3 (HH) ~~Any recommended program improvements.~~

4 (b) ~~Subject to the limitation set forth in section 24-1-136(11), no~~
5 ~~later than January 30, 2010, and no later than each January 30 thereafter,~~
6 ~~the office shall report to the transportation and energy committee of the~~
7 ~~house of representatives and the agriculture, natural resources, and energy~~
8 ~~committee of the senate, or any successor committees, regarding the~~
9 ~~program. The report shall include the information provided to the office~~
10 ~~in the program administrator's annual report and whatever additional~~
11 ~~information the office deems relevant to fully apprise the committees~~
12 ~~regarding the status of the program.~~

13 **24-38.7-105. Administration - "Colorado Clean & Green"**
14 **designation - cash funding.** ~~(1) The office, or the administrator under~~
15 ~~the direction of the office, may produce or cause to be produced a suitable~~
16 ~~design or drawing, referred to in this section as the "logo", to be used in~~
17 ~~the marketing of clean energy loans and clean energy improvements. The~~
18 ~~logo may, but is not required to, contain the slogan "Colorado Clean &~~
19 ~~Green" or other words or symbols as the office in its discretion may deem~~
20 ~~appropriate.~~

21 ~~(2) The title to the logo and copyrights for all marketing materials~~
22 ~~using the logo shall at all times remain in and be reserved to the office.~~

23 ~~(3) The logo, or any reproduction, copy, or facsimile thereof, may~~
24 ~~not be used in any advertising, display, labeling, or identification without~~
25 ~~prior written permission from the office.~~

26 ~~(4) A lender, certified contractor, or qualified borrower that~~
27 ~~complies with this article and the office's qualifications for use of the logo~~

1 shall be permitted to use the logo in advertising, labeling, or marketing of
2 products and services.

3 (5) ~~The cost of the design and production of the logo shall be~~
4 ~~recovered through license fees. The office or administrator may condition~~
5 ~~the design and production of the logo on the receipt of gifts, grants,~~
6 ~~donations, or advance deposits in an amount sufficient to defray the costs~~
7 ~~of design and production.~~

8 PART 2

9 THIRD-PARTY COMMERCIAL

10 SOLAR ENERGY INSTALLATIONS

11 **24-38.7-201. Legislative declaration.** ~~This part 2 is intended to~~
12 ~~complement part 1 of this article by facilitating clean energy loans for~~
13 ~~larger-scale commercial, industrial, and institutional installations of solar~~
14 ~~heating or cooling and solar electric generation facilities, which hold~~
15 ~~great potential for clean energy development but in which the size~~
16 ~~limitations, economic incentives, and industry practices applicable to~~
17 ~~small residential installations either cannot be duplicated or are not~~
18 ~~economically feasible.~~

19 **24-38.7-202. Definitions.** ~~As used in this part 2, unless the~~
20 ~~context otherwise requires:~~

21 (1) ~~"Clean energy improvement" means an installation of solar~~
22 ~~heating, solar cooling, or solar electric generation equipment and any~~
23 ~~related controls, meters, wiring, and other facilities on commercial,~~
24 ~~industrial, or government-owned real property.~~

25 (2) ~~"Clean energy loan" means a loan originated by a participating~~
26 ~~public lender or a participating private lender, including but not limited~~
27 ~~to a bank or mortgage lender, for the purpose of financing one or more~~

1 clean energy improvements to commercial, industrial, or
2 government-owned real property, subject to the following conditions:

3 (a) The loan may, but need not, be to an independent third party
4 rather than to the owner of the property or to a public utility.

5 (b) The loan may be for a fixed term of twenty years.

6 (c) The loan may be a fully assumable, nonrecourse loan and may
7 not be subject to any prepayment penalty.

8 (d) The amount of the loan may exceed the amount stated in
9 section 24-38.7-102 (4).

10 (3) "Office" means the Colorado energy office.

11 (4) "Public lender" means a county, municipality, district,
12 authority, or other political subdivision of the state authorized to make
13 economic development, affordable housing, or housing rehabilitation
14 loans. "Public lender" includes, without limitation, the Colorado housing
15 and finance authority.

16 **24-38.7-203. Colorado energy office - administrator - state**
17 **treasurer - powers and duties - statement of intent.** (1) The office and
18 the administrator shall administer this part 2 substantially in accordance
19 with part 1 of this article, except with regard to:

20 (a) The definitions of terms common to both part 1 of this article
21 and this part 2, as such definitions are modified in this part 2; and

22 (b) Provisions that, in the judgment and discretion of the office,
23 the administrator, and the state treasurer, are appropriate only in the
24 context of small residential installations under part 1 of this article.

25 (2) The provisions of part 1 of this article and of article 36 of this
26 title concerning the type and quality of investments made by the state
27 treasurer shall continue to apply. The general assembly intends that the

1 extension of the program under this part 2 be accomplished as seamlessly
2 as possible, within existing appropriations, and with minimal disruption
3 to the current practices of the office, the administrator, and the state
4 treasurer.

5 **SECTION 13.** In Colorado Revised Statutes, 38-35.7-106, **repeal**
6 (2), (3), (4), and (5) as follows:

7 **38-35.7-106. Solar prewire option - solar consultation.**

8 (2) Every person that builds a new single-family detached residence for
9 sale, whether or not the residence has been prewired for a photovoltaic
10 solar generation system, shall provide to every buyer under contract a list
11 of businesses in the area that offer residential solar installation services
12 so that the buyer, if he or she so desires, can obtain expert help in
13 assessing whether the residence is a good candidate for solar installation
14 and how much of a cost savings a residential photovoltaic solar
15 generation system could provide. The list of businesses shall be derived
16 from a master list of Colorado solar installers maintained by the Colorado
17 energy office.

18 (3) The Colorado energy office shall maintain and update, as
19 appropriate, a master list of Colorado solar installers and shall make the
20 master list available, upon request, to any person that requests a copy. The
21 Colorado energy office may specify qualifications for businesses to be
22 included in the master list and shall make the master list available on its
23 official website.

24 (4) Providing the master list of solar installers prepared by the
25 Colorado energy office to a buyer under contract shall not constitute an
26 endorsement of any installer or contractor listed. A person that builds a
27 new single-family detached residence shall not be liable for any advice,

1 labor, or materials provided to the buyer by a third-party solar installer.

2 (5) ~~The Colorado energy office or its designees shall offer~~
3 ~~periodic training sessions on residential photovoltaic solar generation~~
4 ~~systems or solar thermal systems to persons that build new single-family~~
5 ~~detached residences. The Colorado energy office may assess and collect~~
6 ~~from participants a registration fee, not to exceed the actual costs of~~
7 ~~providing such training.~~

8 **SECTION 14.** In Colorado Revised Statutes, 39-22-516.8, **repeal**
9 (14) as follows:

10 **39-22-516.8. Tax credit for innovative trucks - definitions -**
11 **repeal.** (14) (a) ~~During the calendar year ending December 31, 2018, the~~
12 ~~Colorado energy office created in section 24-38.5-101, C.R.S., shall~~
13 ~~determine whether category 4, 4 A, 4 B, 4 C, 7, 7 A, or 9 medium or~~
14 ~~heavy duty trucks generate life-cycle emissions materially greater than~~
15 ~~comparable medium or heavy duty trucks using traditional fuel. Such a~~
16 ~~life-cycle analysis must include the direct emissions regulated by the~~
17 ~~United States environmental protection agency or by the department of~~
18 ~~public health and environment that are associated with producing,~~
19 ~~transporting, and using the alternative or traditional fuels. The Colorado~~
20 ~~energy office shall consider the likely adoption of future technology at~~
21 ~~each stage of the life-cycle.~~

22 (b) ~~In making the determinations described in paragraph (a) of this~~
23 ~~subsection (14), the Colorado energy office shall consider public input,~~
24 ~~any analysis or reports prepared by the department of public health and~~
25 ~~environment, other states, or the United States environmental protection~~
26 ~~agency, and any peer-reviewed studies conducted in the United States that~~
27 ~~evaluate similar matters.~~

1 (c) ~~In the event that category 4, 4 A, 4 B, 4 C, 7, 7 A, or 9 medium~~
2 ~~or heavy duty trucks are shown to generate life-cycle emissions materially~~
3 ~~greater than comparable traditional fuel trucks, then the Colorado energy~~
4 ~~office shall notify the department of revenue that no tax credit specified~~
5 ~~in this section is available for such trucks for the income tax years~~
6 ~~commencing on or after January 1, 2019, but before January 1, 2022;~~
7 ~~except that the Colorado energy office may determine if a particular~~
8 ~~category 4, 4 A, 4 B, 4 C, 7, 7 A, or 9 truck model or engine does not~~
9 ~~generate life-cycle emissions materially greater than a comparable~~
10 ~~traditional fuel truck model or engine and is thus allowed a credit for a~~
11 ~~given income tax year, or the Colorado energy office may allow a credit~~
12 ~~if the taxpayer can demonstrate that the taxpayer has a long-term fuel~~
13 ~~contract for his or her category 4, 4 A, 4 B, 4 C, 7, 7 A, or 9 truck from~~
14 ~~a green fuel provider, such that the life-cycle emissions from such truck~~
15 ~~are not materially greater than the emissions of a comparable traditional~~
16 ~~fuel truck. For purposes of this paragraph (c), "green fuel provider"~~
17 ~~means the alternative fuel is produced and delivered by providers that~~
18 ~~have adopted best practices for low life-cycle emissions. On or before~~
19 ~~January 1, 2019, and on or before each January 1 thereafter through~~
20 ~~January 1, 2021, the Colorado energy office and the department of~~
21 ~~revenue shall, through their respective websites, specify which category~~
22 ~~4, 4 A, 4 B, 4 C, 7, 7 A, or 9 medium or heavy duty trucks are not allowed~~
23 ~~a credit for a given income tax year.~~

24 **SECTION 15.** In Colorado Revised Statutes, **amend** 39-27-109.7
25 as follows:

26 **39-27-109.7. Data collection services.** In order to track the
27 movement of gasoline or special fuel within this state and thereby

1 facilitate and expedite the collection of excise taxes imposed pursuant to
2 this part 1, the executive director of the department of revenue may enter
3 into a contract with one or more private entities for the provision of a
4 computer-based program to monitor and track the data that licensees are
5 required to report to the department pursuant to this part 1. Such
6 computer-based program shall be funded solely with moneys from the
7 highway users tax fund. ~~except that, for the state fiscal year 2009-10, up~~
8 ~~to thirty-seven thousand six hundred thirty dollars for the computer-based~~
9 ~~program to monitor and track exempt dyed diesel fuel that is blended with~~
10 ~~biodiesel fuel after withdrawal at a terminal rack or refinery rack pursuant~~
11 ~~to section 39-27-102.5 (2) (a) may be funded by moneys received by the~~
12 ~~governor's energy office created in section 24-38.5-101, C.R.S., as said~~
13 ~~office existed prior to July 1, 2012, from the United States department of~~
14 ~~energy.~~ The department shall update the computer-based program to
15 monitor and track the data that liquefied petroleum licensees are required
16 to report to the department pursuant to this part 1 based on the changes in
17 House Bill 15-1228, enacted in 2015.

18 **SECTION 16.** In Colorado Revised Statutes, 42-3-228, **amend**
19 (2) and (3) as follows:

20 **42-3-228. Special plates - Colorado carbon fund.** (2) The
21 Colorado carbon fund ~~established by the Colorado energy office,~~ may
22 design the Colorado carbon fund special license plates. The design for the
23 special license plates shall conform with standards established by the
24 department and shall be subject to the department's approval.

25 (3) A person may apply for the Colorado carbon fund special
26 license plates if the person pays the taxes and fees required under this
27 section and provides to the department or an authorized agent a

1 certificate, issued by ~~the Colorado energy office, or a successor office,~~
2 NATURAL CAPITALISM SOLUTIONS, A 501 (c)(3) NONPROFIT ORGANIZATION,
3 confirming that such person has made to the Colorado carbon fund, or its
4 successor, the donation required to qualify for the special license plates.

5 **SECTION 17.** In Colorado Revised Statutes, 42-3-304, **amend**
6 (25)(a) as follows:

7 **42-3-304. Registration fees - passenger and passenger-mile**
8 **taxes - clean screen fund - definitions - repeal.** (25) (a) Beginning
9 January 1, 2014, in addition to any other fee imposed by this section,
10 county clerks and recorders shall annually collect a fee of ~~thirty~~ fifty
11 EIGHTY-FIVE dollars at the time of registration on every plug-in electric
12 motor vehicle. County clerks and recorders shall transmit the fee to the
13 state treasurer, who shall credit ~~thirty~~ SIXTY-FIVE dollars of each fee to the
14 highway users tax fund created in section 43-4-201, ~~C.R.S.~~, and twenty
15 dollars of each fee to the electric vehicle grant fund created in section
16 24-38.5-103. ~~C.R.S.~~

17 **SECTION 18.** In Colorado Revised Statutes, 29-4-226, **amend**
18 (1) introductory portion as follows:

19 **29-4-226. Exemption from special assessments.** (1) The
20 following shall be exempt from the payment of any special assessments
21 to the state, any county, city and county, municipality, or other political
22 subdivision of the state, EXCEPT FOR ASSESSMENTS ISSUED UNDER PART 1
23 OF ARTICLE 20 OF TITLE 32:

24 **SECTION 19.** In Colorado Revised Statutes, 32-20-105, **amend**
25 (3) introductory portion as follows:

26 **32-20-105. District - purpose - general powers and duties -**
27 **new energy improvement program.** (3) The district shall establish,

1 develop, finance, and administer a new energy improvement program.
2 However, the district may conduct the program within any given county
3 only if the board of county commissioners of the county has adopted a
4 resolution authorizing the district to conduct the program within the
5 county. If a county adopts a resolution authorizing the district to conduct
6 the program within the county, the county treasurer shall retain a
7 collection fee as specified in section 30-1-102 (1)(c) ~~C.R.S.~~, for each
8 special assessment that it collects as part of the program. The board of
9 county commissioners of any county that has adopted a resolution
10 authorizing the district to conduct the program within the county may
11 subsequently adopt a resolution deauthorizing the district from
12 conducting the program within the county. However, if the county adopts
13 a deauthorizing resolution, the county shall continue to meet all of its
14 obligations under this ~~article~~ ARTICLE 20 as to program financing
15 obligations existing on the effective date of the deauthorization until any
16 and all special assessments within the county have been paid in full and
17 remitted to the district. The district shall design the program to allow an
18 owner of eligible real property to apply to join the district, receive
19 reimbursement or a direct payment from the district, and consent to the
20 levying of a special assessment on the eligible real property specially
21 benefited by a new energy improvement for which the district makes
22 reimbursement or a direct payment. The district shall establish an
23 application process for the program that allows an owner of eligible real
24 property to become a qualified applicant by submitting an application to
25 the district and that may include one or more deadlines for the filing of an
26 application. EXCEPT AS SPECIFIED IN SECTION 32-20-111, the application
27 process must require the applicant to submit with the application a

1 commitment of title insurance issued by a duly licensed Colorado title
2 insurance company within thirty days before the date the application is
3 submitted. The district may charge program application fees. In order to
4 administer the program, the district, acting directly or through a program
5 administrator or other agents, employees, or professionals as the district
6 may appoint, hire, retain, or contract with, may aggregate qualified
7 applicants into one or more bond issues and shall:

8 **SECTION 20.** In Colorado Revised Statutes, 32-20-106, **amend**
9 (3)(a) introductory portion as follows:

10 **32-20-106. Special assessments - determination of special**
11 **benefits - notice and hearing requirements - certification of**
12 **assessment roll - manner of collection.** (3) (a) The district may levy a
13 special assessment against eligible real property specially benefited by a
14 new energy improvement based on the cost to the district of the new
15 energy improvement. The district shall initiate the levy of any special
16 assessment by the adoption of a resolution of the board that sets the
17 special assessment, approves the preparation of a preliminary special
18 assessment roll, and sets a date for a public hearing regarding the special
19 assessment roll. The district shall prepare a preliminary special
20 assessment roll listing all special assessments to be levied. The district
21 may post notice of the hearing on the special assessment on any district
22 internet website and shall, EXCEPT AS SPECIFIED IN SECTION 32-20-111,
23 send notice that the special assessment roll has been completed and notice
24 of a hearing on the special assessment roll no later than thirty days before
25 the hearing date to:

26 **SECTION 21.** In Colorado Revised Statutes, **add** 32-20-111 as
27 follows:

1 **32-20-111. Procedure if lien subordination not sought.** THE
2 PROVISIONS OF THIS ARTICLE 20 PERTAINING TO THE REQUIREMENT OF
3 TITLE INSURANCE CONTAINED IN SECTION 32-20-105 (3) AND THE
4 PROVISION OF NOTICE, OBJECTION, AND APPEAL CONTAINED IN SECTION
5 32-20-106 (3)(a)(I), (3)(a)(II), (3)(b), AND (3)(c), AND ALL SECTIONS
6 REFERENCING THESE SECTIONS, DO NOT APPLY TO RESIDENTIAL ELIGIBLE
7 REAL PROPERTY IF THE PROPERTY OWNER IS NOT SEEKING TO
8 SUBORDINATE THE PRIORITY OF EXISTING MORTGAGES PURSUANT TO
9 SECTION 32-20-105 (3)(i).

10 **SECTION 22.** In Colorado Revised Statutes, 22-41-110, **amend**
11 (1)(b)(II) and (1)(b)(III); and **repeal** (1)(b)(IV) as follows:

12 **22-41-110. Timely payment of school district obligations.**

13 (1) (b) This section applies to:

14 (II) Obligations of a school district in connection with a lease
15 agreement or installment purchase agreement entered into by a school
16 district under section 22-32-127 or 22-45-103 (1)(c) on or after July 1,
17 1991; AND

18 (III) Refunding bonds issued by a school district pursuant to
19 article 56 of title 11. ~~C.R.S.~~; and

20 (IV) ~~Obligations of a school district in connection with a loan~~
21 ~~received under the renewable energy and energy efficiency for schools~~
22 ~~loan program created in section 22-92-104.~~

23 **SECTION 23.** In Colorado Revised Statutes, 39-29-109.5,
24 **amend** (3) introductory portion, (3)(c), and (3)(d); and **repeal** (3)(e) as
25 follows:

26 **39-29-109.5. Interest differential - public school energy**
27 **efficiency fund - creation - uses - definitions - repeal.** (3) The Colorado

1 energy office shall use ~~moneys~~ MONEY appropriated from the fund to
2 establish and manage a program to improve energy efficiency in public
3 schools. In administering the program, the office shall give consideration
4 to whether a public school or school district is located in an area socially
5 or economically impacted by the development, processing, or energy
6 conversion of minerals and mineral fuels subject to taxation under this
7 article. The program shall include the following features:

8 (c) Assisting school districts in increasing the effectiveness of
9 their utility budget management; AND

10 (d) Providing training and supporting resources related to energy
11 efficiency for school districts. ~~and~~

12 (e) ~~Providing funding for the administration of the renewable~~
13 ~~energy and energy efficiency for schools loan program created in section~~
14 ~~22-92-104, C.R.S.~~

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