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Fiscal Note

Drafting Number: LLS 23-0186 Date: January 17, 2023
Prime Sponsors: Rep. Bird Bill Status: House Energy & Environment
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Bill Topic: ELECTRIC RESOURCE ADEQUACY REPORTING

- Summary of Fiscal Impact:
- State Revenue
- State Expenditure
- State Transfer
- TABOR Refund
- Local Government
- Statutory Public Entity

The bill requires load-serving entities to publish resource adequacy annual reports, and the Colorado Energy Office to publish an aggregate annual report. It increases state and local expenditures beginning in FY 2023-24.

Appropriation Summary: For FY 2023-24, the bill requires an appropriation of \$14,737 to the Colorado Energy Office.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under HB 23-1039

Table with 4 columns: Category, Sub-category, Budget Year FY 2023-24, and Out Year FY 2024-25. Rows include Revenue, Expenditures (General Fund, Centrally Appropriated, Total Expenditures, Total FTE), Transfers, and Other Budget Impacts (General Fund Reserve).

Summary of Legislation

The bill requires each load-serving entity in the state, or its designated wholesale electric supplier, to create a resource adequacy annual report by April 1 each year, beginning in 2024. The reports must be published online and delivered to the entity's regulatory oversight entity, which in turn must submit them to the Colorado Energy Office by April 30. Finally, the Colorado Energy Office must compile the reports received and publish a statewide resource adequacy aggregate annual report each year by July 1. The bill specifies further reporting requirements and exemptions.

State Expenditures

The bill increases state expenditures by \$17,221 in FY 2023-24 and \$23,695 in FY 2024-25, paid from the General Fund. Expenditures are shown in Table 2 and detailed below.

Table 2
Expenditures Under HB 23-1039

	FY 2023-24	FY 2024-25
Colorado Energy Office		
Personal Services	\$14,737	\$19,650
Centrally Appropriated Costs ¹	\$2,484	\$4,045
Total Cost	\$17,221	\$23,695
Total FTE	0.1 FTE	0.2 FTE

¹ Centrally appropriated costs are not included in the bill's appropriation.

Colorado Energy Office. The office requires 0.2 FTE annually to provide support to utilities in preparing their annual reports and to aggregate all reports received into the statewide annual report. Costs are prorated in FY 2023-24 to account for a September 1 start date and the General Fund pay date shift.

Department of Regulatory Agencies. Workload may increase in the Public Utilities Commission to approve any annual reports it receives as a regulatory oversight entity. This workload is expected to be minimal and no change in appropriations is required.

Centrally appropriated costs. Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which include employee insurance and supplemental employee retirement payments, are shown in Table 2.

Other Budget Impacts

General Fund reserve. Under current law, an amount equal to 15 percent of General Fund appropriations must be set aside in the General Fund statutory reserve. Based on this fiscal note, the bill is expected to increase the amount of General Fund held in reserve by the amounts shown in Table 1, decreasing the amount of General Fund available for other purposes.

Local Government

Workload will increase for local governments that operate a municipal utility or oversee a load-serving entity as a regulatory oversight entity to draft or approve a resource adequacy annual report, as applicable.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State Appropriations

For FY 2023-24, the bill requires a General Fund appropriation of \$14,737 to the Colorado Energy Office, and 0.1 FTE.

State and Local Government Contacts

Colorado Energy Office
Regulatory Agencies

Counties

Municipalities