SB 20-013

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

FINAL FISCAL NOTE

Drafting Number:	LLS 20-0162	**Date:**	July 30, 2020
Prime Sponsors:	Sen. Rodriguez	**Bill Status:**	Postponed Indefinitely
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Bill Topic: **PROMOTE INNOVATIVE AND CLEAN ENERGY TECHNOLOGIES**

Summary of Fiscal Impact:

- ☐ State Revenue
- ☒ State Expenditure
- ☐ State Transfer
- ☐ TABOR Refund
- ☒ Local Government
- ☐ Statutory Public Entity

This bill would have allowed investor-owned electric utilities to submit proposals to the Public Utilities Commission for electric generation or energy storage facilities projects or partnerships in areas of the state that are economically affected by the transition to cleaner energy generation technologies. To the extent these proposals are made, the bill may have increased state workload and local revenue.

Appropriation Summary: No appropriation was required.

Fiscal Note Status: This fiscal note reflects strike-below Amendment L.004. This bill was not enacted into law; therefore, the impacts identified in this analysis do not take effect.

Summary of Legislation

With strike-below Amendment L.004, the bill allows investor-owned electric utilities to submit proposals to the Public Utilities Commission (PUC) in the Department of Regulatory Agencies for electric generation or energy storage facilities projects or partnerships in areas of the state that are economically affected by the transition to cleaner energy generation technologies.

Projects must demonstrate the use of innovative energy technology, which is defined to mean a generation or storage technology that, alone or in combination with other technologies used in a project, has minimal or no emissions of greenhouse gases into the atmosphere; is dispatchable or otherwise controllable to meet system energy requirements; and, at the time of any application, has not been widely deployed in the United States.

Once approved by the PUC through the electric resource planning process, a project or partnership is allowed to earn the utility's most recently authorized rate of return even if the project is determined to be uneconomic. If the project is determined to be economic, then the utility is allowed to earn an extra profit. The utility is also allowed to earn its full authorized rate of return while the project is in development and construction. The bill repeals September 1, 2030.

State Expenditures

To the extent proposals are approved, the bill may increase workload in the PUC and the Colorado Department of Health and Environment (CDPHE), as described below.

Public Utilities Commission. The bill may impact workload in the PUC at the beginning of the next electric resource planning process if a utility submits an application for an innovative energy technology project as part of its electric resource plan. Under current law, the electric resource planning process already compares alternatives for meeting system needs; therefore, no change in appropriations is required.

Air Pollution Control Division. The Air Pollution Control Division in CDPHE will work with the PUC staff in verifying carbon dioxide emissions from investor-owned utilities' applications for innovative energy technology projects. Because the division is already involved in this work, no change in appropriations is required.

Local Government

To the extent that the bill encourages investment in areas of the state that are economically affected by the transition to cleaner generation technologies, the local tax bases of those local governments may expand, which potentially increases local government revenue.

Effective Date

The bill was postponed indefinitely by the Senate State, Veterans, and Military Affairs Committee on May 27, 2020.

State and Local Government Contacts

Colorado Energy Office	Law	Regulatory Agencies