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FISCAL NOTE

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Prime Sponsors:

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Bill Status: Bill Request
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Bill Topic: CREATE COLORADO ELECTRIC TRANSMISSION AUTHORITY

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

This bill creates the Colorado Electric Transmission Authority. It potentially increases state and local expenditures in future fiscal years.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the bill draft requested by the Energy Legislation Review Interim Study Committee.

Summary of Legislation

The bill creates the Colorado Electric Transmission Authority (authority) as an independent special purpose authority that is authorized to finance or plan, acquire, maintain, and operate eligible electric transmission and interconnected storage facilities.

The authority has the power to:

- issue revenue bonds that are exempt from taxation;
identify and establish intrastate electric transmission corridors;
coordinate with other entities to establish interstate electric transmission corridors;
exercise the power of eminent domain to acquire eligible facilities; and
collect payments of reasonable rates, fees, interest, or other charges from persons using eligible facilities.

The authority is subject to the state's open meetings and open records requirements, except for the proprietary confidential information that it holds, including power purchase agreements, costs of production, costs of transmission, transmission service agreements, credit reviews, detailed power models, and financing statements, is not subject to inspection.

The bill creates a nine-member board of directors to govern the authority as follows:

- one Governor appointee confirmed by the Senate;
the director of the Colorado Energy Office or their designee;

- the State Treasurer or their designee;
- the director of the Office of Economic Development or their designee;
- the director of the Public Utilities Commission or their designee;
- one Speaker appointee;
- one President appointee;
- one House Minority Leader appointee; and
- one Senate Minority Leader appointee.

Board members may not receive compensation, but may be reimbursed for expenses.

The bill creates the Electric Transmission Authority Operational Fund within the authority as the account from which debt service payments and administrative expenses are paid.

The authority is required to report to the General Assembly by December 1, 2021, and annually thereafter, on its activities, including a complete operating and financial statement.

State Expenditures

In future fiscal years, the bill may increase state expenditures and workloads for departments that manage lands (the Department of Natural Resources); regulate utility-related rates (Public Utilities Commission); and assess property taxes (the Department of Local Affairs). Because workload will depend on future actions of the authority, any costs will be addressed through the annual budget process.

In addition, workload will increase for the Colorado Energy Office, the State Treasurer's office, the Office of Economic Development, and the Public Utilities Commission to participate on the authority's board. This fiscal note anticipates no change in appropriations for any agency. The authority will cover board members expense reimbursements.

Local Government

Similar to the state, the bill may increase expenditures and workloads for local governments related to land use and property taxation.

Statutory Public Entity

This bill creates a new statutory public entity that will be administered by an appointed board and self-funded.

Effective Date

The bill takes effect August 5, 2020, if the General Assembly adjourns on May 6, 2020, as scheduled, and no referendum petition is filed.

State and Local Government Contacts

Agriculture
Economic Development
Local Affairs
Regulatory Agencies
Treasury

Colorado Energy Office
Governor
Natural Resources
Revenue

Counties
Higher Education
Public Health and Environment
Transportation

