



COLORADO

Office of Economic Development & International Trade

PLEASE SUPPORT THE EXTENSION OF EZ RENEWABLE ENERGY

HB20-1299: Reps. Young & Pelton; Sens. Foote & Crowder

HB20-1299 extends an existing and time-limited piece of the Enterprise Zone (EZ) program for three years. The EZ program provides a variety of state income tax credits for businesses that locate and develop in economically distressed areas of Colorado. One of these credits, the EZ Investment Tax Credit, provides such businesses investing in business personal property with a 3% state income tax credit. For investments that generate renewable energy, the business has the option of converting the credit to a refund at 80% of the credit's value. HB20-1299 would also expand the definition of renewable energy generation to include energy storage and maintain the current cap of \$750,000 per year of credits a business can take from the EZ Investment Tax credit.

The EZ Renewable Energy Refundability Program promotes renewable energy and supports Colorado businesses of a variety of sizes and types. Following initial enactment (HB15-1219), Colorado saw a significant rise in renewable energy projects around the state. A total of 219 projects have received benefits through the program, and we continue to see interest from businesses of all types and for projects of all sizes. The program provides direct benefits to these businesses and indirect benefits to the renewable energy supply chain, including large employers like Vestas. These projects also support jobs in construction and equipment maintenance and encourage investments in business personal property, thus increasing tax revenue for localities. Prominent projects include:

- ❖ **Rush Creek Wind Farm:** spans five counties in the Eastern Plains with over 300 turbines bought from Vestas, a Colorado-based business with operations in Pueblo, Brighton, and Windsor. Total investment = \$868M; total EZ RE credits issued = \$26M (fiscal impact over multiple years).
- ❖ **Comanche Solar Pueblo Project:** provides RE for 31,000+ homes, reduces CO2 by 3.5 million tons over 25 years. Total investment = \$177M; total RE EZ credits = \$5M (over mult. years).
- ❖ **Prowers Wind Farm:** provides Prowers ~\$270k in tax revenue a year and created 250 jobs during construction. Total investment = \$124M; total RE EZ credits = \$4M (over mult. years).

HB20-1299 would extend the program for three years, expand the definition of renewable energy investment, and modify the legislative declaration.

- ❖ **Expansion of the Definition of Renewable Energy Investment:** HB20-1299 would expand the definition of "renewable energy investment" to include the definition of "energy storage system" (C.R.S. 40-2-202(2)). Storage is a necessary complement to renewable generation to keep reliable power flowing when the wind is not blowing or the sun is not shining.
- ❖ **Modification of Legislative Declaration:** HB20-1299 would modify the legislative declaration to more closely align it with the program's objective of growing the economy and creating jobs.

Please support HB20-1299 to promote renewable energy generation and increase economic prosperity in every corner of Colorado. Should you have any questions, please contact Leslie Hylton, Legislative Liaison at the Office of Economic Development & International Trade, at 720-320-2395 or via email at leslie.hylton@state.co.us.



Chairwoman Tracy Kraft-Tharp
House Business Affairs and Labor Committee
Colorado State Capitol
200 East Colfax
Denver, CO 80203

Dear Chairwoman Kraft-Tharp and other distinguished members of the House Business Affairs and Labor Committee,

On behalf of the Economic Development Council of Colorado (EDCC) and its more than 200 member organizations from rural and urban communities around the state, we would like to indicate our **support for HB20-1299**. This bill would renew Enterprise Zone tax credits for renewable energy for an additional three years, and add battery storage to the list of projects qualified to receive renewable Enterprise Zone tax credits.

As part of the EDCC legislative perspective, we believe that it is our role to **support statewide efforts in the development of a diverse energy economy to help make Colorado a national leader in energy development**. We also support policies and programs that **increase business investment, support primary job growth, and improve the state's physical infrastructure**.

The Governor has set ambitious renewable energy goals, and we believe it is imperative that the state's tax and regulatory structure help support these goals in order to attain them. The renewable Enterprise Zone tax credits are the key incentive the State has to advance these clean energy goals. They have already proven successful in helping to facilitate some of the most notable solar and wind projects in the state, such as the Rush Creek Wind Farm and the Comanche Pueblo Solar Project.

These two projects alone yielded over \$1 billion in renewable energy investment and reduced carbon emissions by over 3.5 million tons. These investments created hundreds of direct jobs and with a multiplier effect of about 2.5, created many more indirect and induced jobs. The extension of these tax credits will help support hundreds of millions of dollars in additional clean energy investments, and help create new job opportunities in both urban and rural Colorado.

EDCC believes the Enterprise Zone renewable energy tax credits are important to facilitate a healthy business climate for clean energy, and for this reason we support the passage of HB20-1299. For more information, please contact the EDCC's lobbyist, Jennifer Cassell at jennifer.cassell@bcpublicaffairs.com or (785) 393-0472.

Respectfully,

Stewart Meek
EDCC Public Policy Committee Chair



The Colorado House of Representatives
Committee on Business Affairs & Labor
200 E Colfax Avenue
Denver, CO 80203

March 11, 2020

Dear Members of the House Business Affairs & Labor Committee:

The Colorado Solar and Storage Association (COSSA) and the Solar Energy Industries Association (SEIA) strongly urge you to pass the legislation before you regarding the Enterprise Zone Renewable Energy Program (HB20-1299). We support its extension to advance solar and storage projects in economically distressed parts of our state and help achieve our state's renewable energy goals.

The Enterprise Zone Renewable Energy Program provides much-needed support for renewable energy projects of all sizes. The refundable mechanism is particularly important to our industry because solar and storage projects often require large up-front capital investments and involve significant depreciation expenses. This leaves many businesses without any taxable net income for long periods of time following deployment of a project. With a refundable tax credit, these businesses can continue to invest in critical projects and, importantly, invest at greater levels than they would have otherwise.

SEIA and COSSA also strongly support the legislation's expansion of the definition of renewable energy to include energy storage. Storage is a necessary complement to renewable generation to secure electricity reliability when using renewable generation sources like solar panels and wind turbines that may otherwise provide intermittent supply. Large deployments of energy storage will be necessary for Colorado to meet our clean energy goals.

Many factors influence our members' decisions on where to locate a project -- and how much to invest in it. The Enterprise Zone Program is a considerable factor in those assessments. We'd ask that you support the continuation of this critical program.

Thank you for your consideration and swift passage of HB20-1298 through the Committee. We look forward to working with you to achieve an important step forward for renewable energy in Colorado.

Sincerely,

Mike Kruger
President & CEO
Colorado Solar and Storage Association

Sara Birmingham
Senior Director
Solar Energy Industries Association