

  
*Colorado Legislative Council Staff Fiscal Note*  
**FINAL**  
**FISCAL NOTE**

<b>Drafting Number:</b> LLS 11-0311	<b>Date:</b> July 18, 2011
<b>Prime Sponsor(s):</b> Rep. Swerdfeger Sen. Giron; Grantham	<b>Bill Status:</b> Signed into Law
	<b>Fiscal Analyst:</b> Marc Carey (303-866-4102)

**TITLE:** CONCERNING THE CONSIDERATION OF NEW HYDROELECTRICITY PROJECTS, AND, IN CONNECTION THEREWITH, ALLOWING THE PUBLIC UTILITIES COMMISSION TO CONSIDER HYDROELECTRICITY AND PUMPED HYDROELECTRICITY FOR THE GENERATION OF ELECTRICITY.

Fiscal Impact Summary	FY 2011-2012	FY 2012-2013
State Revenue		
State Expenditures		
FTE Position Change		
<b>Effective Date:</b> The bill was signed into law by the Governor on March 29, 2011, and takes effect on August 10, 2011, assuming no referendum petition is filed.		
<b>Appropriation Summary for FY 2011-2012:</b> None required.		
<b>Local Government Impact:</b> None.		

**Summary of Legislation**

The bill adds hydroelectricity and pumped hydroelectricity to the list of technologies that the Public Utilities Commission (PUC) may give the fullest possible consideration when considering generation acquisitions for electric utilities.

**Background**

To provide context for this legislation, the following describes the section of statute that relates to the provisions of HB11-1083, and discusses 6 bills that have been enacted to amend this section.

*New Energy Technologies (40-2-123, C.R.S.).* This section of statute requires the PUC to consider the cost-effective implementation of clean energy and energy-efficiency technologies in its consideration of generation acquisitions for electric utilities, bearing in mind factors such as energy security, economic prosperity, environmental protection and insulation from fuel price increases. **HB06-1281** amended this section to require the PUC to consider the development of integrated gasification combined-cycle electric generation facilities upon a showing of feasibility, environmental benefits and cost-effectiveness. **HB08-1164** further amended this section to allow

the PUC to consider the likelihood of future regulation and the risk of higher future costs associated with greenhouse gas emissions. The bill also allowed the PUC to consider whether acquisition of utility-scale solar resources is in the public interest, given 5 specific attributes of such generation. **SB09-297** directed the PUC to consider projects eligible for funding through the American Recovery and Reinvestment Act of 2009. **HB10-1349** directed the PUC to consider projects developed under the re-energize Colorado program, focusing on job creation and local economic growth. Other bills authorized the PUC to consider geothermal energy generation technologies (**SB10-174**) and methane produced biogenically from geologic strata (**SB10-177**).

### **State Expenditures**

*No expenditure increase is expected as a result of this bill.*

Under current PUC rules, new energy technology resources are excluded from the retail rate impact test required under the existing renewable portfolio standard (RPS). Under this bill, the PUC may need to promulgate rules to indicate whether pumped storage would also be excluded from the retail rate impact test. Rule promulgation is one of the primary responsibilities of PUC staff and, historically, the PUC has maintained that rules can be promulgated within existing budgetary resources. This has changed in recent years due to the contentious process surrounding the promulgation of rules to implement Amendment 37, the renewable energy standard passed by voters in 2004. While it is often hard to know in advance how contentious the rulemaking process will be, it is anticipated that the required rulemaking will be limited in scope and may be completed within existing appropriations.

### **Departments Contacted**

Regulatory Agencies