



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 19-1003

FINAL FISCAL NOTE

Drafting Number:	LLS 19-0692	Date:	July 8, 2019
Prime Sponsors:	Rep. Hansen Sen. Foote; Story	Bill Status:	Signed into Law
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Bill Topic: COMMUNITY SOLAR GARDENS MODERNIZATION ACT

Summary of Fiscal Impact:

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure (<i>minimal</i>)	<input checked="" type="checkbox"/> Local Government (<i>minimal</i>)
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

This bill increases the maximum size of a community solar garden from two to five megawatts and allows the Public Utilities Commission to increase the size up to ten megawatts by rule after July 1, 2023; modifies requirements related to subscriber location; requires all photovoltaic electrical work to be performed by licensed electricians; and requires the PUC to initiate a proceeding regarding the ownership of energy credits from a CSG in certain circumstances. Beginning in FY 2019-20, the bill creates a minimal workload increase for state government. From FY 2019-20 to FY 2020-21, the bill may minimally impact local government revenue.

Appropriation Summary: No appropriation is required.

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

Summary of Legislation

This bill modifies the definition of "community solar garden" (CSG) to mean a solar electric generation facility with a nameplate rating of five megawatts or less. The Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) may approve the formation of a CSG with a nameplate rating of up to ten megawatts on or after July 1, 2023. The bill also modifies the definition of "subscriber" so that customers no longer need to be in the same or adjacent county as the CSG, but only the service territory of the qualifying retail utility. Beginning January 1, 2020, the bill requires all photovoltaic electrical work for installations of at least 300 kilowatts to be performed by a licensed electrician. If a utility acquires a CSG, it is required to use its own employees or employ a contractor whose employees have access to an apprenticeship program, with certain exceptions. Finally, the PUC must initiate a proceeding by January 30, 2020, to determine whether a utility is the sole purchaser of renewable energy credits from a CSG that is part of the utility's plan for acquisition of renewable resources, or whether a CSG subscriber may choose to retain or sell to the utility their renewable energy credits.

Background

State law currently allows a property tax exemption for CSGs through the end of calendar year (CY) 2020. Under current law, CSGs, which are currently defined as generating less than two megawatts of electricity, are valued by the county assessor. Solar energy facilities, which are defined as generating more than two megawatts of electricity, are valued by the State Assessed section of the Division of Property Taxation in the Department of Local Affairs (DOLA) because these facilities are considered public utilities. As of January 2019, there are 231 megawatts at Xcel Energy and about 13 megawatts at Black Hills Energy of CSGs that are operational or committed through 2019.

State Expenditures

Beginning in FY 2019-20, the bill increases workload in DOLA and DORA.

Division of Property Taxation — DOLA. The Division of Property Taxation will have a minimal workload increase to amend existing property statement forms for renewable energy properties and develop procedures for assessing CSG above two megawatts in FY 2019-20. The division will also need to determine the eligibility of each CSG over two megawatts for the property tax exemption in current law that repeals at the end of CY 2020. These workload increases can be accomplished within existing resources.

Department of Regulatory Agencies. In FY 2019-20, the PUC will perform rulemaking to implement the bill and will also have an increase in workload to initiate the proceeding related to CSG renewable energy credit ownership. In FY 2023-24, the PUC may have an increase in workload to approve the formation of larger CSGs. These workload impacts can be accomplished within the normal course of business at the PUC and no change in appropriations is required.

Local Government

Any change to local property tax collections in CY 2020 resulting from larger CSGs is expected to be minimal.

Effective Date

The bill was signed into law by the Governor on May 30, 2019. Except for Section 4, which takes effect October 1, 2019, the bill takes effect August 2, 2019, assuming no referendum petition is filed.

State and Local Government Contacts

Colorado Energy Office	Counties	Information Technology	Local Affairs
Municipalities	Natural Resources	Regulatory Agencies	Revenue
School Districts	Special Districts		