

Colorado Wind Energy

Overview of State Legislation

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Colorado's Renewable Energy Standard

- Adopted by voters in 2004, it requires that providers of retail electric service achieve certain levels of power production from renewable sources:
 - 2007 – 3% of retail electricity sales
 - 2008-2010 – 5% of sales
 - 2011-2014 – 12% of sales
 - 2015-2019 – 20% of sales
 - 2020 and later – 30% of sales
- This standard is not applicable to co-ops that exempt themselves from PUC jurisdiction or municipal utilities that serve less than 40,000 customers.



Wind Energy Incentive Programs

- Renewable Energy Cooperatives – 7-56-210
- Wind for Schools Program – 22-89-101
- Renewable Energy for Schools Program – 22-92-101
- Green Jobs Training Program – 24-38.9-105
- Clean Technology Discovery Program – 24-48.5-111
- Incentives for renewable energy fixtures – 30-11-107.3
- Local Improvement District Financing – 30-20-602
- Rural Clean Energy Finance Program – 30-20-1202
- Clean Energy Development Authority – 40-9.7-101



Property Tax Treatment

- Value of renewable energy facilities, which includes wind energy facilities in production prior to Jan 1, 2006, does not include the “additional incremental cost per kilowatt” over the construction cost for a comparable nonrenewable energy facility.
- Renewable energy facilities that produce 2 megawatts or less are valued by the county assessor , all larger facilities are valued by the state.



Property Tax Treatment (cont'd)

- “Wind Energy Facilities” are valued by the state using only the income approach.
- This involves applying a “tax factor” to the selling price of the wind-generated power that will result in tax revenue over a 20-year period approximately equal to the tax revenue that would have been generated using the cost approach described previously.



Sales and Use Tax Treatment

- Since July 1, 2006, components used in the production of electricity from any renewable source are exempt from state sales and use tax.
- These components include: turbines, rotors and blades, solar modules, trackers, generating equipment, supporting structures or racks, inverters, towers and foundations, system components such as wiring, control systems, switchgears, and generator step-up transformers, and concentrating solar power components that include, but are not limited to, mirrors, plumbing, and heat exchangers.
- Colorado's counties have the option to adopt this exemption from their sales tax base.



Issues Ahead

- Severability of wind rights – interest in long term leasing models in use in WY and SD
- Transmission line construction – making the “grid” accessible to areas with wind generation potential
- Transmission line siting – preserving local land use authority AND providing an efficient process for utilities