

# STATE OF COLORADO

## GOVERNOR'S ENERGY OFFICE

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Bill Ritter, Jr., Governor  
Tom Plant, Director

January 28, 2010

**To: Governor Bill Ritter, Jr.**

**Members of the Colorado Senate Agriculture, Natural Resources & Energy Committee:** Senator Hodge, Chairman; Senator Whitehead, Vice-Chairman; Brophy, Gibbs, Harvey, Kester, Schwartz

**Members of the Colorado House Transportation & Energy Committee:** Representative McFadyen, Chairman; Representative Frangas, Vice-Chairman; Baumgardner, Fischer, King S., Looper, McNulty, Merrifield, Primavera, Tyler, Vaad

### **COLORADO CLEAN ENERGY DEVELOPMENT AUTHORITY REPORT TO THE LEGISLATURE**

Dear Governor Ritter, Senators, and Representatives:

The Colorado Clean Energy Development Authority (CEDA), created by HB07-1150, hereby submits its report on 2009 activities pursuant to 40-9.7-123:

“the authority shall submit a report of its activities to the governor and to the agriculture, natural resources, and energy committee of the senate and the transportation and energy committee of the house of representatives, or any successor committees, no later than February 1 of each year. Each report shall set forth a complete operating and financial statement covering the authority's operations for the previous fiscal year.”

I look forward to the activities of the Authority in 2010 and will keep you posted on our progress. Please feel free to contact me should you want further information about the Authority.

Sincerely,

Tom Plant  
Director, Governor's Energy Office  
Chairman, Colorado Clean Energy Development Authority

## **Legislative declaration**

**40-9.7-102.** (1) the General Assembly finds and declares that:

- (a) there are extensive clean energy resources in Colorado, and additional facilities are needed to develop and market these resources;
  - (b) Colorado has a great capacity to produce and consume clean energy, but additional projects, including projects to improve production, transportation, transmission, and storage of clean energy, are needed to develop and market this capacity;
  - (c) timely development of projects for the production, transportation, transmission, and storage of clean energy sources will stabilize and increase state revenues;
  - (d) the promotion of the economic welfare of the state and its residents through the development and utilization of clean energy resources is in the public interest and serves a public purpose because it will increase employment, stimulate economic activity, augment sources of tax revenue, foster economic stability, and improve the balance of the state's economy;
  - (e) it is also in the public interest and in furtherance of a public purpose to develop Colorado's vast sources of clean energy for in-state consumption and for export to other clean energy markets and to promote Colorado as a national center for clean energy finance and development;
  - (f) investment in the production, transportation, transmission, and storage of clean energy pursuant to the provisions of this article will result in significant environmental benefits both within and outside Colorado.
- (2) The General Assembly further finds and declares that the purpose of this article is to create the Colorado Clean Energy Development Authority and to endow the authority with powers sufficient to enable it to:
- (a) facilitate the production and consumption of clean energy; and
  - (b) increase the transmission and use of clean energy by financing and refinancing projects located within or outside the state for the production, transportation, transmission, and storage of clean energy, including pipelines, and related supporting infrastructure and interests therein.

## **The CEDA Board**

The CEDA Board of Directors was selected pursuant to 40-9.7-104 by the appointing authorities prior to the statutory deadline of August 1, 2007. The following is the Board composition:

Chairman: Tom Plant, Director, Governor's Energy Office

Vice Chairman: Don Elliman, Director of Economic Development

Secretary: Sam Weaver, appointed by the President of the Senate

Cary Kennedy, State Treasurer

John Stulp, Commissioner of Agriculture

Lee White, appointed by the Governor

Jeffrey Nathanson, appointed by the Speaker of the House

Lola Spradley, appointed by the Minority Leader of the House

Joel Bladow, appointed by the Minority Leader of the Senate

### **CEDA Staff and Budget**

CEDA has not hired an Executive Director or other employees. As an interim measure, staffing services have been provided by the Governor's Energy Office. GEO will support the staffing of the Authority until such time that CEDA projects can fund the Executive Director position. CEDA has not yet received revenues and has not incurred expenditures.

### **CEDA Task Forces**

CEDA has not established Task Forces. CEDA will consider establishing Task Forces once requisite funds and staff are in place.

### **CEDA Three Year Plan**

The CEDA Board has not yet formally developed a Three Year Plan. The Board has not yet crafted a mission statement. Therefore, this report is an interim account of our activities and plans. The CEDA Chairman will submit a formal Three Year Plan to the Legislature once it has been adopted by the Board.

### **CEDA Decisions**

A formal decision by the CEDA Board was made to pursue legislation that would modify CEDA's statutory authority to allow CEDA to extend commercial loans. This effort was not successful in 2009. The CEDA Board decided to pursue legislation again in 2010, which has been introduced (HB10-1182)

### **CEDA Financing and Bonding**

CEDA has not financed or refinance any projects, either within or outside the state. CEDA has not issued any bonds.

### **CEDA Meeting Announcements, Copies of Presentations, and Minutes**

The public has access to CEDA's activities via the Governor's Energy Office website:

<http://www.colorado.gov/energy/utilities/clean-energy-development-authority.asp>

### **Amendment to HB07-1150**

CEDA is currently pursuing legislation intended to amend HB07-1150 to accomplish two goals:

- 1) Revision to Definition of Authority Financing Agreement:  
"Authority financing agreement" means a [ADD: LOAN AGREEMENT, LOAN PURCHASE AGREEMENT], loan guaranty agreement, lease, sublease, rental agreement, agreement to purchase output or products, guaranty of amounts payable by the user or a third-party financier for a project located within the state only, or any combination thereof that does not give the authority ownership of or an ownership interest in a project and that is entered into between the authority and a user or third-party financier in connection with the financing or refinancing of any project pursuant to this article [DELETE THE FOLLOWING: ~~except that the authority shall not make a direct commercial loan to a user~~].
- 2) Limitation of CEDA's financing authority to "interconnection transmission":  
"Electric power interconnection project" means a Project that has as its principal purpose the interconnection of facilities generating electricity from clean energy

to the utility transmission grid, whether or not it also transmits power that is not entirely sourced from clean energy. The term includes generator step-up transformers, radial transmission Lines and structures, and any circuit breakers or other protective devices that are necessary to safely interconnect a clean energy generation facility to the utility transmission grid.”

### **2009 CEDA Board Meetings**

**The Board held its first 2009 meeting on January 22 in the Old Supreme Court Chambers.** A quorum was declared. Fifty-nine members of the public were also in attendance. The minutes of the previous metering were approved. Notices of meetings are sent to a distribution list of approximately 200 people who have requested to be kept apprised of CEDA activities. Minutes and meeting notices are posted on the Governor’s Energy Office website ([www.colorado.gov/energy](http://www.colorado.gov/energy)). The Board heard presentations from representatives from the following organizations: Public Service Company of Colorado, Tri-State Generation and Transmission Association, Trans-Elect LLC, and the Governor’s Energy Office. The Board approved Tom Plan signing the High Plains Express- Memorandum of Understanding regarding the HPX Second Stage Transmission Feasibility Study. The Board received a legislative update, and presentations by Public Service Company of Colorado, Tri-State Generation & Transmission Association, Colorado Public Utilities Commissioner Jim Tarpey. The Board also received an update regarding the PUC’s Transmission Investigatory Docket, the Colorado Coordinated Planning Group’s Colorado Long Range Transmission Planning Group, and the GEO’s Renewable Energy Development Infrastructure (REDI) Project. The meeting then opened for an opportunity for the CEDA Board and for public participation to provide comment on the REDI Project’s scope of work. The Board then heard a presentation by, and interaction with, Jim Hoecker, former Chairman, Federal Energy Regulatory Commission, Advisor to WIRES. The meeting was adjourned at 11:30 a.m.

**The Board held its second 2009 meeting on April 22 at the Denver Art Museum.** The meeting was called to order at 9:10 a.m. by CEDA Chairman, Tom Plant. A quorum was declared. Twenty members of the public were present. The minutes of the previous metering were approved. The Board reviewed and approved the agenda for the meeting. The Board discussed and approved proposed modifications to the CEDA statute sponsored by House Representative Judy Solano. The proposed legislation remedies the prohibition on CEDA’s commercial lending. However, the proposed legislation limits CEDA’s scope to financing/refinancing transmission. The Board considered, and rejected, a proposed amendment that would extend to utilities the ability to exercise a right of first refusal prior to CEDA financing/refinancing transmission. The Board then heard a presentation by Craig Cox, Director, Interwest Energy Alliance, on a bill sponsored by House Representative Judy Solano that directs the Colorado Public Utilities Commission to prepare an update for the Colorado General Assembly in November 2009 and a final report in June 2010 regarding transmission planning. The Board then heard a presentation by CEDA Board Member Lee White and Gregory Johnson, Partner, Patton Boggs, LLP regarding opportunities for Colorado transmission stemming from the American Recovery and Reinvestment Act. The Board then received a briefing by Morey Wolfson, Transmission Program Manager, Governor’s Energy Office, regarding upcoming transmission-related activities and other announcements. The meeting was adjourned at 10:30 a.m.

**The Board held its third and final 2009 meeting on December 2 in the Colorado General Assembly's House Hearing Room 107.** The meeting was called to order by CEDA Chairman Tom Plant at 9:00 a.m. A quorum was declared. Fifty-three members of the public were present. The minutes of the previous meeting were approved. Tom Plant led the discussion on legislative and other matters. Representative Judy Solano characterized the bill that she is sponsoring to assist CEDA. This was followed by a discussion of the Governor's Energy Office's Renewable Energy Development Infrastructure (REDI) Project. Presenters included: Matthew Brown, Partner, ConoverBrown; David Hurlbut, Economist, National Renewable Energy Laboratory; and Morey Wolfson, Transmission Program Manager, Governor's Energy Office. Mr. Wolfson then summarized relevant upcoming transmission-related activities and other announcements. The Board then discussed target date for the next CEDA meeting. The meeting was adjourned at 11:15 a.m.