A BILL FOR AN ACT

CONCERNING THE CREATION OF THE COLORADO ELECTRIC TRANSMISSION AUTHORITY.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at http://leg.colorado.gov/.)

Energy Legislation Review Interim Study Committee. The bill creates the Colorado electric transmission authority as an independent special purpose authority and specifies the composition and manner of appointment of the board of directors that governs the authority. The authority is authorized to finance or plan, acquire, maintain, and operate eligible electric transmission and interconnected storage facilities.

Capital letters or bold & italic numbers indicate new material to be added to existing statute. Dashes through the words indicate deletions from existing statute.
(eligible facilities).

The authority is granted various powers necessary to accomplish its purposes of financing or planning, acquiring, maintaining, and operating eligible facilities, including the power to: Issue revenue bonds; identify and establish intrastate electric transmission corridors; coordinate with other entities to establish interstate electric transmission corridors; exercise the power of eminent domain to acquire eligible facilities; and collect payments of reasonable rates, fees, interest, or other charges from persons using eligible facilities. The authority is generally subject to state open-records and open-meetings requirements, but proprietary confidential information that it holds, including power purchase agreements, costs of production, costs of transmission, transmission service agreements, credit reviews, detailed power models, and financing statements, is not subject to inspection.

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Be it enacted by the General Assembly of the State of Colorado:

**SECTION 1.** In Colorado Revised Statutes, 24-77-102, amend the introductory portion; and add (15)(b)(XIX) as follows:

24-77-102. Definitions. As used in this article ARTICLE 77, unless the context otherwise requires:

(15) (b) "Special purpose authority" includes, but is not limited to:

(XIX) THE COLORADO ELECTRIC TRANSMISSION AUTHORITY CREATED PURSUANT TO ARTICLE 42 OF TITLE 40.

**SECTION 2.** In Colorado Revised Statutes, 38-1-202, add (1)(f)(XLI) as follows:

38-1-202. Governmental entities, corporations, and persons authorized to use eminent domain. (1) The following governmental entities, types of governmental entities, and public corporations, in accordance with all procedural and other requirements specified in this article 1 and articles 2 to 7 of this title 38 and to the extent and within any time frame specified in the applicable authorizing statute, may exercise the power of eminent domain:
(f) The following types of single purpose districts, special
districts, authorities, boards, commissions, and other governmental
entities that serve limited governmental purposes or that may exercise
eminent domain for limited purposes on behalf of a county, city and
county, city, or town:

(XLI) The Colorado electric transmission authority
created in section 40-42-103(1) as authorized in section 40-42-104
(1)(q).

SECTION 3. In Colorado Revised Statutes, add article 42 to title
40 as follows:

ARTICLE 42
Colorado Electric Transmission Authority Act

40-42-101. Short title. The short title of this article 42 is
the "Colorado Electric Transmission Authority Act".

40-42-102. Definitions. As used in this article 42, unless the
context otherwise requires:

(1) "Acquire" means to obtain eligible facilities by lease,
construction, reconstruction, purchase, or, as authorized by
section 40-42-104 and subject to the requirements of articles 1
to 7 of title 38, the exercise of the power of eminent domain.

(2) "Authority" means the Colorado electric transmission
authority.

(3) "Board" means the board of directors of the
authority.

(4) "Bonds" means electric transmission bonds issued as
authorized by this article 42 and includes notes, warrants,
bonds, temporary bonds, and anticipation notes issued by the
(5) "Commission" means the Public Utilities Commission created in section 40-2-101.

(6) "Electric Transmission Authority Operational Fund" or "Operational Fund" means the fund created in section 40-42-106.

(7) "Electric Transmission Bonding Fund" or "Bonding Fund" means the fund created in section 40-42-105 (3).

(8) "Electric Utility" means an entity operating for the purpose of supplying electricity to the public for domestic, mechanical, or public uses and includes an investor-owned electric utility subject to regulation under articles 1 to 7 of this title 40, a municipally owned utility, and a cooperative electric association.

(9) "Eligible Facilities" means facilities that are financed or acquired by the Authority.

(10) "Facilities" means electric transmission and interconnected storage facilities and all related structures, properties, and supporting infrastructure, including any interests therein.

(11) "Finance" or "financing" means the lending of bond proceeds by the Authority to a public utility or other private person for the purpose of planning, acquiring, operating, and maintaining eligible facilities in whole or in part by the public utility or other private person.

(12) "Project" means an undertaking by the Authority to finance, or to plan, acquire, maintain, and operate, eligible facilities located partly or entirely within Colorado.
(13) (a) "RENEWABLE ENERGY" MEANS ELECTRIC ENERGY THAT IS:

(I) GENERATED BY USE OF LOW- OR ZERO-EMISSIONS GENERATION TECHNOLOGY WITH SUBSTANTIAL LONG-TERM PRODUCTION POTENTIAL;

OR

(II) GENERATED BY USE OF RENEWABLE ENERGY RESOURCES, INCLUDING:

(A) SOLAR, WIND, HYDROELECTRIC, AND GEOTHERMAL RESOURCES;

(B) FUEL CELLS THAT DO NOT USE FOSSIL FUEL; AND

(C) BIOMASS RESOURCES, SUCH AS AGRICULTURAL OR ANIMAL WASTE, SMALL-DIAMETER TIMBER, SALT CEDAR AND OTHER PHREATOPHYTE OR WOODY VEGETATION REMOVED FROM RIVER BASINS OR WATERSHEDS IN COLORADO, LANDFILL GAS, AND ANAEROBICALLY DIGESTED WASTE BIOMASS.

(b) "RENEWABLE ENERGY" DOES NOT INCLUDE ELECTRIC ENERGY GENERATED BY USE OF FOSSIL FUEL OR NUCLEAR ENERGY.

(14) "STORAGE" MEANS ENERGY STORAGE TECHNOLOGIES THAT CONVERT, STORE, AND RETURN ELECTRICITY TO:

(a) HELP ALLEVIATE DISPARITIES BETWEEN ELECTRICITY SUPPLY AND DEMAND;

(b) FACILITATE THE DISPATCHING OF ELECTRICITY; OR

(c) INCREASE ECONOMIC RETURN ON THE SALE OF ELECTRICITY.

40-42-103. Authority - creation - board - open meetings and open records. (1) THE COLORADO ELECTRIC TRANSMISSION AUTHORITY IS HEREBY CREATED AS AN INDEPENDENT PUBLIC BODY POLITIC AND CORPORATE. THE AUTHORITY IS A PUBLIC INSTRUMENTALITY, AND ITS EXERCISE OF THE POWERS AS AUTHORIZED BY THIS ARTICLE 42 IS THE
PERFORMANCE OF AN ESSENTIAL PUBLIC FUNCTION. THE AUTHORITY IS A POLITICAL SUBDIVISION OF THE STATE, IS NOT AN AGENCY OF STATE GOVERNMENT, AND IS NOT SUBJECT TO ADMINISTRATIVE DIRECTION BY ANY DEPARTMENT, COMMISSION, BOARD, OR AGENCY OF THE STATE.

(2) (a) The powers of the authority are vested in a board of directors, which consists of the following nine members:

(I) One member appointed by the governor with the consent of the senate;

(II) The director of the Colorado energy office created in section 24-38.5-101 or the director’s designee;

(III) The state treasurer or the state treasurer’s designee;

(IV) The director of the office of economic development or the director’s designee;

(V) The director of the commission or the director’s designee;

(VI) One member appointed by the speaker of the house of representatives;

(VII) One member appointed by the president of the senate;

(VIII) One member appointed by the minority leader of the house of representatives; and

(IX) One member appointed by the minority leader of the senate.

(b) The appointed members of the board must have the following qualifications:

(I) The member appointed by the governor must have expertise in financial matters involving the financing of major
ELECTRIC TRANSMISSION PROJECTS; AND

(II) The other appointed members of the board must have:

(A) Special knowledge of the public utility industry, as evidenced by college degrees or by experience, at least five years of which must be in the public utility industry; and

(B) Knowledge of renewable energy development.

(c) A member of the board shall not represent a person that owns or operates facilities.

(d) Of the appointed members initially appointed to the board, the members appointed by the governor, the speaker of the house of representatives, and the minority leader of the senate shall serve initial terms of four years and the members appointed by the president of the senate and the minority leader of the house of representatives shall serve initial terms of two years. Thereafter, all appointed members of the board shall serve four-year terms. A vacancy in the membership of the board must be filled in the same manner as the original appointment for the remainder of the expired term only.

(e) An appointed member of the board is eligible for reappointment. An appointing authority may remove a member of the board for cause, after a public hearing, and may suspend the member from the board pending the completion of the hearing.

(f) Board members shall not receive compensation for their services but shall be reimbursed for their reasonable and necessary travel and other expenses incurred in the performance of their official duties.

(3) The members of the board shall elect a chair and a
vice-chair. Five members of the board constitute a quorum.

(4) The authority is subject to the open meetings provisions of the Colorado sunshine law contained in Part 4 of Article 6 of Title 24 and the "Colorado Open Records Act", Article 72 of Title 24. However, information obtained by the authority that is proprietary technical or business information is confidential and is not subject to inspection pursuant to the "Colorado Open Records Act". Proprietary confidential information includes power purchase agreements, costs of production, costs of transmission, transmission service agreements, credit reviews, detailed power models, and financing statements.

40-42-104. General and specific powers and duties of the authority. (1) Except as otherwise limited by this Article 42, the authority, acting through the board, has the power to:

(a) Hold and exercise all rights, duties, privileges, immunities, liabilities, and disabilities of a body corporate and a political subdivision of the state;

(b) Sue and be sued;

(c) Have an official seal and to alter the same at the board's pleasure;

(d) Establish reasonable administrative and procedural bylaws for its organization and internal management and for the conduct of its affairs and business;

(e) Maintain an office at any place in Colorado that it may determine;

(f) Acquire, hold, use, and dispose of real and personal
PROPERTY AND ITS INCOME, REVENUE, FUNDS, AND MONEY;

(g) SOLICIT AND RECEIVE AND EXPEND GIFTS, GRANTS, AND DONATIONS;

(h) MAKE AND ENTER INTO ALL CONTRACTS, LEASES, AND AGREEMENTS, INCLUDING INTERGOVERNMENTAL AGREEMENTS, THAT ARE NECESSARY OR INCIDENTAL TO THE PERFORMANCE OF ITS DUTIES AND THE EXERCISE OF ITS POWERS UNDER THIS ARTICLE 42, INCLUDING:

(I) CONTRACTS FOR THE LEASE AND OPERATION BY THE AUTHORITY OF ELIGIBLE FACILITIES OWNED BY AN ELECTRIC UTILITY OR OTHER PRIVATE PERSON; AND

(II) CONTRACTS FOR LEASING ELIGIBLE FACILITIES OWNED BY THE AUTHORITY, SUBJECT TO THE REQUIREMENT THAT THE AUTHORITY DEPOSIT ANY REVENUE DERIVED PURSUANT TO THE LEASE INTO THE ELECTRIC TRANSMISSION BONDING FUND;

(i) UNLESS OTHERWISE SPECIFICALLY PROHIBITED BY THIS ARTICLE 42, DEPOSIT MONEY OF THE AUTHORITY IN ANY BANKING INSTITUTION WITHIN OR OUTSIDE THE STATE;

(j) FIX THE TIME AND PLACE OR PLACES AT WHICH ITS REGULAR AND SPECIAL MEETINGS ARE TO BE HELD;

(k) HIRE A CHIEF EXECUTIVE OFFICER OF THE AUTHORITY AND AUTHORIZE THE CHIEF EXECUTIVE OFFICER TO HIRE OTHER STAFF AS NECESSARY FOR THE OPERATION OF THE AUTHORITY;

(l) USE THE SERVICES OF EXECUTIVE DEPARTMENTS OF THE STATE UPON MUTUALLY AGREEABLE TERMS AND CONDITIONS;

(m) ENTER INTO PARTNERSHIPS WITH PUBLIC OR PRIVATE ENTITIES;

(n) IDENTIFY AND ESTABLISH CORRIDORS FOR THE TRANSMISSION OF ELECTRICITY WITHIN THE STATE;
(o) Through participation in appropriate regional transmission forums, coordinate, investigate, plan, prioritize, and negotiate with entities within and outside Colorado for the establishment of interstate transmission corridors;

(p) Subject to the requirements of subsection (2) of this section, finance or plan, acquire, maintain, and operate eligible facilities necessary or useful for the accomplishment of the purposes of this Article 42;

(q) Subject to the requirements of Articles 1 to 7 of Title 38, exercise the power of eminent domain for acquiring property or rights-of-way for public use when needed for projects if the commission determines that doing so does not involve a taking of the property of an electric utility or materially diminish electric service reliability of the transmission system in Colorado;

(r) For any project, provide information and training to employees of the project regarding:

(I) Any unique hazards that may be posed by the project;

(II) Safe work practices; and

(III) Emergency procedures;

(s) Issue bonds as necessary to undertake a project;

(t) Collect payments of reasonable rates, fees, interest, or other charges from persons using eligible facilities to finance eligible facilities and for other services rendered by the authority, subject to the requirement that any revenue derived from payments made to the authority shall be deposited in the electric transmission bonding fund; and
(u) Do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted in this article 42.

(2) Except as provided in this subsection (2), the Authority shall not enter into a project if electric utilities or other private persons are willing to provide funds for and own new infrastructure to meet an identified need and market and already are performing the acts, constructing or have constructed the facilities, or providing the services contemplated by the Authority. Before the Authority enters into a project, the following procedural requirements must be met:

(a) The Authority shall provide to each electric utility and the Commission and publish at least once in a newspaper of general circulation in Colorado, at least once in a newspaper of general circulation in the area where the eligible facilities will be located, and continuously on a publicly accessible web page maintained by the Authority, an initial notice describing the project that the Authority is considering.

(b) Any person with an interest that may be affected by the proposed project has thirty days after the date of the last printed publication of the initial notice to challenge, in writing, the proposed project. If a challenge is received by the Authority within the thirty days, the Authority shall hold a public hearing no sooner than thirty days after receiving the challenge and after a minimum of two weeks after notice in the same newspapers in which and web page on which the initial notice was
GIVEN. FOLLOWING THE PUBLIC HEARING, THE AUTHORITY SHALL MAKE A
FINAL DETERMINATION ON WHETHER THE AUTHORITY WILL IMPLEMENT
THE PROPOSED PROJECT AND GIVE NOTICE OF THE DETERMINATION IN THE
SAME NEWSPAPERS AND ON THE SAME WEB PAGE AS THE INITIAL NOTICE
GIVEN. ANY PERSON OR GOVERNMENTAL ENTITY PARTICIPATING IN THE
HEARING MAY APPEAL THE FINAL DETERMINATION BY FILING A NOTICE OF
APPEAL WITH THE DISTRICT COURT FOR THE CITY AND COUNTY OF DENVER
WITHIN THIRTY-FIVE DAYS AFTER THE DATE OF THE FINAL
DETERMINATION.

(c) ELECTRIC UTILITIES AND OTHER PERSONS WILLING AND ABLE
TO PROVIDE MONEY FOR, ACQUIRE, MAINTAIN, AND OPERATE THE ELIGIBLE
FACILITIES DESCRIBED IN THE NOTICE HAVE THE FOLLOWING PERIOD
WITHIN WHICH TO NOTIFY THE AUTHORITY OF INTENTION AND ABILITY TO
PROVIDE MONEY FOR, ACQUIRE, MAINTAIN, AND OPERATE THE ELIGIBLE
FACILITIES DESCRIBED IN THE NOTICE:

(I) WITHIN NINETY DAYS AFTER THE DATE OF THE LAST PRINTED
PUBLICATION OF THE INITIAL NOTICE IF NO CHALLENGE IS RECEIVED
PURSUANT TO SUBSECTION (2)(b) OF THIS SECTION; OR

(II) WITHIN NINETY DAYS AFTER THE DATE OF THE NOTICE OF
DETERMINATION IF A CHALLENGE IS RECEIVED PURSUANT TO SUBSECTION
(2)(b) OF THIS SECTION; AND

(d) ABSENT NOTIFICATION BY AN ELECTRIC UTILITY OR OTHER
PERSON PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION, OR IF A
PERSON, HAVING GIVEN NOTICE OF INTENTION TO PROVIDE MONEY FOR,
ACQUIRE, MAINTAIN, AND OPERATE THE ELIGIBLE FACILITIES
CONTEMPLATED BY THE AUTHORITY, FAILS TO MAKE A GOOD FAITH
EFFORT TO BEGIN TO DO SO WITHIN TWELVE MONTHS AFTER THE DATE OF

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NOTIFICATION BY THE AUTHORITY OF ITS INTENTION, THE AUTHORITY MAY
PROCEED TO FINANCE OR PLAN, ACQUIRE, MAINTAIN, AND OPERATE THE
ELIGIBLE FACILITIES ORIGINALLY CONTEMPLATED. HOWEVER, A PERSON
THAT, WITHIN THE TIME REQUIRED, HAS MADE NECESSARY APPLICATIONS
TO ACQUIRE FEDERAL, STATE, LOCAL, OR PRIVATE PERMITS, CERTIFICATES,
OR OTHER APPROVALS NECESSARY TO ACQUIRE THE ELIGIBLE FACILITIES
IS DEEMED TO HAVE COMMENCED THE ACQUISITION AS LONG AS THE
PERSON DILIGENTLY PURSUES THE PERMITS, CERTIFICATES, OR OTHER
APPROVALS.

(3) IN SOLICITING AND ENTERING INTO CONTRACTS FOR THE
TRANSMISSION OR STORAGE OF ELECTRICITY, THE AUTHORITY AND ANY
PERSON LEASING OR OPERATING ELIGIBLE FACILITIES FINANCED OR
ACQUIRED BY THE AUTHORITY SHALL, IF PRACTICABLE, GIVE PRIORITY TO
THOSE CONTRACTS THAT WILL TRANSMIT OR STORE ELECTRICITY TO BE
SOLD AND CONSUMED IN COLORADO.

(4) NEITHER THE AUTHORITY NOR ANY ELIGIBLE FACILITIES
ACQUIRED BY THE AUTHORITY ARE SUBJECT TO THE SUPERVISION,
REGULATION, CONTROL, OR JURISDICTION OF THE COMMISSION; EXCEPT
THAT NOTHING IN THIS SECTION ALLOWS AN ELECTRIC UTILITY TO INCLUDE
THE COST OF USING ELIGIBLE FACILITIES IN ITS RATE BASE WITHOUT THE
APPROVAL OF THE COMMISSION.

(5) IN EXERCISING ITS POWERS AND DUTIES, THE AUTHORITY SHALL
NOT OWN OR CONTROL FACILITIES UNLESS:

(a) THE FACILITIES ARE LEASED TO OR HELD FOR LEASE OR SALE TO
AN ELECTRIC UTILITY OR ANOTHER PERSON APPROVED BY THE
COMMISSION;

(b) THE OPERATION, MAINTENANCE, AND USE OF THE FACILITIES
(c) The facilities are owned or controlled for a period of not more than one hundred eighty days after termination of a lease or contract described in Subsection (5)(a) or (5)(b) of this section or after the authority gains possession of the facilities following a breach of such a lease or contract or as a result of bankruptcy proceedings; or

d) The facilities do not affect in-state retail rates or electric service reliability.

(6) (a) An electric utility that is subject to regulation by the commission may recover the capital cost of a project undertaken pursuant to this Article 42 from its retail customers only if the project has received a certificate of public convenience and necessity from the commission. An electric utility that is a municipally owned utility exempt from regulation by the commission may recover such costs only if the project has been approved by the governing body of the municipality. A cooperative electric association exempt from regulation by the commission may recover such costs only if the project has been approved by the board of directors of the cooperative electric association.

(b) Costs associated with a project undertaken pursuant to this Article 42 are not recoverable from retail utility customers except to the extent the costs are prudently incurred and the project is used and useful in serving those customers as determined by the commission.
40-42-105. Electric transmission bonds - conditions of issuance
- electric transmission bonding fund creation - auditor examination
- payment from bonding fund - exemption from taxation. (1) The
authority is authorized to issue and sell electric transmission
bonds, payable solely from the electric transmission bonding
fund, in compliance with this article 42 for the purpose of
entering into a project when the authority determines that the
project is needed. This article 42 is, without reference to any
other law, full authority for the issuance and sale of bonds.
Bonds have all the qualities of investment securities under the
"Uniform Commercial Code", title 4, and shall not be deemed
invalid for any irregularity or defect or be contestable in the
hands of bona fide purchasers or holders of the bonds for value.

(2) (a) Bonds may be executed and delivered by the
authority at such times; may be in such form and denominations
and include such terms and maturities; may be subject to
optional or mandatory redemption prior to maturity with or
without a premium; may be in fully registered form or bearer
form registrable as to principal or interest or both; may bear
such conversion privileges; may be payable in such installments
and at such times not exceeding thirty years; may be payable at
such place or places whether within or without the state; may
bear interest at such rate or rates per annum, which may be
fixed or vary according to index, procedure, or formula or as
determined by the authority or its agents, without regard to
any interest rate limitation appearing in any other law of the
state; may be subject to purchase at the option of the holder or
THE AUTHORITY; MAY BE EVIDENCED IN SUCH MANNER; MAY BE EXECUTED BY SUCH OFFICERS OF THE AUTHORITY, INCLUDING THE USE OF ONE OR MORE FACSIMILE SIGNATURES SO LONG AS AT LEAST ONE MANUAL SIGNATURE APPEARS ON THE BONDS, WHICH MAY BE EITHER OF AN OFFICER OF THE AUTHORITY OR OF AN AGENT AUTHENTICATING THE SAME; MAY BE IN THE FORM OF COUPON BONDS THAT HAVE ATTACHED INTEREST COUPONS BEARING A MANUAL OR FACSIMILE SIGNATURE OF AN OFFICER OF THE AUTHORITY; AND MAY CONTAIN SUCH PROVISIONS NOT INCONSISTENT WITH THIS ARTICLE 42, ALL AS PROVIDED IN THE RESOLUTION OF THE AUTHORITY UNDER WHICH THE BONDS ARE AUTHORIZED TO BE ISSUED OR AS PROVIDED IN A TRUST INDENTURE BETWEEN THE AUTHORITY AND ANY COMMERCIAL BANK OR TRUST COMPANY HAVING FULL TRUST POWERS.

(b) (I) BONDS MAY BE SOLD AT PUBLIC OR PRIVATE SALE AT SUCH PRICE OR PRICES, IN SUCH MANNER, AND AT SUCH TIMES AS DETERMINED BY THE BOARD, AND THE BOARD MAY PAY ALL FEES, EXPENSES, AND COMMISSIONS THAT IT DEEMS NECESSARY OR ADVANTAGEOUS IN CONNECTION WITH THE SALE OF THE BONDS.

(II) THE BOARD MAY DELEGATE TO AN OFFICER OR AGENT OF THE BOARD THE POWER TO:

(A) FIX THE DATE OF SALE OF THE BONDS;

(B) RECEIVE BIDS OR PROPOSALS;

(C) AWARD AND SELL BONDS;

(D) FIX INTEREST RATES; AND

(E) TAKE ALL OTHER ACTION NECESSARY TO SELL AND DELIVER THE BONDS.

(III) THE AUTHORITY MAY REFUND ANY OUTSTANDING BONDS PURSUANT TO ARTICLE 56 OF TITLE 11.
(IV) All bonds and any interest coupons applicable thereto are declared to be negotiable instruments.

(c) Bonds are exempt from taxation by the state and any county, city and county, municipality, or other political subdivision of the state.

(d) Public entities, as defined in section 24-75-601 (1), may invest public money in bonds so long as the bonds satisfy the investment requirements established in part 6 of article 75 of title 24.

(e) Neither a member of the board nor an employee of the authority nor any person executing bonds is liable personally on the bonds or subject to any personal liability by reason of the issuance of the bonds.

(3) (a) (I) The electric transmission bonding fund is created in the authority. The bonding fund consists of:

(A) Revenue received by the authority from operating or leasing eligible facilities;

(B) Fees and service charges collected;

(C) Bond proceeds;

(D) Money from payments of principal and interest on loans if the authority has provided financing for eligible facilities; and

(E) All interest and income derived from the deposit and investment of money in the bonding fund.

(II) The authority may create separate accounts within the bonding fund in connection with any issuance of bonds and may deposit in the separate accounts revenue received by the
AUTHORITY FROM THE FINANCING OR LEASING OF ELIGIBLE FACILITIES.

Any separate account shall be held by a trustee acting under a
trust indenture relating to the bonds connected to the
account. Interest and income derived from the deposit and
investment of money in a separate account shall be credited to
the account.

(III) Balances in the bonding fund at the end of any state
fiscal year remain in the bonding fund, except as otherwise
provided in this section.

(b) Money in the bonding fund shall be deposited in a bank
designated by the authority in an account or accounts as the
authority may establish. Money in accounts shall be withdrawn
on the order of persons the authority may authorize. All
deposits of money shall be secured in such manner as the
authority may determine. The state auditor and the state
auditor's legally authorized representatives shall periodically
examine the accounts and books of the authority, including its
receipts, disbursements, contracts, leases, funds, investments,
and any other records and papers relating to its financial
standing. The authority shall pay a reasonable fee for the
examination as determined by the state auditor.

(c) Money in the bonding fund is pledged for the payment
of principal and interest on bonds issued pursuant to this article
42. Money in any separate account may be pledged solely to
payment of the bonds for which the separate account was
created. The authority may expend money in the bonding fund or
a separate account for the purpose of paying debt service,
INCLUDING REDEMPTION PREMIUMS, ON BONDS AND EXPENSES INCURRED
IN THE ISSUANCE, PAYMENT, AND ADMINISTRATION OF THE BONDS.

(4) TWICE ANNUALLY, THE AUTHORITY SHALL ESTIMATE THE
AMOUNTS NEEDED TO MAKE DEBT SERVICE AND OTHER PAYMENTS ON
BONDS DURING THE NEXT TWELVE MONTHS FROM THE BONDING FUND AND
FROM ANY SEPARATE ACCOUNT CREATED IN THE BONDING FUND PLUS THE
AMOUNT THAT MAY BE NEEDED FOR ANY REQUIRED RESERVES OR OTHER
REQUIREMENTS AS MAY BE SET FORTH IN THE TRUST INDENTURE RELATED
to the bonds. The authority shall transfer to the electric
transmission authority operational fund any balance in the
bonding fund or any separate account created in the bonding
fund above the estimated amounts. Payments for administrative
costs shall be deposited in the operational fund.

(5) BONDS ARE PAYABLE SOLELY FROM THE ELECTRIC
TRANSMISSION BONDING FUND OR FROM ANY SEPARATE ACCOUNT,
CREATED WITHIN THE BONDING FUND OR, WITH THE APPROVAL OF THE
BONDHOLDERS, SUCH OTHER SPECIAL FUNDS AS MAY BE PROVIDED BY LAW
AND DO NOT CREATE AN OBLIGATION OR INDEBTEDNESS OF THE STATE
WITHIN THE MEANING OF ANY CONSTITUTIONAL PROVISION OR LAW. NO
BREACH OF ANY CONTRACTUAL OBLIGATION INCURRED PURSUANT TO THIS
ARTICLE 42 IMPOSES A PECUNIARY LIABILITY OR A CHARGE UPON THE
GENERAL CREDIT OR TAXING POWER OF THE STATE.

(6) THE STATE PLEDGES THAT THE ELECTRONIC TRANSMISSION
BONDING FUND, INCLUDING ANY SEPARATE ACCOUNT WITHIN THE
BONDING FUND, SHALL BE USED ONLY FOR THE PURPOSES SPECIFIED IN THIS
SECTION AND IS PLEDGED FIRST TO REPAY BONDS ISSUED PURSUANT TO
THIS ARTICLE 42. THE STATE FURTHER PLEDGES THAT ANY LAW REQUIRING

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THE DEPOSIT OF REVENUE IN THE BONDING FUND OR AUTHORIZING EXPENDITURES FROM THE BONDING FUND SHALL NOT BE AMENDED OR REPEALED OR OTHERWISE MODIFIED SO AS TO IMPAIR THE BONDS TO WHICH THE BONDING FUND IS DEDICATED AS PROVIDED IN THIS SECTION.

**40-42-106. Electric transmission authority operational fund - creation.** The electric transmission authority operational fund is created in the authority. The operational fund consists of money transferred to the operational fund pursuant to section 40-42-105 (4), any other money that the authority may transfer to the operational fund, and interest and income derived from the deposit and investment of money in the operational fund. The authority may expend money from the operational fund for the purpose of carrying out the purposes of this article 42, and the authority may establish procedures to administer the operational fund in accordance with this article 42 and any other applicable provision of state law.

**40-42-107. Report to general assembly.** Commencing in 2021, the authority shall submit a report of its activities to the energy and environment committee of the house of representatives and the transportation and energy committee of the senate, or any successor committees, not later than December 1 of each year. The report shall set forth a complete operating and financial statement covering the operations of the authority for the previous state fiscal year. Notwithstanding section 24-1-136 (11)(a)(I), the requirement to submit the report continues indefinitely.

**SECTION 4. Act subject to petition - effective date.** This act
takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 5, 2020, if adjournment sine die is on May 6, 2020); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2020 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.