



Bill Ritter, Jr.
Governor

Colorado Department of Local Affairs

Susan E. Kirkpatrick
Executive Director

DIVISION OF PROPERTY TAXATION

JoAnn Groff
Property Tax Administrator

2009 NONRENEWABLE CAPITAL COST THRESHOLD RATES

All renewable energy facilities and wind farms in operation prior to January 1, 2006, are valued by the cost approach using a cost threshold based on the cost to construct a comparable non-renewable resource facility. This method also applies to photovoltaic electrical generation facilities (solar) and hydroelectric facilities designated as public utility electric companies by the Division of Property Taxation. **[SB09-177 has passed both houses of the state legislature and is awaiting the governor's signature. If this bill becomes law, solar facilities first put into operation after January 1, 2009, will be valued in the same manner a wind energy facilities according to 39-4-102 (1.5), C.R.S.]**

Wind energy facilities (WEF), as defined by statute, that are put into operation on or after January 1, 2006, are valued using the income approach. Memos detailing this valuation methodology are on our web site and are entitled: *2009 Wind Energy Facility Tax Factor Template* and *2009 Wind Energy Facility Tax Factor Instructions*. The valuation methodology in this section applies only to wind energy facilities as defined by statute (and to solar energy facilities if SB09-177 becomes law), and does not apply to other types of renewable energy facilities no matter when they were put into operation.

For the 2009 assessment year, the following capital cost threshold rates are to be used:

2009 Renewable Energy Assessment Cost Threshold Values	
Plant Size per MW	Threshold Rate per KW
Up to 2 MW	\$1,128
2 to 5 MW	\$887
5 to 10 MW	\$764
10 to 50 MW	\$576
50 to 100 MW	\$458
Greater Than 100 MW	\$421

A new category (0 to 2 MW) was added this year to accommodate the valuation of locally assessed renewable energy properties. The primary source for this cost information was *Gas Turbine World 2009 GTW Handbook, Volume 27*. We also considered actual cost information as well as information from the Federal Energy Information Administration.

