



Bill Ritter, Jr.  
Governor

Colorado Department of Local Affairs

Susan E. Kirkpatrick  
Executive Director

DIVISION OF PROPERTY TAXATION

JoAnn Groff  
Property Tax Administrator

**VALUATION OF WIND FARMS, WIND ENERGY FACILITIES AND OTHER STATE  
ASSESSED RENEWABLE ENERGY FACILITIES FOR 2008  
March 25, 2008**

All renewable energy facilities and wind farms in operation prior to 1/1/2006 are valued under the cost approach utilizing a replacement cost threshold based on the cost to construct a comparable non-renewable resource facility. The actual value established utilizing this method covers the entire facility including the interconnect meter, if the meter is owned by the facility. **This methodology also applies to PV electrical generation facilities (solar) and hydroelectric facilities designated as public utility electric companies by the Division of Property Taxation.**

Wind energy facilities (WEF), as defined by statute, that are put into operation on January 1, 2006 or later, are valued utilizing the income approach.

- a. The WEF is first valued under the cost approach, as listed under #1 above, and a 20 year estimate of total taxes to be paid into the future is calculated.
- b. Next, the projected gross revenue at the interconnection meter is calculated utilizing the size, PPA payment rate per KW, and capacity factor for the facility.
- c. A second 20 year estimate of taxes to be paid into the future is calculated and compared to the 20 year estimate established using the cost approach.
- d. A "tax factor" multiplier is calculated, using trial and error, that when applied to the projected gross revenue for the operation, will total a 20 year estimate that is equal or close to the 20 year estimate of taxes calculated under the cost approach.
- e. Finally, the tax factor is applied to the actual gross revenue reported by the facility on its annual statement or property for the prior calendar year.

The actual value established utilizing this method covers the entire WEF facility including the interconnect meter, if the meter is owned by the facility. The methodology contained in this section applies only to wind energy facilities defined by statute and does NOT apply to other types of renewable energy facilities no matter when they were put into operation. For the 2008 assessment year, the following cost threshold numbers will be used.

2008 Renewable Energy Assessment Cost Threshold Values	
Plant Size per MW	Threshold Rate per KW
Up to 5 MW	\$1008
5 to 10 MW	\$640
10.01 to 50 MW	\$601
50.01 to 100 MW	\$451
100.01 MW and above	\$420

If you have additional questions regarding this procedure, contact Bill Hyde at 303-866-2698

1313 Sherman, Room 419, Denver, CO 80203, (303) 866-2371  
TDD (303) 866-5300 FAX (303) 866-4000  
E-Mail: [joann.groff@state.co.us](mailto:joann.groff@state.co.us)

