

First Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO

DRAFT  
2.5.09

DRAFT

LLS NO. 09-0801.01 Duane Gall

HOUSE BILL

HOUSE SPONSORSHIP

Solano,

SENATE SPONSORSHIP

(None),

SHORT TITLE: "Elec Util Integrate Trans Infrastructure"

DEADLINES: File by: 2/6/2009

A BILL FOR AN ACT

101 CONCERNING ELECTRIC TRANSMISSION FOR THE STATE OF COLORADO,  
102 AND, IN CONNECTION THEREWITH, CREATING AN INTERIM TASK  
103 FORCE TO STUDY COLORADO'S NEED TO INTEGRATE  
104 TRANSMISSION FACILITY PLANNING AMONG INVESTOR-OWNED  
105 AND OTHER UTILITIES AND AMONG COLORADO AND OTHER  
106 WESTERN STATES, AND MAKING AN APPROPRIATION.

Bill Summary

*(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)*

Extends the existing requirement for biennial preparation of transmission facility plans to include all electric utilities regulated by the

*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

public utilities commission (PUC), not only those subject to rate regulation.

Creates a 17-member task force on reliable electricity infrastructure to meet during the 2009 interim and to collect information and report to the general assembly on the following topics:

- Existing limitations on, and potential technical, regulatory, and operational improvements to, the ability of Colorado's electric utilities to function as part of a regional transmission organization;
- Creation of a statewide, long-range electric transmission plan;
- Establishment of an independent person or entity specifically to plan and sequence the deployment of transmission facilities;
- Unbundling of transmission service and the encouragement of new market entrants;
- Modernization of utility operations, including enhanced weather forecasting capability;
- Funding and staffing issues of the PUC; and
- The potential involvement of the Colorado clean energy development authority and other government entities in planning and financing the construction of electric transmission facilities.

Authorizes, but does not require, the PUC to solicit and accept gifts, grants, and donations from private sources to fund the activities of the task force. If the total amount of gifts, grants, and donations received by June 1, 2009, is not sufficient to meet the expenses of the task force, directs the commission to return any amounts received, and provides for any interest earned on such amounts to revert to the general fund of the state.

---

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

2           **SECTION 1. Legislative declaration.** The general assembly  
3 finds, determines, and declares that integrated planning and intelligent  
4 sequencing of the construction of electric transmission lines will be  
5 critical to Colorado's ability to develop its vast renewable energy  
6 resources and to contribute to the creation of the new Western regional  
7 power grid, benefitting all Coloradans. Further, the state's long-term  
8 economic viability is dependent upon continuing improvements in the

1 efficiency of energy markets to avoid bottlenecks and weather-related  
2 service interruptions. The general assembly therefore finds that the state  
3 of Colorado should engage affected stakeholders to develop strategies for  
4 improving transmission infrastructure on an integrated, interstate basis.

5 **SECTION 2.** The introductory portion to 40-2-126 (2), Colorado  
6 Revised Statutes, is amended to read:

7 **40-2-126. Transmission facilities - biennial review - energy**  
8 **resource zones - definitions - plans - approval - cost recovery.** (2) On  
9 or before October 31 of each odd-numbered year, commencing in 2007,  
10 each Colorado electric utility subject to rate regulation by the commission  
11 shall:

12 **SECTION 3.** Article 4 of title 40, Colorado Revised Statutes, is  
13 amended BY THE ADDITION OF A NEW SECTION to read:

14 **40-4-117. Integrated transmission facility planning - task force**  
15 **- repeal.** (1) **Task force and report.** (a) THERE IS HEREBY CREATED  
16 THE TASK FORCE ON INTEGRATED TRANSMISSION FACILITY PLANNING,  
17 ALSO REFERRED TO IN THIS SECTION AS THE "TASK FORCE". THE TASK  
18 FORCE MAY MAKE RECOMMENDATIONS TO THE GOVERNOR AND GENERAL  
19 ASSEMBLY REGARDING THE SUFFICIENCY OF COLORADO'S ELECTRIC  
20 TRANSMISSION INFRASTRUCTURE TO FUNCTION AS PART OF AN  
21 INTEGRATED, INTERSTATE ELECTRICAL GRID THAT CAN ACCOMMODATE  
22 AND RAPIDLY RESPOND TO FLUCTUATIONS IN LOAD CONDITIONS, MARKET  
23 FACTORS, TRANSMISSION ROUTING CONSTRAINTS, WEATHER, AND  
24 REGIONAL RENEWABLE ENERGY GENERATION CAPACITY. THE TASK FORCE  
25 SHALL TAKE TESTIMONY ON THE TOPICS LISTED IN SUBSECTION (3) OF THIS  
26 SECTION AND SHALL REPORT TO THE GOVERNOR AND THE GENERAL  
27 ASSEMBLY ON SUCH TESTIMONY NO LATER THAN NOVEMBER 1, 2009.

1 ANY RECOMMENDATIONS MADE BY THE TASK FORCE SHALL REQUIRE THE  
2 AFFIRMATIVE CONSENT OF EIGHT OF ITS MEMBERS.

3 (b) THE TASK FORCE SHALL HOLD AT LEAST FOUR MEETINGS,  
4 WHICH SHALL BE OPEN TO THE PUBLIC. THE TASK FORCE SHALL ELECT A  
5 CHAIR AND A VICE-CHAIR FROM ITS MEMBERS AT ITS FIRST MEETING. THE  
6 TASK FORCE SHALL SOLICIT AND RECEIVE COMMENTS FROM MEMBERS OF  
7 THE PUBLIC, WHICH SHALL INCLUDE AN OPPORTUNITY FOR COLORADO  
8 CITIZENS TO SUBMIT WRITTEN COMMENTS TO THE TASK FORCE. THE TASK  
9 FORCE MAY DETERMINE THE MANNER IN WHICH SUCH COMMENTS ARE  
10 RECEIVED.

11 (c) THE TASK FORCE SHALL CONSIDER AND GIVE WEIGHT TO PUBLIC  
12 COMMENTS RECEIVED DURING THE PUBLIC HEARING PROCESS AS WELL AS  
13 WRITTEN COMMENTS FROM AFFECTED COUNTIES, CITIES, ELECTRIC  
14 PROVIDERS AND CUSTOMERS, ENVIRONMENTAL GROUPS, AND OTHER  
15 INTERESTED STAKEHOLDERS.

16 (2) **Membership.** (a) THE TASK FORCE SHALL CONSIST OF  
17 SEVENTEEN MEMBERS AS FOLLOWS:

18 (I) THE DIRECTOR OF THE PUBLIC UTILITIES COMMISSION OR HIS OR  
19 HER DESIGNEE, WHO SHALL CONVENE THE TASK FORCE AND WHO IS  
20 AUTHORIZED TO CONTRACT WITH A MEDIATOR OR OTHER THIRD PARTY TO  
21 FACILITATE ACCOMPLISHMENT OF THE TASK FORCE'S DUTIES;

22 (II) SIX MEMBERS APPOINTED BY THE GOVERNOR AS FOLLOWS:

23 (A) ONE MEMBER REPRESENTING COOPERATIVE ELECTRIC  
24 ASSOCIATIONS THAT DISTRIBUTE ELECTRICITY;

25 (B) ONE MEMBER REPRESENTING COOPERATIVE ELECTRIC  
26 ASSOCIATIONS THAT GENERATE AND TRANSMIT ELECTRICITY;

27 (C) TWO MEMBERS REPRESENTING INVESTOR-OWNED ELECTRIC

1 UTILITIES;

2 (D) ONE MEMBER REPRESENTING WIND-ELECTRIC GENERATION  
3 INTERESTS; AND

4 (E) ONE MEMBER REPRESENTING LARGE COMMERCIAL CONSUMERS  
5 OF ELECTRICITY;

6 (III) TWO MEMBERS APPOINTED BY THE SPEAKER OF THE  
7 COLORADO HOUSE OF REPRESENTATIVES, ONE OF WHOM SHALL NOT BE  
8 AFFILIATED WITH ANY OF THE GROUPS REPRESENTED BY OTHER MEMBERS  
9 OF THE TASK FORCE;

10 (IV) TWO MEMBERS APPOINTED BY THE PRESIDENT OF THE  
11 COLORADO SENATE, ONE OF WHOM SHALL NOT BE AFFILIATED WITH ANY  
12 OF THE GROUPS REPRESENTED BY OTHER MEMBERS OF THE TASK FORCE;

13 (V) THE EXECUTIVE DIRECTOR OF THE COLORADO MUNICIPAL  
14 LEAGUE OR ITS SUCCESSOR ORGANIZATION, OR THE EXECUTIVE DIRECTOR'S  
15 DESIGNEE;

16 (VI) THE EXECUTIVE DIRECTOR OF COLORADO COUNTIES,  
17 INCORPORATED, OR CCI, OR ITS SUCCESSOR ORGANIZATION, OR THE  
18 EXECUTIVE DIRECTOR'S DESIGNEE;

19 (VII) THE EXECUTIVE DIRECTOR OF THE COLORADO ASSOCIATION  
20 OF MUNICIPAL UTILITIES OR ITS SUCCESSOR ORGANIZATION, OR THE  
21 EXECUTIVE DIRECTOR'S DESIGNEE;

22 (VIII) THREE MEMBERS APPOINTED BY MUTUAL AGREEMENT AND  
23 CONSENT OF THE GOVERNOR, THE SPEAKER OF THE HOUSE OF  
24 REPRESENTATIVES, AND THE PRESIDENT OF THE SENATE.

25 (b) MEMBERS OF THE TASK FORCE SHALL BE APPOINTED WITHIN  
26 THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION.

27 (c) ANY VACANCY SHALL BE FILLED BY APPOINTMENT BY THE

1 OFFICIAL WHO APPOINTED THE MEMBER WHOSE ABSENCE RESULTED IN THE  
2 VACANCY.

3 (3) **Scope of inquiry.** AT A MINIMUM, THE TASK FORCE SHALL  
4 TAKE COMMENTS ON THE FOLLOWING TOPICS:

5 (a) EXISTING LIMITATIONS ON, AND POTENTIAL TECHNICAL,  
6 REGULATORY, AND OPERATIONAL IMPROVEMENTS TO, THE ABILITY OF  
7 COLORADO'S ELECTRIC UTILITIES TO FUNCTION AS PART OF A REGIONAL  
8 TRANSMISSION ORGANIZATION, INCLUDING:

9 (I) QUEUE REFORM;

10 (II) THE ELIMINATION OF PANCAKED TRANSMISSION RATES;

11 (III) ACCESS TO REGIONAL, REAL-TIME ENERGY MARKET  
12 REGULATION;

13 (IV) CONSOLIDATION OF LOAD-BALANCING AREAS;

14 (V) DEVELOPMENT OF TRANSPARENT TRADING HUBS;

15 (VI) ESTABLISHMENT OF INTRA-HOUR REGIONAL GENERATION  
16 SCHEDULING;

17 (VII) INTEGRATION OF CURRENT AND PROPOSED TRANSMISSION  
18 FACILITIES OF INVESTOR-OWNED UTILITIES WITH THOSE OF  
19 COOPERATIVELY OWNED AND MUNICIPAL UTILITIES, FOR PLANNING  
20 PURPOSES;

21 (VIII) THE SHARING OF AREA CONTROL ERROR DATA TO MEET  
22 RELIABILITY AND PERFORMANCE STANDARDS; AND

23 (IX) THE ADOPTION OF "CONDITIONAL FIRM" TRANSMISSION  
24 SERVICE;

25 (b) CREATION OF A SINGLE, COORDINATED, STATEWIDE,  
26 LONG-RANGE ELECTRIC TRANSMISSION PLAN AS SOON AS POSSIBLE;

27 (c) THE BENEFITS, COSTS, AND ALTERNATIVE METHODS FOR THE

1 ESTABLISHMENT OF AN INDEPENDENT PERSON OR ENTITY SPECIFICALLY TO  
2 PLAN AND SEQUENCE THE DEPLOYMENT OF TRANSMISSION FACILITIES AND  
3 TO REPRESENT COLORADO IN REGIONAL PLANNING ORGANIZATIONS AND  
4 PROCEEDINGS AT THE FEDERAL LEVEL;

5 (d) UNBUNDLING OF TRANSMISSION SERVICE AND THE EXTENSION  
6 OF EMINENT DOMAIN POWERS OR OTHER TRADITIONAL ATTRIBUTES OF  
7 UTILITY STATUS TO NEW ENTRANTS IN THE ELECTRIC TRANSMISSION  
8 MARKET, CONDITIONED UPON THEIR COMPLIANCE WITH THE STATEWIDE  
9 PLAN;

10 (e) THE BENEFITS, COSTS, AND ALTERNATIVE METHODS FOR  
11 MODERNIZING UTILITY OPERATIONS, INCLUDING ENHANCED WEATHER  
12 FORECASTING CAPABILITY;

13 (f) AN EXAMINATION OF THE FUTURE NEEDS AND CAPABILITIES OF  
14 THE COMMISSION, INCLUDING FUNDING AND STAFFING LEVELS RELATED TO  
15 ELECTRIC TRANSMISSION; AND

16 (g) THE BENEFITS, COSTS, AND ALTERNATIVE METHODS FOR  
17 INVOLVING THE COLORADO CLEAN ENERGY DEVELOPMENT AUTHORITY  
18 AND OTHER PUBLIC AND PRIVATE ENTITIES IN PLANNING AND FINANCING  
19 THE CONSTRUCTION OF ELECTRIC TRANSMISSION FACILITIES.

20 (4) (a) THE COMMISSION MAY ACCEPT GIFTS, GRANTS, AND  
21 DONATIONS FOR THE PURPOSE OF PROVIDING SUPPORT TO THE TASK FORCE  
22 TO PERFORM ITS RESPONSIBILITIES SPECIFIED IN THIS SECTION. ANY SUCH  
23 GIFTS, GRANTS, AND DONATIONS SHALL BE HELD IN A SEPARATE ACCOUNT  
24 IN THE PUBLIC UTILITIES COMMISSION FIXED UTILITY FUND CREATED IN  
25 SECTION 40-2-114.

26 (b) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE  
27 COMMISSION NOT BE REQUIRED TO SOLICIT GIFTS, GRANTS, OR DONATIONS

1 FROM ANY SOURCE FOR THE PURPOSES OF THIS SECTION AND THAT NO  
2 GENERAL FUND MONEYS BE USED TO PAY FOR EXPENSES OF THE TASK  
3 FORCE.

4 (c) IF, BY JUNE 1, 2009, MONEYS IN THE ACCOUNT CREATED  
5 PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION (4) HAVE NOT  
6 REACHED AN AMOUNT SUFFICIENT TO PAY THE EXPENSES OF THE TASK  
7 FORCE, THE TASK FORCE SHALL NOT MEET NOR UNDERTAKE ANY OTHER  
8 DUTIES PURSUANT TO THIS SECTION AND THE COMMISSION SHALL RETURN  
9 TO EACH GRANTOR OR DONOR AN AMOUNT EQUAL TO SUCH GRANTOR'S OR  
10 DONOR'S CONTRIBUTION. THE INTEREST, IF ANY, EARNED FROM THE  
11 INVESTMENT OF MONEYS IN THE ACCOUNT SHALL BE TRANSFERRED TO THE  
12 GENERAL FUND.

13 (5) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE DECEMBER 31,  
14 2009.

15 **SECTION 4. Appropriation.** In addition to any other  
16 appropriation, there is hereby appropriated, out of any gifts, grants, and  
17 donations credited to the public utilities commission fixed utility fund  
18 created in section 40-2-114, Colorado Revised Statutes, not otherwise  
19 appropriated, to the department of regulatory agencies, for allocation to  
20 the public utilities commission, for the fiscal year beginning July 1, 2009,  
21 the sum of \_\_\_\_\_ dollars (\$\_\_\_\_\_), or so much thereof as may be  
22 necessary, for the implementation of this act.

23 **SECTION 5. Safety clause.** The general assembly hereby finds,  
24 determines, and declares that this act is necessary for the immediate  
25 preservation of the public peace, health, and safety.