

**Second Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 08-0031.04 Thomas Morris

HOUSE BILL 08-1160

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A BILL FOR AN ACT

101 **CONCERNING NET METERING FOR CUSTOMER-GENERATORS OF**
102 **ELECTRIC UTILITIES.**

Bill Summary

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

Repeals the existing law that requires a cooperative electric association (CEA) to provide its customers who generate electricity with a net metering program. Requires municipally owned utilities that serve at least 5,000 customers (MOUs) and CEAs to provide residential customers who generate up to 10 kilowatts from eligible energy resources with a net meter and to provide commercial or industrial customers who generate up to 25 kilowatts from eligible energy resources with a net

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.

Capital letters indicate new material to be added to existing statute.

Dashes through the words indicate deletions from existing statute.

HOUSE
Amended 2nd Reading
February 5, 2008

meter. Requires CEAs and MOUs to credit a customer-generator's excess generation one-to-one against the customer's monthly energy consumption and to account for such excess generation annually or when the customer terminates electrical service. Requires CEAs, MOUs, and qualifying retail utilities subject to the renewable energy standard to provide net metering at nondiscriminatory rates. Specifies interconnection standards.

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

2 **SECTION 1. Repeal.** Part 3 of article 9.5 of title 40, Colorado
3 Revised Statutes, is repealed.

4 **SECTION 2.** Part 1 of article 9.5 of title 40, Colorado Revised
5 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
6 read:

7 **40-9.5-118. Net metering.** (1) **Definitions.** FOR PURPOSES OF
8 THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 (a) "CUSTOMER-GENERATOR" MEANS AN END-USE ELECTRICITY
10 CUSTOMER THAT GENERATES ELECTRICITY ON THE CUSTOMER'S SIDE OF
11 THE METER USING ELIGIBLE ENERGY RESOURCES.

12 (b) "ELIGIBLE ENERGY RESOURCES" HAS THE MEANING
13 ESTABLISHED IN SECTION 40-2-124.

14 (2) EACH COOPERATIVE ELECTRIC ASSOCIATION SHALL ALLOW A
15 CUSTOMER-GENERATOR'S RETAIL ELECTRICITY CONSUMPTION TO BE
16 OFFSET BY THE ELECTRICITY GENERATED FROM ELIGIBLE ENERGY
17 RESOURCES ON THE CUSTOMER-GENERATOR'S SIDE OF THE METER THAT
18 ARE INTERCONNECTED WITH THE FACILITIES OF THE COOPERATIVE
19 ELECTRIC ASSOCIATION, SUBJECT TO THE FOLLOWING:

20 (a) **Monthly excess generation.** IF A CUSTOMER-GENERATOR
21 GENERATES ELECTRICITY IN EXCESS OF THE CUSTOMER-GENERATOR'S
22 MONTHLY CONSUMPTION, ALL SUCH EXCESS ENERGY, EXPRESSED IN

1 KILOWATT-HOURS, SHALL BE CARRIED FORWARD FROM MONTH TO MONTH
2 AND CREDITED AT A RATIO OF ONE TO ONE AGAINST THE
3 CUSTOMER-GENERATOR'S ENERGY CONSUMPTION, EXPRESSED IN
4 KILOWATT-HOURS, IN SUBSEQUENT MONTHS.

5 (b) **Annual excess generation.** WITHIN SIXTY DAYS AFTER THE
6 END OF EACH ANNUAL PERIOD, OR WITHIN SIXTY DAYS AFTER THE
7 CUSTOMER-GENERATOR TERMINATES ITS RETAIL SERVICE, THE
8 COOPERATIVE ELECTRIC ASSOCIATION SHALL ACCOUNT FOR ANY EXCESS
9 ENERGY GENERATION, EXPRESSED IN KILOWATT-HOURS, ACCRUED BY THE
10 CUSTOMER-GENERATOR AND SHALL CREDIT SUCH EXCESS GENERATION TO
11 THE CUSTOMER-GENERATOR IN A MANNER DEEMED APPROPRIATE BY THE
12 COOPERATIVE ELECTRIC ASSOCIATION.

13 (c) **Nondiscriminatory rates.** A COOPERATIVE ELECTRIC
14 ASSOCIATION SHALL PROVIDE NET METERING SERVICE AT
15 NONDISCRIMINATORY RATES.

16 (d) **Interconnection standards.** A COOPERATIVE ELECTRIC
17 ASSOCIATION AND A CUSTOMER-GENERATOR SHALL COMPLY WITH THE
18 INTERCONNECTION STANDARDS AND INSURANCE REQUIREMENTS
19 ESTABLISHED IN THE RULES PROMULGATED BY THE PUBLIC UTILITIES
20 COMMISSION PURSUANT TO SECTION 40-2-124; EXCEPT THAT THE
21 COOPERATIVE ELECTRIC ASSOCIATION MAY REDUCE OR WAIVE ANY OF THE
22 INSURANCE REQUIREMENTS. IF ANY CUSTOMER-GENERATOR SUBJECT TO
23 THE SIZE SPECIFICATIONS SPECIFIED IN PARAGRAPH (e) OF THIS
24 SUBSECTION (2) IS DENIED INTERCONNECTION BY THE COOPERATIVE
25 ELECTRIC ASSOCIATION, THE ASSOCIATION SHALL PROVIDE A WRITTEN
26 TECHNICAL OR ECONOMIC EXPLANATION OF SUCH DENIAL TO THE
27 CUSTOMER. A COOPERATIVE ELECTRIC ASSOCIATION SHALL NOT PREVENT

1 OR UNREASONABLY BURDEN THE INSTALLATION OF A NET METERING
2 SYSTEM IF SUCH SYSTEM INCLUDES PROTECTIVE EQUIPMENT THAT
3 PREVENTS ANY EXPORT OF CUSTOMER-GENERATED ELECTRICITY FROM THE
4 CUSTOMER'S SIDE OF THE METER.

5 (e) (I) **Size specifications.** EACH COOPERATIVE ELECTRIC
6 ASSOCIATION SHALL ALLOW:

7 (A) RESIDENTIAL CUSTOMER-GENERATORS TO GENERATE
8 ELECTRICITY SUBJECT TO NET METERING UP TO TEN KILOWATTS; AND

9 (B) COMMERCIAL OR INDUSTRIAL CUSTOMER-GENERATORS TO
10 GENERATE ELECTRICITY SUBJECT TO NET METERING UP TO TWENTY-FIVE
11 KILOWATTS.

12 (II) EACH COOPERATIVE ELECTRIC ASSOCIATION MAY ALLOW
13 CUSTOMER-GENERATORS TO GENERATE ELECTRICITY SUBJECT TO NET
14 METERING IN AMOUNTS IN EXCESS OF THE MINIMUM AMOUNTS SPECIFIED
15 IN SUBPARAGRAPH (I) OF THIS PARAGRAPH (e).

16 **SECTION 3.** 40-2-124, Colorado Revised Statutes, is amended
17 BY THE ADDITION OF A NEW SUBSECTION to read:

18 **40-2-124. Renewable energy standard - definitions - net**
19 **metering.** (7) (a) **Definitions.** FOR PURPOSES OF THIS SUBSECTION (7),
20 UNLESS THE CONTEXT OTHERWISE REQUIRES:

21 (I) "CUSTOMER-GENERATOR" MEANS AN END-USE ELECTRICITY
22 CUSTOMER THAT GENERATES ELECTRICITY ON THE CUSTOMER'S SIDE OF
23 THE METER USING ELIGIBLE ENERGY RESOURCES.

24 (II) "MUNICIPALLY OWNED UTILITY" MEANS A MUNICIPALLY
25 OWNED UTILITY THAT SERVES FIVE THOUSAND CUSTOMERS OR MORE.

26 (b) EACH MUNICIPALLY OWNED UTILITY SHALL ALLOW A
27 CUSTOMER-GENERATOR'S RETAIL ELECTRICITY CONSUMPTION TO BE

1 OFFSET BY THE ELECTRICITY GENERATED FROM ELIGIBLE ENERGY
2 RESOURCES ON THE CUSTOMER-GENERATOR'S SIDE OF THE METER THAT
3 ARE INTERCONNECTED WITH THE FACILITIES OF THE MUNICIPALLY OWNED
4 UTILITY, SUBJECT TO THE FOLLOWING:

5 **(I) Monthly excess generation.** IF A CUSTOMER-GENERATOR
6 GENERATES ELECTRICITY IN EXCESS OF THE CUSTOMER-GENERATOR'S
7 MONTHLY CONSUMPTION, ALL SUCH EXCESS ENERGY, EXPRESSED IN
8 KILOWATT-HOURS, SHALL BE CARRIED FORWARD FROM MONTH TO MONTH
9 AND CREDITED AT A RATIO OF ONE TO ONE AGAINST THE
10 CUSTOMER-GENERATOR'S ENERGY CONSUMPTION, EXPRESSED IN
11 KILOWATT-HOURS, IN SUBSEQUENT MONTHS.

12 **(II) Annual excess generation.** WITHIN SIXTY DAYS AFTER THE
13 END OF EACH ANNUAL PERIOD, OR WITHIN SIXTY DAYS AFTER THE
14 CUSTOMER-GENERATOR TERMINATES ITS RETAIL SERVICE, THE
15 MUNICIPALLY OWNED UTILITY SHALL ACCOUNT FOR ANY EXCESS ENERGY
16 GENERATION, EXPRESSED IN KILOWATT-HOURS, ACCRUED BY THE
17 CUSTOMER-GENERATOR AND SHALL CREDIT SUCH EXCESS GENERATION TO
18 THE CUSTOMER-GENERATOR IN A MANNER DEEMED APPROPRIATE BY THE
19 MUNICIPALLY OWNED UTILITY.

20 **(III) Nondiscriminatory rates.** A MUNICIPALLY OWNED UTILITY
21 SHALL PROVIDE NET METERING SERVICE AT NONDISCRIMINATORY RATES.

22 **(IV) Interconnection standards.** EACH MUNICIPALLY OWNED
23 UTILITY SHALL ADOPT AND POST SMALL GENERATION INTERCONNECTION
24 STANDARDS AND INSURANCE REQUIREMENTS THAT ARE FUNCTIONALLY
25 SIMILAR TO THOSE ESTABLISHED IN THE RULES PROMULGATED BY THE
26 PUBLIC UTILITIES COMMISSION PURSUANT TO THIS SECTION; EXCEPT THAT
27 THE MUNICIPALLY OWNED UTILITY MAY REDUCE OR WAIVE ANY OF THE

1 INSURANCE REQUIREMENTS. IF ANY CUSTOMER-GENERATOR SUBJECT TO
2 THE SIZE SPECIFICATIONS SPECIFIED IN SUBPARAGRAPH (V) OF THIS
3 PARAGRAPH (b) IS DENIED INTERCONNECTION BY THE MUNICIPALLY
4 OWNED UTILITY, THE UTILITY SHALL PROVIDE A WRITTEN TECHNICAL OR
5 ECONOMIC EXPLANATION OF SUCH DENIAL TO THE CUSTOMER.

6 (V) **Size specifications.** EACH MUNICIPALLY OWNED UTILITY MAY
7 ALLOW CUSTOMER-GENERATORS TO GENERATE ELECTRICITY SUBJECT TO
8 NET METERING IN AMOUNTS IN EXCESS OF THOSE SPECIFIED IN THIS
9 SUBPARAGRAPH (V), AND SHALL ALLOW:

10 (A) RESIDENTIAL CUSTOMER-GENERATORS TO GENERATE
11 ELECTRICITY SUBJECT TO NET METERING UP TO TEN KILOWATTS; AND

12 (B) COMMERCIAL OR INDUSTRIAL CUSTOMER-GENERATORS TO
13 GENERATE ELECTRICITY SUBJECT TO NET METERING UP TO TWENTY-FIVE
14 KILOWATTS.

15 **SECTION 4. Effective date.** This act shall take effect at 12:01
16 a.m. on the day following the expiration of the ninety-day period after
17 final adjournment of the general assembly that is allowed for submitting
18 a referendum petition pursuant to article V, section 1 (3) of the state
19 constitution, (August 6, 2008, if adjournment sine die is on May 7, 2008);
20 except that, if a referendum petition is filed against this act or an item,
21 section, or part of this act within such period, then the act, item, section,
22 or part, if approved by the people, shall take effect on the date of the
23 official declaration of the vote thereon by proclamation of the governor.