A BILL FOR AN ACT

CONCERNING INCENTIVES FOR THE INSTALLATION OF NEW DISTRIBUTED RENEWABLE ENERGY GENERATION FACILITIES IN COLORADO, AND, IN CONNECTION THEREWITH, INCREASING THE TARGET PERCENTAGES UNDER THE ELECTRIC UTILITY PORTFOLIO STANDARD TO ENCOURAGE COLORADO UTILITIES TO GENERATE FIVE PERCENT OF THEIR RETAIL ELECTRICITY SALES FROM DISTRIBUTED RENEWABLE SOURCES BY THE YEAR 2020, AND ADOPTING STANDARDS FOR THE INSTALLATION OF DISTRIBUTED SOLAR ELECTRIC GENERATION EQUIPMENT.

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

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.)
Existing law creates a renewable energy portfolio standard (RPS) under which certain electric utilities are required to generate an increasing percentage of their electricity from renewable sources, in a series of increments from 3% in 2007 to 20% in 2020 and thereafter. The bill boosts these RPS percentages to achieve 30% renewable generation by 2020 and requires a portion of the RPS to be met through a subset of renewable generation, "distributed generation" (DG), which does not require additional transmission facilities to connect to the grid.

Section 1 of the bill directs the Colorado public utilities commission (PUC) to consider employment and economic factors when evaluating proposed new electric generation resource acquisitions by utilities, including the use of "best value" employment metrics such as the availability of training programs and the wages, health benefits, and pensions that workers will earn.

Section 2 defines terms, increases the RPS percentages, and, within each RPS percentage, replaces an existing carve-out for solar generation with a larger carve-out for DG (which includes customer-sited solar generation). Section 2 also directs the PUC to monitor compliance with the DG carve-out by issuing a new series of renewable energy credits (RECs) and by redesignating RECs already earned, when appropriate. Finally, section 2 limits the existing 1.25 multiplier for in-state renewable electric generation to utility-scale projects only.

Section 3 gives the PUC discretion to incrementally reduce the existing standard rebate offer (which utilities must pay as an incentive for new customer-sited renewable generation facilities such as rooftop solar panels) from $2 to some lesser amount if the PUC finds that the market no longer requires this level of subsidy. In addition, section 3 requires that the rebate offer for DG systems decline based on market conditions, as determined by the PUC, but allows the PUC to adopt performance-based incentives for DG systems.

Section 4 allows a utility to develop and own, as part of its rate base, up to 50% of the DG capacity it acquires from power purchase agreements and new construction if the cost is reasonably comparable to current market cost. Section 4 also requires the PUC to allow a utility cost recovery for the construction of new DG on a par with the cost recovery allowed for new coal-fired facilities.

For large DG facilities of one megawatt or more, section 4 directs the PUC to require registration with a regional system for tracking renewable energy generation. Effective January 1, 2012, sections 4 and 7 require new DG installations funded wholly or partly through ratepayer incentives and rebates to be installed by licensed electricians or
apprentices, where appropriate, and supervised by persons who are certified by the North American board of certified energy practitioners (NABCEP) or another nationally recognized organization designated by the PUC. Finally, section 4 specifies that DG program expenditures be allocated 10% to wholesale and 90% to retail, with residential and nonresidential retail receiving a proportionate share based on the utility's customer profile. The utility may retain its costs of administering DG programs, not to exceed 5% annually.

Section 5 expressly authorizes any committee formed by executive order for the purpose of studying the desirability of regulating solar installers to submit a request for sunrise review by the department of regulatory agencies under the state's sunrise and sunset law.

Sections 5 and 6 require that for projects funded by federal or state grants or by clean energy loans made through the state's clean energy finance program, the licensing and NABCEP requirements apply beginning July 1, 2011.

Section 8 defines special terms used in sections 4 to 7.

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

SECTION 1. 40-2-123, Colorado Revised Statutes, is amended by the addition of a new subsection to read:

40-2-123. New energy technologies - consideration by commission - incentives - demonstration projects - definitions - legislative declaration - repeal. (3.2) When evaluating new competitively bid resource acquisitions under this section, the commission shall consider factors that affect employment and the long-term economic viability of Colorado communities. To this end, the commission shall require utilities to analyze "best value" employment metrics such as the availability of training programs, including training by registered apprenticeship programs; employment of Colorado workers as compared to importation of out-of-state workers; long-term career opportunities; and industry-standard wages, health care, and pension benefits.
SECTION 2. The introductory portion to 40-2-124 (1) and
40-2-124 (1) (a), (1) (c) (I), (1) (c) (II), (1) (c) (III), (1) (c) (IV), and (1)
c (VIII), Colorado Revised Statutes, are amended to read:

40-2-124. Renewable energy standard - definitions - net
metering - legislative declaration. (1) Each provider of retail electric
service in the state of Colorado, other than municipally owned utilities
that serve forty thousand customers or less, shall be considered a
qualifying retail utility. Each qualifying retail utility, with the exception
of cooperative electric associations that have voted to exempt themselves
from commission jurisdiction pursuant to section 40-9.5-104 and
municipally owned utilities, shall be subject to the rules established under
this article by the commission. No additional regulatory authority of the
commission other than that specifically contained in this section is
provided or implied. In accordance with article 4 of title 24, C.R.S., on
or before October 1, 2007, the commission shall revise or clarify existing
rules to establish the following:

(a) Definitions of eligible energy resources that can be used to
meet the standards. "Eligible energy resources" means recycled energy
and renewable energy resources. "Renewable energy resources" means
solar, wind, geothermal, biomass, new hydroelectricity with a nameplate
rating of ten megawatts or less, and hydroelectricity in existence on
January 1, 2005, with a nameplate rating of thirty megawatts or less. The
commission shall determine, following an evidentiary hearing, the extent
to which such electric generation technologies utilized in an optional
pricing program may be used to comply with this standard. A fuel cell
using hydrogen derived from an eligible energy resource is also an
eligible electric generation technology. Fossil and nuclear fuels and their
derivatives are not eligible energy resources. For purposes of this section:

(I) "Biomass" means:

(A) Nontoxic plant matter consisting of agricultural crops or their byproducts, urban wood waste, mill residue, slash, or brush;

(B) Animal wastes and products of animal wastes; or

(C) Methane produced at landfills or as a by-product of the treatment of wastewater residuals.

(II) "DISTRIBUTED RENEWABLE ELECTRIC GENERATION" OR "DISTRIBUTED GENERATION" MEANS RENEWABLE ENERGY RESOURCES FROM WHICH ELECTRICITY CAN BE CONNECTED TO THE EXISTING TRANSMISSION OR DISTRIBUTION GRID WITHOUT THE NEED FOR NEW SUBSTATION OR TRANSMISSION FACILITIES OTHER THAN AN INVERTER, METER, TRANSFORMER, OR ASSOCIATED CABLE CONNECTIONS.

(III) "Recycled energy" means energy produced by a generation unit with a nameplate capacity of not more than fifteen megawatts that converts the otherwise lost energy from the heat from exhaust stacks or pipes to electricity and that does not combust additional fossil fuel. "Recycled energy" does not include energy produced by any system that uses energy, lost or otherwise, from a process whose primary purpose is the generation of electricity, including, without limitation, any process involving engine-driven generation or pumped hydroelectricity generation.

(IV) "RENEWABLE ENERGY RESOURCES" MEANS SOLAR, WIND, GEOTHERMAL, BIOMASS, NEW HYDROELECTRICITY WITH A NAMEPLATE RATING OF TEN MEGAWATTS OR LESS, AND HYDROELECTRICITY IN EXISTENCE ON JANUARY 1, 2005, WITH A NAMEPLATE RATING OF THIRTY MEGAWATTS OR LESS.
(V) "Retail distributed generation" means renewable electric generation that is interconnected on the customer's side of the utility meter and providing electric energy primarily to serve the customer's load.

(VI) "Utility-scale eligible energy resources" means eligible energy resources that do not qualify as either wholesale distributed generation or retail distributed generation.

(VII) "Wholesale distributed generation" means renewable electric generation that does not require new transmission facilities, is connected directly to the distribution network, and provides wholesale energy to an electric utility at normal distribution voltages.

(c) Electric resource standards:

(I) Except as provided in subparagraph (V) of this paragraph (c), the electric resource standards shall require each qualifying retail utility to generate, or cause to be generated, electricity from eligible energy resources in the following minimum amounts:

(A) Three percent of its retail electricity sales in Colorado for the year 2007;

(B) Five percent of its retail electricity sales in Colorado for the years 2008 through 2010, of which one-tenth, or one-half percent of total retail electricity sales, shall be derived from distributed renewable electric generation technologies;

(C) Ten-twelve percent of its retail electricity sales in Colorado for the years 2011 through 2014, of which two percent of total retail electricity sales shall be derived from distributed
RENEWABLE ELECTRIC GENERATION TECHNOLOGIES;

(D) Fifteen twenty percent of its retail electricity sales in Colorado for the years 2015 through 2019, of which three percent of total retail electricity sales shall be derived from distributed renewable electric generation technologies; and

(E) Twenty thirty percent of its retail electricity sales in Colorado for the years 2020 and thereafter, of which three and one-half percent of total retail electricity sales shall be derived from distributed renewable electric generation technologies.

(II) (A) Of the amounts in subparagraph (I) of this paragraph (c), at least four percent shall be the portion derived from solar distributed renewable electric generation technologies, at least one-half of this four percent shall be derived from solar electric technologies located on-site at customers' facilities, also referred to in this subparagraph (II) as the "distributed generation carve-out", shall be maintained within each segment of the utility's market, including its residential retail market segment, its nonresidential retail market segment, and its wholesale market segment, if any. The commission shall encourage and monitor compliance with the distributed generation carve-out within market segments through the issuance of one or more specifically identified categories of tradable renewable energy credits as authorized by paragraph (d) of this subsection (1). The commission may recategorize a utility's previously acquired renewable energy credits for purposes of the distributed generation carve-out if the commission finds that those credits
REPRESENT ELECTRICITY DERIVED FROM DISTRIBUTED RENEWABLE ELECTRIC GENERATION TECHNOLOGIES.

(A.5) THE GENERAL ASSEMBLY FINDS, DETERMINES, AND DECLARES THAT THE PURPOSE OF THE DISTRIBUTED GENERATION CARVE-OUT, AND THE DESIGNATION OF SPECIFIC CATEGORIES OF Tradable Renewable Energy Credits for Monitoring Compliance with the Distributed Generation Carve-out, is to maximize and achieve orderly annual growth of Colorado's installed Distributed Renewable Electric Generation Capacity within the Residential, Commercial, and Wholesale Energy Markets while minimizing the overall cost to Colorado's ratepayers.

(B) Solar generating equipment located on-site at customers' facilities shall be sized to supply no more than one hundred twenty percent of the average annual consumption of electricity by the consumer at that site. For purposes of this sub-subparagraph (B), the consumer's "site" shall include all contiguous property owned or leased by the consumer, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way, or utility rights-of-way.

(III) Each kilowatt-hour of electricity generated from Utility-Scale eligible energy resources in Colorado shall be counted as one and one-quarter kilowatt-hours for the purposes of compliance with this standard.

(IV) To the extent that the ability of a qualifying retail utility to acquire eligible energy resources is limited by a requirements contract with a wholesale electric supplier, the qualifying retail utility shall acquire the maximum amount allowed by the contract. For any shortfalls to the
amounts established by the commission pursuant to subparagraph (I) of this paragraph (c), the qualifying retail utility shall acquire an equivalent amount of either renewable energy credits; documented and verified energy savings through energy efficiency and conservation programs; or a combination of both. Any contract entered into by a qualifying retail utility after December 1, 2004, shall not conflict with this article.

(VIII) Each kilowatt-hour of Electricity from eligible energy resources may take advantage of only one of the methods for counting kilowatt-hours set forth in subparagraphs (III), (VI), and (VII) of this paragraph (c).

SECTION 3. The introductory portion to 40-2-124 (1) and 40-2-124 (1) (e) (I), Colorado Revised Statutes, are amended, and the said 40-2-124 (1) (e) is further amended by the addition of the following new subparagraphs, to read:

40-2-124. Renewable energy standard - definitions - net metering - legislative declaration. (1) Each provider of retail electric service in the state of Colorado, other than municipally owned utilities that serve forty thousand customers or fewer, shall be considered a qualifying retail utility. Each qualifying retail utility, with the exception of cooperative electric associations that have voted to exempt themselves from commission jurisdiction pursuant to section 40-9.5-104 and municipally owned utilities, shall be subject to the rules established under this article by the commission. No additional regulatory authority of the commission other than that specifically contained in this section is provided or implied. In accordance with article 4 of title 24, C.R.S., on or before October 1, 2007, the commission shall revise or clarify existing rules to establish the following:
(e) A standard rebate offer program, under which:

(I) Each qualifying retail utility, except for cooperative electric associations and municipally owned utilities, shall make available to its retail electricity customers a standard rebate offer of a **minimum of two dollars** per watt for the installation of eligible solar electric generation on customers' premises up to a maximum of one hundred kilowatts per installation. Such offer shall allow the customer's retail electricity consumption to be offset by the solar electricity generated. To the extent that solar electricity generation exceeds the customer's consumption during a billing month, such excess electricity shall be carried forward as a credit to the following month's consumption. To the extent that solar electricity generation exceeds the customer's consumption during a calendar year, the customer shall be reimbursed by the qualifying retail utility at its average hourly incremental cost of electricity supply over the prior twelve-month period unless the customer makes a one-time election, in writing, to request that the excess electricity be carried forward as a credit from month to month indefinitely until the customer terminates service with the qualifying retail utility, at which time no payment shall be required from the qualifying retail utility for any remaining excess electricity supplied by the customer. The qualifying retail utility shall not apply unreasonably burdensome interconnection requirements in connection with this standard rebate offer. Electricity generated under this program shall be eligible for the qualifying retail utility's compliance with this article.

(I.5) **THE AMOUNT OF THE STANDARD REBATE OFFER SHALL BE AT LEAST TWO DOLLARS PER WATT; EXCEPT THAT THE COMMISSION MAY REDUCE THIS AMOUNT INCREMENTALLY IF THE COMMISSION DETERMINES,**
BASED ON A QUALIFYING RETAIL UTILITY'S RENEWABLE RESOURCE PLAN, THAT THE MARKET NO LONGER REQUIRES THIS LEVEL OF SUBSIDY.

(IV) NOTWITHSTANDING SUBPARAGRAPH (I.5) OF THIS PARAGRAPH (e), THE INCENTIVES FOR DISTRIBUTED RENEWABLE ELECTRIC GENERATION SHALL DECLINE AT A RATE DEEMED APPROPRIATE BY THE COMMISSION BASED ON MARKET CONDITIONS. THE COMMISSION SHALL DIRECT QUALIFYING RETAIL UTILITIES TO NOTIFY THEIR CUSTOMERS OF THE SCHEDULE OF DECLINING DISTRIBUTED GENERATION INCENTIVE LEVELS.

(V) THE COMMISSION SHALL ENCOURAGE, AND MAY REQUIRE, PERFORMANCE-BASED INCENTIVES FOR DISTRIBUTED GENERATION SYSTEMS OF ALL SIZES BASED UPON THEIR NET OUTPUT. IN DEVELOPING SUCH PERFORMANCE-BASED INCENTIVES, THE COMMISSION MAY:

(A) APPLY THE INCENTIVES ONLY TO SPECIFIED MARKET SEGMENTS OR CUSTOMER CLASSES DESIGNATED BY THE COMMISSION;

(B) DESIGN THE INCENTIVES SO THAT CUSTOMERS MAY RECEIVE A HIGHER LEVEL OF INCENTIVES OVER THE LIFETIME OF A PROJECT THAN UNDER INCENTIVES BASED ON INSTALLED ELECTRICAL CAPACITY; AND

(C) DEVELOP FINANCING OPTIONS THAT HELP OFFSET THE INSTALLATION COSTS OF DISTRIBUTED GENERATION SYSTEMS, SO LONG AS SUCH FINANCING IS ULTIMATELY REPAID IN FULL BY THE CONSUMER OR THROUGH THE APPLICATION OF THE PERFORMANCE-BASED INCENTIVES.

SECTION 4. The introductory portion to 40-2-124 (1) and 40-2-124 (1) (f) (IV), (1) (g) (I), and (1) (g) (III), Colorado Revised Statutes, are amended, and the said 40-2-124 (1) (f) is further amended BY THE ADDITION OF THE FOLLOWING NEW SUBPARAGRAPHS, to read:

40-2-124. Renewable energy standard - definitions - net
metering - legislative declaration. (1) Each provider of retail electric service in the state of Colorado, other than municipally owned utilities that serve forty thousand customers or less, shall be considered a qualifying retail utility. Each qualifying retail utility, with the exception of cooperative electric associations that have voted to exempt themselves from commission jurisdiction pursuant to section 40-9.5-104 and municipally owned utilities, shall be subject to the rules established under this article by the commission. No additional regulatory authority of the commission other than that specifically contained in this section is provided or implied. In accordance with article 4 of title 24, C.R.S., on or before October 1, 2007, the commission shall revise or clarify existing rules to establish the following:

(f) Policies for the recovery of costs incurred with respect to these standards for qualifying retail utilities that are subject to rate regulation by the commission. These policies shall provide incentives to qualifying retail utilities to invest in eligible energy resources in the state of Colorado. Such policies shall include:

(IV) Considering, when the qualifying retail utility applies for a certificate of public convenience and necessity under section 40-5-101, rate recovery mechanisms that provide for earlier and timely recovery of costs prudently and reasonably incurred by the qualifying retail utility in developing, constructing, and operating the eligible energy resource, on terms no less favorable to the utility than the commission currently allows for the development, construction, and operation of coal-fired electric generating facilities, including:

(A) Rate adjustment clauses until the costs of the eligible energy resource can be included in the utility's base rates; and
(B) A current return on the utility's capital expenditures during construction at the utility's weighted average cost of capital, including its most recently authorized rate of return on equity, during the construction, startup, and operation phases of the eligible energy resource;

(VII) A REQUIREMENT THAT ALL DISTRIBUTED RENEWABLE ELECTRIC GENERATION FACILITIES WITH A NAMEPLATE RATING OF ONE MEGAWATT OR MORE BE REGISTERED WITH A RENEWABLE ENERGY GENERATION INFORMATION TRACKING SYSTEM DESIGNATED BY THE COMMISSION.

(VIII) EFFECTIVE JANUARY 1, 2012, A REQUIREMENT THAT FOR ALL PHOTOVOLTAIC INSTALLATIONS FUNDED WHOLLY OR PARTIALLY THROUGH INCENTIVES UNDER THIS SECTION:

(A) THE INSTALLATION OF PHOTOVOLTAIC SYSTEMS, INCLUDING ALL PHOTOVOLTAIC ELECTRICAL WORK AND PHOTOVOLTAIC MODULE MOUNTING EQUIPMENT, WILL BE SUPERVISED BY A PERSON CERTIFIED AS A CERTIFIED ENERGY PRACTITIONER BY THE NORTH AMERICAN BOARD OF CERTIFIED ENERGY PRACTITIONERS (NABCEP) OR ANOTHER NATIONALLY RECOGNIZED PROFESSIONAL ORGANIZATION DESIGNATED BY THE COMMISSION BY RULE. UPON THE INITIAL APPLICATION FOR FUNDING OR IN THE INITIAL CONTRACT PROPOSAL, THE APPLICANT SHALL ASSUME RESPONSIBILITY FOR HIRING A CERTIFIED SUPERVISOR. FINAL PAYMENT FOR THE WORK SHALL BE CONDITIONED UPON THE APPLICANT’S SUPPLYING THE NAME AND CERTIFICATION NUMBER OF THE PERSON OR PERSONS WHO ACTUALLY SUPERVISED THE WORK.

(B) ALL ELECTRICAL WORK THAT IS SUBJECT TO THE NATIONAL ELECTRICAL CODE WILL BE PERFORMED BY A LICENSED MASTER ELECTRICIAN, JOURNEYMAN ELECTRICIAN, OR RESIDENTIAL WIREMAN, AS
APPROPRIATE, OR A REGISTERED APPRENTICE WORKING UNDER THE
SUPERVISION OF SUCH PERSON; AND

(C) The ratio of the number of persons who are present on
the project site and who are not licensed or certified as provided
in sub-subparagraph (A) or (B) of this subparagraph (VIII) to the
number of persons who are so licensed or certified shall never
exceed three to one. A person who is both licensed and certified
shall not count double for purposes of measuring this ratio.

(g) Retail rate impact rule:

(I) (A) Except as otherwise provided in subparagraph (IV) of this
paragraph (g), for each qualifying utility, the commission shall establish
a maximum retail rate impact for this section of two percent of the total
electric bill annually for each customer. The retail rate impact shall be
determined net of new alternative sources of electricity supply from
noneligible energy resources that are reasonably available at the time of
the determination.

(B) If the retail rate impact does not exceed the maximum impact
permitted by this paragraph (g), the qualifying utility may acquire more
than the minimum amount of eligible energy resources and renewable
energy credits required by this section.

(C) Effective July 1, 2010, the commission shall direct
that, of the amounts collected by a qualifying retail utility for
the purpose of acquiring new distributed renewable electric
generation and after deduction of administrative costs, it shall
spend, as nearly as practicable, ten percent for wholesale
distributed generation and ninety percent for retail distributed
generation. Within each of these categories, as between
RESIDENTIAL AND NONRESIDENTIAL RETAIL DISTRIBUTED GENERATION,

THE COMMISSION SHALL DIRECT THE UTILITY TO ALLOCATE ITS
EXPENDITURES ACCORDING TO THE PROPORTION OF THE UTILITY'S
REVENUE DERIVED FROM EACH OF THESE MARKET SEGMENTS. THE
UTILITY MAY RETAIN AN AMOUNT REFLECTING ITS COSTS OF
ADMINISTRATION, NOT TO EXCEED FIVE PERCENT ANNUALLY, FROM
DISTRIBUTED GENERATION PROGRAM FUNDING.

(III) Subject to the maximum retail rate impact permitted by this
paragraph (g), the qualifying retail utility shall have the discretion to
determine, in a nondiscriminatory manner, the price it will pay for
renewable energy credits from on-site customer facilities that are no
larger than one five hundred kilowatts.

SECTION 5. Article 38.5 of title 24, Colorado Revised Statutes,
is amended BY THE ADDITION OF A NEW SECTION to read:

24-38.5-104. Photovoltaic installer qualifications - cooperation
with department of regulatory agencies. (1) Effective July 1, 2011,
ALL PHOTOVOLTAIC INSTALLATIONS FUNDED WHOLLY OR PARTIALLY
THROUGH STATE OR FEDERAL GRANTS, INCLUDING GRANTS UNDER THE
FEDERAL "AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009",
PUB.L. 111-5, SHALL BE SUBJECT TO THE REQUIREMENTS SET FORTH IN
SECTION 40-2-124 (1) (f) (VIII), C.R.S.

(2) IF THE GOVERNOR, BY EXECUTIVE ORDER, APPOINTS A
COMMITTEE TO STUDY THE DESIRABILITY OF REGULATION OF SOLAR
INSTALLERS, THE COMMITTEE, OR THE GOVERNOR'S ENERGY OFFICE ON THE
COMMITTEE'S BEHALF, IS SPECIFICALLY AUTHORIZED TO SUBMIT A
PROPOSAL FOR SUCH REGULATION TO THE DEPARTMENT OF REGULATORY
AGENCIES PURSUANT TO SECTION 24-34-104.1 (2).
SECTION 6. 24-38.7-104, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

24-38.7-104. Program administrator - training and certification of contractors - reporting. (2.5) (a) EFFECTIVE JULY 1, 2011, THE ISSUANCE OF A CLEAN ENERGY LOAN FOR THE INSTALLATION OF SOLAR PHOTOVOLTAIC EQUIPMENT SHALL BE CONDITIONED UPON THE BORROWER'S CERTIFICATION THAT:

(I) THE INSTALLATION OF PHOTOVOLTAIC SYSTEMS, INCLUDING ALL PHOTOVOLTAIC ELECTRICAL WORK AND PHOTOVOLTAIC MODULE MOUNTING EQUIPMENT, WILL BE SUPERVISED BY A PERSON CERTIFIED AS A CERTIFIED ENERGY PRACTITIONER BY THE NORTH AMERICAN BOARD OF CERTIFIED ENERGY PRACTITIONERS (NABCEP) OR ANOTHER NATIONALLY RECOGNIZED PROFESSIONAL ORGANIZATION DESIGNATED BY THE COMMISSION BY RULE. UPON THE INITIAL APPLICATION FOR FUNDING OR IN THE INITIAL CONTRACT PROPOSAL, THE APPLICANT SHALL ASSUME RESPONSIBILITY FOR HIRING A CERTIFIED SUPERVISOR. FINAL PAYMENT FOR THE WORK SHALL BE CONDITIONED UPON THE APPLICANT'S SUPPLYING THE NAME AND CERTIFICATION NUMBER OF THE PERSON OR PERSONS WHO ACTUALLY SUPERVISED THE WORK.

(II) ALL ELECTRICAL WORK THAT IS SUBJECT TO THE NATIONAL ELECTRICAL CODE WILL BE PERFORMED BY A LICENSED MASTER ELECTRICIAN, JOURNEYMAN ELECTRICIAN, OR RESIDENTIAL WIREMAN, AS APPROPRIATE, OR A REGISTERED APPRENTICE WORKING UNDER THE SUPERVISION OF SUCH PERSON; AND

(III) THE RATIO OF THE NUMBER OF PERSONS WHO ARE PRESENT ON THE PROJECT SITE AND WHO ARE NOT LICENSED OR CERTIFIED AS PROVIDED IN PARAGRAPH (a) OR (b) OF THIS SUBSECTION (2.5) TO THE NUMBER OF
PERSONS WHO ARE SO LICENSED OR CERTIFIED SHALL NEVER EXCEED THREE TO ONE. A PERSON WHO IS BOTH LICENSED AND CERTIFIED SHALL NOT COUNT DOUBLE FOR PURPOSES OF MEASURING THIS RATIO.

(b) As used in this subsection (2.5), the terms "PHOTOVOLTAIC ELECTRICAL WORK", "PHOTOVOLTAIC LIGHT, HEAT, AND POWER", "PHOTOVOLTAIC MODULE", and "PHOTOVOLTAIC MODULE MOUNTING EQUIPMENT" shall have the meanings set forth in section 40-2-124 (1.7), C.R.S.

SECTION 7. 40-2-109.5, Colorado Revised Statutes, is amended by the addition of a new subsection to read:

40-2-109.5. Incentives for distributed generation - definition.

(3) Effective January 1, 2012, all photovoltaic installations funded wholly or partially through incentives under this section shall be subject to the requirements set forth in section 40-2-124 (1) (f) (VIII).

SECTION 8. 40-2-124, Colorado Revised Statutes, is amended by the addition of a new subsection to read:

40-2-124. Renewable energy standard - definitions - net metering - legislative declaration. (1.7) As used in subparagraph (VIII) of paragraph (f) of subsection (1) of this section, unless the context otherwise requires:

(a) "PHOTOVOLTAIC ELECTRICAL WORK" means wiring for, installing, and repairing electrical apparatus and equipment for photovoltaic light, heat, and power.

(b) "PHOTOVOLTAIC LIGHT, HEAT, AND POWER" means the standard types of electricity that are supplied by photovoltaic systems, regardless of whether the source is one or more
PHOTOVOLTAIC MODULES OR ONE OR MORE INVERTER OUTPUT CIRCUITS
OF A PHOTOVOLTAIC SYSTEM.

(c) "PHOTOVOLTAIC MODULE" MEANS THE MODULE, PANEL, OR
DEVICE THAT GENERATES PHOTOVOLTAIC LIGHT, HEAT, AND POWER.

(d) "PHOTOVOLTAIC MODULE MOUNTING EQUIPMENT" MEANS THE
RACKING, MOUNTING, APPARATUS, EQUIPMENT, OR STRUCTURE THAT
IMMEDIATELY SUPPORTS AND SECURES ONE OR MORE PHOTOVOLTAIC
MODULES IN PLACE OR TO A ROOF, WALL, FOUNDATION, OR PEDESTAL.

SECTION 9. Act subject to petition - effective date. This act
shall take 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
11, 2010, if adjournment sine die is on May 12, 2010); 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 shall not take effect
unless approved by the people at the general election to be held in
November 2010 and shall take effect on the date of the official
declaration of the vote thereon by the governor.