

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 10-0969.01 Duane Gall

SENATE BILL 10-180

SENATE SPONSORSHIP

Williams, Penry, Schwartz, Kester, Boyd, Carroll M., Hudak, Johnston, Morse, Romer,
Bacon, Heath, Hodge, Keller, Newell, Shaffer B., Tapia

HOUSE SPONSORSHIP

Kerr A., Casso, Court, Curry, Fischer, Hullinghorst, Miklosi, Solano

Senate Committees

Local Government and Energy
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE DEVELOPMENT OF A SMART GRID FOR COLORADO,**
102 **AND, IN CONNECTION THEREWITH, CONVENING A TASK FORCE**
103 **TO RECOMMEND LEGISLATIVE AND ADMINISTRATIVE MEASURES**
104 **TO ENCOURAGE THE ORDERLY IMPLEMENTATION OF SMART**
105 **GRID TECHNOLOGY IN COLORADO.**

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 passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

The bill creates a 9-member Colorado smart grid task force to

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.*

gather information and report to the general assembly and the Colorado public utilities commission on issues related to the implementation of a smart energy grid in Colorado. The task force's initial report is due by January 20, 2011, and the task force is directed to meet periodically to update the information in the report. The bill provides for funding of the task force's activities through gifts, grants, and donations and contains a 5-year sunset provision.

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

2 **SECTION 1.** Article 4 of title 40, Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW SECTION to read:

4 **40-4-118. Colorado smart grid task force - fund - definition -**
5 **reports - repeal.** (1) **Task force.** (a) THERE IS HEREBY CREATED THE
6 COLORADO SMART GRID TASK FORCE, ALSO REFERRED TO IN THIS SECTION
7 AS THE "TASK FORCE". THE TASK FORCE SHALL PROVIDE TECHNICAL
8 EXPERTISE AND STRATEGIC POLICY RECOMMENDATIONS, FROM A
9 STATEWIDE PERSPECTIVE, TO THE COMMISSION AND THE GENERAL
10 ASSEMBLY. THE TASK FORCE'S PRIMARY TASK IS TO PRODUCE A REPORT
11 CONTAINING RECOMMENDATIONS AND ANALYSIS ON THE FEASIBILITY,
12 COST, AND TIMING OF TRANSITIONING TO A SECURE, RESILIENT, AND
13 TECHNOLOGICALLY ADVANCED ELECTRIC GRID, ALSO REFERRED TO IN THIS
14 SECTION AS THE "SMART GRID" IN COLORADO FOR USE BY COLORADO
15 RESIDENTS, BUSINESS, AND GOVERNMENTAL AGENCIES.

16 (b) THE TASK FORCE SHALL ELECT A CHAIR AND A VICE-CHAIR
17 FROM ITS MEMBERS AT ITS FIRST MEETING.

18 (c) IN COLLECTING INFORMATION FOR ITS REPORT, THE TASK FORCE
19 SHALL:

20 (I) HOLD AT LEAST FOUR MEETINGS, WHICH SHALL BE OPEN TO THE
21 PUBLIC. THE TASK FORCE SHALL SOLICIT AND RECEIVE COMMENTS,
22 INCLUDING WRITTEN COMMENTS, FROM MEMBERS OF THE PUBLIC. THE

1 TASK FORCE MAY DETERMINE THE MANNER IN WHICH SUCH COMMENTS
2 ARE RECEIVED.

3 (II) CONSIDER AND GIVE WEIGHT TO ANY COMMENTS RECEIVED
4 FROM THE GENERAL PUBLIC AS WELL AS WRITTEN COMMENTS FROM
5 AFFECTED COUNTIES, CITIES, STATE AGENCIES, ELECTRIC UTILITIES AND
6 THEIR CUSTOMERS, ENVIRONMENTAL GROUPS, AND OTHER INTERESTED
7 STAKEHOLDERS;

8 (III) CONSIDER AND GIVE WEIGHT TO RESEARCH PAPERS AND
9 TECHNICAL INFORMATION MADE AVAILABLE THROUGH CURRENT
10 RESEARCH PROJECTS AT THE COMMISSION AND ACADEMIC INSTITUTIONS
11 AND FROM PRIVATE CITIZENS; AND

12 (IV) TAKE NOTICE OF PROCEEDINGS BEFORE THE COMMISSION
13 ADDRESSING SMART GRID DEVELOPMENT, CONFER WITH COMMISSIONERS
14 AND COMMISSION STAFF, AND CONSIDER AND GIVE WEIGHT TO THE
15 RECORDS, FINDINGS, AND DECISIONS IN THOSE PROCEEDINGS.

16 (2) **Membership.** (a) THE TASK FORCE CONSISTS OF NINE
17 MEMBERS AS FOLLOWS:

18 (I) THE DIRECTOR OF THE GOVERNOR'S ENERGY OFFICE, CREATED
19 IN SECTION 24-38.5-101, C.R.S., OR HIS OR HER DESIGNEE, WHO SHALL
20 CONVENE THE TASK FORCE AND WHO IS AUTHORIZED TO CONTRACT WITH
21 A MEDIATOR OR OTHER THIRD PARTY TO FACILITATE ACCOMPLISHMENT OF
22 THE TASK FORCE'S DUTIES;

23 (II) FOUR MEMBERS APPOINTED BY THE GOVERNOR AS FOLLOWS:

24 (A) ONE MEMBER REPRESENTING INVESTOR-OWNED ELECTRIC
25 UTILITIES;

26 (B) ONE MEMBER REPRESENTING MUNICIPAL UTILITIES;

27 (C) ONE MEMBER REPRESENTING COOPERATIVE ELECTRIC

1 ASSOCIATIONS; AND

2 (D) ONE MEMBER WITH EXPERTISE IN ENERGY POLICY AND
3 REGULATION AT THE STATE AND FEDERAL LEVEL;

4 (III) FOUR MEMBERS REPRESENTING THE FOLLOWING
5 CONSTITUENCIES AND WITH THE FOLLOWING AREAS OF EXPERTISE, OF
6 WHOM ONE SHALL BE APPOINTED BY THE PRESIDENT OF THE SENATE, ONE
7 SHALL BE APPOINTED BY THE MINORITY LEADER OF THE SENATE, ONE
8 SHALL BE APPOINTED BY THE SPEAKER OF THE HOUSE, AND ONE SHALL BE
9 APPOINTED BY THE MINORITY LEADER OF THE HOUSE:

10 (A) ONE MEMBER REPRESENTING DEVELOPERS OF SMART GRID
11 SOFTWARE, HARDWARE, OR SERVICES;

12 (B) ONE MEMBER REPRESENTING CONSUMER PROTECTION;

13 (C) ONE MEMBER REPRESENTING ACADEMIC RESEARCH AND
14 DEVELOPMENT OF SMART GRID TECHNOLOGY; AND

15 (D) ONE MEMBER WITH EXPERTISE IN ENGINEERING STANDARDS,
16 PROTOCOLS, AND TECHNICAL REQUIREMENTS FOR SMART GRID
17 DEPLOYMENT.

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

20 (c) VACANCIES SHALL BE FILLED BY APPOINTMENT BY THE
21 OFFICIAL WHO APPOINTED THE MEMBER WHOSE ABSENCE RESULTED IN THE
22 VACANCY.

23 (3) **Duties - initial report - updates - issues.** (a) THE TASK
24 FORCE SHALL DEVELOP AN INITIAL REPORT, DESIGNATED THE 2011
25 COLORADO SMART GRID REPORT, IN WHICH THE TASK FORCE ADDRESSES
26 AND MAKES RECOMMENDATIONS FOR THE FOLLOWING:

27 (I) ISSUES RELATED TO THE DEVELOPMENT OF A SMART GRID,

1 INCLUDING:
2 (A) GRID RELIABILITY;
3 (B) GRID EFFICIENCY;
4 (C) OUTAGE RESTORATION AND RECOVERY;
5 (D) DISTRIBUTED GENERATION INTEGRATION;
6 (E) TRANSPORTATION ELECTRIFICATION; AND
7 (F) SYSTEM INTEGRATION OF RENEWABLE AND CONVENTIONAL
8 SOURCES OF ELECTRIC POWER GENERATION; AND

9 (II) POTENTIAL IMPACTS FROM THE DEVELOPMENT OF A SMART
10 GRID, INCLUDING:

11 (A) CONSUMER PROTECTION AND PRIVACY;
12 (B) CYBER SECURITY;
13 (C) COMMUNICATION AND TECHNICAL STANDARDS;
14 (D) WORKFORCE AND ECONOMIC DEVELOPMENT ISSUES;
15 (E) ENERGY EFFICIENCY AND DEMAND RESPONSE; AND
16 (F) EMISSIONS FROM ELECTRIC GENERATION.

17 (b) THE TASK FORCE SHALL PERIODICALLY REVISIT THE ISSUES SET
18 FORTH IN PARAGRAPH (a) OF THIS SUBSECTION (3) AND UPDATE THE
19 REPORT WITH NEW INFORMATION OR RECOMMENDATIONS AS THE TASK
20 FORCE DEEMS ADVISABLE.

21 (4) **Timeline.** THE TASK FORCE SHALL PRODUCE AND DELIVER ITS
22 INITIAL REPORT UNDER SUBSECTION (3) OF THIS SECTION TO THE
23 GOVERNOR, THE COMMISSION, AND THE GENERAL ASSEMBLY ON OR
24 BEFORE JANUARY 20, 2011, AND SHALL MEET AT LEAST ANNUALLY
25 THEREAFTER TO REVIEW THE REPORT, RECEIVE ADDITIONAL INFORMATION,
26 AND CONSIDER UPDATES TO THE REPORT.

27 (5) **Funding.** (a) THE GOVERNOR'S ENERGY OFFICE MAY ACCEPT

1 PRIVATE GIFTS, GRANTS, AND DONATIONS FOR THE PURPOSE OF PROVIDING
2 SUPPORT TO THE TASK FORCE TO PERFORM ITS RESPONSIBILITIES SPECIFIED
3 IN THIS SECTION. ANY SUCH GIFTS, GRANTS, AND DONATIONS SHALL BE
4 HELD IN A SEPARATE ACCOUNT WITHIN THE CLEAN ENERGY FUND CREATED
5 IN SECTION 24-75-1201, C.R.S., AND SHALL BE AVAILABLE TO THE OFFICE
6 AND THE TASK FORCE ONLY FOR THE PURPOSE OF CARRYING OUT THE TASK
7 FORCE'S DUTIES UNDER THIS SECTION. THE ACCOUNT SHALL ALSO CONSIST
8 OF MONEYS APPROPRIATED AND TRANSFERRED TO THE ACCOUNT. ANY
9 UNEXPENDED OR UNENCUMBERED MONEYS REMAINING IN THE ACCOUNT
10 AS OF JANUARY 1, 2015, SHALL REVERT TO THE CLEAN ENERGY FUND TO
11 BE USED BY THE GOVERNOR'S ENERGY OFFICE.

12 (b) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
13 GOVERNOR'S ENERGY OFFICE NOT BE REQUIRED TO SOLICIT GIFTS, GRANTS,
14 OR DONATIONS FROM ANY SOURCE FOR THE PURPOSES OF THIS SECTION
15 AND THAT NO GENERAL FUND MONEYS BE USED TO PAY FOR GRANTS
16 AWARDED PURSUANT TO THIS SECTION OR FOR ANY EXPENSES OF THE TASK
17 FORCE.

18 (c) IF, BY JUNE 1, 2010, MONEYS IN THE FUND CREATED PURSUANT
19 TO PARAGRAPH (a) OF THIS SUBSECTION (5) HAVE NOT REACHED AN
20 AMOUNT SUFFICIENT TO PAY THE EXPENSES OF THE TASK FORCE, THE TASK
21 FORCE SHALL NOT MEET NOR UNDERTAKE ANY OTHER DUTIES PURSUANT
22 TO THIS SECTION, AND THE GOVERNOR'S ENERGY OFFICE SHALL RETURN TO
23 EACH GRANTOR OR DONOR AN AMOUNT EQUAL TO SUCH GRANTOR'S OR
24 DONOR'S CONTRIBUTION. THE INTEREST, IF ANY, EARNED FROM THE
25 INVESTMENT OF MONEYS IN THE ACCOUNT SHALL BE TRANSFERRED TO THE
26 GENERAL FUND.

27 (6) **Definition.** AS USED IN THIS SECTION, "SMART GRID" MEANS A

1 STATEWIDE OR REGIONAL SYSTEM FOR ELECTRIC TRANSMISSION OR
2 DISTRIBUTION, OR BOTH, THAT INCORPORATES ONE OR MORE OF THE
3 FOLLOWING FUNCTIONALITIES:

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5 (a) ENABLING CONSUMERS TO PARTICIPATE ACTIVELY IN
6 MANAGING THEIR ELECTRIC CONSUMPTION USING INFORMATION, CONTROL,
7 AND OPTIONS FOR ENERGY EFFICIENCY NOT PREVIOUSLY AVAILABLE TO
8 CONSUMERS;

9 (b) INTEGRATING ELECTRICAL SYSTEMS USING UNIVERSAL
10 INTEROPERABILITY STANDARDS;

11 (c) MONITORING, DIAGNOSING, AND RESPONDING TO POWER
12 QUALITY DEFICIENCIES;

13 (d) OPTIMIZING THE USE OF SYSTEM ASSETS AND ENHANCING
14 OVERALL EFFICIENCY THROUGH IMPROVED LOAD FACTORS AND BETTER
15 MANAGEMENT OF OUTAGES;

16 (e) ANTICIPATING AND AUTOMATICALLY RESPONDING TO SYSTEM
17 DEFICIENCIES;

18 (f) OPERATING RESILIENTLY WHEN CONFRONTED WITH A
19 CYBER-ATTACK OR NATURAL DISASTER; AND

20 (g) MAXIMIZING EFFICIENCY AND DEMAND RESPONSE.

21 (7) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2015.

22 **SECTION 2. Safety clause.** The general assembly hereby finds,
23 determines, and declares that this act is necessary for the immediate
24 preservation of the public peace, health, and safety.