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An Act

SENATE BILL 10-180

BY SENATOR(S) Williams, Penry, Schwartz, Kester, Boyd, Carroll M., Hudak, Johnston, Morse, Romer, Bacon, Heath, Hodge, Keller, Newell, Shaffer B., Tapia;
also REPRESENTATIVE(S) Kerr A., Casso, Court, Curry, Fischer, Hullinghorst, Miklosi, Solano, Frangas, Labuda, Pace, Pommer, Todd, Tyler.

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

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

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

40-4-118. Colorado smart grid task force - fund - definition - reports - repeal. (1) **Task force.** (a) THERE IS HEREBY CREATED THE COLORADO SMART GRID TASK FORCE, ALSO REFERRED TO IN THIS SECTION AS THE "TASK FORCE". THE TASK FORCE SHALL PROVIDE TECHNICAL EXPERTISE AND STRATEGIC POLICY RECOMMENDATIONS, FROM A STATEWIDE

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

PERSPECTIVE, TO THE COMMISSION AND THE GENERAL ASSEMBLY. THE TASK FORCE'S PRIMARY TASK IS TO PRODUCE A REPORT CONTAINING RECOMMENDATIONS AND ANALYSIS ON THE FEASIBILITY, COST, AND TIMING OF TRANSITIONING TO A SECURE, RESILIENT, AND TECHNOLOGICALLY ADVANCED ELECTRIC GRID, ALSO REFERRED TO IN THIS SECTION AS THE "SMART GRID", IN COLORADO FOR USE BY COLORADO RESIDENTS, BUSINESS, AND GOVERNMENTAL AGENCIES.

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

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

(I) HOLD AT LEAST FOUR MEETINGS, WHICH SHALL BE OPEN TO THE PUBLIC. THE TASK FORCE SHALL SOLICIT AND RECEIVE COMMENTS, INCLUDING WRITTEN COMMENTS, FROM MEMBERS OF THE PUBLIC. THE TASK FORCE MAY DETERMINE THE MANNER IN WHICH SUCH COMMENTS ARE RECEIVED.

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

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

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

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

(I) THE DIRECTOR OF THE GOVERNOR'S ENERGY OFFICE, CREATED IN

SECTION 24-38.5-101, C.R.S., OR HIS OR HER DESIGNEE, WHO SHALL CONVENE THE TASK FORCE AND WHO IS AUTHORIZED TO CONTRACT WITH A MEDIATOR OR OTHER THIRD PARTY TO FACILITATE ACCOMPLISHMENT OF THE TASK FORCE'S DUTIES;

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

(A) TWO MEMBERS REPRESENTING INVESTOR-OWNED ELECTRIC UTILITIES;

(B) ONE MEMBER REPRESENTING MUNICIPAL UTILITIES;

(C) ONE MEMBER REPRESENTING COOPERATIVE ELECTRIC ASSOCIATIONS;

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

(E) ONE MEMBER WITH EXPERTISE IN ENVIRONMENTAL ISSUES.

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

(A) ONE MEMBER REPRESENTING COMMERCIAL DEVELOPERS OF SMART GRID SOFTWARE, HARDWARE, OR SERVICES AND WITH A BACKGROUND IN CAPITAL AND BUSINESS DEVELOPMENT;

(B) ONE MEMBER REPRESENTING CONSUMER PROTECTION;

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

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

(b) MEMBERS OF THE TASK FORCE SHALL BE APPOINTED WITHIN

THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION.

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

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

(I) ISSUES RELATED TO THE UTILITY SIDE OF THE METER IN THE DEVELOPMENT OF A SMART GRID, INCLUDING:

- (A) GRID RELIABILITY;
- (B) GRID EFFICIENCY;
- (C) OUTAGE RESTORATION AND RECOVERY;
- (D) DISTRIBUTED GENERATION INTEGRATION;
- (E) TRANSPORTATION ELECTRIFICATION; AND

(F) SYSTEM INTEGRATION OF RENEWABLE AND CONVENTIONAL SOURCES OF ELECTRIC POWER GENERATION;

(II) ISSUES RELATED TO THE CUSTOMER SIDE OF THE METER IN THE DEVELOPMENT OF A SMART GRID, INCLUDING:

- (A) CONSUMER METERING PROTOCOLS;
- (B) DRIVING INCREASES IN CONSUMER EFFICIENCY;
- (C) PROVIDING EFFECTIVE CONSUMER INFORMATION;
- (D) INTEGRATION OF DEMAND RESPONSE PROGRAMS; AND
- (E) INTEGRATION OF VARIABLE PRICING MECHANISMS; AND

(III) POTENTIAL IMPACTS FROM THE DEVELOPMENT OF A SMART

GRID, INCLUDING:

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

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

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

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

(b) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE

GOVERNOR'S ENERGY OFFICE NOT BE REQUIRED TO SOLICIT GIFTS, GRANTS, OR DONATIONS FROM ANY SOURCE FOR THE PURPOSES OF THIS SECTION AND THAT NO GENERAL FUND MONEYS BE USED TO PAY FOR GRANTS AWARDED PURSUANT TO THIS SECTION OR FOR ANY EXPENSES OF THE TASK FORCE.

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

(6) **Definition.** AS USED IN THIS SECTION, "SMART GRID" MEANS A SYSTEM FOR ELECTRIC TRANSMISSION OR DISTRIBUTION WITHIN THE CERTIFICATED SERVICE TERRITORY OF AN ELECTRIC UTILITY THAT INCORPORATES ONE OR MORE OF THE FOLLOWING FUNCTIONALITIES:

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

(b) INTEGRATING ELECTRICAL SYSTEMS USING UNIVERSAL INTEROPERABILITY STANDARDS;

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

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

(e) ANTICIPATING AND AUTOMATICALLY RESPONDING TO SYSTEM DEFICIENCIES;

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

(g) OPTIMIZING EFFICIENCY AND DEMAND RESPONSE.

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

SECTION 2. Federal funds. The general assembly anticipates that, for the fiscal year beginning July 1, 2010, the department of governor-lieutenant governor-state planning and budgeting, office of the governor, governor's energy office, will receive the sum of twenty thousand dollars (\$20,000) in federal funds and 0.4 FTE for the implementation of this act. Said sum shall be from federal State Energy Planning funds received through the American Recovery and Reinvestment Act of 2009. Although these funds are not appropriated in this act, they are noted for the purpose of indicating the assumptions used relative to these funds.

SECTION 3. Safety clause. The general assembly hereby finds,

determines, and declares that this act is necessary for the immediate preservation of the public peace, health, and safety.

Brandon C. Shaffer
PRESIDENT OF
THE SENATE

Terrance D. Carroll
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Karen Goldman
SECRETARY OF
THE SENATE

Marilyn Eddins
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____

Bill Ritter, Jr.
GOVERNOR OF THE STATE OF COLORADO