

**First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO**

PREAMENDED

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

LLS NO. 11-0436.02 Jason Gelender

SENATE BILL 11-032

SENATE SPONSORSHIP

Johnston,

HOUSE SPONSORSHIP

(None),

Senate Committees

Agriculture, Natural Resources, and Energy
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING A REQUIREMENT THAT THE PUBLIC UTILITIES**
102 **COMMISSION PROMULGATE RULES TO ESTABLISH AN ON-BILL**
103 **FINANCING PROGRAM FOR ENERGY EFFICIENCY OR RENEWABLE**
104 **ENERGY IMPROVEMENTS TO REAL PROPERTY.**

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:

! Requires the public utilities commission (PUC) 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.

promulgate rules no later than January 1, 2012, to establish an on-bill clean energy improvement financing program under which a retail customer of a PUC-regulated public utility that sells electricity or natural gas may enter into an on-bill financing arrangement with the public utility under which the public utility finances the costs of completing a clean energy improvement to the customer's real property and the customer agrees to repay the costs by paying a temporary surcharge or a temporary increased rate for electricity or natural gas, as applicable, on the customer's utility bill; and

- ! Specifies minimum provisions that the rules must include relating to:
 - ! The imposition of temporary surcharges or temporary increased rates;
 - ! The application of energy savings from the program to a public utility's demand-side management targets or goals; and
 - ! The exemption of a public utility from participation in the program if participation will not reduce the public utility's future present value revenue requirements.

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

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

4 **40-2-130. Program for on-bill financing of energy efficiency**
5 **or renewable energy improvements - rules - definition. (1) AS USED**
6 **IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES, "ENERGY**
7 **EFFICIENCY OR RENEWABLE ENERGY IMPROVEMENT" MEANS:**

8 (a) ANY REPAIR OF, OR ADDITION OR IMPROVEMENT TO, REAL
9 PROPERTY THAT IMPROVES THE ENERGY EFFICIENCY OF THE PROPERTY OR
10 REPLACES ALL OR A PORTION OF THE ENERGY FROM NONRENEWABLE
11 SOURCES USED IN CONNECTION WITH THE PROPERTY WITH ENERGY FROM
12 RENEWABLE SOURCES; OR

13 (b) ANY INSTALLATION OF, OR CONNECTION WITH, EQUIPMENT

1 THAT PRODUCES OR CONDUCTS RECYCLED ENERGY OR RENEWABLE
2 ENERGY RESOURCES, AS DEFINED IN SECTION 40-2-124 (1) (a), OR SOLAR
3 HEATING AND COOLING SYSTEMS, FOR USE ON REAL PROPERTY.

4 (2) NO LATER THAN JANUARY 1, 2012, THE COMMISSION SHALL
5 PROMULGATE RULES, IN ACCORDANCE WITH SECTION 40-2-108, THAT
6 ESTABLISH A PROGRAM FOR FINANCING ENERGY EFFICIENCY OR
7 RENEWABLE ENERGY IMPROVEMENTS TO REAL PROPERTY UNDER WHICH
8 EITHER:

9 (a) A FULL SERVICE CUSTOMER OF A PUBLIC UTILITY THAT SELLS
10 ELECTRICITY OR NATURAL GAS SHALL ENTER INTO AN ON-BILL FINANCING
11 ARRANGEMENT WITH THE PUBLIC UTILITY FOR THE PURPOSE OF FINANCING
12 SUCH IMPROVEMENTS; OR

13 (b) A PUBLIC UTILITY SHALL PARTNER WITH A LENDER TO PROVIDE
14 CREDIT ENHANCEMENTS FOR THE PURPOSE OF REDUCING THE COST TO ITS
15 FULL SERVICE CUSTOMERS OF FINANCING SUCH IMPROVEMENTS.

16 (3) THE PROGRAM ESTABLISHED BY THE COMMISSION PURSUANT
17 TO SUBSECTION (2) OF THIS SECTION SHALL BE CONSIDERED A DSM
18 PROGRAM FOR PURPOSES OF PART 1 OF ARTICLE 3.2 OF THIS TITLE, AND
19 ANY EXPENDITURES UP TO TWO MILLION DOLLARS MADE BY A PUBLIC
20 UTILITY IN PARTICIPATING IN FUNDING, IMPLEMENTING, OR ADMINISTERING
21 THE PROGRAM SHALL BE CONSIDERED DSM PROGRAM EXPENDITURES
22 THAT MAY BE DIVERTED FROM OTHER DSM PROGRAMS FOR THE PURPOSES
23 OF SAID PART 1. THE PROGRAM SHALL COMPLY WITH ALL OTHER RULES OR
24 POLICIES ESTABLISHED BY THE COMMISSION FOR DSM PROGRAMS.

25 (4) IN ESTABLISHING THE PROGRAM PURSUANT TO SUBSECTION (2)
26 OF THIS SECTION, THE COMMISSION SHALL ENSURE THAT IT ALLOWS
27 SUFFICIENT FINANCING CHARGES TO ENSURE THAT THE PROGRAM CAN BE

1 PERMANENTLY SELF-SUSTAINING AFTER THE INITIAL START-UP
2 INVESTMENT HAS BEEN MADE.

3 **SECTION 2. Act subject to petition - effective date.** This act
4 shall take effect at 12:01 a.m. on the day following the expiration of the
5 ninety-day period after final adjournment of the general assembly (August
6 10, 2011, if adjournment sine die is on May 11, 2011); except that, if a
7 referendum petition is filed pursuant to section 1 (3) of article V of the
8 state constitution against this act or an item, section, or part of this act
9 within such period, then the act, item, section, or part shall not take effect
10 unless approved by the people at the general election to be held in
11 November 2012 and shall take effect on the date of the official
12 declaration of the vote thereon by the governor.

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