

First Regular Session
Sixty-ninth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 13-0210.04 Chuck Brackney x2295

HOUSE BILL 13-1216

HOUSE SPONSORSHIP

Duran, Fischer, Tyler

SENATE SPONSORSHIP

(None),

House Committees

Transportation & Energy

Senate Committees

A BILL FOR AN ACT

101 CONCERNING INCENTIVES FOR DISTRIBUTED RENEWABLE ENERGY FOR
102 MUNICIPALLY OWNED UTILITIES AND COOPERATIVE ELECTRIC
103 ASSOCIATIONS.

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>.)

Existing law directs the Colorado public utilities commission (PUC) to adopt rules implementing the renewable energy portfolio standards for electric utilities, under which increasing amounts of electricity must be generated from renewable sources.

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.

The bill directs cooperative electric associations and municipally owned utilities that are qualifying retail utilities to derive at least 0.5% of their retail electricity sales for 2016 through 2019, and 1% from 2020 forward, from distributed generation. Cooperative electric associations and municipally owned utilities must also establish standard offers to purchase renewable energy credits from wind generation.

The bill also increases the maximum customer generation capacity for cooperative electric associations so that they may allow net metering for up to 25 kilowatts of residential customer-generated electricity and up to 75 kilowatts of industrial or commercial customer-generated electricity.

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

2 **SECTION 1.** In Colorado Revised Statutes, 40-2-124, **amend** (1)
3 (c) (IV), (1) (c) (V) (C), (1) (c) (V) (D), (1) (e) (I.5), (1) (g) (III), and (7)
4 (b) (V); **add** (1) (e) (I) (C); and **repeal** (1.5) as follows:

5 **40-2-124. Renewable energy standard - definitions - net**
6 **metering - legislative declaration.** (1) Each provider of retail electric
7 service in the state of Colorado, other than municipally owned utilities
8 that serve forty thousand customers or fewer, shall be considered a
9 qualifying retail utility. Each qualifying retail utility, with the exception
10 of cooperative electric associations that have voted to exempt themselves
11 from commission jurisdiction pursuant to section 40-9.5-104 and
12 municipally owned utilities, shall be subject to the rules established under
13 this article by the commission. No additional regulatory authority of the
14 commission other than that specifically contained in this section is
15 provided or implied. In accordance with article 4 of title 24, C.R.S., the
16 commission shall revise or clarify existing rules to establish the
17 following:

18 (c) Electric resource standards:

19 (IV) To the extent that the ability of a qualifying retail utility to
20 acquire eligible energy resources is limited by a requirements contract

1 with a wholesale electric supplier, the qualifying retail utility shall acquire
2 the maximum amount allowed by the contract. For any shortfalls to the
3 amounts established by the commission pursuant to subparagraph (I) of
4 this paragraph (c), the qualifying retail utility shall acquire an equivalent
5 amount of either renewable energy credits; documented and verified
6 energy savings through energy efficiency and conservation programs; or
7 a combination of both; EXCEPT THAT NONE OF THESE MAY BE USED TO
8 FULFILL THE RETAIL DISTRIBUTED RENEWABLE ENERGY REQUIREMENTS OF
9 SUB-SUBPARAGRAPH (C) OR (D) OF SUBPARAGRAPH (V) OF THIS
10 PARAGRAPH (c). Any contract entered into by a qualifying retail utility
11 after December 1, 2004, shall MUST not conflict with this section.

12 (V) Notwithstanding any other provision of law but subject to
13 subsection (4) of this section, the electric resource standards shall require
14 each cooperative electric association and municipally owned utility that
15 is a qualifying retail utility to generate, or cause to be generated,
16 electricity from eligible energy resources in the following minimum
17 amounts:

18 (C) Six percent of retail electricity sales in Colorado for the years
19 2015 through 2019, WITH RETAIL DISTRIBUTED GENERATION EQUALING AT
20 LEAST ONE-HALF OF ONE PERCENT OF ITS RETAIL ELECTRICITY SALES FOR
21 2016 THROUGH 2019; and

22 (D) Ten percent of retail electricity sales in Colorado, WITH
23 RETAIL DISTRIBUTED GENERATION EQUALING AT LEAST ONE PERCENT OF
24 ITS RETAIL ELECTRICITY SALES, for the years 2020 and thereafter.

25 (e) A standard rebate offer program, under which:

26 (I) (C) COOPERATIVE ELECTRIC ASSOCIATIONS AND MUNICIPALLY
27 OWNED UTILITIES SHALL ALSO MAKE AVAILABLE TO THEIR RETAIL

1 CUSTOMERS A STANDARD REBATE OFFER OF A SPECIFIED AMOUNT PER
2 WATT FOR THE INSTALLATION OF ELIGIBLE WIND AND SOLAR ELECTRIC
3 GENERATION ON A CUSTOMER'S PREMISES UP TO A MAXIMUM OF
4 SEVENTY-FIVE KILOWATTS.

5 (I.5) The amount of the standard rebate offer ~~shall be~~ IS two
6 dollars per watt; except that the commission may set the rebate at a lower
7 amount if the commission determines, based upon a qualifying retail
8 utility's renewable resource plan or application, that market changes
9 support the change. FOR COOPERATIVE ELECTRIC ASSOCIATIONS AND
10 MUNICIPALLY OWNED UTILITIES, THE REBATE AMOUNT MAY BE SET LOWER
11 THAN TWO DOLLARS PER WATT ONCE THE RETAIL DISTRIBUTED
12 RENEWABLE ENERGY THRESHOLD ESTABLISHED IN SUB-SUBPARAGRAPH
13 (C) OR (D) OF SUBPARAGRAPH (V) OF PARAGRAPH (c) OF THIS SUBSECTION
14 (1) IS MET.

15 (g) Retail rate impact rule:

16 (III) Subject to the maximum retail rate impact permitted by this
17 paragraph (g), the qualifying retail utility ~~shall have~~ HAS the discretion to
18 determine, in a nondiscriminatory manner, the price it will pay for
19 renewable energy credits from on-site customer facilities that are no
20 larger than five hundred kilowatts; EXCEPT THAT THE MAXIMUM FACILITY
21 SIZE FOR COOPERATIVE ELECTRIC ASSOCIATIONS AND MUNICIPALLY
22 OWNED UTILITIES IS SEVENTY-FIVE KILOWATTS.

23 ~~(1.5) Notwithstanding any provision of law to the contrary,~~
24 ~~paragraph (e) of subsection (1) of this section shall not apply to a~~
25 ~~municipally owned utility or to a cooperative electric association.~~

26 (7) (b) Each municipally owned utility shall allow a
27 customer-generator's retail electricity consumption to be offset by the

1 electricity generated from eligible energy resources on the
2 customer-generator's side of the meter that are interconnected with the
3 facilities of the municipally owned utility, subject to the following:

4 (V) **Size specifications.** Each municipally owned utility may
5 allow customer-generators to generate electricity subject to net metering
6 in amounts in excess of those specified in this subparagraph (V), and shall
7 allow:

8 (A) Residential customer-generators to generate electricity subject
9 to net metering up to ~~ten~~ TWENTY-FIVE kilowatts; and

10 (B) Commercial or industrial customer-generators to generate
11 electricity subject to net metering up to ~~twenty-five~~ SEVENTY-FIVE
12 kilowatts.

13 **SECTION 2.** In Colorado Revised Statutes, 40-9.5-118, **amend**
14 (2) (e) (I) as follows:

15 **40-9.5-118. Net metering - rules.** (2) Each cooperative electric
16 association shall allow a customer-generator's retail electricity
17 consumption to be offset by the electricity generated from eligible energy
18 resources on the customer-generator's side of the meter that are
19 interconnected with the facilities of the cooperative electric association,
20 subject to the following:

21 (e) (I) **Size specifications.** Each cooperative electric association
22 shall allow:

23 (A) Residential customer-generators to generate electricity subject
24 to net metering up to ~~ten~~ TWENTY-FIVE kilowatts; and

25 (B) Commercial or industrial customer-generators to generate
26 electricity subject to net metering up to ~~twenty-five~~ SEVENTY-FIVE
27 kilowatts.

1 **SECTION 3. Safety clause.** The general assembly hereby finds,
2 determines, and declares that this act is necessary for the immediate
3 preservation of the public peace, health, and safety.