

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0984.01 Duane Gall x4335

HOUSE BILL 15-1284

HOUSE SPONSORSHIP

Winter and Roupe, Garnett

SENATE SPONSORSHIP

Grantham and Hodge,

House Committees
Transportation & Energy

Senate Committees

A BILL FOR AN ACT

101 CONCERNING MEASURES TO ENHANCE PROGRAM EFFICIENCY FOR
102 SHARED PHOTOVOLTAIC ENERGY GENERATION FACILITIES.

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>.)

Under Colorado's renewable energy standard, qualifying retail utilities are required to obtain a portion of their energy from renewable sources, including customer-sited facilities such as rooftop solar panels. Recent legislation allowed customers who wished to install such facilities, but whose property was not well suited to that purpose, to buy into a centrally located facility with other customers (subscribers). This

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.

arrangement is known as a community solar garden or CSG.

The existing CSG statute requires a subscriber to live in the same county as the CSG unless the subscriber lives in a county with a population of less than 20,000, in which case the CSG may be in an adjacent county that also has a population of less than 20,000. The bill deletes these population requirements. It also increases the minimum number of subscribers in a CSG from the current minimum of 10 to at least 25 for installations larger than 500 kilowatts. Provisions governing a utility's recovery of costs attributable to operation of a CSG are amended to more precisely define the types of costs for which recovery is allowed and the methods by which they may be recovered.

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

2 **SECTION 1.** In Colorado Revised Statutes, 40-2-127, **amend** (2)
3 (b) (I) (A), (2) (b) (II), (3) (b) (I), and (5) (b) (II) as follows:

4 **40-2-127. Community energy funds - community solar**
5 **gardens - definitions - rules - legislative declaration. (2) Definitions.**

6 As used in this section, unless the context otherwise requires:

7 (b) In addition:

8 (I) (A) "Community solar garden" means a ONE OR MORE solar
9 electric generation ~~facility~~ FACILITIES with a nameplate rating of two
10 megawatts or less that is located in or near a community served by a
11 qualifying retail utility where the beneficial use of the electricity
12 generated by the facility belongs to the subscribers to the community solar
13 garden. There ~~shall~~ MUST be at least ten subscribers FOR COMMUNITY
14 SOLAR GARDEN FACILITIES WITH A NAMEPLATE RATING UP TO FIVE
15 HUNDRED KILOWATTS AND AT LEAST TWENTY-FIVE SUBSCRIBERS FOR
16 COMMUNITY SOLAR GARDEN FACILITIES WITH A NAMEPLATE RATING
17 GREATER THAN FIVE HUNDRED KILOWATTS. The owner of the community
18 solar garden may be the qualifying retail utility or any other for-profit or
19 nonprofit entity or organization, including a subscriber organization

1 organized under this section, that contracts to sell the output from the
2 community solar garden to the qualifying retail utility. A community solar
3 garden shall be deemed to be "located on the site of customer facilities".

4 (II) "Subscriber" means a retail customer of a qualifying retail
5 utility who owns a subscription and who has identified one or more
6 physical locations to which the subscription ~~shall be~~ IS attributed. Such
7 physical locations ~~shall~~ MUST be ~~within either the same municipality or~~
8 ~~the same county as the community solar garden; except that, if the~~
9 ~~subscriber lives in a county with a population of less than twenty~~
10 ~~thousand, according to the most recent available census figures, such~~
11 ~~physical locations may be in another county, also with a population of less~~
12 ~~than twenty thousand;~~ within the service territory of the same qualifying
13 retail utility and also IN THE SAME COUNTY AS, OR A COUNTY adjacent to,
14 that of the community solar garden. The subscriber may change from time
15 to time the premises to which the community solar garden electricity
16 generation shall be attributed, so long as the premises are within the
17 geographical limits allowed for a subscriber.

18 (3) **Subscriber organization - subscriber qualifications -**
19 **transferability of subscriptions.** (b) On or before October 1, 2010, the
20 commission shall commence a rule-making proceeding to adopt rules as
21 necessary to implement this section, including but not limited to rules to
22 facilitate the financing of subscriber-owned community solar gardens.
23 Such rules shall include:

24 (I) ~~Minimum capitalization~~ RULES THAT FACILITATE THE
25 COST-EFFECTIVE DEVELOPMENT AND FINANCING OF COMMUNITY SOLAR
26 GARDENS;

27 (5) **Purchases of the output from community solar gardens.**

1 (b) (II) (A) The purchase of the output of a community solar garden by
2 a qualifying retail utility shall take the form of a net metering credit
3 against the qualifying retail utility's electric bill to each community solar
4 garden subscriber at the premises set forth in the subscriber's subscription.
5 The net metering credit shall be calculated by multiplying the subscriber's
6 share of the electricity production from the community solar garden by
7 the qualifying retail utility's AVERAGE total ~~aggregate~~ retail rate PER
8 KILOWATT-HOUR as charged to the ~~subscriber~~ SUBSCRIBER'S CUSTOMER
9 CLASS, minus a reasonable charge as determined by the commission to
10 cover the utility's costs of ~~delivering to the subscriber's premises the~~
11 ~~electricity generated by the community solar garden, integrating the solar~~
12 ~~generation with the utility's system, and administering the community~~
13 ~~solar garden's contracts and net metering credits~~ THE DISTRIBUTION
14 SYSTEM. THE UTILITY SHALL CHARGE THE COMMUNITY SOLAR GARDEN
15 REASONABLE INTERCONNECTION COSTS FOR EQUIPMENT DEDICATED TO
16 SERVING THE COMMUNITY SOLAR GARDEN AND SHALL RECOVER ITS COSTS
17 FOR SHARED NETWORK UPGRADES AND POWER INTEGRATION THROUGH
18 RETAIL RATES. The commission shall ensure that ~~this charge does~~ THESE
19 CHARGES DO not reflect costs that are already recovered by the utility
20 from the subscriber, SUBSCRIBER ORGANIZATION, OR THIRD-PARTY
21 CONTRACTOR through other charges; EXCEPT THAT THIS
22 SUB-SUBPARAGRAPH (A) DOES NOT ALTER OR IMPAIR ANY RULING BY THE
23 COMMISSION ISSUED PRIOR TO MARCH 1, 2015, AND EXCEPT THAT
24 CUSTOMERS PARTICIPATING IN COMMUNITY SOLAR GARDEN PROGRAMS
25 AUTHORIZED BY THE COMMISSION PRIOR TO MARCH 1, 2015, MAY ELECT
26 TO UTILIZE THE RATE STRUCTURE IN EFFECT WHEN THE PROGRAMS WERE
27 AUTHORIZED.

1 (B) If, and to the extent that, a subscriber's net metering credit
2 exceeds the subscriber's electric bill in any billing period, the net metering
3 credit shall be carried forward and applied against future bills. The
4 qualifying retail utility and the owner of the community solar garden shall
5 agree on whether the purchase of the renewable energy credits from
6 subscribers will be accomplished through a credit on each subscriber's
7 electricity bill or by a payment to the owner of the community solar
8 garden.

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