

SB051_L.003

SENATE COMMITTEE OF REFERENCE REPORT

 Chairman of Committee

 Date
Committee on Local Government and Energy.

After consideration on the merits, the Committee recommends the following:

SB09-051 be amended as follows:

1 Amend printed bill, page 3, after line 7, insert the following:

2 "(2) The general assembly further finds, determines, and declares
3 that:

4 (a) The industrial and commercial sectors of our economy
5 represent an even greater potential for the expansion of customer-sited
6 solar electric generation technology than does the residential sector;
7 however, at present, the need to participate in a competitive bidding
8 process acts as a barrier to development in these sectors.

9 (b) Therefore, the general assembly supports the adoption of a
10 standard program offer by qualified retail utilities for customer-sited solar
11 electric generation facilities between one hundred kilowatts and one
12 megawatt to encourage the installation of more systems than would
13 otherwise occur under the existing competitive bidding process."

14 Page 11, line 12, strike "(1) (e)," and substitute "(1) (d), (1) (e), and (1)
15 (f) (V),";

16 after line 25, insert the following:

17 "(d) (I) A system of tradable renewable energy credits that may be
18 used by a qualifying retail utility to comply with this standard. The
19 commission shall also analyze the effectiveness of utilizing any regional
20 system of renewable energy credits in existence at the time of its



1 rule-making process and determine whether the system is governed by
2 rules that are consistent with the rules established for this article. The
3 commission shall not restrict the qualifying retail utility's ownership of
4 renewable energy credits if the qualifying retail utility complies with the
5 electric resource standard of paragraph (c) of this subsection (1) and does
6 not exceed the retail rate impact established by paragraph (g) of this
7 subsection (1).

8 (II) IN THE SYSTEM OF RENEWABLE ENERGY CREDITS, THE
9 COMMISSION SHALL INCLUDE PROVISIONS FOR A STANDARD OFFER OF
10 CREDITS FOR CUSTOMER-SITED GENERATION BETWEEN ONE HUNDRED
11 KILOWATTS AND ONE MEGAWATT LOCATED IN COLORADO.

12 (III) WHEN ESTABLISHING INCENTIVES FOR THE STANDARD OFFER
13 DESCRIBED IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (d), THE
14 COMMISSION SHALL TAKE INTO ACCOUNT THE FOLLOWING FACTORS:

15 (A) INCENTIVES SHOULD BE SET AT A COMPETITIVE LEVEL
16 SUFFICIENT TO ENCOURAGE INCREASED CONSTRUCTION OF
17 CUSTOMER-SITED GENERATION IN THIS SIZE RANGE; AND

18 (B) INCENTIVES SHOULD NOT BE SO HIGH AS TO COMPROMISE THE
19 ABILITY OF A QUALIFYING RETAIL UTILITY TO COMPLY WITH THE
20 PORTFOLIO STANDARD WITHOUT EXCEEDING THE RETAIL RATE IMPACT
21 ESTABLISHED BY PARAGRAPH (g) OF THIS SUBSECTION (1)."

22 Page 13, before line 17, insert the following:

23 "(f) Policies for the recovery of costs incurred with respect to
24 these standards for qualifying retail utilities that are subject to rate
25 regulation by the commission. These policies shall provide incentives to
26 qualifying retail utilities to invest in eligible energy resources in the state
27 of Colorado. Such policies shall include:

28 (V) If the commission approves the terms and conditions of an
29 eligible energy resource contract between the qualifying retail utility and
30 another party, the contract and its terms and conditions shall be deemed
31 to be a prudent investment, and the commission shall approve retail rates
32 sufficient to recover all just and reasonable costs associated with the
33 contract. All contracts for acquisition of eligible energy resources shall
34 have a minimum term of twenty years; except that the contract term may



1 be shortened at the sole discretion of the seller. All contracts for the
2 acquisition of renewable energy credits from solar electric technologies
3 located on site at customer facilities shall also have a minimum term of
4 twenty years; EXCEPT THAT SUCH CONTRACTS FOR SYSTEMS OF BETWEEN
5 ONE HUNDRED KILOWATTS AND ONE MEGAWATT MAY HAVE A DIFFERENT
6 TERM IF MUTUALLY AGREED TO BY THE PARTIES."

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