

SENATE COMMITTEE OF REFERENCE REPORT

Chair of Committee

Date

February 27, 2019

Committee on Business, Labor, & Technology.

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

SB19-077 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend printed bill, strike everything below the enacting clause and
2 substitute:

3 **"SECTION 1. Legislative declaration.** (1) The general
4 assembly finds and declares that:

5 (a) Widespread adoption of electric vehicles is necessary to
6 diversify the transportation fuel mix, improve national security, and
7 protect air quality;

8 (b) The number of electric vehicles registered in Colorado has
9 doubled over the last three years, and, with expanded infrastructure
10 investment, future growth is projected to accelerate;

11 (c) This growth will be assisted by investments in infrastructure
12 necessary to maximize the benefits of the expanding electric vehicle
13 market;

14 (d) Widespread adoption of electric vehicles requires that public
15 utilities increase access to electricity as transportation fuel, including for
16 low- and moderate-income and underserved communities;

17 (e) Widespread adoption of electric vehicles should provide
18 consumers with fuel cost savings and electric utility customers with
19 potential cost-saving benefits;

20 (f) Widespread adoption of electric vehicles should stimulate
21 innovation, competition, and increased choices in charging equipment and
22 networks and should also attract private capital investments and create
23 high-quality jobs in Colorado; and

1 (g) Widespread adoption of electric vehicles should improve an
2 electric public utility's electrical system efficiency and operational
3 flexibility, including the ability of the electric public utility to integrate
4 variable renewable energy generation resources and to make use of
5 off-peak generation resources.

6 **SECTION 2.** In Colorado Revised Statutes, 40-1-103.3, **amend**
7 (2) and (6) as follows:

8 **40-1-103.3. Alternative fuel vehicles - definition.** (2) For the
9 purposes of articles 1 to 7 of this ~~title~~ TITLE 40, persons generating
10 electricity for use in alternative fuel vehicle charging or fueling facilities
11 as authorized by subsection (4) of this section, persons reselling
12 electricity supplied by a public utility, or persons reselling compressed or
13 liquefied natural gas, liquefied petroleum gas, or any component parts or
14 by-products to governmental entities or to the public for use as fuel in
15 alternative fuel vehicles or buying electricity stored in such vehicles for
16 resale are not subject to regulation as a public utility. Electric ~~and natural~~
17 ~~gas~~ public utilities may provide the services described in this subsection
18 (2) as unregulated OR REGULATED services. ~~and~~ NATURAL GAS PUBLIC
19 UTILITIES MAY PROVIDE these SERVICES AS unregulated services. ~~may not~~
20 ~~be subsidized by the regulated services of the electric or natural gas~~
21 ~~public utility.~~

22 (6) ~~The regulated expenditures and investments made by a public~~
23 ~~utility to accommodate alternative fuel vehicle charging and fueling~~
24 ~~facilities are equal in priority to all other infrastructure necessary to serve~~
25 ~~any customer of the public utility in its service territory, but are~~
26 ~~subordinate to the safety and reliability obligations of the utility~~ A PUBLIC
27 UTILITY MAY RECOVER THE COSTS OF DISTRIBUTION SYSTEM INVESTMENTS
28 TO ACCOMMODATE ALTERNATIVE FUEL VEHICLE CHARGING, SUBJECT TO
29 EVALUATION AND COST RECOVERY PROVISIONS THAT ARE COMPARABLE
30 TO OTHER REGULATED INVESTMENTS IN THE DISTRIBUTION GRID; EXCEPT
31 THAT DISTRIBUTION SYSTEM INVESTMENTS THAT ARE A COMPONENT OF A
32 TRANSPORTATION ELECTRIFICATION PLAN SUBMITTED IN ACCORDANCE
33 WITH SECTION 40-5-107 ARE SUBJECT TO SECTIONS 40-3-116 AND
34 40-5-107.

35 **SECTION 3.** In Colorado Revised Statutes, **add** 40-3-116 as
36 follows:

37 **40-3-116. Electric vehicle programs - rates.** (1) THE RATES AND
38 CHARGES SCHEDULE FOR SERVICES PROVIDED BY A PROGRAM CREATED
39 UNDER SECTION 40-5-107 MAY ALLOW:

40 (a) A RETURN ON ANY INVESTMENT MADE UNDER SECTION
41 40-5-107 BY AN ELECTRIC UTILITY AT THE ELECTRIC UTILITY'S MOST

1 RECENT RATE OF RETURN ON EQUITY APPROVED BY THE COMMISSION,
2 INCLUDING BY ALLOWING A UTILITY TO EARN A RATE OF RETURN ON
3 REBATES PROVIDED TO CUSTOMERS THROUGH A TRANSPORTATION
4 ELECTRIFICATION PROGRAM;

5 (b) RATE RECOVERY MECHANISMS THAT ALLOW EARLIER, AS
6 DETERMINED BY THE COMMISSION, RECOVERY OF COSTS, INCLUDING THE
7 USE OF RATE ADJUSTMENT CLAUSES; AND

8 (c) PERFORMANCE-BASED INCENTIVE RETURNS OR SIMILAR
9 INVESTMENT INCENTIVES.

10 **SECTION 4.** In Colorado Revised Statutes, **add 40-5-107** as
11 follows:

12 **40-5-107. Electric vehicle programs - repeal.** (1) (a) NO LATER
13 THAN MAY 15, 2020, AND ON OR BEFORE MAY 15 EVERY THREE YEARS
14 THEREAFTER, AN ELECTRIC UTILITY SHALL FILE WITH THE COMMISSION AN
15 APPLICATION FOR A PROGRAM FOR REGULATED ACTIVITIES TO SUPPORT
16 WIDESPREAD TRANSPORTATION ELECTRIFICATION WITHIN THE AREA
17 COVERED BY THE UTILITY'S CERTIFICATE OF PUBLIC CONVENIENCE AND
18 NECESSITY.

19 (b) TO COMPLY WITH THIS SUBSECTION (1), AN APPLICATION MUST
20 SEEK TO MINIMIZE OVERALL COSTS AND MAXIMIZE OVERALL BENEFITS AND
21 MAY INCLUDE:

22 (I) INVESTMENTS OR INCENTIVES TO FACILITATE THE DEPLOYMENT
23 OF CUSTOMER-OWNED OR UTILITY-OWNED CHARGING INFRASTRUCTURE,
24 INCLUDING CHARGING FACILITIES, MAKE-READY INFRASTRUCTURE, AND
25 ASSOCIATED ELECTRICAL EQUIPMENT THAT SUPPORT TRANSPORTATION
26 ELECTRIFICATION;

27 (II) INVESTMENTS OR INCENTIVES TO FACILITATE THE
28 ELECTRIFICATION OF PUBLIC TRANSIT AND OTHER VEHICLE FLEETS;

29 (III) RATE DESIGNS, OR PROGRAMS THAT ENCOURAGE VEHICLE
30 CHARGING THAT SUPPORTS THE OPERATION OF THE ELECTRIC GRID; AND

31 (IV) CUSTOMER EDUCATION, OUTREACH, AND INCENTIVE
32 PROGRAMS THAT INCREASE AWARENESS OF THE PROGRAMS AND OF THE
33 BENEFITS OF TRANSPORTATION ELECTRIFICATION AND ENCOURAGE
34 GREATER ADOPTION OF ELECTRIC VEHICLES.

35 (2) WHEN CONSIDERING TRANSPORTATION ELECTRIFICATION
36 PROGRAMS AND DETERMINING COST RECOVERY FOR INVESTMENTS AND
37 OTHER EXPENDITURES RELATED TO PROGRAMS PROPOSED BY AN ELECTRIC
38 UTILITY UNDER SUBSECTION (1) OF THIS SECTION, THE COMMISSION MAY
39 CONSIDER WHETHER THE INVESTMENTS AND OTHER EXPENDITURES ARE:

40 (a) REASONABLY EXPECTED TO IMPROVE THE USE OF THE ELECTRIC
41 GRID, INCLUDING IMPROVED INTEGRATION OF RENEWABLE ENERGY;

1 (b) REASONABLY EXPECTED TO INCREASE ACCESS TO THE USE OF
2 ELECTRICITY AS A TRANSPORTATION FUEL;
3 (c) DESIGNED TO ENSURE SYSTEM SAFETY AND RELIABILITY;
4 (d) (I) REASONABLY EXPECTED TO CONTRIBUTE TO MEETING AIR
5 QUALITY STANDARDS AND REDUCING STATEWIDE EMISSIONS OF
6 GREENHOUSE GASES BY FORTY PERCENT BELOW 2005 LEVELS BY 2030 AND
7 EIGHTY PERCENT BELOW 2005 LEVELS BY 2050.
8 (II) THIS SUBSECTION (2)(d) IS REPEALED, EFFECTIVE JULY 1, 2031.
9 (e) REASONABLY EXPECTED TO STIMULATE INNOVATION,
10 COMPETITION, AND INCREASED CONSUMER CHOICES IN ELECTRIC VEHICLE
11 CHARGING AND RELATED INFRASTRUCTURE AND SERVICES; ATTRACT
12 PRIVATE CAPITAL INVESTMENTS; AND UTILIZE HIGH-QUALITY JOBS AND
13 SKILLED WORKER TRAINING PROGRAMS AS DEFINED IN SECTION 8-83-303;
14 (f) TRANSPARENT, INCORPORATING PUBLIC REPORTING
15 REQUIREMENTS TO INFORM DESIGN AND COMMISSION POLICY; AND
16 (g) REASONABLY EXPECTED TO PROVIDE ACCESS FOR LOW-INCOME
17 CUSTOMERS, IN THE TOTALITY OF THE UTILITY'S TRANSPORTATION
18 ELECTRIFICATION PROGRAMS, WHILE GIVING DUE CONSIDERATION TO THE
19 IMPACT ON LOW-INCOME CUSTOMERS.
20 (3)(a) ELECTRIC VEHICLE INFRASTRUCTURE ELECTRICAL WORK ON
21 THE CUSTOMER SIDE OF THE UTILITY METER, INCLUDING THE
22 INSTALLATION OF THE CHARGING STATION APPARATUS AND RELATED
23 HARDWARE, MUST:
24 (I) BE PERFORMED BY A LICENSED MASTER ELECTRICIAN, LICENSED
25 JOURNEYMAN ELECTRICIAN, LICENSED RESIDENTIAL WIREMAN, OR
26 PROPERLY SUPERVISED ELECTRICAL APPRENTICE AS EACH TERM IS DEFINED
27 IN SECTION 12-23-101; AND
28 (II) COMPLY WITH ARTICLE 23 OF TITLE 12, INCLUDING SECTIONS
29 12-23-105 AND 12-23-110.5, AND ALL APPLICABLE RULES OF THE STATE
30 ELECTRICAL BOARD.
31 (b) FOR ALL ELECTRIC VEHICLE INFRASTRUCTURE OR CHARGING
32 STATIONS OWNED BY THE UTILITY, THE UTILITY SHALL USE UTILITY
33 EMPLOYEES OR QUALIFIED CONTRACTORS IF THE CONTRACTORS'
34 EMPLOYEES HAVE ACCESS TO AN APPRENTICESHIP PROGRAM AS DEFINED
35 IN SECTION 8-83-303 (2). THIS APPRENTICESHIP REQUIREMENT DOES NOT
36 APPLY TO:
37 (I) THE DESIGN, PLANNING, OR ENGINEERING OF THE
38 INFRASTRUCTURE;
39 (II) MANAGEMENT FUNCTIONS TO OPERATE THE INFRASTRUCTURE;
40 OR
41 (III) ANY WORK INCLUDED IN A WARRANTY.

1 **SECTION 5. 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."

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