

HOUSE COMMITTEE OF REFERENCE REPORT

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Chair of Committee

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Date

May 1, 2023

Committee on Finance.

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

SB23-291 be amended as follows, and as so amended, be referred to the Committee on Appropriations with favorable recommendation:

1 Amend reengrossed bill, page 4, line 1, after the period add "IN  
2 DETERMINING THE LONG-TERM RATE OF INFLATION, THE COMMISSION  
3 SHALL DETERMINE AN APPROPRIATE RATE OF INFLATION SPECIFICALLY FOR  
4 FUEL COSTS."

5 Page 12, line 17, strike "MAY" and substitute "SHALL".

6 Page 13, line 10, strike "MAY" and substitute "SHALL".

7 Page 14, strike lines 23 through 27 and substitute "TO:

8 (a) DETERMINE WHETHER ALTERNATIVE INFRASTRUCTURE,  
9 SERVICE INVESTMENTS, OR OTHER UTILITY ACTIONS COULD MITIGATE  
10 IMPACTS ON NONPARTICIPATING OR INCOME-QUALIFIED CUSTOMERS IN A  
11 MANNER THAT IS NECESSARY, APPROPRIATE, AND COULD HELP REDUCE  
12 GREENHOUSE GAS EMISSIONS IN ALIGNMENT WITH THE "COLORADO  
13 GREENHOUSE GAS POLLUTION REDUCTION ROADMAP", PUBLISHED BY THE  
14 COLORADO ENERGY OFFICE; AND

15 (b) IDENTIFY THE UP-FRONT AND SERVICE LIFE ANNUALIZED COSTS  
16 AND BENEFITS OF THE ALTERNATIVES IDENTIFIED IN SUBSECTION (2)(a) OF  
17 THIS SECTION."

18 Page 15, after line 20 insert:

19 "(b) THE COMMISSION MAY REQUIRE A GAS UTILITY TO PROVIDE ITS  
20 CUSTOMERS WITH RELEVANT INFORMATION REGARDING OPTIONS FOR  
21 SWITCHING TO HIGH-EFFICIENCY ELECTRIC SPACE HEATING OR WATER  
22 HEATING, INCLUDING:

23 (I) A LIST OF APPLIANCES, FOR WHICH THE UTILITY PROVIDES

1 INCENTIVES OR REBATES; AND  
2 (II) FOR EXISTING OR PROSPECTIVE CUSTOMERS WITH FACILITIES  
3 LARGER THAN FIFTY THOUSAND SQUARE FEET, A COST-BENEFIT ANALYSIS  
4 OF ELECTRIFICATION OPTIONS THAT INCLUDES UP-FRONT AND LIFETIME  
5 COSTS, WHICH ANALYSIS MUST TAKE INTO ACCOUNT AVAILABLE  
6 INCENTIVES AND REBATES AND USE A REASONABLE COST THAT REFLECTS  
7 GAS PRICE VOLATILITY."

8 Reletter succeeding paragraphs accordingly.

9 Page 15, line 25, strike "(2)(b)" and substitute "(2)(c)".

10 Page 19, strike lines 4 through 27.

11 Page 20, strike lines 1 and 2 and substitute:

12 **"40-3.2-104.6. Commission investigation on beneficial**  
13 **electrification - repeal.** (1) ON OR BEFORE JANUARY 1, 2024, THE  
14 COMMISSION SHALL INITIATE AN INVESTIGATIVE PROCEEDING TO BE  
15 COMPLETED NO LATER THAN JULY 1, 2024, EXAMINING EXISTING  
16 INVESTOR-OWNED ELECTRIC UTILITY TARIFFS AND INTERCONNECTION  
17 POLICIES AND PRACTICES TO DETERMINE:

18 (a) IF THE TARIFFS, POLICIES, AND PRACTICES POSE A BARRIER TO  
19 THE BENEFICIAL ELECTRIFICATION OF TRANSPORTATION AND BUILDINGS  
20 AND THE OFFSETTING OF THAT ENERGY USE WITH DISTRIBUTED ENERGY  
21 RESOURCES;

22 (b) IF THE APPLICATION OF TRADITIONAL COST-CAUSATION AND  
23 COST RECOVERY PRINCIPLES POSE A BARRIER TO SUCH BENEFICIAL  
24 ELECTRIFICATION AND THE OFFSETTING OF THAT ENERGY USE WITH  
25 DISTRIBUTED ENERGY RESOURCES; AND

26 (c) WHETHER REQUIRING A CUSTOMER THAT SEEKS TO  
27 INTERCONNECT DISTRIBUTED ENERGY RESOURCES TO THE  
28 INVESTOR-OWNED ELECTRIC UTILITY'S ELECTRIC GRID TO BEAR THE FULL  
29 INCREMENTAL COST OF TRANSFORMER OR SERVICE UPGRADES NEEDED AT  
30 THE TIME OF INTERCONNECTION IMPOSES AN UNDUE BURDEN ON THE  
31 CUSTOMER, WITH CONSIDERATION GIVEN TO METHODS FOR SHARING THE  
32 COST RECOVERY AMONG CUSTOMERS.

33 (2) THE COMMISSION SHALL CONSIDER WHETHER TO DIRECT AN  
34 INVESTOR-OWNED ELECTRIC UTILITY TO MAKE CHANGES:

35 (a) TO ITS TARIFFS, POLICIES, PRACTICES, OR COST ALLOCATION;

36 (b) IN THE ALLOCATION OF DISTRIBUTION SYSTEM COSTS,  
37 INCLUDING THE COSTS OF TRANSFORMER, SUBSTATION, OR SERVICE  
38 UPGRADES AS PART OF THE UTILITY'S INVESTMENT IN ITS DISTRIBUTION

1 SYSTEM; AND

2 (c) TO ITS DISTRIBUTION SYSTEM PLANNING PROCESS TO BETTER  
3 PLAN FOR AND ACCOMMODATE FUTURE BENEFICIAL ELECTRIFICATION AND  
4 DISTRIBUTED ENERGY RESOURCE INVESTMENTS THAT ARE NECESSARY TO  
5 ALIGN WITH THE STATE'S GREENHOUSE GAS EMISSION REDUCTION GOALS  
6 SET FORTH IN SECTION 25-7-102 (2)(g).

7 (3) UPON COMPLETION OF THE INVESTIGATION, THE COMMISSION  
8 SHALL POST WRITTEN FINDINGS AND CONCLUSIONS FROM THE  
9 INVESTIGATION ON THE".

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