

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 17-0898.01 Jery Payne x2157

HOUSE BILL 17-1232

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HOUSE SPONSORSHIP

Danielson,

SENATE SPONSORSHIP

Priola,

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**House Committees**  
Transportation & Energy

**Senate Committees**

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A BILL FOR AN ACT

101 CONCERNING PUBLIC UTILITIES PROVIDING INFRASTRUCTURE TO  
102 SERVE ALTERNATIVE FUEL MOTOR VEHICLES.

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**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://leg.colorado.gov>.)*

In an existing provision that authorizes resellers of electricity and natural gas to provide motor vehicle charging or fueling stations as unregulated services, the bill authorizes public utilities to provide these services as regulated or unregulated services and allows cost recovery.

The bill allows a utility to apply to build facilities to support alternative fuel vehicles. Standards are set for approval. When a facility

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.*

is built, the rate and charges for the services:

- ! May allow a return on any investment made by an electric public utility at the electric public utility's most recent rate of return on equity approved by the commission;
- ! May allow a return on any investment made by a natural gas public utility at the utility's weighted average cost of capital at the public utility's most recent rate of return on equity approved by the commission; and
- ! Must be recovered from all customers of an electric or natural gas public utility in a manner that is similar to the recovery of distribution system investments.

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

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

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

7 (b) The number of electric and natural gas vehicles registered in  
8 Colorado has seen growth of eighty-five percent over the last three years,  
9 and, with expanded infrastructure investment, future growth is projected  
10 to accelerate;

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

14 (d) Widespread adoption of alternative fuel vehicles requires that  
15 electric and natural gas utilities increase access to the use of electricity  
16 and natural gas as transportation fuels;

17 (e) Widespread adoption of alternative fuel vehicles should  
18 provide consumers with fuel cost savings;

19 (f) Widespread adoption of alternative fuel vehicles should

1 stimulate innovation, competition, and increased choices in charging and  
2 fueling equipment and charging and fueling networks and should also  
3 attract private capital investments and create high-quality jobs in  
4 Colorado; and

5 (g) Widespread adoption of alternative fuel vehicles should  
6 improve the electric public utility's electrical system efficiency and  
7 operational flexibility, including the ability of an electric public utility to  
8 integrate variable generating resources and to make use of off-peak  
9 generation resources.

10 **SECTION 2.** In Colorado Revised Statutes, 40-1-103.3, **amend**  
11 (2) as follows:

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

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

27 **40-3-116. Alternative fuel vehicle programs - rates.** (1) THE

1 RATES AND CHARGES SCHEDULE FOR SERVICES PROVIDED BY A PROGRAM  
2 CREATED UNDER SECTION 40-5-107:

3 (a) MAY ALLOW A RETURN, INCLUDING BY ALLOWING A UTILITY TO  
4 EARN A RATE OF RETURN ON REBATES PROVIDED TO CUSTOMERS THROUGH  
5 A TRANSPORTATION ELECTRIFICATION PROGRAM, BASED ON THE UTILITY'S  
6 WEIGHTED AVERAGE COST OF CAPITAL, ON ANY INVESTMENT MADE BY AN  
7 ELECTRIC PUBLIC UTILITY, UNDER SECTION 40-5-107, AT THE ELECTRIC  
8 PUBLIC UTILITY'S MOST RECENT RATE OF RETURN ON EQUITY APPROVED BY  
9 THE COMMISSION;

10 (b) MAY ALLOW A RETURN ON ANY INVESTMENT MADE BY A  
11 NATURAL GAS PUBLIC UTILITY UNDER SECTION 40-5-107, BASED ON THE  
12 UTILITY'S WEIGHTED AVERAGE COST OF CAPITAL, AT THE PUBLIC UTILITY'S  
13 MOST RECENT RATE OF RETURN ON EQUITY APPROVED BY THE  
14 COMMISSION; AND

15 (c) MUST BE RECOVERED FROM ALL CUSTOMERS OF AN ELECTRIC  
16 OR NATURAL GAS PUBLIC UTILITY IN A MANNER THAT IS SIMILAR TO THE  
17 RECOVERY OF DISTRIBUTION SYSTEM INVESTMENTS.

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

20 **40-5-107. Alternative fuel vehicle programs.** (1) EACH  
21 ELECTRIC PUBLIC UTILITY MAY FILE, OR THE COMMISSION MAY REQUEST  
22 AN ELECTRIC PUBLIC UTILITY TO FILE, AN APPLICATION FOR A PROGRAM TO  
23 SUPPORT WIDESPREAD TRANSPORTATION ELECTRIFICATION IN A FORM AND  
24 MANNER PRESCRIBED BY THE COMMISSION.

25 (2) EACH NATURAL GAS PUBLIC UTILITY MAY FILE, OR THE  
26 COMMISSION MAY REQUEST A NATURAL GAS PUBLIC UTILITY TO FILE, AN  
27 APPLICATION FOR A PROGRAM TO SUPPORT GREATER ADOPTION OF

1 NATURAL GAS VEHICLES, IN A FORM AND MANNER PRESCRIBED BY THE  
2 PUBLIC UTILITIES COMMISSION.

3 (3) WHEN CONSIDERING TRANSPORTATION ELECTRIFICATION  
4 PROGRAMS AND DETERMINING COST RECOVERY FOR INVESTMENTS AND  
5 OTHER EXPENDITURES RELATED TO PROGRAMS PROPOSED BY AN ELECTRIC  
6 PUBLIC UTILITY UNDER SUBSECTION (1) OF THIS SECTION, THE COMMISSION  
7 MAY CONSIDER WHETHER THE INVESTMENTS AND OTHER EXPENDITURES  
8 ARE:

9 (a) CONSISTENT WITH THE PUBLIC UTILITY'S LONG-TERM  
10 INTEGRATED RESOURCE PLANNING;

11 (b) PRUDENT, AS DETERMINED BY THE COMMISSION;

12 (c) REASONABLY EXPECTED TO BE USED AND USEFUL, AS  
13 DETERMINED BY THE COMMISSION;

14 (d) REASONABLY EXPECTED TO IMPROVE THE ELECTRIC PUBLIC  
15 UTILITY'S LONG-TERM ELECTRICAL SYSTEM EFFICIENCY AND OPERATIONAL  
16 FLEXIBILITY;

17 (e) REASONABLY EXPECTED TO STIMULATE INNOVATION,  
18 COMPETITION, AND INCREASED CONSUMER CHOICES IN ELECTRIC VEHICLE  
19 CHARGING AND RELATED INFRASTRUCTURE AND SERVICES;

20 (f) REASONABLY EXPECTED TO SUPPORT WIDESPREAD  
21 TRANSPORTATION ELECTRIFICATION;

22 (g) REASONABLY EXPECTED TO INCREASE ACCESS TO THE USE OF  
23 ELECTRICITY AS A TRANSPORTATION FUEL; OR

24 (h) REASONABLY EXPECTED TO PROVIDE COMPETITIVELY PRICED  
25 POWER TO CONSUMERS WHO CHARGE ELECTRIC VEHICLES IN A MANNER  
26 CONSISTENT WITH ELECTRIC GRID CONDITIONS.

27 (4) WHEN CONSIDERING NATURAL GAS VEHICLE PROGRAMS AND

1 DETERMINING COST RECOVERY FOR INVESTMENTS AND OTHER  
2 EXPENDITURES RELATED TO PROGRAMS PROPOSED BY A NATURAL GAS  
3 PUBLIC UTILITY IN ACCORDANCE WITH SUBSECTION (2) OF THIS SECTION,  
4 THE COMMISSION MAY CONSIDER WHETHER THE INVESTMENTS AND OTHER  
5 EXPENDITURES ARE:

6 (a) PRUDENT, AS DETERMINED BY THE COMMISSION;

7 (b) REASONABLY EXPECTED TO BE USED AND USEFUL, AS  
8 DETERMINED BY THE COMMISSION;

9 (c) REASONABLY EXPECTED TO IMPROVE THE NATURAL GAS  
10 UTILITY'S LONG-TERM SYSTEM EFFICIENCY;

11 (d) REASONABLY EXPECTED TO STIMULATE INNOVATION,  
12 COMPETITION, AND INCREASED CONSUMER CHOICES IN NATURAL GAS  
13 FUELING AND RELATED INFRASTRUCTURE AND SERVICES;

14 (e) REASONABLY EXPECTED TO SUPPORT WIDESPREAD USE OF  
15 NATURAL GAS VEHICLES;

16 (f) REASONABLY EXPECTED TO INCREASE ACCESS TO THE USE OF  
17 NATURAL GAS AS A TRANSPORTATION FUEL; OR

18 (g) REASONABLY EXPECTED TO PROVIDE COMPETITIVELY PRICED  
19 FUEL TO CONSUMERS.

20 **SECTION 5. Act subject to petition - effective date.** This act  
21 takes effect at 12:01 a.m. on the day following the expiration of the  
22 ninety-day period after final adjournment of the general assembly (August  
23 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a  
24 referendum petition is filed pursuant to section 1 (3) of article V of the  
25 state constitution against this act or an item, section, or part of this act  
26 within such period, then the act, item, section, or part will not take effect  
27 unless approved by the people at the general election to be held in

- 1 November 2018 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.