

First Regular Session  
Seventy-first General Assembly  
STATE OF COLORADO

**REENGROSSED**

*This Version Includes All Amendments  
Adopted in the House of Introduction*

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, AND, IN**  
103            **CONNECTION THEREWITH, ESTABLISHING A PROCESS AT THE**  
104            **COLORADO PUBLIC UTILITIES COMMISSION WHEREBY A PUBLIC**  
105            **UTILITY MAY UNDERTAKE IMPLEMENTATION OF AN**  
106            **ALTERNATIVE FUEL MOTOR VEHICLE INFRASTRUCTURE**  
107            **PROGRAM WITHIN THE AREA COVERED BY THE UTILITY'S**  
108            **CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY.**

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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*

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.*

HOUSE  
3rd Reading Unamended  
April 17, 2017

HOUSE  
Amended 2nd Reading  
April 13, 2017

<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 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

1 electric and natural gas utilities increase access to the use of electricity  
2 and natural gas as transportation fuels;

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

5 (f) Widespread adoption of alternative fuel vehicles should  
6 stimulate innovation, competition, and increased choices in charging and  
7 fueling equipment and charging and fueling networks and should also  
8 attract private capital investments and create high-quality jobs in  
9 Colorado; and

10 (g) Widespread adoption of alternative fuel vehicles should  
11 improve the electric public utility's electrical system efficiency and  
12 operational flexibility, including the ability of an electric public utility to  
13 integrate variable generating resources and to make use of off-peak  
14 generation resources.

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

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

1 ~~may not be subsidized by the regulated services of the electric or natural~~  
2 ~~gas public utility.~~

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

5 **40-3-116. Alternative fuel vehicle programs - rates.** (1) THE  
6 RATES AND CHARGES SCHEDULE FOR SERVICES PROVIDED BY A PROGRAM  
7 CREATED UNDER SECTION 40-5-107:

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

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

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

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

25 **40-5-107. Alternative fuel vehicle programs.** (1) EACH  
26 ELECTRIC PUBLIC UTILITY MAY FILE, OR THE COMMISSION MAY REQUEST  
27 AN ELECTRIC PUBLIC UTILITY TO FILE, AN APPLICATION FOR A PROGRAM TO

1 SUPPORT WIDESPREAD TRANSPORTATION ELECTRIFICATION IN A FORM AND  
2 MANNER PRESCRIBED BY THE COMMISSION.

3 (2) EACH NATURAL GAS PUBLIC UTILITY MAY FILE, OR THE  
4 COMMISSION MAY REQUEST A NATURAL GAS PUBLIC UTILITY TO FILE, AN  
5 APPLICATION FOR A PROGRAM TO SUPPORT GREATER ADOPTION OF  
6 NATURAL GAS VEHICLES, IN A FORM AND MANNER PRESCRIBED BY THE  
7 PUBLIC UTILITIES COMMISSION.

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

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

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

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

19 (d) REASONABLY EXPECTED TO IMPROVE THE ELECTRIC PUBLIC  
20 UTILITY'S LONG-TERM ELECTRICAL SYSTEM EFFICIENCY AND OPERATIONAL  
21 FLEXIBILITY;

22 (e) REASONABLY EXPECTED TO STIMULATE INNOVATION,  
23 COMPETITION, AND INCREASED CONSUMER CHOICES IN ELECTRIC VEHICLE  
24 CHARGING AND RELATED INFRASTRUCTURE AND SERVICES; ATTRACT  
25 PRIVATE CAPITAL INVESTMENTS; AND UTILIZE HIGH QUALITY JOBS AND  
26 SKILLED WORKER TRAINING PROGRAMS AS DEFINED IN SECTION 8-83-303;

27 (f) REASONABLY EXPECTED TO SUPPORT WIDESPREAD

1 TRANSPORTATION ELECTRIFICATION;

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

4 (h) REASONABLY EXPECTED TO PROVIDE COMPETITIVELY PRICED  
5 POWER TO CONSUMERS WHO CHARGE ELECTRIC VEHICLES IN A MANNER  
6 CONSISTENT WITH ELECTRIC GRID CONDITIONS.

7 (4) WHEN CONSIDERING NATURAL GAS VEHICLE PROGRAMS AND  
8 DETERMINING COST RECOVERY FOR INVESTMENTS AND OTHER  
9 EXPENDITURES RELATED TO PROGRAMS PROPOSED BY A NATURAL GAS  
10 PUBLIC UTILITY IN ACCORDANCE WITH SUBSECTION (2) OF THIS SECTION,  
11 THE COMMISSION MAY CONSIDER WHETHER THE INVESTMENTS AND OTHER  
12 EXPENDITURES ARE:

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

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

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

18 (d) REASONABLY EXPECTED TO STIMULATE INNOVATION,  
19 COMPETITION, AND INCREASED CONSUMER CHOICES IN NATURAL GAS  
20 FUELING AND RELATED INFRASTRUCTURE AND SERVICES; ATTRACT  
21 PRIVATE CAPITAL INVESTMENTS; AND UTILIZE HIGH QUALITY JOBS AND  
22 SKILLED WORKER TRAINING PROGRAMS AS DEFINED IN SECTION 8-83-303;

23 (e) REASONABLY EXPECTED TO SUPPORT WIDESPREAD USE OF  
24 NATURAL GAS VEHICLES;

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

27 (g) REASONABLY EXPECTED TO PROVIDE COMPETITIVELY PRICED

1 FUEL TO CONSUMERS.

2           **SECTION 5. Act subject to petition - effective date.** This act  
3 takes effect at 12:01 a.m. on the day following the expiration of the  
4 ninety-day period after final adjournment of the general assembly (August  
5 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a  
6 referendum petition is filed pursuant to section 1 (3) of article V of the  
7 state constitution against this act or an item, section, or part of this act  
8 within such period, then the act, item, section, or part will not take effect  
9 unless approved by the people at the general election to be held in  
10 November 2018 and, in such case, will take effect on the date of the  
11 official declaration of the vote thereon by the governor.