

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0242.01 Jery Payne x2157

SENATE BILL 18-216

SENATE SPONSORSHIP

Priola and Williams A., Coram, Court, Fenberg, Martinez Humenik

HOUSE SPONSORSHIP

(None),

Senate Committees
Transportation

House Committees

A BILL FOR AN ACT

101 CONCERNING MEASURES THAT AFFECT THE DEVELOPMENT OF
102 INFRASTRUCTURE USED BY ALTERNATIVE FUEL MOTOR
103 VEHICLES, AND, IN CONNECTION THEREWITH, ESTABLISHING A
104 PROCESS AT THE COLORADO PUBLIC UTILITIES COMMISSION
105 WHEREBY A PUBLIC UTILITY MAY UNDERTAKE
106 IMPLEMENTATION OF AN ALTERNATIVE FUEL MOTOR VEHICLE
107 INFRASTRUCTURE PROGRAM WITHIN THE AREA COVERED BY
108 THE UTILITY'S CERTIFICATE OF PUBLIC CONVENIENCE AND
109 NECESSITY.

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

Currently, resellers of electricity and natural gas may provide charging ports or fueling stations for motor vehicles 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 or 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 public utilities 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.

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 grown eighty-five percent over the last three years, and,
9 with expanded infrastructure investment, future growth is projected to
10 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 electricity and natural

1 gas as transportation fuels;

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

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

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

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

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

1 ~~gas public utility.~~

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

4 **40-3-116. Alternative fuel vehicle programs - rates.** (1) THE
5 RATES AND CHARGES SCHEDULE FOR SERVICES PROVIDED BY A PROGRAM
6 CREATED UNDER SECTION 40-5-107:

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

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

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

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

24 **40-5-107. Alternative fuel vehicle programs.** (1) EACH
25 ELECTRIC PUBLIC UTILITY MAY FILE, OR THE COMMISSION MAY REQUEST
26 AN ELECTRIC PUBLIC UTILITY TO FILE, AN APPLICATION FOR A PROGRAM TO
27 SUPPORT WIDESPREAD TRANSPORTATION ELECTRIFICATION IN A FORM AND

1 MANNER PRESCRIBED BY THE COMMISSION.

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

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

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

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

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

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

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

26 (f) REASONABLY EXPECTED TO SUPPORT WIDESPREAD
27 TRANSPORTATION ELECTRIFICATION;

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

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

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

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

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

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

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

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

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

26 (g) REASONABLY EXPECTED TO PROVIDE COMPETITIVELY PRICED
27 FUEL TO CONSUMERS.

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