

Second Regular Session
Seventy-third General Assembly
STATE OF COLORADO

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 22-0299.01 Jennifer Berman x3286

HOUSE BILL 22-1249

HOUSE SPONSORSHIP

Bernett and Hooton,

SENATE SPONSORSHIP

Rankin,

House Committees

Energy & Environment
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF A MICROGRID ROADMAP FOR**
102 **IMPROVING ELECTRIC GRIDS IN THE STATE.**

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>.)

The bill requires the Colorado energy office (office), in collaboration with the department of local affairs (department) and the Colorado resiliency office (resiliency office), to develop a grid resilience and reliability roadmap (roadmap) for improving the resilience and reliability of electric grids in the state (grid), which roadmap must include guidance on how microgrids may be used to harden the grid, improve grid

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.*

resilience and reliability, and help serve communities' electricity needs independent of the grid. In developing the roadmap, the office, department, and resiliency office are required to engage interested persons throughout the state in stakeholder meetings and consider stakeholder input. The roadmap may identify:

- The potential benefits of developing microgrids, including whether and how developing microgrids improves grid resilience and reliability;
- The critical facilities and infrastructure and the high-risk communities that should be prioritized for microgrid projects (projects);
- Existing and potential threats to grid resilience and reliability and how microgrids may help to overcome the threats; and
- Recommendations regarding potential legislative or administrative changes needed to help facilitate projects, including needed statutory or rule changes, metrics for evaluating the costs and benefits of microgrids, financial and technical support for microgrid deployment, and education and outreach programs.

The office and department are required to post the roadmap on their websites. The office is also required to submit a copy of the roadmap to the public utilities commission (commission), and, on or before March 1, 2025, in collaboration with the department, present the roadmap to the legislative committees of reference with jurisdiction over energy matters. On a periodic basis at least every 5 years, the office, department, and resiliency office are required to review the roadmap and, if necessary, update it. If the roadmap is updated, it must be posted on the office's and department's websites and submitted to the commission and the legislative committees of reference with jurisdiction over energy matters.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 24-38.5-113 as
3 follows:

4 **24-38.5-113. Grid resilience and reliability roadmap -**
5 **microgrid development - stakeholder input - definitions - reporting.**

6 (1) (a) (I) ON OR BEFORE JANUARY 1, 2025, THE OFFICE, IN
7 COLLABORATION WITH THE DEPARTMENT AND THE RESILIENCY OFFICE,
8 SHALL PRODUCE A GRID RESILIENCE AND RELIABILITY ROADMAP, AND THE

1 ROADMAP SHALL BE POSTED ON THE OFFICE'S AND DEPARTMENT'S
2 WEBSITES. ON OR BEFORE MARCH 1, 2025, REPRESENTATIVES OF THE
3 OFFICE AND THE DEPARTMENT SHALL PRESENT THE ROADMAP TO THE
4 HOUSE OF REPRESENTATIVES ENERGY AND ENVIRONMENT COMMITTEE AND
5 THE SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR
6 SUCCESSOR COMMITTEES. THE OFFICE SHALL SUBMIT A COPY OF THE
7 ROADMAP TO THE PUBLIC UTILITIES COMMISSION.

8 (II) ON OR BEFORE JULY 1, 2024, THE OFFICE SHALL:

9 (A) PUBLISH A DRAFT ROADMAP;

10 (B) POST THE DRAFT ROADMAP ON ITS WEBSITE AND PROVIDE A
11 MECHANISM FOR RECEIVING PUBLIC COMMENT ON THE DRAFT ROADMAP;

12 AND

13 (C) ALLOW PUBLIC COMMENT ON THE DRAFT ROADMAP FOR AT
14 LEAST THIRTY DAYS.

15 (III) THE OFFICE, IN COLLABORATION WITH THE DEPARTMENT AND
16 THE RESILIENCY OFFICE, SHALL REVIEW ANY COMMENTS RECEIVED ABOUT
17 THE DRAFT ROADMAP.

18 (b) (I) IN ACCORDANCE WITH SUBSECTION (1)(b)(II) OF THIS
19 SECTION, THE OFFICE, DEPARTMENT, AND RESILIENCY OFFICE SHALL
20 ENGAGE IN A SERIES OF STAKEHOLDER MEETINGS WITH INTERESTED
21 PERSONS THROUGHOUT THE STATE, INCLUDING BUT NOT LIMITED TO THE
22 INTERESTED PERSONS LISTED IN SUBSECTION (1)(b)(II) OF THIS SECTION,
23 AND GIVE CONSIDERATION TO STAKEHOLDER INPUT RECEIVED WHEN
24 DEVELOPING THE ROADMAP.

25 (II) IN CONDUCTING STAKEHOLDER MEETINGS PURSUANT TO
26 SUBSECTION (1)(b)(I) OF THIS SECTION, THE OFFICE, DEPARTMENT, AND
27 RESILIENCY OFFICE SHALL SEEK INPUT FROM THE FOLLOWING GROUPS:

- 1 (A) MICROGRID DEVELOPERS;
- 2 (B) THE PUBLIC UTILITIES COMMISSION AND THE COMMISSION'S
3 STAFF;
- 4 (C) THE OFFICE OF THE UTILITY CONSUMER ADVOCATE CREATED
5 IN SECTION 40-6.5-102 (1);
- 6 (D) UTILITIES;
- 7 (E) REPRESENTATIVES OF DISPROPORTIONATELY IMPACTED
8 COMMUNITIES;
- 9 (F) REPRESENTATIVES OF COMMUNITIES AT THE HIGHEST RISK OF
10 POWER OUTAGES AS DESCRIBED IN SUBSECTION (2)(b)(IV) OF THIS
11 SECTION;
- 12 (G) REPRESENTATIVES OF MUNICIPAL, COUNTY, OR CITY AND
13 COUNTY GOVERNMENTS;
- 14 (H) REPRESENTATIVES OF COMMERCIAL AND INDUSTRIAL UTILITY
15 CUSTOMERS;
- 16 (I) REPRESENTATIVES OF LABOR ORGANIZATIONS; AND
- 17 (J) REPRESENTATIVES FROM THE DEPARTMENT OF PUBLIC SAFETY
18 CREATED IN SECTION 24-33.5-103 (1), REPRESENTATIVES FROM THE
19 DIVISION OF HOMELAND SECURITY AND EMERGENCY MANAGEMENT
20 CREATED IN SECTION 24-33.5-1603 (1), AND OTHER REPRESENTATIVES OF
21 CRITICAL INFRASTRUCTURE IN THE STATE.
- 22 (III) IN ADDITION TO SEEKING INPUT FROM THE GROUPS LISTED IN
23 SUBSECTION (1)(b)(II) OF THIS SECTION, THE OFFICE, DEPARTMENT, AND
24 RESILIENCY OFFICE, WHEN DEVELOPING THE ROADMAP, SHALL TAKE INTO
25 CONSIDERATION UTILITY WILDFIRE MITIGATION PLANS.
- 26 (2) (a) (I) IN DEVELOPING THE ROADMAP, THE OFFICE,
27 DEPARTMENT, AND RESILIENCY OFFICE SHALL INCLUDE GUIDANCE

1 REGARDING WHETHER, HOW, AND IN WHAT MANNER MICROGRIDS MAY BE
2 USED TO:

3 (A) HELP HARDEN THE GRID AND IMPROVE GRID RESILIENCE AND
4 RELIABILITY FOR INDIVIDUAL CUSTOMERS;

5 (B) HELP HARDEN THE GRID AND IMPROVE GRID RESILIENCE AND
6 RELIABILITY FOR COMMUNITIES AND MULTIPLE CUSTOMERS;

7 (C) DELIVER AND MANAGE ELECTRICITY AND THE NECESSARY
8 INFRASTRUCTURE IN CIRCUMSTANCES WHERE EXTENDING DISTRIBUTION
9 INFRASTRUCTURE MAY NOT BE PRACTICABLE; AND

10 (D) OPERATE AUTONOMOUSLY AND DISCONNECTED FROM THE
11 GRID, WHEN NECESSARY, TO SERVE THE ELECTRICITY NEEDS OF
12 COMMUNITIES, NEIGHBORHOODS, OR BUILDINGS.

13 (II) TO THE EXTENT PRACTICABLE, THE ROADMAP MUST INCLUDE
14 EXAMPLES OF THE DIFFERENT WAYS THAT MICROGRIDS CAN BE DEPLOYED
15 TO ACHIEVE THE GOALS SET FORTH IN SUBSECTION (2)(a)(I) OF THIS
16 SECTION AND THE KEY FACTORS TO CONSIDER WHEN DEPLOYING
17 MICROGRIDS.

18 (b) IN DEVELOPING THE ROADMAP, THE OFFICE, DEPARTMENT, AND
19 RESILIENCY OFFICE MAY:

20 (I) IDENTIFY THE STATE'S GOALS WITH REGARD TO MICROGRIDS;

21 (II) EXAMINE WHETHER AND IN WHAT MANNER MICROGRIDS
22 IMPROVE:

23 (A) GRID RESILIENCE AND RELIABILITY;

24 (B) GREENHOUSE GAS EMISSION REDUCTIONS;

25 (C) THE STATE'S TRANSITION TO CLEAN ENERGY; AND

26 (D) THE USE OF BENEFICIAL ELECTRIFICATION, AS DEFINED IN
27 SECTION 40-1-102 (1.2), AND LOAD MANAGEMENT;

1 (III) IDENTIFY TYPES OF CRITICAL FACILITIES AND
2 INFRASTRUCTURE IN THE STATE FOR WHICH PROJECTS TO IMPROVE GRID
3 RESILIENCE AND RELIABILITY MAY BE PRIORITIZED. "CRITICAL FACILITIES
4 AND INFRASTRUCTURE" INCLUDES THE FOLLOWING TYPES OF FACILITIES:

- 5 (A) EMERGENCY SERVICES;
- 6 (B) PUBLIC WORKS;
- 7 (C) ENERGY;
- 8 (D) TELECOMMUNICATIONS AND BROADBAND;
- 9 (E) HOSPITALS AND OTHER HEALTH-CARE SERVICES;
- 10 (F) GOVERNMENT;
- 11 (G) SCHOOLS;
- 12 (H) INFORMATION TECHNOLOGY FACILITIES FOR PUBLIC
13 INSTITUTIONS; AND
- 14 (I) ANY OTHER FACILITIES IDENTIFIED BY THE OFFICE AND
15 RESILIENCY OFFICE.

16 (IV) IDENTIFY COMMUNITIES THAT ARE AT THE HIGHEST RISK OF
17 POWER OUTAGES IN THE STATE DUE TO NATURAL DISASTERS OR ARE
18 OTHERWISE MOST VULNERABLE TO GRID INTERRUPTIONS, INCLUDING AN
19 IDENTIFICATION OF THE DISPROPORTIONATELY IMPACTED COMMUNITIES
20 THAT ARE AT HIGHER RISK OF POWER OUTAGES;

21 (V) IN CONSIDERATION OF THE TECHNOLOGY AVAILABLE AT THE
22 TIME OF THE DEVELOPMENT OF THE ROADMAP, ASSESS WHETHER AND HOW
23 MICROGRIDS MAY BE ABLE TO:

- 24 (A) PROTECT CRITICAL FACILITIES AND INFRASTRUCTURE AND
25 HIGH-RISK COMMUNITIES FROM THE NEGATIVE EFFECTS OF NATURAL
26 DISASTERS, FUEL TRANSPORT AND DELIVERY DISRUPTIONS, OR CYBER
27 ATTACKS;

1 (B) REDUCE THE NEGATIVE EFFECTS OF POWER OUTAGES AND GRID
2 INTERRUPTIONS ARISING FROM NORMAL DISRUPTIONS OF THE GRID, SUCH
3 AS LIGHTNING STRIKES, HIGH WINDS, WILDLIFE INTERACTIONS, AND
4 FALLEN TREE LIMBS;

5 (C) DYNAMICALLY UTILIZE DEMAND-SIDE RESOURCES;

6 (D) IMPROVE CUSTOMER CHOICE, INCLUDING COST IMPACTS AND
7 BENEFITS TO THE CUSTOMER SERVED BY THE MICROGRID AND TO OTHER
8 CUSTOMERS SERVED BY THE UTILITY;

9 (E) BE INCLUDED IN DISTRIBUTED ENERGY RESOURCE PLANNING;

10 (F) HELP CONSUMERS REDUCE ENERGY COSTS, ESPECIALLY THOSE
11 CONSUMERS LOCATED IN RURAL AREAS OF THE STATE; AND

12 (G) HELP ENSURE THE STATE MEETS ITS GREENHOUSE GAS
13 EMISSION REDUCTIONS GOALS, AS SET FORTH IN SECTION 25-7-102 (2)(g);

14 (VI) IDENTIFY LEGAL, REGULATORY, ECONOMIC, AND OTHER
15 BARRIERS TO DEVELOPING AND DEPLOYING MICROGRIDS IN THE STATE,
16 INCLUDING RIGHTS-OF-WAY ISSUES AND RATE STRUCTURES, AND PROVIDE
17 RECOMMENDATIONS ON HOW TO OVERCOME SUCH BARRIERS;

18 (VII) EXPLORE OPPORTUNITIES TO FOSTER PUBLIC-PRIVATE
19 PARTNERSHIPS, INCLUDING UTILITY PILOT PROGRAMS AND
20 COST-RECOVERY MECHANISMS TO SUPPORT UTILITY RESILIENCE
21 INITIATIVES;

22 (VIII) RECOMMEND A PROCESS FOR:

23 (A) NOMINATING QUALIFYING TYPES OF CRITICAL FACILITIES AND
24 INFRASTRUCTURE, AS DESCRIBED IN SUBSECTION (2)(b)(III) OF THIS
25 SECTION, AND AT-RISK COMMUNITIES, AS DESCRIBED IN SUBSECTION
26 (2)(b)(IV) OF THIS SECTION; AND

27 (B) PRIORITIZING THE QUALIFYING TYPES OF CRITICAL FACILITIES

1 AND INFRASTRUCTURE AND AT-RISK COMMUNITIES FOR PROJECTS TO
2 IMPROVE GRID RESILIENCE AND RELIABILITY;

3 (IX) IDENTIFY THE NEED FOR FINANCIAL AND TECHNICAL SUPPORT,
4 EDUCATION, AND OUTREACH FOR MICROGRID DEVELOPMENT AND
5 DEPLOYMENT; AND

6 (X) DEVELOP RECOMMENDATIONS, INCLUDING LEGISLATIVE
7 RECOMMENDATIONS FOR THE GENERAL ASSEMBLY AND ADMINISTRATIVE
8 RECOMMENDATIONS FOR STATE AGENCIES, INCLUDING THE PUBLIC
9 UTILITIES COMMISSION, AND UTILITIES, ON ISSUES RELATED TO MICROGRID
10 SAFETY, DEVELOPMENT, MAINTENANCE, AND DEPLOYMENT INCLUDING
11 RECOMMENDATIONS REGARDING:

12 (A) A PROPOSED STATUTORY DEFINITION OF THE TERM
13 "MICROGRID";

14 (B) KEY FACTORS TO CONSIDER IN THE SAFETY, DEVELOPMENT,
15 MAINTENANCE, AND DEPLOYMENT OF MICROGRIDS;

16 (C) STATUTORY OR RULE CHANGES REQUIRED TO ENABLE SAFE
17 AND RELIABLE MICROGRID DEVELOPMENT, MAINTENANCE, AND
18 DEPLOYMENT;

19 (D) METRICS FOR EVALUATING THE COSTS AND BENEFITS OF
20 MICROGRIDS;

21 (E) HOW TO OVERCOME ANY BARRIERS IDENTIFIED PURSUANT TO
22 SUBSECTION (2)(b)(VI) OF THIS SECTION;

23 (F) FINANCIAL AND TECHNICAL SUPPORT FOR MICROGRID SAFETY,
24 DEVELOPMENT, MAINTENANCE, AND DEPLOYMENT; AND

25 (G) EDUCATION AND OUTREACH PROGRAMS, INCLUDING
26 APPRENTICESHIP PROGRAMS, AS DEFINED IN SECTION 8-83-308 (3)(a).

27 (c) FOR ANY ITEM LISTED IN SUBSECTION (2)(b) OF THIS SECTION

1 THAT THE OFFICE, DEPARTMENT, AND RESILIENCY OFFICE DECIDE NOT TO
2 INCLUDE IN THE ROADMAP, THE OFFICE, DEPARTMENT, AND RESILIENCY
3 OFFICE SHALL PROVIDE AN EXPLANATION SETTING FORTH THEIR REASONS
4 FOR NOT INCLUDING THE ITEM IN THE ROADMAP.

5 (3) ON OR BEFORE JANUARY 1, 2030, AND AT LEAST EVERY FIVE
6 YEARS THEREAFTER, THE OFFICE, IN COLLABORATION WITH THE
7 DEPARTMENT AND THE RESILIENCY OFFICE, SHALL REVIEW AND, IF
8 NECESSARY, UPDATE THE ROADMAP. IN REVIEWING THE ROADMAP, THE
9 OFFICE, DEPARTMENT, AND RESILIENCY OFFICE SHALL ENGAGE IN A
10 STAKEHOLDER PROCESS WITH INTERESTED PERSONS THROUGHOUT THE
11 STATE IN ACCORDANCE WITH THE STAKEHOLDER PROCESS SET FORTH IN
12 SUBSECTION (1)(b) OF THIS SECTION. IF THE ROADMAP IS UPDATED, THE
13 OFFICE AND DEPARTMENT SHALL POST THE UPDATED ROADMAP ON THEIR
14 WEBSITES AND THE OFFICE SHALL SUBMIT A COPY OF THE UPDATED
15 ROADMAP TO THE PUBLIC UTILITIES COMMISSION AND THE MEMBERS OF
16 THE HOUSE OF REPRESENTATIVES ENERGY AND ENVIRONMENT COMMITTEE
17 AND THE SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR
18 SUCCESSOR COMMITTEES.

19 (4) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
20 REQUIRES:

21 (a) "DEPARTMENT" MEANS THE DEPARTMENT OF LOCAL AFFAIRS
22 CREATED IN SECTION 24-1-125.

23 (b) "DISPROPORTIONATELY IMPACTED COMMUNITY" HAS THE
24 MEANING SET FORTH IN SECTION 24-4-109 (2)(b)(II).

25 (c) "GREENHOUSE GAS" HAS THE MEANING SET FORTH IN SECTION
26 2-2-322.3 (1)(a).

27 (d) "GRID" MEANS AN INTERCONNECTED NETWORK OF FACILITIES

1 FOR A UTILITY'S DELIVERY OF ELECTRICITY TO CONSUMERS.

2 (e) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN
3 SECTION 24-38.5-101 (1).

4 (f) "PUBLIC UTILITIES COMMISSION" MEANS THE PUBLIC UTILITIES
5 COMMISSION CREATED IN SECTION 40-2-101 (1).

6 (g) "RESILIENCY OFFICE" MEANS THE COLORADO RESILIENCY
7 OFFICE CREATED IN SECTION 24-32-121 (1).

8 (h) "ROADMAP" MEANS THE GRID RESILIENCE AND RELIABILITY
9 ROADMAP DEVELOPED PURSUANT TO THIS SECTION.

10 (i) "UTILITY" MEANS AN ELECTRIC UTILITY IN THE STATE.

11 **SECTION 2. Act subject to petition - effective date.** This act
12 takes effect at 12:01 a.m. on the day following the expiration of the
13 ninety-day period after final adjournment of the general assembly; except
14 that, if a referendum petition is filed pursuant to section 1 (3) of article V
15 of the state constitution against this act or an item, section, or part of this
16 act within such period, then the act, item, section, or part will not take
17 effect unless approved by the people at the general election to be held in
18 November 2022 and, in such case, will take effect on the date of the
19 official declaration of the vote thereon by the governor.