

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 18-0363.01 Duane Gall x4335

SENATE BILL 18-009

SENATE SPONSORSHIP

Fenberg and Priola, Cooke, Guzman, Lundberg

HOUSE SPONSORSHIP

(None),

Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

A BILL FOR AN ACT

101 CONCERNING THE RIGHT OF CONSUMERS OF ELECTRICITY TO
102 INTERCONNECT ELECTRICITY STORAGE SYSTEMS FOR USE ON
103 THEIR PROPERTY.

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 declares that consumers of electricity have a right to install, interconnect, and use electricity storage systems on their property, and that this will enhance the reliability and efficiency of the electric grid, save money, and reduce the need for additional electric generation facilities.

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.

The bill directs the Colorado public utilities commission to adopt rules governing the installation, interconnection, and use of customer-sited distributed electricity storage systems.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 40-2-130 as
3 follows:

4 **40-2-130. Distributed resources - distributed electricity**
5 **storage systems - definitions - legislative declaration - rules.**

6 (1) **Legislative declaration.** (a) THE GENERAL ASSEMBLY FINDS AND
7 DETERMINES THAT:

8 (I) COLORADO'S ECONOMY, AS WELL AS THE HEALTH AND SAFETY
9 OF ITS RESIDENTS, DEPENDS ON A RELIABLE AND EFFICIENT SUPPLY OF
10 ELECTRICITY;

11 (II) THE THREAT OF INTERRUPTIONS IN ELECTRIC SUPPLY DUE TO
12 WEATHER, MALICIOUS INTERFERENCE, OR MALFUNCTIONS IN CENTRALIZED
13 GENERATION AND TRANSMISSION FACILITIES MAKES DISTRIBUTED
14 RESOURCES, INCLUDING ELECTRICITY STORAGE SYSTEMS PAIRED WITH
15 OTHER DISTRIBUTED RESOURCES, AN IMPORTANT PART OF A ROBUST,
16 RESILIENT ELECTRICAL GRID; AND

17 (III) DISTRIBUTED STORAGE OF ELECTRICITY CAN HELP SMOOTH
18 OUT PEAKS AND VALLEYS IN ELECTRICAL DEMAND, OFFSETTING THE NEED
19 FOR EXPENSIVE ADDITIONAL FACILITIES OR POWER PURCHASES DURING
20 PEAK DEMAND PERIODS, AS WELL AS FACILITATING THE IMPROVED USE OF
21 VARIABLE ENERGY SOURCES.

22 (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT:

23 (I) IT IS IN THE PUBLIC INTEREST TO REDUCE BARRIERS TO THE
24 INSTALLATION, INTERCONNECTION, AND USE OF CUSTOMER-SITED

1 ELECTRICITY STORAGE FACILITIES IN COLORADO; AND

2 (II) COLORADO'S CONSUMERS OF ELECTRICITY HAVE A RIGHT TO
3 INSTALL, INTERCONNECT, AND USE ELECTRICITY STORAGE SYSTEMS ON
4 THEIR PROPERTY WITHOUT THE BURDEN OF UNNECESSARY RESTRICTIONS
5 OR REGULATIONS AND WITHOUT UNFAIR OR DISCRIMINATORY RATES OR
6 FEES.

7 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
8 OTHERWISE REQUIRES:

9 (a) "DISTRIBUTED ELECTRICITY STORAGE SYSTEM" MEANS ANY
10 SYSTEM THAT STORES ELECTRICAL ENERGY, INCLUDING BATTERIES AND
11 BATTERIES PAIRED WITH ON-SITE GENERATION, LOCATED ON PREMISES
12 OWNED OR LEASED BY A CUSTOMER OF AN ELECTRIC UTILITY.

13 (b) "UTILITY" OR "ELECTRIC UTILITY" MEANS A QUALIFYING
14 RETAIL UTILITY, AS DESCRIBED IN SECTION 40-2-124(1); EXCEPT THAT THE
15 TERM DOES NOT INCLUDE A MUNICIPALLY OWNED UTILITY OR A
16 COOPERATIVE ELECTRIC ASSOCIATION.

17 (3) **Authority of commission - rules.** THE COMMISSION SHALL
18 ADOPT RULES ALLOWING THE INSTALLATION, INTERCONNECTION, AND USE
19 OF DISTRIBUTED ELECTRICITY STORAGE SYSTEMS BY CUSTOMERS OF
20 UTILITIES. THE COMMISSION SHALL INCORPORATE THE FOLLOWING
21 PRINCIPLES INTO THE RULES:

22 (a) IT IS IN THE PUBLIC INTEREST TO REDUCE BARRIERS TO THE
23 INSTALLATION, INTERCONNECTION, AND USE OF CUSTOMER-SITED
24 ELECTRICITY STORAGE SYSTEMS IN COLORADO;

25 (b) COLORADO'S CONSUMERS OF ELECTRICITY HAVE A RIGHT TO
26 INSTALL, INTERCONNECT, AND FREELY USE DISTRIBUTED ELECTRICITY
27 STORAGE SYSTEMS ON THEIR PROPERTY WITHOUT THE BURDEN OF

1 UNNECESSARY RESTRICTIONS OR REGULATIONS AND WITHOUT
2 DISCRIMINATORY RATES OR FEES;

3 (c) UTILITY APPROVAL PROCESSES AND ANY REQUIRED
4 INTERCONNECTION REVIEWS OF DISTRIBUTED ELECTRICITY STORAGE
5 SYSTEMS SHALL BE SIMPLE, STREAMLINED, AND AFFORDABLE FOR
6 CUSTOMERS; AND

7 (d) UTILITIES SHALL NOT REQUIRE THE INSTALLATION OF
8 CUSTOMER-SITED METERS IN ADDITION TO A SINGLE NET ENERGY METER
9 FOR THE PURPOSES OF MONITORING DISTRIBUTED ELECTRICITY STORAGE
10 SYSTEMS. ALTERNATIVES TO ADDITIONAL CUSTOMER-SITED METERS FOR
11 THE MEASUREMENT OF ON-SITE GENERATION MAY INCLUDE, BUT ARE NOT
12 LIMITED TO, REASONABLE ESTIMATION OR MODELING METHODOLOGIES OR
13 THE USE OF DISTRIBUTION-LEVEL METERS FOR AGGREGATING DATA.

14 **SECTION 2. Act subject to petition - effective date.** This act
15 takes effect at 12:01 a.m. on the day following the expiration of the
16 ninety-day period after final adjournment of the general assembly (August
17 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
18 referendum petition is filed pursuant to section 1 (3) of article V of the
19 state constitution against this act or an item, section, or part of this act
20 within such period, then the act, item, section, or part will not take effect
21 unless approved by the people at the general election to be held in
22 November 2018 and, in such case, will take effect on the date of the
23 official declaration of the vote thereon by the governor.