

Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO

ENGROSSED

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

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 ENERGY STORAGE SYSTEMS FOR USE ON THEIR**
103 **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.

SENATE
Amended 2nd Reading
February 7, 2018

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 - energy storage systems -**
5 **definitions - legislative declaration - rules. (1) Legislative declaration.**

6 (a) THE GENERAL ASSEMBLY FINDS AND DETERMINES THAT:

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

10 (II) THE THREAT OF INTERRUPTIONS IN ELECTRIC SUPPLY DUE TO
11 WEATHER, MALICIOUS INTERFERENCE, OR MALFUNCTIONS IN CENTRALIZED
12 GENERATION AND TRANSMISSION FACILITIES MAKES DISTRIBUTED
13 RESOURCES, INCLUDING ENERGY STORAGE SYSTEMS PAIRED WITH OTHER
14 DISTRIBUTED RESOURCES, AN EFFECTIVE WAY FOR RESIDENTS TO PROVIDE
15 THEIR OWN RELIABLE AND EFFICIENT SUPPLY OF ELECTRICITY.

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

17 (I) IT IS IN THE PUBLIC INTEREST TO LIMIT BARRIERS TO THE
18 INSTALLATION, INTERCONNECTION, AND USE OF CUSTOMER-SITED ENERGY
19 STORAGE FACILITIES IN COLORADO; AND

20 (II) COLORADO'S CONSUMERS OF ELECTRICITY HAVE A RIGHT TO
21 INSTALL, INTERCONNECT, AND USE ENERGY STORAGE SYSTEMS ON THEIR
22 PROPERTY WITHOUT THE BURDEN OF UNNECESSARY RESTRICTIONS OR
23 REGULATIONS AND WITHOUT UNFAIR OR DISCRIMINATORY RATES OR FEES.

24 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT

1 OTHERWISE REQUIRES:

2 (a) "ENERGY STORAGE SYSTEM" MEANS ANY COMMERCIALY
3 AVAILABLE, CUSTOMER-SITED SYSTEM, INCLUDING BATTERIES AND THE
4 BATTERIES PAIRED WITH ON-SITE GENERATION, THAT IS CAPABLE OF
5 RETAINING, STORING, AND DELIVERING ENERGY BY CHEMICAL, THERMAL,
6 MECHANICAL, OR OTHER MEANS.

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

11 (3) **Authority of commission - rules.** THE COMMISSION SHALL
12 ADOPT RULES ALLOWING THE INSTALLATION, INTERCONNECTION, AND USE
13 OF ENERGY STORAGE SYSTEMS BY CUSTOMERS OF UTILITIES. THE
14 COMMISSION SHALL INCORPORATE THE FOLLOWING PRINCIPLES INTO THE
15 RULES:

16 (a) IT IS IN THE PUBLIC INTEREST TO LIMIT BARRIERS TO THE
17 INSTALLATION, INTERCONNECTION, AND USE OF CUSTOMER-SITED ENERGY
18 STORAGE SYSTEMS IN COLORADO;

19 (b) COLORADO'S CONSUMERS OF ELECTRICITY HAVE A RIGHT TO
20 INSTALL, INTERCONNECT, AND USE ENERGY STORAGE SYSTEMS ON THEIR
21 PROPERTY WITHOUT THE BURDEN OF UNNECESSARY RESTRICTIONS OR
22 REGULATIONS AND WITHOUT DISCRIMINATORY RATES OR FEES;

23 (c) UTILITY APPROVAL PROCESSES AND ANY REQUIRED
24 INTERCONNECTION REVIEWS OF ENERGY STORAGE SYSTEMS SHALL BE
25 SIMPLE, STREAMLINED, AND AFFORDABLE FOR CUSTOMERS; AND

26 (d) UTILITIES SHALL NOT REQUIRE THE INSTALLATION OF
27 CUSTOMER-SITED METERS IN ADDITION TO A SINGLE NET ENERGY METER

1 FOR THE PURPOSES OF MONITORING ENERGY STORAGE SYSTEMS; EXCEPT
2 THAT THE COMMISSION MAY AUTHORIZE THE REQUIREMENT OF METERING
3 FOR CERTAIN LARGE ENERGY STORAGE SYSTEMS, AS DETERMINED BY THE
4 COMMISSION.

5 (4) NOTHING IN THIS SECTION ALTERS OR SUPERSEDES EITHER:

6 (a) THE PRINCIPLES OF NET METERING AS DESCRIBED IN SECTION
7 40-2-124; OR

8 (b) ANY EXISTING ELECTRICAL PERMIT REQUIREMENTS OR ANY
9 LICENSING OR CERTIFICATION REQUIREMENTS FOR INSTALLERS,
10 MANUFACTURERS, OR EQUIPMENT.

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 (August
14 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
15 referendum petition is filed pursuant to section 1 (3) of article V of the
16 state constitution against this act or an item, section, or part of this act
17 within such period, then the act, item, section, or part will not take effect
18 unless approved by the people at the general election to be held in
19 November 2018 and, in such case, will take effect on the date of the
20 official declaration of the vote thereon by the governor.