

**First Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO**

**INTRODUCED**

LLS NO. 23-0637.01 Jennifer Berman x3286

**HOUSE BILL 23-1137**

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**HOUSE SPONSORSHIP**

**Lukens and Valdez,**

**SENATE SPONSORSHIP**

**Hansen and Roberts,**

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**House Committees**  
Energy & Environment

**Senate Committees**

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**A BILL FOR AN ACT**

101      **CONCERNING MEASURES TO STABILIZE NET METERING CREDITS**  
102              **CALCULATED FOR AN ELECTRIC RETAIL UTILITY'S PURCHASE OF**  
103              **ELECTRIC OUTPUT FROM A COMMUNITY SOLAR GARDEN.**

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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 <http://leg.colorado.gov>.)*

Current law requires an electric retail utility (utility) to offer a net metering credit as the means of purchasing output from a community solar garden (CSG) located within the utility's service territory and establishes the means of calculating the net metering credit. The bill maintains that calculation if the CSG indicates to the utility that the CSG's

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

subscribers' bill credits change annually. However, if the CSG indicates to the utility that the CSG's subscribers' bill credits remain fixed, the bill provides a different calculation for determining the net metering credit.

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

2 **SECTION 1.** In Colorado Revised Statutes, 40-2-127, **amend**  
3 (5)(b)(II) as follows:

4 **40-2-127. Community energy funds - community solar**  
5 **gardens - definitions - rules - legislative declaration - repeal.**

6 (5) **Purchases of the output from community solar gardens.**

7 (b) (II) (A) The purchase of the output of a community solar garden by  
8 a qualifying retail utility ~~shall~~ **MUST** take the form of a net metering credit  
9 against the qualifying retail utility's electric bill to each community solar  
10 garden subscriber at the premises set forth in the subscriber's subscription.

11 (B) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE  
12 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER  
13 ORGANIZATION'S SUBSCRIBERS WITH A BILL CREDIT THAT CHANGES  
14 ANNUALLY, the net metering credit ~~shall be~~ **IS** calculated by multiplying  
15 the subscriber's share of the electricity production from the community  
16 solar garden by the qualifying retail utility's total aggregate retail rate as  
17 charged to the subscriber, minus a reasonable charge as determined by the  
18 commission. **THE CHARGE WILL BE USED** to cover the utility's costs of  
19 delivering to the subscriber's premises the electricity generated by the  
20 community solar garden, integrating the solar generation with the utility's  
21 system, and administering the community solar garden's contracts and net  
22 metering credits.

23 (C) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE  
24 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER

1 ORGANIZATION'S SUBSCRIBERS WITH A FIXED BILL CREDIT, THE NET  
2 METERING CREDIT MUST COVER THE UTILITY'S COSTS RELATED TO:  
3 DELIVERING TO THE SUBSCRIBER'S PREMISES THE ELECTRICITY GENERATED  
4 BY THE COMMUNITY SOLAR GARDEN, INTEGRATING THE SOLAR  
5 GENERATION WITH THE UTILITY'S SYSTEM, AND ADMINISTERING  
6 CONTRACTS AND NET METERING CREDITS FOR THE COMMUNITY SOLAR  
7 GARDEN. THE NET METERING CREDIT IS CALCULATED BY MULTIPLYING THE  
8 SUBSCRIBER'S SHARE OF THE ELECTRICITY PRODUCTION FROM THE  
9 COMMUNITY SOLAR GARDEN BY THE QUALIFYING RETAIL UTILITY'S TOTAL  
10 AGGREGATE RETAIL RATE AS CHARGED TO THE SUBSCRIBER AT THE TIME  
11 THE SUBSCRIBER ORGANIZATION APPLIES FOR OR BIDS CAPACITY INTO A  
12 UTILITY COMMUNITY SOLAR GARDEN PROGRAM, MINUS A REASONABLE  
13 CHARGE, AS DETERMINED BY THE COMMISSION AT THE TIME THE  
14 SUBSCRIBER ORGANIZATION APPLIES FOR OR BIDS CAPACITY INTO A  
15 UTILITY COMMUNITY SOLAR GARDEN PROGRAM.

16 (D) FOR COMMUNITY SOLAR GARDENS ELIGIBLE FOR A FIXED BILL  
17 CREDIT, AND SOLELY FOR THE PURPOSE OF APPLYING THE BILL CREDIT TO  
18 A SUBSCRIBER'S BILL, THE BILL CREDIT SHALL NOT BE APPLIED TOWARD  
19 THE FOLLOWING RATE RIDER CHARGES, UNLESS THE RATE RIDER CHARGES  
20 ARE INCLUDED IN THE REASONABLE CHARGE: RATE RIDER CHARGES THAT  
21 PROMOTE CLEAN ENERGY TECHNOLOGIES, INCLUDING BENEFICIAL  
22 ELECTRIFICATION; RATE RIDER CHARGES THAT PROVIDE LOW-INCOME BILL  
23 ASSISTANCE; OR RATE RIDER CHARGES THAT PROVIDE OTHER PUBLIC  
24 BENEFITS AS DETERMINED BY THE COMMISSION.

25 (E) BY MARCH 1, 2024, THE COMMISSION SHALL ADOPT RULES TO  
26 IMPLEMENT THE FIXED BILL CREDIT. THE RULES MUST CONSIDER THE  
27 CHANGE OF VALUE TO COMMUNITY SOLAR GARDEN CUSTOMERS OF THE

1 FIXED BILL CREDIT OVER TIME THROUGH RATE ADJUSTMENTS OR OTHER  
2 MECHANISMS.

3 (F) The commission shall ensure that ~~this charge~~ THE  
4 REASONABLE CHARGE THAT THE COMMISSION DETERMINES PURSUANT TO  
5 SUBSECTIONS (5)(b)(II)(B) AND (5)(b)(II)(C) OF THIS SECTION does not  
6 reflect costs that are already recovered by the utility from the subscriber  
7 through other charges.

8 (G) If, and to the extent that, a subscriber's net metering credit  
9 exceeds the subscriber's electric bill in any billing period, the net metering  
10 credit shall be carried forward and applied against future bills.

11 (H) The qualifying retail utility and the owner of the community  
12 solar garden ~~shall~~ MUST agree on whether the purchase of the renewable  
13 energy credits from subscribers will be accomplished through a credit on  
14 each subscriber's electricity bill or by a payment to the owner of the  
15 community solar garden.

16 **SECTION 2. Act subject to petition - effective date.** This act  
17 takes effect at 12:01 a.m. on the day following the expiration of the  
18 ninety-day period after final adjournment of the general assembly; except  
19 that, if a referendum petition is filed pursuant to section 1 (3) of article V  
20 of the state constitution against this act or an item, section, or part of this  
21 act within such period, then the act, item, section, or part will not take  
22 effect unless approved by the people at the general election to be held in  
23 November 2024 and, in such case, will take effect on the date of the  
24 official declaration of the vote thereon by the governor.