

## CHAPTER 85

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**PUBLIC UTILITIES**


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**HOUSE BILL 23-1137**

BY REPRESENTATIVE(S) Lukens and Valdez, Amabile, Bacon, Bird, Boesenecker, Daugherty, deGruy Kennedy, Dickson, Froelich, Hamrick, Jodeh, Joseph, Lieder, Lindsay, Lindstedt, Mabrey, McCormick, McLachlan, Michaelson Jenet, Ricks, Snyder, Story, Titone, Velasco, Weissman, Woodrow, McCluskie;  
also SENATOR(S) Hansen and Roberts, Buckner, Cutter, Exum, Gonzales, Jaquez Lewis, Moreno, Mullica, Priola, Winter F., Fenberg.

**AN ACT**

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

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

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

**40-2-127. Community energy funds - community solar gardens - definitions - rules - legislative declaration - repeal.** (5) **Purchases of the output from community solar gardens.** (b) (II) (A) The purchase of the output of a community solar garden by a qualifying retail utility ~~shall~~ **MUST** take the form of a net metering credit against the qualifying retail utility's electric bill to each community solar garden subscriber at the premises set forth in the subscriber's subscription.

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

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*Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.*

(C) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER ORGANIZATION'S SUBSCRIBERS WITH A FIXED BILL CREDIT, THE NET METERING CREDIT IS CALCULATED BY MULTIPLYING THE SUBSCRIBER'S SHARE OF THE ELECTRICITY PRODUCTION FROM THE COMMUNITY SOLAR GARDEN BY THE QUALIFYING RETAIL UTILITY'S TOTAL AGGREGATE RETAIL RATE AS CHARGED TO THE SUBSCRIBER AT THE TIME THE SUBSCRIBER ORGANIZATION APPLIES FOR OR BIDS CAPACITY INTO A UTILITY COMMUNITY SOLAR GARDEN PROGRAM, MINUS A REASONABLE CHARGE, AS DETERMINED BY THE COMMISSION AT THE TIME THE SUBSCRIBER ORGANIZATION APPLIES FOR OR BIDS CAPACITY INTO A UTILITY COMMUNITY SOLAR GARDEN PROGRAM. THE CHARGE WILL BE USED TO COVER THE UTILITY'S COSTS RELATED TO: DELIVERING TO THE SUBSCRIBER'S PREMISES THE ELECTRICITY GENERATED BY THE COMMUNITY SOLAR GARDEN, INTEGRATING THE SOLAR GENERATION WITH THE UTILITY'S SYSTEM, AND ADMINISTERING CONTRACTS AND NET METERING CREDITS FOR THE COMMUNITY SOLAR GARDEN.

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

(E) BY JUNE 30, 2024, THE COMMISSION SHALL ADOPT RULES TO IMPLEMENT THE FIXED BILL CREDIT. THE RULES MUST CONSIDER THE CHANGE OF VALUE TO COMMUNITY SOLAR GARDEN CUSTOMERS OF THE FIXED BILL CREDIT OVER TIME THROUGH RATE ADJUSTMENTS OR OTHER MECHANISMS.

(F) THE COMMISSION SHALL ALLOW A QUALIFYING RETAIL UTILITY TO RECOVER THE COSTS INCURRED IN IMPLEMENTING AND MAINTAINING BILLING SYSTEMS FOR THE VARIOUS BILL CREDIT PROCESSES REQUIRED PURSUANT TO THIS SUBSECTION (5)(b)(II).

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

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

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

**SECTION 2. Act subject to petition - effective date.** This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final

adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2024 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: April 17, 2023