INTRODUCED

SENATE BILL 17-089

SENATE SPONSORSHIP
Fenberg, Lundberg, Garcia, Guzman

HOUSE SPONSORSHIP
(None),

Senate Committees
Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

CONCERNING THE RIGHTS OF CONSUMERS OF ELECTRICITY TO INSTALL ELECTRICITY STORAGE SYSTEMS ON 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 and use electricity storage systems on their property, and this will enhance the reliability and efficiency of the electric grid, save money, and reduce the need for additional electric generation facilities.

The bill directs the Colorado public utilities commission to adopt rules under which:

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.
Residential and small commercial consumers can install electricity storage systems with a discharge rate of up to 25 kilowatts (kW) alternating current (AC) for later use or to provide backup in case of an outage;

The utility and interconnection approval process for photovoltaic plus storage systems must be simple and streamlined, subject to electrical code and safety requirements but not more complex than existing approval requirements for photovoltaic installations;

A utility whose customer installs electricity storage must use only a single revenue meter unless the storage system exceeds a discharge rate of 25 kW AC; and

Any applicable standby charges, minimum charges, additional meter charges, or other fees or charges are identical as between customers with electricity storage systems and those without.

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

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

40-2-130. Distributed resources - electricity storage systems - definitions - legislative declaration - rules. (1) Legislative declaration. (a) The general assembly finds and determines that:

(I) Colorado’s economy, as well as the health and safety of its residents, depends on a reliable and efficient supply of electricity;

(II) The threat of interruptions in electric supply due to weather, malicious interference, or malfunctions in centralized generation and transmission facilities make distributed resources, including electricity storage systems, an important part of a robust, resilient electrical grid; and

(III) Distributed storage of electricity can help smooth out peaks and valleys in electrical demand, offsetting the need
FOR EXPENSIVE ADDITIONAL FACILITIES OR POWER PURCHASES DURING PEAK DEMAND PERIODS AS WELL AS FACILITATING THE IMPROVED USE OF VARIABLE RENEWABLE SOURCES.

(b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT:

(I) IT IS IN THE PUBLIC INTEREST TO ENCOURAGE THE INSTALLATION AND USE OF CUSTOMER-SITED ELECTRICITY STORAGE FACILITIES IN COLORADO; AND

(II) ACCORDINGLY, COLORADO'S CONSUMERS OF ELECTRICITY HAVE A RIGHT TO INSTALL AND USE ELECTRICITY STORAGE SYSTEMS ON THEIR PROPERTY WITHOUT BURDENSOME RESTRICTIONS OR REGULATIONS AND WITHOUT BEING SUBJECT TO DISCRIMINATORY RATES. THE GENERAL ASSEMBLY INTENDS THAT ALL SUPPLIERS OF ELECTRICITY, WHETHER SUBJECT TO OR EXEMPTED FROM REGULATION BY THE COMMISSION, SHALL FOLLOW SUBSTANTIALLY THE SAME RULES AND PRACTICES AS ADOPTED BY THE COMMISSION UNDER THIS SECTION FOR UTILITIES SUBJECT TO REGULATION BY THE COMMISSION.

(2) Definitions. As used in this section, unless the context otherwise requires:

(a) "ELECTRICITY STORAGE SYSTEM" MEANS ANY SYSTEM, INCLUDING BATTERIES, LOCATED ON PREMISES OWNED OR LEASED BY A CUSTOMER OF AN ELECTRIC UTILITY AND:

(I) THAT STORES ELECTRICAL ENERGY IN A FORM THAT IS CONVERTIBLE TO ALTERNATING CURRENT AT A FREQUENCY OF SIXTY CYCLES PER SECOND;

(II) DOES NOT EXCEED A DISCHARGE RATE OF TWENTY-FIVE KILOWATTS ALTERNATING CURRENT, REGARDLESS OF THE TOTAL AMOUNT OF ELECTRICITY STORED;
(III) IS DESIGNED AND CONSTRUCTED IN A WAY THAT ALLOWS IT TO BE CONNECTED TO A BUILDING'S NORMAL ALTERNATING CURRENT ELECTRICAL SUPPLY SYSTEM; AND

(IV) WHOSE PRIMARY PURPOSE IS TO STORE ELECTRICITY:

(A) FOR LATER USE BY THE CUSTOMER; OR

(B) TO PROVIDE BACKUP FOR TIMES WHEN ELECTRICITY FROM THE GRID IS NOT AVAILABLE.

(b) "Utility" means any supplier of electricity to retail customers in Colorado. The term includes investor-owned utilities, municipally owned utilities, and cooperative electric associations, both exempt and nonexempt.

(3) Authority of commission - rules. On or before October 1, 2017, the commission shall initiate a rule-making proceeding to adopt rules governing the installation and use of customer-sited electricity storage systems by customers of utilities subject to regulation by the commission. The rules must provide, at a minimum, that:

(a) Any utility approval processes and interconnection reviews of electricity storage systems that are installed together with, or connected to, customer-sited photovoltaic generation equipment are simple, streamlined, and not cost-prohibitive to the customer. If a utility is subject to regulation by the commission, the commission shall require the utility's approval or interconnection reviews or rules to be sufficient to ensure basic safety without imposing requirements that are burdensome or duplicative of existing building codes and standards, and without being more complicated than the
SMALL GENERATOR INTERCONNECTION PROCEDURES UNDER 4 CCR 723-3, RULE 3667, AS IT EXISTED ON JANUARY 1, 2017.

(b) If an electricity storage system is not coupled with customer-sited electricity generation equipment and will not be exporting electricity to the grid, no utility approval or interconnection review is required and a utility subject to regulation by the commission shall not charge the customer a fee for having or using the electricity storage system;

(c) The cost to the customer for approval of the interconnection of an electricity storage system coupled with a photovoltaic system shall be considered as already included in the interconnection fees for a photovoltaic system without storage;

(d) A utility subject to regulation by the commission shall not:

(I) Require the installation of a separate meter beyond the single revenue meter that is the demarcation between the utility and the building owner for any purpose; or

(II) Implement standby charges, minimum charges, additional meter charges, or other fees on the customer's electricity storage system unless the same charges, minimums, or fees are applied to all similarly situated customers without electricity storage systems.

(4) Compliance by nonjurisdictional utilities - penalties.

Notwithstanding any provision of this title 40 to the contrary, a utility that is not subject to regulation by the commission shall substantially comply with the rules adopted by the
COMMISSION UNDER SUBSECTION (3) OF THIS SECTION, ON AND AFTER THE
EFFECTIVE DATE OF THOSE RULES. FAILURE OR REFUSAL OF A UTILITY OR
ITS AGENTS TO COMPLY IS PUNISHABLE BY ALL APPLICABLE PENALTIES IN
ARTICLE 7 OF THIS TITLE 40.

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 (August
9, 2017, if adjournment sine die is on May 10, 2017); 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 2018 and, in such case, will take effect on the date of the
official declaration of the vote thereon by the governor.