

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

INTRODUCED

LLS NO. 17-0613.01 Jennifer Berman x3286

HOUSE BILL 17-1225

HOUSE SPONSORSHIP

Hansen, Becker J., Esgar, Ginal, Kennedy, McLachlan, Michaelson Jenet, Willett, Winter

SENATE SPONSORSHIP

(None),

House Committees

Transportation & Energy

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING A TRANSPORTATION LEGISLATION REVIEW COMMITTEE**
102 **HEARING ON THE EFFECTS THAT A RETAIL ELECTRIC SERVICE**
103 **PROVIDER'S PARTICIPATION IN A REGIONAL TRANSMISSION**
104 **ORGANIZATION WOULD HAVE IN COLORADO.**

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>.)

A regional transmission organization is an independent electric transmission operator that provides wholesale transmission services to more than one provider of retail electric service within a defined

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.

geographic region by pooling together a number of transmission assets into a single electricity transmission market from which participating retail electric service providers may purchase wholesale transmission services.

The bill directs the transportation legislation review committee to conduct a hearing during the 2017 interim on the effects that participation by retail electric service providers in a regional transmission organization would have on the providers, their ratepayers, and Colorado's market for renewable energy. The hearing must take place on or before December 1, 2017.

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

SECTION 1. In Colorado Revised Statutes, **add** 43-2-145.7 as follows:

43-2-145.7. Transportation legislation review committee - review of participation in regional transmission organizations - legislative declaration - definitions - hearing - repeal. (1) (a) THE

GENERAL ASSEMBLY HEREBY FINDS THAT:

(I) RETAIL ELECTRIC SERVICE PROVIDERS AND THEIR RATEPAYERS MIGHT BENEFIT FROM THE RETAIL ELECTRIC SERVICE PROVIDERS' PARTICIPATION IN A REGIONAL TRANSMISSION ORGANIZATION BECAUSE THE RETAIL TRANSMISSION ORGANIZATION COULD:

(A) PROVIDE FAIR TRANSMISSION ACCESS TO A NUMBER OF RETAIL ELECTRIC SERVICE PROVIDERS, THUS POTENTIALLY LOWERING COSTS FOR RATEPAYERS;

(B) ENHANCE THE RELIABILITY AND EFFICIENCY OF TRANSMISSION SERVICE BY POOLING TOGETHER A NUMBER OF TRANSMISSION ASSETS THROUGHOUT THE REGION SERVED BY THE REGIONAL TRANSMISSION ORGANIZATION;

(C) FACILITATE REGION-WIDE PLANNING OF TRANSMISSION INFRASTRUCTURE DEVELOPMENT; AND

1 (D) DEVELOPELECTRICITY TRANSMISSION MARKETS THAT, WITHIN
2 THE REGION SERVED, ARE BETTER ABLE TO SERVICE ENERGY DEMAND AND
3 MATCH ENERGY SUPPLY TO THAT DEMAND; AND

4 (II) WHILE POTENTIALLY PROVIDING MANY BENEFITS,
5 PARTICIPATION IN A REGIONAL TRANSMISSION ORGANIZATION MIGHT
6 DISADVANTAGE RETAIL ELECTRIC SERVICE PROVIDERS, THEIR
7 RATEPAYERS, AND THE STATE OF COLORADO BECAUSE SUCH
8 PARTICIPATION COULD:

9 (A) INVOLVE ADDED COSTS FOR PARTICIPATING RETAIL ELECTRIC
10 SERVICE PROVIDERS, WHICH COSTS WOULD THEN BE PASSED ON TO THE
11 PROVIDERS' RATEPAYERS; AND

12 (B) TIE COLORADO RETAIL ELECTRIC SERVICE PROVIDERS TO AN
13 ELECTRICITY TRANSMISSION MARKET THAT COULD HINDER COLORADO'S
14 DEVELOPMENT OF NEW GENERATION SOURCES.

15 (b) THEREFORE, THE GENERAL ASSEMBLY DETERMINES AND
16 DECLARES THAT IT SHOULD CONSIDER THE POTENTIAL COSTS AND
17 BENEFITS OF, AND BARRIERS TO, A COLORADO RETAIL ELECTRIC SERVICE
18 PROVIDER'S PARTICIPATION IN A REGIONAL TRANSMISSION ORGANIZATION.

19 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
20 REQUIRES:

21 (a) "COMMISSION" MEANS THE PUBLIC UTILITIES COMMISSION
22 CREATED IN SECTION 40-2-101.

23 (b) "RATEPAYER" MEANS A RESIDENTIAL OR COMMERCIAL
24 CUSTOMER OF A RETAIL ELECTRIC SERVICE PROVIDER.

25 (c) "REGIONAL TRANSMISSION ORGANIZATION" MEANS AN
26 INDEPENDENT ELECTRIC TRANSMISSION OPERATOR THAT PROVIDES
27 WHOLESALE TRANSMISSION SERVICES TO MORE THAN ONE PROVIDER OF

1 RETAIL ELECTRIC SERVICE WITHIN A DEFINED GEOGRAPHIC REGION BY
2 POOLING TOGETHER A NUMBER OF TRANSMISSION ASSETS INTO A SINGLE
3 ELECTRICITY TRANSMISSION MARKET FROM WHICH PARTICIPATING RETAIL
4 ELECTRIC SERVICE PROVIDERS MAY PURCHASE WHOLESale TRANSMISSION
5 SERVICES.

6 (3) (a) ON OR BEFORE DECEMBER 1, 2017, THE TRANSPORTATION
7 LEGISLATION REVIEW COMMITTEE SHALL HOLD A HEARING ON THE
8 POTENTIAL COSTS AND BENEFITS THAT WOULD ARISE FROM COLORADO
9 RETAIL ELECTRIC SERVICE PROVIDERS' PARTICIPATION IN A REGIONAL
10 TRANSMISSION ORGANIZATION. THE HEARING SHOULD INCLUDE
11 CONSIDERATION OF THE POTENTIAL ADVANTAGES AND DISADVANTAGES
12 THAT RETAIL ELECTRIC SERVICE PROVIDERS' PARTICIPATION IN A REGIONAL
13 TRANSMISSION ORGANIZATION COULD HAVE ON:

14 (I) THE RETAIL ELECTRIC SERVICE PROVIDERS THAT PARTICIPATE
15 IN A REGIONAL TRANSMISSION ORGANIZATION;

16 (II) ANY RETAIL ELECTRIC SERVICE PROVIDERS THAT DO NOT
17 PARTICIPATE IN A REGIONAL TRANSMISSION ORGANIZATION;

18 (III) COLORADO'S ELECTRICITY MARKETS; AND

19 (IV) RATEPAYERS.

20 (b) (I) FOR THE HEARING, THE TRANSPORTATION LEGISLATION
21 REVIEW COMMITTEE SHALL INVITE MEMBERS OF THE COMMISSION OR THE
22 COMMISSION'S DESIGNEE, REPRESENTATIVES OF COLORADO RETAIL
23 ELECTRIC SERVICE PROVIDERS, AND REPRESENTATIVES OF REGIONAL
24 TRANSMISSION ORGANIZATIONS TO ENGAGE IN A PANEL DISCUSSION OF
25 THE ISSUES SET FORTH IN SUBSECTION (3)(a) OF THIS SECTION.

26 (II) IN ADDITION TO ALLOWING PUBLIC TESTIMONY AT THE
27 HEARING, THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE SHALL

1 ACCEPT WRITTEN QUESTIONS SUBMITTED BY MEMBERS OF THE PUBLIC TO
2 BE ASKED OF THE PANEL MEMBERS BY THE CHAIR OF THE COMMITTEE OR
3 THE CHAIR'S DESIGNEE AT THE HEARING. THE CHAIR MAY DETERMINE:

4 (A) THE NUMBER OF SUBMITTED WRITTEN QUESTIONS ASKED OF
5 THE PANEL; AND

6 (B) THE ORDER IN WHICH THE APPROVED SUBMITTED QUESTIONS
7 WILL BE ASKED OF THE PANEL.

8 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2018.

9 **SECTION 2. Act subject to petition - effective date.** This act
10 takes effect at 12:01 a.m. on the day following the expiration of the
11 ninety-day period after final adjournment of the general assembly (August
12 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
13 referendum petition is filed pursuant to section 1 (3) of article V of the
14 state constitution against this act or an item, section, or part of this act
15 within such period, then the act, item, section, or part will not take effect
16 unless approved by the people at the general election to be held in
17 November 2018 and, in such case, will take effect on the date of the
18 official declaration of the vote thereon by the governor.