

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 17-0898.01 Jery Payne x2157

HOUSE BILL 17-1232

HOUSE SPONSORSHIP

Danielson,

SENATE SPONSORSHIP

Priola,

House Committees
Transportation & Energy

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PUBLIC UTILITIES PROVIDING INFRASTRUCTURE TO**
102 **SERVE ALTERNATIVE FUEL MOTOR VEHICLES.**

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>.)

In an existing provision that authorizes resellers of electricity and natural gas to provide motor vehicle charging or fueling stations as unregulated services, the bill authorizes public utilities to provide these services as regulated or unregulated services and allows cost recovery.

The bill allows a utility to apply to build facilities to support alternative fuel vehicles. Standards are set for approval. When a facility

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.

is built, the rate and charges for the services:

- ! May allow a return on any investment made by an electric public utility at the electric public utility's most recent rate of return on equity approved by the commission;
- ! May allow a return on any investment made by a natural gas public utility at the utility's weighted average cost of capital at the public utility's most recent rate of return on equity approved by the commission; and
- ! Must be recovered from all customers of an electric or natural gas public utility in a manner that is similar to the recovery of distribution system investments.

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

2 **SECTION 1. Legislative declaration.** (1) The general assembly
3 finds and declares that:

4 (a) Widespread adoption of alternative fuel vehicles is necessary
5 to diversify the transportation fuel mix, improve national security, and
6 protect air quality;

7 (b) The number of electric and natural gas vehicles registered in
8 Colorado has seen growth of eighty-five percent over the last three years,
9 and, with expanded infrastructure investment, future growth is projected
10 to accelerate;

11 (c) This growth will be assisted by investments in infrastructure
12 necessary to maximize the benefits of the expanding electric and natural
13 gas vehicle market;

14 (d) Widespread adoption of alternative fuel vehicles requires that
15 electric and natural gas utilities increase access to the use of electricity
16 and natural gas as transportation fuels;

17 (e) Widespread adoption of alternative fuel vehicles should
18 provide consumers with fuel cost savings;

19 (f) Widespread adoption of alternative fuel vehicles should

1 stimulate innovation, competition, and increased choices in charging and
2 fueling equipment and charging and fueling networks and should also
3 attract private capital investments and create high-quality jobs in
4 Colorado; and

5 (g) Widespread adoption of alternative fuel vehicles should
6 improve the electric public utility's electrical system efficiency and
7 operational flexibility, including the ability of an electric public utility to
8 integrate variable generating resources and to make use of off-peak
9 generation resources.

10 **SECTION 2.** In Colorado Revised Statutes, 40-1-103.3, **amend**
11 (2) as follows:

12 **40-1-103.3. Alternative fuel vehicles - definition.** (2) For the
13 purposes of articles 1 to 7 of this ~~title~~ TITLE 40, persons generating
14 electricity for use in alternative fuel vehicle charging or fueling facilities
15 as authorized by subsection (4) of this section, persons reselling
16 electricity supplied by a public utility, or persons reselling compressed or
17 liquefied natural gas, liquefied petroleum gas, or any component parts or
18 by-products to governmental entities or to the public for use as fuel in
19 alternative fuel vehicles or buying electricity stored in such vehicles for
20 resale are not subject to regulation as a public utility. Electric and natural
21 gas public utilities may provide the services described in this subsection
22 (2) as unregulated ~~OR REGULATED~~ services. ~~and these unregulated services~~
23 ~~may not be subsidized by the regulated services of the electric or natural~~
24 ~~gas public utility.~~

25 **SECTION 3.** In Colorado Revised Statutes, **add** 40-3-116 as
26 follows:

27 **40-3-116. Alternative fuel vehicle programs - rates.** (1) THE

1 RATES AND CHARGES SCHEDULE FOR SERVICES PROVIDED BY A PROGRAM
2 CREATED UNDER SECTION 40-5-107:

3 (a) MAY ALLOW A RETURN, INCLUDING BY ALLOWING A UTILITY TO
4 EARN A RATE OF RETURN ON REBATES PROVIDED TO CUSTOMERS THROUGH
5 A TRANSPORTATION ELECTRIFICATION PROGRAM, BASED ON THE UTILITY'S
6 WEIGHTED AVERAGE COST OF CAPITAL, ON ANY INVESTMENT MADE BY AN
7 ELECTRIC PUBLIC UTILITY, UNDER SECTION 40-5-107, AT THE ELECTRIC
8 PUBLIC UTILITY'S MOST RECENT RATE OF RETURN ON EQUITY APPROVED BY
9 THE COMMISSION;

10 (b) MAY ALLOW A RETURN ON ANY INVESTMENT MADE BY A
11 NATURAL GAS PUBLIC UTILITY UNDER SECTION 40-5-107, BASED ON THE
12 UTILITY'S WEIGHTED AVERAGE COST OF CAPITAL, AT THE PUBLIC UTILITY'S
13 MOST RECENT RATE OF RETURN ON EQUITY APPROVED BY THE
14 COMMISSION; AND

15 (c) MUST BE RECOVERED FROM ALL CUSTOMERS OF AN ELECTRIC
16 OR NATURAL GAS PUBLIC UTILITY IN A MANNER THAT IS SIMILAR TO THE
17 RECOVERY OF DISTRIBUTION SYSTEM INVESTMENTS.

18 **SECTION 4.** In Colorado Revised Statutes, **add** 40-5-107 as
19 follows:

20 **40-5-107. Alternative fuel vehicle programs.** (1) EACH
21 ELECTRIC PUBLIC UTILITY MAY FILE, OR THE COMMISSION MAY REQUEST
22 AN ELECTRIC PUBLIC UTILITY TO FILE, AN APPLICATION FOR A PROGRAM TO
23 SUPPORT WIDESPREAD TRANSPORTATION ELECTRIFICATION IN A FORM AND
24 MANNER PRESCRIBED BY THE COMMISSION.

25 (2) EACH NATURAL GAS PUBLIC UTILITY MAY FILE, OR THE
26 COMMISSION MAY REQUEST A NATURAL GAS PUBLIC UTILITY TO FILE, AN
27 APPLICATION FOR A PROGRAM TO SUPPORT GREATER ADOPTION OF

1 NATURAL GAS VEHICLES, IN A FORM AND MANNER PRESCRIBED BY THE
2 PUBLIC UTILITIES COMMISSION.

3 (3) WHEN CONSIDERING TRANSPORTATION ELECTRIFICATION
4 PROGRAMS AND DETERMINING COST RECOVERY FOR INVESTMENTS AND
5 OTHER EXPENDITURES RELATED TO PROGRAMS PROPOSED BY AN ELECTRIC
6 PUBLIC UTILITY UNDER SUBSECTION (1) OF THIS SECTION, THE COMMISSION
7 MAY CONSIDER WHETHER THE INVESTMENTS AND OTHER EXPENDITURES
8 ARE:

9 (a) CONSISTENT WITH THE PUBLIC UTILITY'S LONG-TERM
10 INTEGRATED RESOURCE PLANNING;

11 (b) PRUDENT, AS DETERMINED BY THE COMMISSION;

12 (c) REASONABLY EXPECTED TO BE USED AND USEFUL, AS
13 DETERMINED BY THE COMMISSION;

14 (d) REASONABLY EXPECTED TO IMPROVE THE ELECTRIC PUBLIC
15 UTILITY'S LONG-TERM ELECTRICAL SYSTEM EFFICIENCY AND OPERATIONAL
16 FLEXIBILITY;

17 (e) REASONABLY EXPECTED TO STIMULATE INNOVATION,
18 COMPETITION, AND INCREASED CONSUMER CHOICES IN ELECTRIC VEHICLE
19 CHARGING AND RELATED INFRASTRUCTURE AND SERVICES; ATTRACT
20 PRIVATE CAPITAL INVESTMENTS; AND UTILIZE HIGH QUALITY JOBS AND
21 SKILLED WORKER TRAINING PROGRAMS AS DEFINED IN SECTION 8-83-303;

22 (f) REASONABLY EXPECTED TO SUPPORT WIDESPREAD
23 TRANSPORTATION ELECTRIFICATION;

24 (g) REASONABLY EXPECTED TO INCREASE ACCESS TO THE USE OF
25 ELECTRICITY AS A TRANSPORTATION FUEL; OR

26 (h) REASONABLY EXPECTED TO PROVIDE COMPETITIVELY PRICED
27 POWER TO CONSUMERS WHO CHARGE ELECTRIC VEHICLES IN A MANNER

1 CONSISTENT WITH ELECTRIC GRID CONDITIONS.

2 (4) WHEN CONSIDERING NATURAL GAS VEHICLE PROGRAMS AND
3 DETERMINING COST RECOVERY FOR INVESTMENTS AND OTHER
4 EXPENDITURES RELATED TO PROGRAMS PROPOSED BY A NATURAL GAS
5 PUBLIC UTILITY IN ACCORDANCE WITH SUBSECTION (2) OF THIS SECTION,
6 THE COMMISSION MAY CONSIDER WHETHER THE INVESTMENTS AND OTHER
7 EXPENDITURES ARE:

8 (a) PRUDENT, AS DETERMINED BY THE COMMISSION;

9 (b) REASONABLY EXPECTED TO BE USED AND USEFUL, AS
10 DETERMINED BY THE COMMISSION;

11 (c) REASONABLY EXPECTED TO IMPROVE THE NATURAL GAS
12 UTILITY'S LONG-TERM SYSTEM EFFICIENCY;

13 (d) REASONABLY EXPECTED TO STIMULATE INNOVATION,
14 COMPETITION, AND INCREASED CONSUMER CHOICES IN NATURAL GAS
15 FUELING AND RELATED INFRASTRUCTURE AND SERVICES; ATTRACT
16 PRIVATE CAPITAL INVESTMENTS; AND UTILIZE HIGH QUALITY JOBS AND
17 SKILLED WORKER TRAINING PROGRAMS AS DEFINED IN SECTION 8-83-303;

18 (e) REASONABLY EXPECTED TO SUPPORT WIDESPREAD USE OF
19 NATURAL GAS VEHICLES;

20 (f) REASONABLY EXPECTED TO INCREASE ACCESS TO THE USE OF
21 NATURAL GAS AS A TRANSPORTATION FUEL; OR

22 (g) REASONABLY EXPECTED TO PROVIDE COMPETITIVELY PRICED
23 FUEL TO CONSUMERS.

24 **SECTION 5. Act subject to petition - effective date.** This act
25 takes effect at 12:01 a.m. on the day following the expiration of the
26 ninety-day period after final adjournment of the general assembly (August
27 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a

1 referendum petition is filed pursuant to section 1 (3) of article V of the
2 state constitution against this act or an item, section, or part of this act
3 within such period, then the act, item, section, or part will not take effect
4 unless approved by the people at the general election to be held in
5 November 2018 and, in such case, will take effect on the date of the
6 official declaration of the vote thereon by the governor.