

First Regular Session
Seventy-first General Assembly
STATE OF COLORADO

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 17-0614.02 Duane Gall x4335

HOUSE BILL 17-1299

HOUSE SPONSORSHIP

Hansen and Coleman,

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 INTEGRATION OF ENERGY STORAGE INTO THE**
103 **ELECTRIC RESOURCE PLANNING PROCESS FOR PUBLIC UTILITIES.**

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 directs the transportation legislation review committee (TLRC) to conduct a hearing during the 2017 interim on the potential economic and social benefits and costs of requiring the public utilities commission to determine the appropriate targets, if any, for the amount of viable and cost-effective energy storage systems (e.g., batteries, heat

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.

HOUSE
Amended 2nd Reading
April 11, 2017

sinks, pumped storage hydroelectric systems) that an electric utility subject to Colorado's renewable energy standard should incorporate into its electric resource acquisition plans.

The hearing must take place on or before December 1, 2017.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 43-2-145.8 as
3 follows:

4 **43-2-145.8. Transportation legislation review committee -**
5 **inclusion of energy storage systems in utility resource planning -**
6 **legislative declaration - definitions - hearing - repeal.** (1) (a) THE
7 GENERAL ASSEMBLY FINDS AND DETERMINES THAT:

8 (I) EXPANDING THE USE OF ENERGY STORAGE SYSTEMS **MAY**
9 ASSIST ELECTRIC UTILITIES IN IMPROVING THE RELIABILITY AND SECURITY
10 OF SERVICE;

11 (II) ADDITIONAL ENERGY STORAGE SYSTEMS **MAY** OPTIMIZE THE
12 USE OF VARIABLE, INTERMITTENT, AND OFF-PEAK ELECTRICAL
13 GENERATION FROM SOURCES SUCH AS HYDROELECTRIC, WIND, AND SOLAR
14 ENERGY;

15 (III) EXPANDED USE OF ENERGY STORAGE SYSTEMS **MAY** REDUCE
16 COSTS TO RATEPAYERS BY AVOIDING OR DEFERRING THE NEED FOR NEW
17 PEAKING POWER PLANTS AND AVOIDING OR DEFERRING UPGRADES TO THE
18 DISTRIBUTION AND TRANSMISSION SYSTEM AND EXPANSION OF THE
19 ELECTRICAL GRID;

20 (IV) EXPANDED USE OF ENERGY STORAGE SYSTEMS **MAY** REDUCE
21 THE USE OF ELECTRICITY GENERATED FROM COSTLY FUELS TO MEET LOAD
22 REQUIREMENTS ON DAYS WITH HIGH ELECTRICITY DEMAND AND **MAY**
23 AVOID OR REDUCE THE NEED FOR ADDITIONAL ELECTRIC GENERATION

1 FACILITIES TO MEET THAT DEMAND, THUS SAVING MONEY FOR
2 RATEPAYERS AND REDUCING EMISSIONS; AND

3 (V) USE OF ENERGY STORAGE SYSTEMS TO PROVIDE ANCILLARY
4 SERVICES MAY REDUCE COSTS FOR RATEPAYERS.

5

6 (b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT AN
7 INTERIM HEARING IS APPROPRIATE TO FURTHER INVESTIGATE THE
8 ECONOMIC BENEFITS AND COSTS OF ENERGY STORAGE SYSTEMS.

9 (2) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
10 REQUIRES:

11 (a) "COMMISSION" MEANS THE COLORADO PUBLIC UTILITIES
12 COMMISSION.

13 (b) (I) "ENERGY STORAGE SYSTEM" MEANS COMMERCIALY
14 AVAILABLE TECHNOLOGY THAT IS CAPABLE OF ABSORBING ENERGY,
15 STORING IT FOR A PERIOD OF TIME, AND THEREAFTER DISPATCHING THE
16 ENERGY AS DESCRIBED IN THIS SUBSECTION (2)(b).

17 (II) AN ENERGY STORAGE SYSTEM:

18 (A) MAY BE EITHER CENTRALIZED OR DISTRIBUTED AND MAY BE
19 OWNED BY A QUALIFYING RETAIL UTILITY, A CUSTOMER OF A QUALIFYING
20 RETAIL UTILITY, A THIRD PARTY, OR JOINTLY BY TWO OR MORE OF THESE
21 ENTITIES; AND

22 (B) MUST USE MECHANICAL, CHEMICAL, OR THERMAL PROCESSES
23 TO STORE ENERGY THAT WAS GENERATED AT ONE TIME FOR USE AT A
24 LATER TIME; STORE THERMAL ENERGY FOR DIRECT USE FOR HEATING OR
25 COOLING AT A LATER TIME IN A MANNER THAT AVOIDS THE NEED TO USE
26 ELECTRICITY AT THAT LATER TIME; USE MECHANICAL, CHEMICAL, OR
27 THERMAL PROCESSES TO STORE ENERGY GENERATED FROM RENEWABLE

1 RESOURCES FOR USE AT A LATER TIME; OR USE MECHANICAL, CHEMICAL,
2 OR THERMAL PROCESSES TO STORE ENERGY GENERATED FROM
3 MECHANICAL PROCESSES THAT WOULD OTHERWISE BE WASTED FOR
4 DELIVERY AT A LATER TIME.

5 ■ ■

6 (c) "QUALIFYING RETAIL UTILITY" HAS THE MEANING SET FORTH
7 IN SECTION 40-2-124 (1).

8 (3) (a) ON OR BEFORE DECEMBER 1, 2017, THE TRANSPORTATION
9 LEGISLATION REVIEW COMMITTEE SHALL HOLD A HEARING ON THE
10 POTENTIAL ECONOMIC BENEFITS AND COSTS OF ENERGY STORAGE
11 SYSTEMS.

12 (b) (I) THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE
13 SHALL INVITE MEMBERS OF THE COMMISSION OR THE COMMISSION'S
14 DESIGNEE, REPRESENTATIVES OF COLORADO ELECTRIC SERVICE
15 PROVIDERS, AND INTERESTED MEMBERS OF THE PUBLIC TO THE HEARING
16 TO ENGAGE IN A PANEL DISCUSSION OF THE ISSUES SET FORTH IN
17 SUBSECTION (3)(a) OF THIS SECTION.

18 (II) IN ADDITION TO ALLOWING PUBLIC TESTIMONY AT THE
19 HEARING, THE TRANSPORTATION LEGISLATION REVIEW COMMITTEE SHALL
20 ACCEPT WRITTEN QUESTIONS SUBMITTED BY MEMBERS OF THE PUBLIC TO
21 BE ASKED OF THE PANEL MEMBERS BY THE CHAIR OF THE COMMITTEE OR
22 THE CHAIR'S DESIGNEE AT THE HEARING. THE CHAIR MAY DETERMINE:

23 (A) THE NUMBER OF SUBMITTED WRITTEN QUESTIONS ASKED OF
24 THE PANEL; AND

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

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

1 **SECTION 2. Act subject to petition - effective date.** This act
2 takes effect at 12:01 a.m. on the day following the expiration of the
3 ninety-day period after final adjournment of the general assembly (August
4 9, 2017, if adjournment sine die is on May 10, 2017); except that, if a
5 referendum petition is filed pursuant to section 1 (3) of article V of the
6 state constitution against this act or an item, section, or part of this act
7 within such period, then the act, item, section, or part will not take effect
8 unless approved by the people at the general election to be held in
9 November 2018 and, in such case, will take effect on the date of the
10 official declaration of the vote thereon by the governor.