A BILL FOR AN ACT

CONCERNING THE RIGHT OF CONSUMERS OF ELECTRICITY TO
INTERCONNECT ELECTRICITY STORAGE SYSTEMS FOR USE 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, interconnect, and use electricity storage systems on their property, and that 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 governing the installation, interconnection, and use of customer-sited distributed electricity storage systems.

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 - distributed 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 makes distributed resources, including electricity storage systems paired with other distributed resources, 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 energy sources.

(b) Therefore, the general assembly declares that:

(I) It is in the public interest to reduce barriers to the installation, interconnection, and use of customer-sited...
ELECTRICITY STORAGE FACILITIES IN COLORADO; AND

(II) COLORADO'S CONSUMERS OF ELECTRICITY HAVE A RIGHT TO INSTALL, INTERCONNECT, AND USE ELECTRICITY STORAGE SYSTEMS ON THEIR PROPERTY WITHOUT THE BURDEN OF UNNECESSARY RESTRICTIONS OR REGULATIONS AND WITHOUT UNFAIR OR DISCRIMINATORY RATES OR FEES.

(2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE REQUIRES:

(a) "DISTRIBUTED ELECTRICITY STORAGE SYSTEM" MEANS ANY SYSTEM THAT STORES ELECTRICAL ENERGY, INCLUDING BATTERIES AND BATTERIES PAIRED WITH ON-SITE GENERATION, LOCATED ON PREMISES OWNED OR LEASED BY A CUSTOMER OF AN ELECTRIC UTILITY.

(b) "UTILITY" OR "ELECTRIC UTILITY" MEANS A QUALIFYING RETAIL UTILITY, AS DESCRIBED IN SECTION 40-2-124(1); EXCEPT THAT THE TERM DOES NOT INCLUDE A MUNICIPALLY OWNED UTILITY OR A COOPERATIVE ELECTRIC ASSOCIATION.

(3) **Authority of commission - rules.** THE COMMISSION SHALL ADOPT RULES ALLOWING THE INSTALLATION, INTERCONNECTION, AND USE OF DISTRIBUTED ELECTRICITY STORAGE SYSTEMS BY CUSTOMERS OF UTILITIES. THE COMMISSION SHALL INCORPORATE THE FOLLOWING PRINCIPLES INTO THE RULES:

(a) IT IS IN THE PUBLIC INTEREST TO REDUCE BARRIERS TO THE INSTALLATION, INTERCONNECTION, AND USE OF CUSTOMER-SITED ELECTRICITY STORAGE SYSTEMS IN COLORADO;

(b) COLORADO'S CONSUMERS OF ELECTRICITY HAVE A RIGHT TO INSTALL, INTERCONNECT, AND FREELY USE DISTRIBUTED ELECTRICITY STORAGE SYSTEMS ON THEIR PROPERTY WITHOUT THE BURDEN OF
UNNECESSARY RESTRICTIONS OR REGULATIONS AND WITHOUT DISCRIMINATORY RATES OR FEES;

(c) Utility approval processes and any required interconnection reviews of distributed electricity storage systems shall be simple, streamlined, and affordable for customers; and

(d) Utilities shall not require the installation of customer-sited meters in addition to a single net energy meter for the purposes of monitoring distributed electricity storage systems. Alternatives to additional customer-sited meters for the measurement of on-site generation may include, but are not limited to, reasonable estimation or modeling methodologies or the use of distribution-level meters for aggregating data.

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 8, 2018, if adjournment sine die is on May 9, 2018); 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.