A BILL FOR AN ACT

CONCERNING MEASURES THAT AFFECT THE DEVELOPMENT OF INFRASTRUCTURE USED BY ALTERNATIVE FUEL MOTOR VEHICLES, AND, IN CONNECTION THEREWITH, ESTABLISHING A PROCESS AT THE COLORADO PUBLIC UTILITIES COMMISSION WHEREBY A PUBLIC UTILITY MAY UNDERTAKE IMPLEMENTATION OF AN ALTERNATIVE FUEL MOTOR VEHICLE INFRASTRUCTURE PROGRAM WITHIN THE AREA COVERED BY THE UTILITY’S CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY.

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

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment. Capital letters or bold & italic numbers indicate new material to be added to existing statute. Dashes through the words indicate deletions from existing statute.
Currently, resellers of electricity and natural gas may provide charging ports or fueling stations for motor vehicles 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 is built, the rate and charges for the services:

- May allow a return on any investment made by an electric or 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 public utilities 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.

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

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

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

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

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

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

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

(f) Widespread adoption of alternative fuel vehicles should stimulate innovation, competition, and increased choices in charging and fueling equipment and charging and fueling networks and should also attract private capital investments and create high-quality jobs in Colorado; and

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

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

40-1-103.3. Alternative fuel vehicles - definition. (2) For the purposes of articles 1 to 7 of this title TITLE 40, persons generating electricity for use in alternative fuel vehicle charging or fueling facilities as authorized by subsection (4) of this section, persons reselling electricity supplied by a public utility, or persons reselling compressed or liquefied natural gas, liquefied petroleum gas, or any component parts or by-products to governmental entities or to the public for use as fuel in alternative fuel vehicles or buying electricity stored in such vehicles for resale are not subject to regulation as a public utility. Electric and natural gas public utilities may provide the services described in this subsection (2) as unregulated or regulated services. and these unregulated services may not be subsidized by the regulated services of the electric or natural
SECTION 3. In Colorado Revised Statutes, add 40-3-116 as follows:

40-3-116. Alternative fuel vehicle programs - rates. (1) The rates and charges schedule for services provided by a program created under Section 40-5-107:

(a) May allow a return on any investment made under Section 40-5-107 by an electric public utility at the electric public utility's most recent rate of return on equity approved by the commission, including by allowing a utility to earn a rate of return on rebates provided to customers through a transportation electrification program, based on the utility's weighted average cost of capital;

(b) May allow a return on any investment made under Section 40-5-107 by a natural gas public utility at the public utility's most recent rate of return on equity approved by the commission, based on the utility's weighted average cost of capital; and

(c) Must be recovered from all customers of an electric or natural gas public utility in a manner that is similar to the manner of recovery of distribution system investments.

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

40-5-107. Alternative fuel vehicle programs. (1) Each electric public utility may file, or the commission may request an electric public utility to file, an application for a program to support widespread transportation electrification in a form and
MANNER PRESCRIBED BY THE COMMISSION.

(2) EACH NATURAL GAS PUBLIC UTILITY MAY FILE, OR THE COMMISSION MAY REQUEST A NATURAL GAS PUBLIC UTILITY TO FILE, AN APPLICATION FOR A PROGRAM TO SUPPORT GREATER ADOPTION OF NATURAL GAS VEHICLES IN A FORM AND MANNER PRESCRIBED BY THE COMMISSION.

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

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

(b) PRUDENT, AS DETERMINED BY THE COMMISSION;

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

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

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

(f) REASONABLY EXPECTED TO SUPPORT WIDESPREAD TRANSPORTATION ELECTRIFICATION;
(g) Reasonably expected to increase access to the use of electricity as a transportation fuel; and

(h) Reasonably expected to provide competitively priced power to consumers who charge electric vehicles in a manner consistent with electric grid conditions.

(4) When considering natural gas vehicle programs and determining cost recovery for investments and other expenditures related to programs proposed by a natural gas public utility in accordance with subsection (2) of this section, the commission may consider whether the investments and other expenditures are:

(a) Prudent, as determined by the commission;

(b) Reasonably expected to be used and useful, as determined by the commission;

(c) Reasonably expected to improve the natural gas utility's long-term system efficiency;

(d) Reasonably expected to stimulate innovation, competition, and increased consumer choices in natural gas fueling and related infrastructure and services; attract private capital investments; and utilize high-quality jobs and skilled worker training programs as defined in section 8-83-303;

(e) Reasonably expected to support widespread use of natural gas vehicles;

(f) Reasonably expected to increase access to the use of natural gas as a transportation fuel; and

(g) Reasonably expected to provide competitively priced fuel to consumers.
SECTION 5. 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.