



Legislative  
Council Staff

*Nonpartisan Services for Colorado's Legislature*

HB 18-1270

FINAL  
FISCAL NOTE

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<b>Drafting Number:</b>	LLS 18-0275	<b>Date:</b>	June 22, 2018
<b>Prime Sponsors:</b>	Rep. Hansen; Becker J. Sen. Tate	<b>Bill Status:</b>	Signed into Law
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**Bill Topic:** PUC EVALUATION OF ENERGY STORAGE SYSTEMS

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**Summary of Fiscal Impact:**

<input type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure ( <i>minimal</i> )	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

The bill directs the Colorado Public Utilities Commission to adopt rules establishing mechanisms for the procurement of energy storage systems by investor-owned utilities, based on an analysis of benefits and costs. It will result in a minimal ongoing workload increase.

**Appropriation Summary:** No appropriation is required.

**Fiscal Note Status:** This fiscal note reflects the enacted bill.

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### Summary of Legislation

This bill directs the Public Utilities Commission (PUC) in the Department of Regulatory Agencies, by February 1, 2019, to establish by rule as part of the electric resource planning process, mechanisms for the procurement of energy storage systems by investor-owned electric utilities (IOUs). The bill specifies, however, that these mechanisms must not affect any ongoing resource acquisitions or competitive bidding processes existing on February 1, 2018. In adopting these rules, the PUC must endeavor to create conditions where the procurement of energy storage systems by an IOU will provide systemic benefits, including grid reliability or transmission capacity.

The PUC must establish by rule, with consideration of all known benefits and costs of energy storage systems for IOUs, mechanisms for the inclusion of these benefits and costs into the IOU planning process. Such mechanisms, among other specified items, must include requirements for utilities to provide the PUC, and other third parties approved by the PUC, with appropriate data and specify potential interconnection points. The PUC must treat this data as confidential and ensure that it is managed in accordance with all federal and state laws concerning customer data and personally identifiable information.

On or before May 1, 2019, the bill authorizes electric utilities to file applications for rate-based projects for energy storage systems not to exceed 15 megawatts of capacity. Nothing in the bill is intended to prohibit or deter cost-effective storage deployment.

## State Expenditures

This bill directs the PUC to establish, by rule, mechanisms for the procurement of energy storage systems by IOUs, based on an analysis of all known costs and benefits of such systems for IOUs. The PUC is already considering energy storage systems as part of its ongoing electric resource plan proceedings, and is considering related rule changes. The requirements specified in this bill may be incorporated into existing proceedings within the normal course of business. As such, implementation will result in a minimal workload increase, and no additional appropriation is required.

## Effective Date

The bill was signed into law by the Governor and took effect on June 1, 2018.

## State and Local Government Contacts

Information Technology

Regulatory Agencies