



Legislative
Council Staff

Nonpartisan Services for Colorado's Legislature

HB 18-1270

**REVISED
FISCAL NOTE**

(replaces fiscal note dated March 9, 2018)

Drafting Number:	LLS 18-0275	Date:	April 9, 2018
Prime Sponsors:	Rep. Hansen; Becker J. Sen. Tate	Bill Status:	Senate Agriculture
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Bill Topic: PUC EVALUATION OF ENERGY STORAGE SYSTEMS

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 reengossed bill.

Summary of Legislation

This bill directs the Public Utilities Commission (PUC), by February 1, 2019, to consider whether to establish, by rule as part of the 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 open proceedings, ongoing resource acquisitions, or competitive bidding processes existing on February 1, 2018. The bill specifies that the establishment of such mechanisms is to be based on an analysis of specified benefits and costs of storage systems, including factors such as grid reliability or transmission capacity.

If the PUC decides to establish mechanisms for the procurement of energy storage systems by electric utilities, it must adopt rules establishing mechanisms for the inclusion of the benefits and costs of energy storage systems into the planning process. Such mechanisms, among other specified items, must include requirements for utilities to provide the PUC with appropriate data and specify potential interconnection points.

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.

State Expenditures

This bill directs the PUC to consider whether to establish, by rule, mechanisms for the procurement of energy storage systems by IOUs, based on an analysis of costs and benefits using information supplied by the utilities. The PUC is already considering storage projects as part of its ongoing electric resource plan proceedings, and has opened a proceeding to consider 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 takes effect upon signature of the Governor or upon becoming law without his signature.

State and Local Government Contacts

Information Technology Regulatory Agencies