

**First Regular Session
Seventy-second General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 19-0711.01 Jery Payne x2157

SENATE BILL 19-077

SENATE SPONSORSHIP

Priola and Williams A.,

HOUSE SPONSORSHIP

Hansen,

Senate Committees

Business, Labor, & Technology

House Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES THAT AFFECT THE DEVELOPMENT OF**
102 **INFRASTRUCTURE USED BY ELECTRIC MOTOR VEHICLES, AND, IN**
103 **CONNECTION THEREWITH, ESTABLISHING A PROCESS AT THE**
104 **COLORADO PUBLIC UTILITIES COMMISSION WHEREBY A PUBLIC**
105 **UTILITY MAY UNDERTAKE IMPLEMENTATION OF AN ELECTRIC**
106 **MOTOR VEHICLE INFRASTRUCTURE PROGRAM WITHIN THE AREA**
107 **COVERED BY THE UTILITY'S CERTIFICATE OF PUBLIC**
108 **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 applies to the reengrossed version of this bill will be available at

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.

<http://leg.colorado.gov>.)

Currently, public utilities 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 public utility to apply to the public utilities commission (commission) to build facilities to support electric vehicles. Standards are set for approval. When a facility is built, the rates and charges for the services:

- ! May allow a return on any investment made by a public utility at the utility's weighted average cost of capital at the utility's most recent rate of return on equity approved by the commission; and
- ! Must be recovered from all customers of a public utility in a manner that is similar to the recovery of distribution system investments.

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

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

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

7 (b) The number of electric vehicles registered in Colorado has
8 grown substantially over the last three years, and, with expanded
9 infrastructure investment, future growth is projected to accelerate;

10 (c) This growth will be assisted by investments in infrastructure
11 necessary to maximize the benefits of the expanding electric vehicle
12 market;

13 (d) Widespread adoption of electric vehicles requires that public
14 utilities increase access to electricity as transportation fuel;

15 (e) Widespread adoption of electric vehicles should provide
16 consumers with fuel cost savings;

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

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

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

11 **40-1-103.3. Alternative fuel vehicles - definition.** (2) For the
12 purposes of articles 1 to 7 of this ~~title~~ TITLE 40, persons generating
13 electricity for use in alternative fuel vehicle charging or fueling facilities
14 as authorized by subsection (4) of this section, persons reselling
15 electricity supplied by a public utility, or persons reselling compressed or
16 liquefied natural gas, liquefied petroleum gas, or any component parts or
17 by-products to governmental entities or to the public for use as fuel in
18 alternative fuel vehicles or buying electricity stored in such vehicles for
19 resale are not subject to regulation as a public utility. Electric and natural
20 gas public utilities may provide the services described in this subsection
21 (2) as unregulated OR REGULATED services. ~~and these~~ Unregulated
22 NATURAL GAS services may not be subsidized by the regulated services of
23 ~~the electric or~~ A natural gas public utility.

24 **SECTION 3.** In Colorado Revised Statutes, **add** 40-3-116 as
25 follows:

26 **40-3-116. Electric vehicle programs - rates.** (1) THE
27 SCHEDULED RATES AND CHARGES FOR SERVICES PROVIDED BY A PROGRAM

1 CREATED UNDER SECTION 40-5-107:

2 (a) MAY ALLOW A RETURN ON ANY INVESTMENT MADE UNDER
3 SECTION 40-5-107 BY AN ELECTRIC UTILITY AT THE ELECTRIC UTILITY'S
4 MOST RECENT RATE OF RETURN ON EQUITY APPROVED BY THE
5 COMMISSION, INCLUDING BY ALLOWING A UTILITY TO EARN A RATE OF
6 RETURN ON REBATES PROVIDED TO CUSTOMERS THROUGH A
7 TRANSPORTATION ELECTRIFICATION PROGRAM, BASED ON THE ELECTRIC
8 UTILITY'S WEIGHTED AVERAGE COST OF CAPITAL; AND

9 (b) MUST BE RECOVERED FROM ALL CUSTOMERS OF AN ELECTRIC
10 UTILITY IN A MANNER THAT IS SIMILAR TO THE MANNER OF RECOVERY OF
11 DISTRIBUTION SYSTEM INVESTMENTS.

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

14 **40-5-107. Electric vehicle programs.** (1) EACH ELECTRIC
15 UTILITY MAY FILE, OR THE COMMISSION MAY REQUEST AN ELECTRIC
16 UTILITY TO FILE, AN APPLICATION TO CREATE A PROGRAM TO SUPPORT
17 WIDESPREAD TRANSPORTATION ELECTRIFICATION IN A FORM AND MANNER
18 PRESCRIBED BY THE COMMISSION.

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

24 (a) CONSISTENT WITH THE ELECTRIC UTILITY'S LONG-TERM
25 INTEGRATED RESOURCE PLANNING;

26 (b) PRUDENT, AS DETERMINED BY THE COMMISSION;

27 (c) REASONABLY EXPECTED TO BE USED AND USEFUL, AS

1 DETERMINED BY THE COMMISSION;

2 (d) REASONABLY EXPECTED TO IMPROVE THE ELECTRIC UTILITY'S
3 LONG-TERM ELECTRICAL SYSTEM EFFICIENCY AND OPERATIONAL
4 FLEXIBILITY;

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

10 (f) REASONABLY EXPECTED TO SUPPORT WIDESPREAD
11 TRANSPORTATION ELECTRIFICATION;

12 (g) REASONABLY EXPECTED TO INCREASE ACCESS TO THE USE OF
13 ELECTRICITY AS A TRANSPORTATION FUEL; AND

14 (h) REASONABLY EXPECTED TO PROVIDE COMPETITIVELY PRICED
15 POWER TO CONSUMERS WHO CHARGE ELECTRIC VEHICLES IN A MANNER
16 CONSISTENT WITH ELECTRIC GRID CONDITIONS.

17 **SECTION 5. Act subject to petition - effective date.** This act
18 takes effect at 12:01 a.m. on the day following the expiration of the
19 ninety-day period after final adjournment of the general assembly (August
20 2, 2019, if adjournment sine die is on May 3, 2019); except that, if a
21 referendum petition is filed pursuant to section 1 (3) of article V of the
22 state constitution against this act or an item, section, or part of this act
23 within such period, then the act, item, section, or part will not take effect
24 unless approved by the people at the general election to be held in
25 November 2020 and, in such case, will take effect on the date of the
26 official declaration of the vote thereon by the governor.