A BILL FOR AN ACT

CONCERNING MEASURES THAT AFFECT THE DEVELOPMENT OF INFRASTRUCTURE USED BY ELECTRIC MOTOR VEHICLES, AND, IN CONNECTION THEREWITH, ESTABLISHING A PROCESS AT THE COLORADO PUBLIC UTILITIES COMMISSION WHEREBY A PUBLIC UTILITY MAY UNDERTAKE IMPLEMENTATION OF AN ELECTRIC 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 applies to the reengrossed version of this bill will be available at the Colorado Legislative Website."

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, 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:

1. 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
2. Must be recovered from all customers of a 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 electric vehicles is necessary to diversify the transportation fuel mix, improve national security, and protect air quality;

(b) The number of electric vehicles registered in Colorado has doubled 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 vehicle market;

(d) Widespread adoption of electric vehicles requires that public utilities increase access to electricity as transportation fuel, including for low- and moderate-income and underserved communities;

(e) Widespread adoption of electric vehicles should provide
consumers with fuel cost savings and electric utility customers with potential cost-saving benefits:

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

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

SECTION 2. In Colorado Revised Statutes, 40-1-103.3, amend (2) and (6) 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 NATURAL GAS PUBLIC UTILITIES MAY PROVIDE these SERVICES AS unregulated services. may not be subsidized by the regulated services of the electric or natural gas public utility.
(6) The regulated expenditures and investments made by a public utility to accommodate alternative fuel vehicle charging and fueling facilities are equal in priority to all other infrastructure necessary to serve any customer of the public utility in its service territory, but are subordinate to the safety and reliability obligations of the utility. A PUBLIC UTILITY MAY RECOVER THE COSTS OF DISTRIBUTION SYSTEM INVESTMENTS TO ACCOMMODATE ALTERNATIVE FUEL VEHICLE CHARGING, SUBJECT TO EVALUATION AND COST RECOVERY PROVISIONS THAT ARE COMPARABLE TO OTHER REGULATED INVESTMENTS IN THE DISTRIBUTION GRID; EXCEPT THAT DISTRIBUTION SYSTEM INVESTMENTS THAT ARE A COMPONENT OF A TRANSPORTATION ELECTRIFICATION PLAN SUBMITTED IN ACCORDANCE WITH SECTION 40-5-107 ARE SUBJECT TO SECTIONS 40-3-116 AND 40-5-107.

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

40-3-116. Electric vehicle programs - rates. (1) THE RATES AND CHARGES SCHEDULE FOR SERVICES PROVIDED BY A PROGRAM CREATED UNDER SECTION 40-5-107 MAY ALLOW:

(a) A RETURN ON ANY INVESTMENT MADE UNDER SECTION 40-5-107 BY AN ELECTRIC UTILITY AT THE ELECTRIC 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;

(b) RATE RECOVERY MECHANISMS THAT ALLOW EARLIER, AS DETERMINED BY THE COMMISSION, RECOVERY OF COSTS, INCLUDING THE USE OF RATE ADJUSTMENT CLAUSES; AND
(c) Performance-based incentive returns or similar investment incentives.

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

40-5-107. Electric vehicle programs - repeal. (1) (a) No later than May 15, 2020, and on or before May 15 every three years thereafter, an electric utility shall file with the commission an application for a program for regulated activities to support widespread transportation electrification within the area covered by the utility’s certificate of public convenience and necessity.

(b) To comply with this subsection (1), an application must seek to minimize overall costs and maximize overall benefits and may include:

(I) investments or incentives to facilitate the deployment of customer-owned or utility-owned charging infrastructure, including charging facilities, make-ready infrastructure, and associated electrical equipment that support transportation electrification;

(II) investments or incentives to facilitate the electrification of public transit and other vehicle fleets;

(III) rate designs, or programs that encourage vehicle charging that supports the operation of the electric grid; and

(IV) customer education, outreach, and incentive programs that increase awareness of the programs and of the benefits of transportation electrification and encourage greater adoption of electric vehicles.
(2) When considering transportation electrification programs and determining cost recovery for investments and other expenditures related to programs proposed by an electric utility under subsection (1) of this section, the commission may consider whether the investments and other expenditures are:

(a) Reasonably expected to improve the use of the electric grid, including improved integration of renewable energy;

(b) Reasonably expected to increase access to the use of electricity as a transportation fuel;

(c) Designed to ensure system safety and reliability;

(d) (I) Reasonably expected to contribute to meeting air quality standards and reducing statewide emissions of greenhouse gases by forty percent below 2005 levels by 2030 and eighty percent below 2005 levels by 2050.

(II) This subsection (2)(d) is repealed, effective July 1, 2031.

(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) Transparent, incorporating public reporting requirements to inform design and commission policy; and

(g) Reasonably expected to provide access for low-income customers, in the totality of the utility’s transportation electrification programs, while giving due consideration to the impact on low-income customers.

(3)(a) Electric vehicle infrastructure electrical work on
THE CUSTOMER SIDE OF THE UTILITY METER, INCLUDING THE
INSTALLATION OF THE CHARGING STATION APPARATUS AND RELATED
HARDWARE, MUST:

(I) BE PERFORMED BY A LICENSED MASTER ELECTRICIAN, LICENSED
JOURNEYMAN ELECTRICIAN, LICENSED RESIDENTIAL WIREMAN, OR
PROPERLY SUPERVISED ELECTRICAL APPRENTICE AS EACH TERM IS DEFINED
IN SECTION 12-23-101; AND

(II) COMPLY WITH ARTICLE 23 OF TITLE 12, INCLUDING SECTIONS
12-23-105 AND 12-23-110.5, AND ALL APPLICABLE RULES OF THE STATE
ELECTRICAL BOARD.

(b) FOR ALL ELECTRIC VEHICLE INFRASTRUCTURE OR CHARGING
STATIONS OWNED BY THE UTILITY, THE UTILITY SHALL USE UTILITY
EMPLOYEES OR QUALIFIED CONTRACTORS IF THE CONTRACTORS'
EMPLOYEES HAVE ACCESS TO AN APPRENTICESHIP PROGRAM AS DEFINED
IN SECTION 8-83-303 (2). THIS APPRENTICESHIP REQUIREMENT DOES NOT
APPLY TO:

(I) THE DESIGN, PLANNING, OR ENGINEERING OF THE
INFRASTRUCTURE;

(II) MANAGEMENT FUNCTIONS TO OPERATE THE INFRASTRUCTURE;

OR

(III) ANY WORK INCLUDED IN A WARRANTY.

SECTION 5. Safety clause. The general assembly hereby finds,
determines, and declares that this act is necessary for the immediate
preservation of the public peace, health, and safety.