

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

PREAMENDED

*This Unofficial Version Includes Committee
Amendments Not Yet Adopted on Second Reading*

LLS NO. 19-0705.01 Duane Gall x4335

HOUSE BILL 19-1313

HOUSE SPONSORSHIP

Becker,

SENATE SPONSORSHIP

Winter and Priola,

House Committees

Health & Insurance
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING PLANS TO REDUCE CARBON DIOXIDE EMISSIONS BY**
102 **QUALIFYING RETAIL UTILITIES, AND, IN CONNECTION**
103 **THEREWITH, ENCOURAGING THE ACHIEVEMENT OF ZERO**
104 **CARBON DIOXIDE EMISSIONS BY 2050 AND MAKING AN**
105 **APPROPRIATION.**

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

Section 1 of the bill repeals laws that allow an electric utility to own, as rate-based property, new eligible energy resources without

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.

competitive bidding if certain conditions are satisfied.

Section 2 supplements the existing renewable energy standards statute by establishing targets for the reduction of carbon dioxide emissions from electricity generation by utilities serving more than 500,000 customers, with the opportunity for other utilities to opt in. The targets are:

- ! By 2030, an 80% reduction in carbon dioxide emission levels compared to 2005 levels; and
- ! For 2050 and thereafter, a goal of a 100% reduction in carbon dioxide emission levels.

Section 2 also directs qualifying retail utilities to submit plans to the public utilities commission (PUC) as part of their ongoing resource acquisition planning process to address the clean energy targets. A clean energy plan must detail the actions and investments the utility intends to undertake, including specifying the new resources and infrastructure proposed to be used; the anticipated effects of the plan on the safety, reliability, and resilience of the overall electric system; the methods proposed for measuring carbon dioxide reductions; and the costs of implementation, which must be reasonable.

The approval process also includes participation by the division of administration within the department of public health and environment regarding the measurement of carbon dioxide emission reductions and predictions as to whether the clean energy plan will achieve the desired reductions.

A utility implementing a clean energy plan may recover its costs of implementation through rates, as approved by the PUC, and own any generating resources and infrastructure necessary to effectuate the plan. The utility is required to use a competitive bidding process to fill the cumulative resource need identified in its next electric resource plan that includes a clean energy plan filed after January 1, 2020.

Each utility that receives approval of a clean energy plan is required to report to the governor, the PUC, and the air quality control commission on a list of matters, including its progress in implementing the plan and in reducing carbon dioxide emissions.

The bill strengthens an existing provision requiring electric resource acquisition decisions to be made with consideration of "best value" employment metrics and the use of Colorado labor by requiring a utility to obtain and provide to the PUC relevant documentation on these topics, including the availability of apprenticeship programs registered with the United States department of labor.

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

2 **SECTION 1.** In Colorado Revised Statutes, 40-2-124, **amend** (1)

1 introductory portion; and **repeal** (1)(f)(I) as follows:

2 **40-2-124. Renewable energy standards - qualifying retail and**
3 **wholesale utilities - definitions - net metering - legislative declaration.**

4 (1) Each provider of retail electric service in the state of Colorado, other
5 than municipally owned utilities that serve forty thousand customers or
6 fewer, is a qualifying retail utility. Each qualifying retail utility, with the
7 exception of cooperative electric associations that have voted to exempt
8 themselves from commission jurisdiction pursuant to section 40-9.5-104
9 and municipally owned utilities, is subject to the rules established under
10 this ~~article~~ ARTICLE 2 by the commission. No additional regulatory
11 authority is provided to the commission other than that specifically
12 contained in this section. In accordance with article 4 of title 24, ~~C.R.S.~~,
13 the commission shall revise or clarify existing rules to establish the
14 following:

15 (f) Policies for the recovery of costs incurred with respect to these
16 standards for qualifying retail utilities that are subject to rate regulation
17 by the commission. These policies must provide incentives to qualifying
18 retail utilities to invest in eligible energy resources and must include:

19 ~~(I) Allowing a qualifying retail utility to develop and own as~~
20 ~~utility rate-based property up to twenty-five percent of the total new~~
21 ~~eligible energy resources the utility acquires from entering into power~~
22 ~~purchase agreements and from developing and owning resources after~~
23 ~~March 27, 2007, if the new eligible energy resources proposed to be~~
24 ~~developed and owned by the utility can be constructed at reasonable cost~~
25 ~~compared to the cost of similar eligible energy resources available in the~~
26 ~~market. The qualifying retail utility shall be allowed to develop and own~~
27 ~~as utility rate-based property more than twenty-five percent but not more~~

1 ~~than fifty percent of total new eligible energy resources acquired after~~
2 ~~March 27, 2007, if the qualifying retail utility shows that its proposal~~
3 ~~would provide significant economic development, employment, energy~~
4 ~~security, or other benefits to the state of Colorado. The qualifying retail~~
5 ~~utility may develop and own these resources either by itself or jointly with~~
6 ~~other owners, and, if owned jointly, the entire jointly owned resource~~
7 ~~shall count toward the percentage limitations in this subparagraph (I). For~~
8 ~~the resources addressed in this subparagraph (I), the qualifying retail~~
9 ~~utility shall not be required to comply with the competitive bidding~~
10 ~~requirements of the commission's rules; except that nothing in this~~
11 ~~subparagraph (I) shall preclude the qualifying retail utility from bidding~~
12 ~~to own a greater percentage of new eligible energy resources than~~
13 ~~permitted by this subparagraph (I). In addition, nothing in this~~
14 ~~subparagraph (I) shall prevent the commission from waiving, repealing,~~
15 ~~or revising any commission rule in a manner otherwise consistent with~~
16 ~~applicable law.~~

17 **SECTION 2.** In Colorado Revised Statutes, **add** 40-2-125.5 as
18 follows:

19 **40-2-125.5. Carbon dioxide emission reductions - goal to**
20 **eliminate by 2050 - legislative declaration - interim targets -**
21 **submission and approval of plans - definitions - cost recovery -**
22 **reports. (1) Legislative declaration.** THE GENERAL ASSEMBLY FINDS
23 AND DECLARES THAT:

24 (a) IT IS A MATTER OF STATEWIDE IMPORTANCE TO PROMOTE THE
25 DEVELOPMENT OF COST-EFFECTIVE CLEAN ENERGY AND NEW
26 TECHNOLOGIES AND REDUCE THE CARBON DIOXIDE EMISSIONS FROM THE
27 COLORADO ELECTRIC GENERATING SYSTEM;

1 (b) THE CREATION OF A LOW-COST, RELIABLE, AND CLEAN
2 ELECTRICITY SYSTEM IS CRITICAL TO ACHIEVING THE LEVEL OF
3 GREENHOUSE GAS EMISSIONS NECESSARY TO AVOID THE WORST IMPACTS
4 OF CLIMATE CHANGE AND ADVANCING A ROBUST AND EFFICIENT
5 LOW-CARBON ECONOMY FOR THE STATE OF COLORADO AND THE NATION;

6 (c) TECHNOLOGY ADVANCEMENT HAS ALREADY ALLOWED
7 COLORADO TO ACHIEVE REDUCTIONS IN CARBON DIOXIDE EMISSIONS FROM
8 THE ELECTRIC UTILITY SECTOR, AND CONTINUED TECHNOLOGY
9 DEVELOPMENT IS KEY TO EXTEND PROGRESS TOWARD A RELIABLE,
10 LOW-COST, CLEAN ENERGY FUTURE; AND

11 (d) A BOLD CLEAN ENERGY POLICY WILL SUPPORT THIS PROGRESS
12 AND ALLOW COLORADANS TO ENJOY THE BENEFITS OF RELIABLE CLEAN
13 ENERGY AT AN AFFORDABLE COST.

14 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT
15 OTHERWISE REQUIRES:

16 (a) "CLEAN ENERGY RESOURCE" MEANS ANY
17 ELECTRICITY-GENERATING TECHNOLOGY THAT GENERATES OR STORES
18 ELECTRICITY WITHOUT EMITTING CARBON DIOXIDE INTO THE ATMOSPHERE.
19 CLEAN ENERGY RESOURCES INCLUDE, WITHOUT LIMITATION, ELIGIBLE
20 ENERGY RESOURCES AS DEFINED IN SECTION 40-2-124 (1)(a).

21 (b) "QUALIFYING RETAIL UTILITY" MEANS A RETAIL UTILITY
22 PROVIDING ELECTRIC SERVICE TO MORE THAN FIVE HUNDRED THOUSAND
23 CUSTOMERS IN THIS STATE OR ANY OTHER ELECTRIC UTILITY THAT OPTS IN
24 PURSUANT TO SUBSECTION (3)(b) OF THIS SECTION.

25 (3) **Clean energy targets.** (a) IN ADDITION TO THE OTHER
26 REQUIREMENTS OF THIS SECTION, A QUALIFYING RETAIL UTILITY SHALL
27 MEET THE FOLLOWING CLEAN ENERGY TARGETS:

1 (I) BY 2030, THE QUALIFYING RETAIL UTILITY SHALL REDUCE THE
2 CARBON DIOXIDE EMISSIONS ASSOCIATED WITH ELECTRICITY SALES TO THE
3 QUALIFYING RETAIL UTILITY'S RETAIL ELECTRICITY CUSTOMERS BY EIGHTY
4 PERCENT FROM 2005 LEVELS.

5 (II) FOR THE YEARS 2050 AND THEREAFTER, OR SOONER IF
6 PRACTICABLE, THE QUALIFYING RETAIL UTILITY SHALL SEEK TO ACHIEVE
7 THE GOAL OF PROVIDING ITS RETAIL CUSTOMERS WITH ENERGY
8 GENERATED FROM ONE-HUNDRED-PERCENT CLEAN ENERGY RESOURCES SO
9 LONG AS DOING SO IS TECHNICALLY AND ECONOMICALLY FEASIBLE, IN THE
10 PUBLIC INTEREST, AND CONSISTENT WITH THE REQUIREMENTS OF THIS
11 SECTION.

12 (III) THE QUALIFYING RETAIL UTILITY SHALL RETIRE RENEWABLE
13 ENERGY CREDITS ESTABLISHED UNDER SECTION 40-2-124 (1)(d), IN THE
14 YEAR GENERATED, BY ANY ELIGIBLE ENERGY RESOURCES USED TO COMPLY
15 WITH THE REQUIREMENTS OF THIS SECTION.

16 (b) ANY OTHER ELECTRIC PUBLIC UTILITY MAY OPT INTO THE FULL
17 TERMS OF THIS ENTIRE SECTION UPON NOTIFICATION TO THE COMMISSION.

18 (4) **Submission and approval of plans.** (a) THE FIRST ELECTRIC
19 RESOURCE PLAN THAT A QUALIFYING RETAIL UTILITY FILES WITH THE
20 COMMISSION AFTER JANUARY 1, 2020, MUST INCLUDE A CLEAN ENERGY
21 PLAN THAT WILL ACHIEVE THE CLEAN ENERGY TARGET SET FORTH IN
22 SUBSECTION (3)(a)(I) OF THIS SECTION AND MAKE PROGRESS TOWARD THE
23 ONE-HUNDRED-PERCENT CLEAN ENERGY GOAL SET FORTH IN SUBSECTION
24 (3)(a)(II) OF THIS SECTION IN ACCORDANCE WITH THE FOLLOWING:

25 (I) THE ELECTRIC RESOURCE PLAN CONTAINING THE CLEAN
26 ENERGY PLAN MUST UTILIZE A RESOURCE ACQUISITION PERIOD THAT
27 EXTENDS THROUGH 2030.

1 (II) THE CLEAN ENERGY PLAN SUBMITTED TO THE COMMISSION
2 MUST SET FORTH A PLAN OF ACTIONS AND INVESTMENTS BY THE
3 QUALIFYING RETAIL UTILITY PROJECTED TO ACHIEVE COMPLIANCE WITH
4 THE CLEAN ENERGY TARGETS IN SUBSECTIONS (3)(a)(I) AND (3)(a)(II) OF
5 THIS SECTION AND THAT RESULT IN AN AFFORDABLE, RELIABLE, AND
6 CLEAN ELECTRIC SYSTEM.

7 (III) IN THE ELECTRIC RESOURCE PLAN THAT INCLUDES THE CLEAN
8 ENERGY PLAN, THE QUALIFYING RETAIL UTILITY SHALL CLEARLY
9 DISTINGUISH BETWEEN THE SET OF RESOURCES NECESSARY TO MEET
10 CUSTOMER DEMANDS IN THE RESOURCE ACQUISITION PERIOD AND THE
11 ADDITIONAL CLEAN ENERGY PLAN ACTIVITIES THAT MAY BE UNDERTAKEN
12 TO MEET THE CLEAN ENERGY TARGET IN SUBSECTION (3)(a)(I) OF THIS
13 SECTION, WHICH MAY CREATE AN ADDITIONAL RESOURCE NEED FOR THE
14 CLEAN ENERGY PLAN. THESE ACTIVITIES MAY INCLUDE RETIREMENT OF
15 EXISTING GENERATING FACILITIES, CHANGES IN SYSTEM OPERATION, OR
16 ANY OTHER NECESSARY ACTIONS.

17 (IV) AFTER CONDUCTING ANY PROCUREMENT PROCESS PURSUANT
18 TO SUBSECTION (5)(b) OF THIS SECTION OR OTHERWISE, THE QUALIFYING
19 RETAIL UTILITY SHALL SET FORTH THE ACTIONS AND INVESTMENTS
20 REQUIRED TO FILL THE ADDITIONAL RESOURCE NEED IDENTIFIED FOR THE
21 CLEAN ENERGY PLAN TO SATISFY THE CLEAN ENERGY TARGET IN
22 SUBSECTION (3)(a)(I) OF THIS SECTION. THESE ACTIONS AND INVESTMENTS
23 MAY INCLUDE DEVELOPMENT OF NEW CLEAN ENERGY RESOURCES,
24 DEVELOPMENT OF NEW TRANSMISSION AND OTHER SUPPORTING
25 INFRASTRUCTURE, AND CLEAN ENERGY RESOURCE ACQUISITIONS.

26 (V) THE CLEAN ENERGY PLAN MUST DESCRIBE THE EFFECT OF THE
27 ACTIONS AND INVESTMENTS INCLUDED IN THE CLEAN ENERGY PLAN ON

1 THE SAFETY, RELIABILITY, RENEWABLE ENERGY INTEGRATION, AND
2 RESILIENCE OF ELECTRIC SERVICE IN THE STATE OF COLORADO.

3 (VI) THE CLEAN ENERGY PLAN MUST SET FORTH THE PROJECTED
4 COST OF ITS IMPLEMENTATION AND ANTICIPATED REDUCTIONS IN CARBON
5 DIOXIDE AND OTHER EMISSIONS.

6 (VII) IF THE CLEAN ENERGY PLAN INCLUDES ACCELERATED
7 RETIREMENT OF ANY EXISTING GENERATING FACILITIES, THE CLEAN
8 ENERGY PLAN MUST INCLUDE A WORKFORCE TRANSITION PLAN FOR
9 UTILITY WORKERS IMPACTED BY ANY CLEAN ENERGY PLAN, AND THE
10 QUALIFYING RETAIL UTILITY MAY PROPOSE A COST-RECOVERY MECHANISM
11 TO RECOVER THE PRUDENTLY INCURRED COSTS OF ANY WORKFORCE
12 TRANSITION PLAN. THE WORKFORCE TRANSITION PLAN MUST INCLUDE, TO
13 THE EXTENT FEASIBLE, ESTIMATES OF:

14 (A) THE NUMBER OF WORKERS EMPLOYED BY THE UTILITY OR A
15 CONTRACTOR OF THE UTILITY AT THE ELECTRIC GENERATING FACILITY;

16 (B) THE TOTAL NUMBER OF EXISTING WORKERS WITH JOBS THAT
17 WILL BE RETAINED AND THE TOTAL NUMBER OF EXISTING WORKERS WITH
18 JOBS THAT WILL BE ELIMINATED DUE TO THE RETIREMENT OF THE
19 ELECTRIC GENERATING FACILITY;

20 (C) WITH RESPECT TO THE EXISTING WORKERS WITH JOBS THAT
21 WILL BE ELIMINATED DUE TO THE RETIREMENT OF THE ELECTRIC
22 GENERATING FACILITY, THE TOTAL NUMBER AND NUMBER BY JOB
23 CLASSIFICATION OF WORKERS FOR WHOM: EMPLOYMENT WILL END
24 WITHOUT BEING OFFERED OTHER EMPLOYMENT BY THE UTILITY; THE
25 WORKERS WILL RETIRE AS PLANNED, BE OFFERED EARLY RETIREMENT, OR
26 LEAVE VOLUNTARILY; THE WORKERS WILL BE RETAINED BY BEING
27 TRANSFERRED TO OTHER ELECTRIC GENERATING FACILITIES OR OFFERED

1 OTHER EMPLOYMENT BY THE UTILITY; AND THE WORKERS WILL BE
2 RETAINED TO CONTINUE TO WORK FOR THE UTILITY IN A NEW JOB
3 CLASSIFICATION;

4 (D) IF THE UTILITY IS REPLACING THE ELECTRIC GENERATING
5 FACILITY BEING RETIRED WITH A NEW ELECTRIC GENERATING FACILITY:
6 THE NUMBER OF WORKERS FROM THE RETIRED ELECTRIC GENERATING
7 FACILITY THAT WILL BE OFFERED EMPLOYMENT AT THE NEW ELECTRIC
8 GENERATING FACILITY; AND THE NUMBER OF JOBS AT THE NEW ELECTRIC
9 GENERATING FACILITY THAT WILL BE OUTSOURCED TO SUBCONTRACTORS.
10 THE UTILITY SHALL DEVELOP A TRAINING OR APPRENTICESHIP PROGRAM,
11 UNDER THE TERMS OF AN APPLICABLE COLLECTIVE BARGAINING
12 AGREEMENT, IF ANY, FOR THE MAINTENANCE AND OPERATION OF ANY NEW
13 COMBINATION GENERATION AND STORAGE FACILITY OWNED BY THE
14 UTILITY THAT DOES NOT EMIT CARBON DIOXIDE, TO WHICH FACILITY
15 DISPLACED WORKERS MAY TRANSFER AS APPROPRIATE.

16 (VIII) IF THE MINIMUM AMOUNTS OF ELECTRICITY FROM ELIGIBLE
17 ENERGY RESOURCES SET FORTH IN SECTION 40-2-124 (1)(c) ARE
18 SATISFIED, A QUALIFYING RETAIL UTILITY MAY USE UP TO ONE-HALF OF
19 THE FUNDS COLLECTED ANNUALLY UNDER SECTION 40-2-124 (1)(g), AS
20 WELL AS ANY ACCRUED FUNDS, TO RECOVER THE INCREMENTAL COST OF
21 CLEAN ENERGY RESOURCES AND THEIR DIRECTLY RELATED
22 INTERCONNECTION FACILITIES. THE UTILITY MAY ACCOUNT FOR THESE
23 FUNDS IN CALCULATING THE COST OF THE PLAN.

24 (b) THE DIVISION OF ADMINISTRATION IN THE DEPARTMENT OF
25 PUBLIC HEALTH AND ENVIRONMENT SHALL PARTICIPATE IN ANY
26 PROCEEDING SEEKING APPROVAL OF A CLEAN ENERGY PLAN DEVELOPED
27 BY A QUALIFYING RETAIL UTILITY PURSUANT TO THIS SECTION. THE

1 DIVISION SHALL DESCRIBE THE METHODS OF MEASURING CARBON DIOXIDE
2 EMISSIONS AND SHALL VERIFY THE PROJECTED CARBON DIOXIDE EMISSION
3 REDUCTIONS AS A RESULT OF THE CLEAN ENERGY PLAN.

4 (c) AFTER CONSULTING WITH THE AIR QUALITY CONTROL
5 COMMISSION, THE DIVISION OF ADMINISTRATION SHALL DETERMINE
6 WHETHER A CLEAN ENERGY PLAN AS FILED UNDER THIS SECTION WILL
7 RESULT IN AN EIGHTY-PERCENT REDUCTION, RELATIVE TO 2005 LEVELS,
8 IN CARBON DIOXIDE EMISSIONS FROM THE QUALIFYING RETAIL UTILITY'S
9 COLORADO ELECTRICITY SALES BY 2030 AND IS OTHERWISE CONSISTENT
10 WITH ANY GREENHOUSE GAS EMISSION REDUCTION GOALS ESTABLISHED
11 BY THE STATE OF COLORADO. THE DIVISION SHALL PUBLISH, AND SHALL
12 REPORT TO THE PUBLIC UTILITIES COMMISSION, THE DIVISION'S
13 CALCULATION OF CARBON DIOXIDE EMISSION REDUCTIONS ATTRIBUTABLE
14 TO ANY APPROVED CLEAN ENERGY PLAN. NOTHING IN THE DIVISION'S
15 ENGAGEMENT IN THIS PROCESS SHALL BE CONSTRUED TO DIMINISH OR
16 OVERRIDE THE COMMISSION'S AUTHORITY UNDER THIS TITLE 40.

17 (d) THE COMMISSION SHALL APPROVE THE CLEAN ENERGY PLAN IF
18 THE COMMISSION FINDS IT TO BE IN THE PUBLIC INTEREST AND CONSISTENT
19 WITH THE CLEAN ENERGY TARGET IN SUBSECTION (3)(a)(I) OF THIS
20 SECTION, AND THE COMMISSION MAY MODIFY THE PLAN IF THE
21 MODIFICATION IS NECESSARY TO ENSURE THAT THE PLAN IS IN THE PUBLIC
22 INTEREST. IN EVALUATING WHETHER A CLEAN ENERGY PLAN SUBMITTED
23 TO THE COMMISSION IS IN THE PUBLIC INTEREST, THE COMMISSION SHALL
24 CONSIDER, AMONG OTHER RELEVANT FACTORS:

25 (I) REDUCTIONS IN CARBON DIOXIDE AND OTHER EMISSIONS THAT
26 WILL BE ACHIEVED THROUGH THE CLEAN ENERGY PLAN AND THE
27 ENVIRONMENTAL AND HEALTH BENEFITS OF THOSE REDUCTIONS;

1 (II) THE FEASIBILITY OF THE CLEAN ENERGY PLAN AND THE CLEAN
2 ENERGY PLAN'S IMPACT ON THE RELIABILITY AND RESILIENCE OF THE
3 ELECTRIC SYSTEM. THE COMMISSION SHALL NOT APPROVE ANY PLAN THAT
4 DOES NOT PROTECT SYSTEM RELIABILITY.

5 (III) WHETHER THE CLEAN ENERGY PLAN WILL RESULT IN A
6 REASONABLE COST TO CUSTOMERS, AS EVALUATED ON A NET PRESENT
7 VALUE BASIS. IN EVALUATING THE COST IMPACTS OF THE CLEAN ENERGY
8 PLAN, THE COMMISSION SHALL CONSIDER THE EFFECT ON CUSTOMERS OF
9 THE PROJECTED COSTS ASSOCIATED WITH THE PLAN AS SET FORTH IN
10 SUBSECTION (4)(a)(VI) OF THIS SECTION AS WELL AS ANY PROJECTED
11 SAVINGS ASSOCIATED WITH THE PLAN, INCLUDING PROJECTED AVOIDED
12 FUEL COSTS.

13 (e) IF THE COMMISSION FINDS THAT APPROVAL OF THE CLEAN
14 ENERGY PLAN IS NOT IN THE PUBLIC INTEREST, OR IF THE COMMISSION
15 MODIFIES THE PLAN, THE UTILITY MAY CHOOSE TO SUBMIT AN AMENDED
16 PLAN TO THE COMMISSION FOR APPROVAL IN LIEU OF HAVING NO PLAN OR
17 IMPLEMENTING THE MODIFIED PLAN. NO CLEAN ENERGY PLAN IS
18 EFFECTIVE WITHOUT COMMISSION APPROVAL, AND A QUALIFYING RETAIL
19 UTILITY SHALL NOT BE REQUIRED TO SUBMIT MORE THAN ONE PLAN FOR
20 COMMISSION APPROVAL.

21 (5) **Regulatory matters.** (a) THE COMMISSION SHALL ALLOW A
22 QUALIFYING RETAIL UTILITY TO FULLY RECOVER, THROUGH A SEPARATE
23 RATE ADJUSTMENT CLAUSE, THE COSTS THAT IT PRUDENTLY INCURS
24 IMPLEMENTING ANY CLEAN ENERGY PLAN APPROVED BY THE COMMISSION
25 UNDER THIS SECTION. THE COMMISSION MAY TERMINATE THE RATE
26 ADJUSTMENT CLAUSE IF ALL THE COSTS ASSOCIATED WITH THE CLEAN
27 ENERGY PLAN HAVE BEEN INCLUDED IN THE QUALIFYING RETAIL UTILITY'S

1 BASE RATES AS A RESULT OF A RATE CASE FILED AFTER THE CLEAN ENERGY
2 PLAN HAS BEEN FULLY IMPLEMENTED.

3 (b) THE QUALIFYING RETAIL UTILITY SHALL UTILIZE A
4 COMPETITIVE BIDDING PROCESS TO PROCURE ANY ENERGY RESOURCES TO
5 FILL THE CUMULATIVE RESOURCE NEED DERIVED FROM THE ELECTRIC
6 RESOURCE PLAN AND THE CLEAN ENERGY PLAN IN SUBSECTION (4)(a)(III)
7 OF THIS SECTION. THE COMMISSION SHALL ALLOW THE QUALIFYING RETAIL
8 UTILITY, INCLUSIVE OF ANY OWNERSHIP BY ITS AFFILIATES, TO OWN A
9 TARGET OF FIFTY PERCENT OF THE ENERGY AND CAPACITY ASSOCIATED
10 WITH THE CLEAN ENERGY RESOURCES AND ANY OTHER ENERGY
11 RESOURCES DEVELOPED OR ACQUIRED TO MEET THE RESOURCE NEED, AS
12 WELL AS ALL ASSOCIATED INFRASTRUCTURE, IF THE COST OF UTILITY OR
13 AFFILIATE OWNERSHIP OF THE GENERATION ASSETS IS REASONABLE.
14 UTILITY OWNERSHIP MAY COME FROM UTILITY OR AFFILIATE SELF-BUILDS,
15 BUILD-TRANSFERS FROM INDEPENDENT POWER PRODUCERS, OR SALES OF
16 EXISTING ASSETS FROM INDEPENDENT POWER PRODUCERS OR SIMILAR
17 COMMERCIAL ARRANGEMENTS. THE COST OF ENERGY RESOURCES OWNED
18 BY THE UTILITY ARE PRESUMED REASONABLE IF THE UTILITY HAS
19 PROCURED THE ENERGY RESOURCES THROUGH A COMPETITIVE BIDDING
20 PROCESS.

21 (c) ANY ACTIONS, INCLUDING TRANSMISSION DEVELOPMENT,
22 TAKEN BY THE QUALIFYING RETAIL UTILITY SHALL BE PRESUMED PRUDENT
23 TO THE EXTENT THOSE ACTIONS ARE CONSISTENT WITH THE
24 IMPLEMENTATION OF AN APPROVED CLEAN ENERGY PLAN.

25 (d) FOR THE PURPOSES OF THIS SECTION, THE CLEAN ENERGY
26 TARGET EVALUATION WILL BE BASED UPON THE QUALIFYING RETAIL
27 UTILITY'S RETAIL SALES WITHIN ITS ELECTRIC SERVICE TERRITORY AS IT

1 EXISTED ON JANUARY 1, 2019. IN THE EVENT OF A SIGNIFICANT
2 ACQUISITION, THE QUALIFYING RETAIL UTILITY MAY FILE WITHIN ONE
3 YEAR AFTER THE ACQUISITION AN ADDITIONAL CLEAN ENERGY PLAN TO
4 ADDRESS THAT ACQUISITION, AND THE COMMISSION SHALL CONSIDER THE
5 ADDITIONAL CLEAN ENERGY PLAN CONSISTENT WITH THE GOALS OF THIS
6 SECTION.

7 (e) THE COMMISSION MAY, ON ITS OWN MOTION OR UPON
8 APPLICATION BY A QUALIFYING RETAIL UTILITY, AMEND AN APPROVED
9 CLEAN ENERGY PLAN IF AMENDMENT IS NECESSARY TO ENSURE THE
10 RELIABILITY AND RESILIENCE OF THE ELECTRIC SYSTEM.

11 (6) **Reports.** ONE YEAR AFTER APPROVAL OF ANY ELECTRIC
12 RESOURCE PLAN THAT INCORPORATES A CLEAN ENERGY PLAN, THE
13 QUALIFYING RETAIL UTILITY SHALL PREPARE A REPORT TO THE GOVERNOR,
14 THE GENERAL ASSEMBLY, THE PUBLIC UTILITIES COMMISSION, AND THE AIR
15 QUALITY CONTROL COMMISSION OUTLINING PROGRESS TOWARD THE
16 CLEAN ENERGY TARGETS SET FORTH IN THIS SECTION. THE REPORT MUST
17 SET FORTH THE CLEAN ENERGY RESOURCES DEVELOPED UNDER ANY CLEAN
18 ENERGY PLAN, THE COST AND CUSTOMER IMPACT OF THOSE CLEAN ENERGY
19 RESOURCES, THE EFFECT OF ANY APPROVED CLEAN ENERGY PLAN ON
20 SYSTEM RELIABILITY, AND ANY OTHER RELEVANT INFORMATION. THE
21 REPORT MUST ALSO IDENTIFY THE NEED FOR NEW OR ADDITIONAL
22 TECHNOLOGY DEVELOPMENT NECESSARY TO ACHIEVE THE CLEAN ENERGY
23 TARGETS OF THIS SECTION.

24 (7) **Future electric resource plans.** ANY ELECTRIC RESOURCE
25 PLAN SUBMITTED TO THE COMMISSION AFTER APPROVAL OF THE CLEAN
26 ENERGY PLAN MUST INCLUDE AN UPDATE ON THE PROGRESS MADE
27 TOWARD THE APPROVED CLEAN ENERGY PLAN, AS WELL AS ACTIONS AND

1 INVESTMENTS BY THE QUALIFYING RETAIL UTILITY PROJECTED TO ACHIEVE
2 COMPLIANCE WITH THE EMISSION REDUCTION TARGET IDENTIFIED IN
3 SUBSECTION (3)(a)(I) OF THIS SECTION AND MAKE PROGRESS TOWARD THE
4 ONE-HUNDRED-PERCENT CLEAN ENERGY GOAL SET FORTH IN SUBSECTION
5 (3)(a)(II) OF THIS SECTION. THE COMMISSION MAY SOLICIT INPUT FROM
6 THE DIVISION OF ADMINISTRATION FOR ASSISTANCE IN EVALUATING THE
7 EMISSION REDUCTIONS ASSOCIATED WITH ANY FUTURE ELECTRIC
8 RESOURCE PLAN AND CONSISTENT WITH THE CLEAN ENERGY TARGETS OF
9 THIS SECTION. THE COMMISSION SHALL REVIEW THE QUALIFYING RETAIL
10 UTILITY'S ACTIONS AND INVESTMENTS IN ACCORDANCE WITH THE
11 STANDARDS SET FORTH IN SUBSECTION (4)(d) OF THIS SECTION.

12 **SECTION 3.** In Colorado Revised Statutes, **amend** 40-2-129 as
13 follows:

14 **40-2-129. New resource acquisitions - factors in determination**
15 **- local employment - "best value" metrics.** (1) (a) When evaluating
16 electric resource acquisitions and requests for a certificate of convenience
17 and necessity for construction or expansion of generating facilities,
18 including but not limited to pollution control or fuel conversion upgrades
19 and conversion of existing coal-fired plants to natural gas plants, the
20 commission shall consider, ~~on a qualitative basis, factors that affect~~
21 ~~employment and~~ IN ALL DECISIONS INVOLVED IN ELECTRIC RESOURCE
22 ACQUISITION PROCESSES, BEST VALUE REGARDING EMPLOYMENT OF
23 COLORADO LABOR, AS DEFINED IN SECTION 8-17-101 (2)(a), AND POSITIVE
24 IMPACTS ON the long-term economic viability of Colorado communities.
25 To this end, the commission shall require utilities to ~~request~~ OBTAIN AND
26 PROVIDE TO THE COMMISSION the following information regarding "best
27 value" employment metrics: The availability of training programs,

1 including training through apprenticeship programs registered with the
2 United States department of ~~labor~~, LABOR'S office of apprenticeship and
3 training OR BY STATE APPRENTICESHIP COUNCILS RECOGNIZED BY THAT
4 OFFICE; employment of Colorado ~~workers~~ LABOR as compared to
5 importation of out-of-state workers; long-term career opportunities; and
6 industry-standard wages, health care, and pension benefits. When a utility
7 proposes to construct new facilities of its own, the utility shall supply
8 similar information to the commission.

9 (b) ANY ELECTRIC RESOURCE ACQUISITION DECISION MUST BE
10 BASED IN PART ON REVIEW OF THE BEST VALUE EMPLOYMENT METRICS
11 CRITERIA SET FORTH IN ANY SOLICITATION DOCUMENT. THE COMMISSION
12 SHALL NOT APPROVE ANY ELECTRIC RESOURCE PLAN, ACQUISITION, OR
13 POWER PURCHASE AGREEMENT THAT FAILS TO EITHER:

14 (I) PROVIDE THE BEST VALUE EMPLOYMENT METRICS
15 DOCUMENTATION SPECIFIED IN THE SOLICITATION DOCUMENT; OR

16 (II) IN THE ALTERNATIVE, CERTIFY COMPLIANCE WITH OBJECTIVE
17 BEST VALUE EMPLOYMENT METRICS PERFORMANCE STANDARDS SET FORTH
18 IN THE SOLICITATION DOCUMENT.

19 (c) THE COMMISSION MAY WAIVE THE REQUIREMENTS OF THIS
20 SECTION IF A UTILITY AGREES TO USE A PROJECT LABOR AGREEMENT FOR
21 CONSTRUCTION OR EXPANSION OF A GENERATING FACILITY.

22 (2) FOLLOWING DEVELOPMENT OR ACQUISITION OF A GENERATING
23 FACILITY BY A UTILITY, FOR ALL GENERATING FACILITIES OWNED BY THE
24 UTILITY THAT DO NOT EMIT CARBON DIOXIDE, THE UTILITY SHALL USE
25 UTILITY EMPLOYEES OR QUALIFIED CONTRACTORS IF THE CONTRACTORS'
26 EMPLOYEES HAVE ACCESS TO AN APPRENTICESHIP PROGRAM REGISTERED
27 WITH THE UNITED STATES DEPARTMENT OF LABOR'S OFFICE OF

1 APPRENTICESHIP AND TRAINING OR BY A STATE APPRENTICESHIP COUNCIL
2 RECOGNIZED BY THAT OFFICE; EXCEPT THAT THIS APPRENTICESHIP
3 REQUIREMENT DOES NOT APPLY TO:

4 (a) THE DESIGN, PLANNING, OR ENGINEERING OF THE
5 INFRASTRUCTURE;

6 (b) MANAGEMENT FUNCTIONS TO OPERATE THE INFRASTRUCTURE;

7 OR

8 (c) ANY WORK INCLUDED IN A WARRANTY.

9 (3) THE PROVISIONS OF THIS SECTION REGARDING BEST VALUE
10 EMPLOYMENT METRICS DO NOT APPLY TO PROJECTS INVOLVING RETAIL
11 DISTRIBUTED GENERATION, AS DEFINED IN SECTION 40-2-124 (1)(a)(VIII)
12 OR 40-2-127(2)(b)(I)(B).

13 **SECTION 4.** In Colorado Revised Statutes, **add** 40-2-132 as
14 follows:

15 **40-2-132. Distributed generation - rights of retail electric**
16 **utility customers.** A RETAIL ELECTRIC UTILITY CUSTOMER IS ENTITLED TO
17 GENERATE, CONSUME, STORE, AND EXPORT ELECTRICITY PRODUCED FROM
18 ELIGIBLE ENERGY RESOURCES TO THE ELECTRIC GRID THROUGH THE USE
19 OF CUSTOMER-SITED RETAIL DISTRIBUTED GENERATION AS DEFINED IN
20 SECTION 40-2-124 (1)(a)(VIII), SUBJECT TO RELIABILITY STANDARDS,
21 INTERCONNECTION RULES, AND PROCEDURES AS DETERMINED BY THE
22 COMMISSION.

23 **SECTION 5. Appropriation.** (1) For the 2019-20 state fiscal
24 year, \$171,541 is appropriated to the department of public health and
25 environment for use by the air pollution control division. This
26 appropriation is from the general fund. To implement this act, the division
27 may use this appropriation as follows:

1 (a) \$160,140 for personal services related to stationary sources,
2 which amount is based on an assumption that the division will require an
3 additional 1.9 FTE; and

4 (b) \$11,401 for operating expenses related to stationary sources.

5 **SECTION 6. Applicability.** This act applies to conduct,
6 including power purchase agreements entered into and utility rate-based
7 property development, occurring on or after the effective date of this act.

8 **SECTION 7. Safety clause.** The general assembly hereby finds,
9 determines, and declares that this act is necessary for the immediate
10 preservation of the public peace, health, and safety.