After consideration on the merits, the Committee recommends the following:

HB21-1238 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1. Amend printed bill, page 4, line 1, strike "PROCESSES," and substitute "PROCESSES.".


3. Page 6, line 18, after "(2)(b)," insert "(2)(c)(I),".

4. Page 6, line 18, strike "and (3);" and substitute "(3), and (5);".

5. Page 7, after line 27 insert:

   (c) (I) (A) Adopt procedures for allowing gas utilities to recover their prudently incurred costs of DSM programs without having to file a rate case. Such costs shall include, but are not limited to, facility investments; rebates; interest rate buy-downs; incremental labor costs, employee benefits, carrying costs, and employee-related administrative costs; and other administrative costs. All such costs shall be recovered through a cost adjustment mechanism that is set on an annual basis, or more frequently if deemed appropriate.

   (B) LABOR COSTS SHALL REFLECT, AND THE COMMISSION SHALL REQUIRE, COMPLIANCE WITH ALL APPLICABLE LABOR STANDARDS SET FORTH IN SECTION 40-3.2-105.5."

6. Page 9, line 22, after "(3.5)" insert "(a)".
"(b) THE COMMISSION SHALL NOT REQUIRE THE REMOVAL OF GAS-FUELED APPLIANCES OR EQUIPMENT FROM AN EXISTING STRUCTURE NOR BAN THE INSTALLATION OF GAS SERVICE LINES TO ANY NEW STRUCTURE.

(5) (a) The commission shall authorize each gas utility to recover moneys spent for education programs, impact and process evaluations, and program planning related to natural gas DSM programs offered by the gas utility without having to show that such expenditures, on an independent basis, are cost-effective. The commission may limit the amount spent for these activities.

(b) (I) UPON PETITION BY A REGULATED GAS UTILITY, THE COMMISSION SHALL REMOVE DISINCENTIVES TO THE IMPLEMENTATION OF EFFECTIVE GAS DSM PROGRAMS THROUGH THE ADOPTION OF A RATE ADJUSTMENT MECHANISM THAT ENSURES THAT THE REVENUE PER CUSTOMER APPROVED BY THE COMMISSION IN A GENERAL RATE CASE PROCEEDING IS RECOVERED BY THE GAS UTILITY WITHOUT REGARD TO THE QUANTITY OF NATURAL GAS ACTUALLY SOLD BY THE GAS UTILITY AFTER THE DATE THE RATE TOOK EFFECT. THE COMMISSION SHALL SEPARATELY CALCULATE, FOR THE RATE CLASS OR CLASSES TO WHICH A RATE ADJUSTMENT MECHANISM APPLIES, THE REGULATORY DISINCENTIVES REMOVED THROUGH THAT MECHANISM AND COLLECTED OR REFUNDED BY THE GAS UTILITY THROUGH A TARIFF RIDER.

(II) REMOVING DISINCENTIVES THROUGH A RATE ADJUSTMENT MECHANISM ADOPTED PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION DOES NOT PRECLUDE A GAS UTILITY FROM RECEIVING A BONUS PURSUANT TO SUBSECTION (2)(d) OF THIS SECTION.

(III) THE COMMISSION SHALL NOT REDUCE A GAS UTILITY’S RETURN ON EQUITY BASED SOLELY ON APPROVAL OF A RATE ADJUSTMENT MECHANISM ADOPTED PURSUANT TO SUBSECTION (5)(b)(I) OF THIS SECTION.

SECTION 5. In Colorado Revised Statutes, add 40-3.2-105.5 as follows:

40-3.2-105.5. Labor standards for gas DSM projects. (1) THIS SECTION APPLIES TO ALL NECESSARY PLUMBING, MECHANICAL, AND ELECTRICAL WORK PERFORMED IN CONNECTION WITH A PROJECT UNDERTAKEN PURSUANT TO A GAS DSM PROGRAM UNDER THIS ARTICLE 3.2 AND FOR WHICH A CUSTOMER OF AN INVESTOR-OWNED UTILITY APPLIES FOR A REBATE DIRECTLY FROM THE UTILITY.

(2) WHEN PRACTICABLE, THE UTILITY MAY ASSIGN ITS OWN
EMPLOYEES TO PERFORM THE WORK, SUBJECT TO STATE LICENSING
REQUIREMENTS AND ALL APPLICABLE STATE AND LOCAL RULES, CODES,
AND STANDARDS.

(3) (a) THE UTILITY SHALL MAKE USE OF A LIST, REFERRED TO IN
THIS SECTION AS THE "CERTIFIED CONTRACTOR LIST", CONTAINING THE
NAMES AND CONTACT INFORMATION OF:

(I) QUALIFIED CONTRACTORS THAT PARTICIPATE IN
APPRENTICESHIP PROGRAMS THAT:

(A) ARE REGISTERED WITH THE UNITED STATES DEPARTMENT OF
LABOR'S EMPLOYMENT AND TRAINING ADMINISTRATION OR WITH A STATE
APPRENTICESHIP COUNCIL RECOGNIZED BY THE UNITED STATES
DEPARTMENT OF LABOR; AND

(B) HAVE BEEN PROVIDING TRAINING FOR AT LEAST SIX MONTHS;

AND

(II) QUALIFIED MECHANICAL, ELECTRICAL, AND PLUMBING
CONTRACTORS THAT PARTICIPATE IN APPRENTICESHIP PROGRAMS MEETING
THE STANDARDS SPECIFIED IN SECTION 24-92-115 (1)(a)(II).

(b) THE COLORADO DEPARTMENT OF LABOR AND EMPLOYMENT
SHALL OVERSEE THE COMPILATION OF THE CERTIFIED CONTRACTOR LIST
THROUGH ONE OF THE FOLLOWING METHODS:

(I) DIRECTING THE STATE APPRENTICESHIP COUNCIL, IF
AVAILABLE, TO ASSEMBLE THE INFORMATION; OR

(II) ESTABLISH AN APPLICATION PROCESS WHEREBY CONTRACTORS
WOULD APPLY FOR INCLUSION IN THE LIST AND PROVIDE EVIDENCE, IN A
FORM SATISFACTORY TO THE DEPARTMENT, THAT EACH APPLICANT MEETS
THE CRITERIA SET FORTH IN SUBSECTION (3)(a) OF THIS SECTION.

(c) THE UTILITY SHALL PUBLISH THE CERTIFIED CONTRACTOR LIST
ON ITS WEBSITE AND INCLUDE OR REFERENCE THE LIST IN ALL OF THE
UTILITY'S RELEVANT MARKETING MATERIAL FOR GAS DSM PROGRAMS.

(d) IN ADDITION TO THE CERTIFIED CONTRACTOR LIST, EACH
INVESTOR-OWNED GAS UTILITY SHALL REQUIRE ITS RESIDENTIAL
CUSTOMERS TO USE LICENSED PLUMBING AND ELECTRICAL CONTRACTORS
THAT PERFORM THE TYPE OF WORK APPROPRIATE TO RESIDENTIAL GAS
DSM INSTALLATIONS FOR PARTICIPATION IN GAS DSM PROGRAMS WHERE
A REBATE IS PAID DIRECTLY TO THE CUSTOMER AFTER THE INSTALLATION
IS COMPLETE AND THE CUSTOMER USES A CONTRACTOR.

(4) THE FOLLOWING REQUIREMENTS APPLY TO GAS DSM PROJECTS
IN NEW OR EXISTING BUILDINGS:

(a) FOR PLUMBING, MECHANICAL, OR ELECTRICAL PROJECTS
UNDERTAKEN BY A COMMERCIAL OR INDUSTRIAL CUSTOMER IN A BUILDING
THAT CONTAINS TWENTY THOUSAND SQUARE FEET OR MORE OF
CONDITIONED FLOOR SPACE AND FOR WHICH A REBATE IS TO BE PROVIDED
DIRECTLY TO THE CUSTOMER AS PART OF A GAS DSM PROGRAM, THE
UTILITY SHALL CONDITION PAYMENT OF THE REBATE ON THE CUSTOMER'S
EXCLUSIVE USE OF CONTRACTORS FROM THE CERTIFIED CONTRACTOR LIST
UNLESS THE WORK IS DONE BY EMPLOYEES OF THE UTILITY.

(b) (I) FOR PLUMBING, MECHANICAL, OR ELECTRICAL PROJECTS
THAT INVOLVE ENERGY EFFICIENCY IMPROVEMENTS TO CENTRAL BUILDING
SYSTEMS IN A MULTIFAMILY BUILDING THAT CONTAINS TWENTY
THOUSAND SQUARE FEET OR MORE OF CONDITIONED FLOOR SPACE AND FOR
WHICH A REBATE IS TO BE PROVIDED DIRECTLY TO THE BUILDING OWNER
AS PART OF A GAS DSM PROGRAM, THE UTILITY SHALL CONDITION
PAYMENT OF THE REBATE ON THE BUILDING OWNER'S EXCLUSIVE USE OF
CONTRACTORS THAT PARTICIPATE IN APPRENTICESHIP PROGRAMS
REGISTERED WITH THE UNITED STATES DEPARTMENT OF LABOR'S
EMPLOYMENT AND TRAINING ADMINISTRATION OR WITH A STATE
APPRENTICESHIP COUNCIL RECOGNIZED BY THE UNITED STATES
DEPARTMENT OF LABOR FOR ANY NECESSARY PLUMBING OR ELECTRICAL
WORK. IF THE CONTRACTOR CHOSEN BY THE CUSTOMER IS NOT ON THE
CERTIFIED CONTRACTOR LIST, THE UTILITY SHALL REQUIRE ANOTHER
METHOD OF VERIFYING COMPLIANCE WITH THIS SUBSECTION (4)(b).

(II) THIS SUBSECTION (4)(b) DOES NOT APPLY TO A GAS DSM
PROJECT THAT IS LIMITED TO IN-UNIT WORK IN A MULTIFAMILY BUILDING,
AS UNDERTAKEN BY THE OWNER OR TENANT OF THE MULTIFAMILY
BUILDING OR UNIT.

Renumber succeeding sections accordingly.

Page 10, line 17, strike "government." and substitute "government USING
A DISCOUNT RATE OF TWO AND ONE-HALF PERCENT OR LESS.".

Page 10, line 19, strike "forty-six" and substitute "forty-six SIXTY-EIGHT".

Page 10, line 21, strike "central value" and substitute "central value".

Page 11, line 26, after "GOVERNMENT," insert "USING A DISCOUNT RATE
OF TWO AND ONE-HALF PERCENT OR LESS".

Page 12, line 3, strike "NINETY" and substitute "SEVEN HUNDRED
FIFTY-SIX".

Page 12, lines 6 and 7, strike "CENTRAL VALUE".
"SECTION 8. Act subject to petition - effective date - applicability. (1) This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly; except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2022 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

(2) This act applies to plans, applications, or other documents reviewed by the public utilities commission on or after the applicable effective date of this act.".