

CHAPTER 45

PUBLIC UTILITIES

SENATE BILL 18-009

BY SENATOR(S) Fenberg and Priola, Cooke, Guzman, Lundberg, Aguilar, Court, Crowder, Donovan, Fields, Garcia, Hill, Jahn, Jones, Kagan, Kefalas, Kerr, Lambert, Marble, Merrifield, Moreno, Tate, Todd, Williams A., Grantham;
 also REPRESENTATIVE(S) Winter and Lawrence, Arndt, Becker K., Bridges, Buckner, Coleman, Danielson, Esgar, Exum, Gray, Hamner, Hansen, Herod, Hooton, Jackson, Kennedy, Lee, Lontine, McLachlan, Melton, Michaelson Jenet, Pettersen, Roberts, Rosenthal, Salazar, Singer, Valdez, Weissman, Young, Duran.

AN ACT

CONCERNING THE RIGHT OF CONSUMERS OF ELECTRICITY TO INTERCONNECT ENERGY STORAGE SYSTEMS FOR USE ON THEIR PROPERTY.

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

SECTION 1. In Colorado Revised Statutes, **add** 40-2-130 as follows:

40-2-130. Distributed resources - energy storage systems - definitions - legislative declaration - rules. (1) **Legislative declaration.** (a) THE GENERAL ASSEMBLY FINDS AND DETERMINES THAT:

(I) COLORADO'S ECONOMY, AS WELL AS THE HEALTH AND SAFETY OF ITS RESIDENTS, DEPENDS ON A RELIABLE AND EFFICIENT SUPPLY OF ELECTRICITY; AND

(II) THE THREAT OF INTERRUPTIONS IN ELECTRIC SUPPLY DUE TO WEATHER, MALICIOUS INTERFERENCE, OR MALFUNCTIONS IN CENTRALIZED GENERATION AND TRANSMISSION FACILITIES MAKES DISTRIBUTED RESOURCES, INCLUDING ENERGY STORAGE SYSTEMS PAIRED WITH OTHER DISTRIBUTED RESOURCES, AN EFFECTIVE WAY FOR RESIDENTS TO PROVIDE THEIR OWN RELIABLE AND EFFICIENT SUPPLY OF ELECTRICITY.

(b) THEREFORE, THE GENERAL ASSEMBLY DECLARES THAT:

(I) IT IS IN THE PUBLIC INTEREST TO LIMIT BARRIERS TO THE INSTALLATION, INTERCONNECTION, AND USE OF CUSTOMER-SITED ENERGY STORAGE FACILITIES IN COLORADO; AND

Capital letters or bold & italic numbers indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

(II) COLORADO'S CONSUMERS OF ELECTRICITY HAVE A RIGHT TO INSTALL, INTERCONNECT, AND USE ENERGY STORAGE SYSTEMS ON THEIR PROPERTY WITHOUT THE BURDEN OF UNNECESSARY RESTRICTIONS OR REGULATIONS AND WITHOUT UNFAIR OR DISCRIMINATORY RATES OR FEES.

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

(a) "ENERGY STORAGE SYSTEM" MEANS ANY COMMERCIALY AVAILABLE, CUSTOMER-SITED SYSTEM, INCLUDING BATTERIES AND THE BATTERIES PAIRED WITH ON-SITE GENERATION, THAT IS CAPABLE OF RETAINING, STORING, AND DELIVERING ENERGY BY CHEMICAL, THERMAL, MECHANICAL, OR OTHER MEANS.

(b) "UTILITY" OR "ELECTRIC UTILITY" MEANS A QUALIFYING RETAIL UTILITY, AS DESCRIBED IN SECTION 40-2-124 (1); EXCEPT THAT THE TERM DOES NOT INCLUDE A MUNICIPALLY OWNED UTILITY OR A COOPERATIVE ELECTRIC ASSOCIATION.

(3) **Authority of commission - rules.** THE COMMISSION SHALL ADOPT RULES ALLOWING THE INSTALLATION, INTERCONNECTION, AND USE OF ENERGY STORAGE SYSTEMS BY CUSTOMERS OF UTILITIES. THE COMMISSION SHALL INCORPORATE THE FOLLOWING PRINCIPLES INTO THE RULES:

(a) IT IS IN THE PUBLIC INTEREST TO LIMIT BARRIERS TO THE INSTALLATION, INTERCONNECTION, AND USE OF CUSTOMER-SITED ENERGY STORAGE SYSTEMS IN COLORADO;

(b) COLORADO'S CONSUMERS OF ELECTRICITY HAVE A RIGHT TO INSTALL, INTERCONNECT, AND USE ENERGY STORAGE SYSTEMS ON THEIR PROPERTY WITHOUT THE BURDEN OF UNNECESSARY RESTRICTIONS OR REGULATIONS AND WITHOUT DISCRIMINATORY RATES OR FEES;

(c) UTILITY APPROVAL PROCESSES AND ANY REQUIRED INTERCONNECTION REVIEWS OF ENERGY STORAGE SYSTEMS SHALL BE SIMPLE, STREAMLINED, AND AFFORDABLE FOR CUSTOMERS; AND

(d) UTILITIES SHALL NOT REQUIRE THE INSTALLATION OF CUSTOMER-SITED METERS IN ADDITION TO A SINGLE NET ENERGY METER FOR THE PURPOSES OF MONITORING ENERGY STORAGE SYSTEMS; EXCEPT THAT THE COMMISSION MAY AUTHORIZE THE REQUIREMENT OF METERING FOR CERTAIN LARGE ENERGY STORAGE SYSTEMS, AS DETERMINED BY THE COMMISSION.

(4) NOTHING IN THIS SECTION ALTERS OR SUPERSEDES EITHER:

(a) THE PRINCIPLES OF NET METERING AS DESCRIBED IN SECTION 40-2-124; OR

(b) ANY EXISTING ELECTRICAL PERMIT REQUIREMENTS OR ANY LICENSING OR CERTIFICATION REQUIREMENTS FOR INSTALLERS, MANUFACTURERS, OR EQUIPMENT.

SECTION 2. Act subject to petition - effective date. 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 (August 8, 2018, if adjournment sine die is on May 9, 2018); 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 2018 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: March 22, 2018