

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

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

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.*

SENATE
Amended 2nd Reading
March 5, 2019

<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 doubled over the last three years, and, with expanded infrastructure
9 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, including for
15 low- and moderate-income and underserved communities;

16 (e) Widespread adoption of electric vehicles should provide

1 consumers with fuel cost savings and electric utility customers with
2 potential cost-saving benefits;

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

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

12 **SECTION 2.** In Colorado Revised Statutes, 40-1-103.3, **amend**
13 (2) and (6) as follows:

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

1 (6) The regulated expenditures and investments made by a public
2 utility to accommodate alternative fuel vehicle charging and fueling
3 facilities are equal in priority to all other infrastructure necessary to serve
4 any customer of the public utility in its service territory, but are
5 subordinate to the safety and reliability obligations of the utility A PUBLIC
6 UTILITY MAY RECOVER THE COSTS OF DISTRIBUTION SYSTEM INVESTMENTS
7 TO ACCOMMODATE ALTERNATIVE FUEL VEHICLE CHARGING, SUBJECT TO
8 EVALUATION AND COST RECOVERY PROVISIONS THAT ARE COMPARABLE
9 TO OTHER REGULATED INVESTMENTS IN THE DISTRIBUTION GRID; EXCEPT
10 THAT DISTRIBUTION SYSTEM INVESTMENTS THAT ARE A COMPONENT OF A
11 TRANSPORTATION ELECTRIFICATION PLAN SUBMITTED IN ACCORDANCE
12 WITH SECTION 40-5-107 ARE SUBJECT TO SECTIONS 40-3-116 AND
13 40-5-107.

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

16 **40-3-116. Electric vehicle programs - rates.** (1) **THE RATES AND**
17 **CHARGES SCHEDULE FOR SERVICES PROVIDED BY A PROGRAM CREATED**
18 **UNDER SECTION 40-5-107 MAY ALLOW:**

19 (a) A RETURN ON ANY INVESTMENT MADE UNDER SECTION
20 40-5-107 BY AN ELECTRIC UTILITY AT THE ELECTRIC UTILITY'S MOST
21 RECENT RATE OF RETURN ON EQUITY APPROVED BY THE COMMISSION,
22 INCLUDING BY ALLOWING A UTILITY TO EARN A RATE OF RETURN ON
23 REBATES PROVIDED TO CUSTOMERS THROUGH A TRANSPORTATION
24 ELECTRIFICATION PROGRAM;

25 (b) RATE RECOVERY MECHANISMS THAT ALLOW EARLIER, AS
26 DETERMINED BY THE COMMISSION, RECOVERY OF COSTS, INCLUDING THE
27 USE OF RATE ADJUSTMENT CLAUSES; AND

1 (c) PERFORMANCE-BASED INCENTIVE RETURNS OR SIMILAR
2 INVESTMENT INCENTIVES.

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

5 40-5-107. Electric vehicle programs - repeal. (1) (a) NO LATER
6 THAN MAY 15, 2020, AND ON OR BEFORE MAY 15 EVERY THREE YEARS
7 THEREAFTER, AN ELECTRIC UTILITY SHALL FILE WITH THE COMMISSION AN
8 APPLICATION FOR A PROGRAM FOR REGULATED ACTIVITIES TO SUPPORT
9 WIDESPREAD TRANSPORTATION ELECTRIFICATION WITHIN THE AREA
10 COVERED BY THE UTILITY'S CERTIFICATE OF PUBLIC CONVENIENCE AND
11 NECESSITY.

12 (b) TO COMPLY WITH THIS SUBSECTION (1), AN APPLICATION MUST
13 SEEK TO MINIMIZE OVERALL COSTS AND MAXIMIZE OVERALL BENEFITS AND
14 MAY INCLUDE:

15 (I) INVESTMENTS OR INCENTIVES TO FACILITATE THE DEPLOYMENT
16 OF CUSTOMER-OWNED OR UTILITY-OWNED CHARGING INFRASTRUCTURE,
17 INCLUDING CHARGING FACILITIES, MAKE-READY INFRASTRUCTURE, AND
18 ASSOCIATED ELECTRICAL EQUIPMENT THAT SUPPORT TRANSPORTATION
19 ELECTRIFICATION;

20 (II) INVESTMENTS OR INCENTIVES TO FACILITATE THE
21 ELECTRIFICATION OF PUBLIC TRANSIT AND OTHER VEHICLE FLEETS;

22 (III) RATE DESIGNS, OR PROGRAMS THAT ENCOURAGE VEHICLE
23 CHARGING THAT SUPPORTS THE OPERATION OF THE ELECTRIC GRID; AND

24 (IV) CUSTOMER EDUCATION, OUTREACH, AND INCENTIVE
25 PROGRAMS THAT INCREASE AWARENESS OF THE PROGRAMS AND OF THE
26 BENEFITS OF TRANSPORTATION ELECTRIFICATION AND ENCOURAGE
27 GREATER ADOPTION OF ELECTRIC VEHICLES.

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

6 (a) REASONABLY EXPECTED TO IMPROVE THE USE OF THE ELECTRIC
7 GRID, INCLUDING IMPROVED INTEGRATION OF RENEWABLE ENERGY;

8 (b) REASONABLY EXPECTED TO INCREASE ACCESS TO THE USE OF
9 ELECTRICITY AS A TRANSPORTATION FUEL;

10 (c) DESIGNED TO ENSURE SYSTEM SAFETY AND RELIABILITY;

11 (d) (I) REASONABLY EXPECTED TO CONTRIBUTE TO MEETING AIR
12 QUALITY STANDARDS AND REDUCING STATEWIDE EMISSIONS OF
13 GREENHOUSE GASES BY FORTY PERCENT BELOW 2005 LEVELS BY 2030 AND
14 EIGHTY PERCENT BELOW 2005 LEVELS BY 2050.

15 (II) THIS SUBSECTION (2)(d) IS REPEALED, EFFECTIVE JULY 1, 2031.

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

21 (f) TRANSPARENT, INCORPORATING PUBLIC REPORTING
22 REQUIREMENTS TO INFORM DESIGN AND COMMISSION POLICY; AND

23 (g) REASONABLY EXPECTED TO PROVIDE ACCESS FOR LOW-INCOME
24 CUSTOMERS, IN THE TOTALITY OF THE UTILITY'S TRANSPORTATION
25 ELECTRIFICATION PROGRAMS, WHILE GIVING DUE CONSIDERATION TO THE
26 IMPACT ON LOW-INCOME CUSTOMERS.

27 (3)(a) ELECTRIC VEHICLE INFRASTRUCTURE ELECTRICAL WORK ON

1 THE CUSTOMER SIDE OF THE UTILITY METER, INCLUDING THE
2 INSTALLATION OF THE CHARGING STATION APPARATUS AND RELATED
3 HARDWARE, MUST:

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

8 (II) COMPLY WITH ARTICLE 23 OF TITLE 12, INCLUDING SECTIONS
9 12-23-105 AND 12-23-110.5, AND ALL APPLICABLE RULES OF THE STATE
10 ELECTRICAL BOARD.

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

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

19 (II) MANAGEMENT FUNCTIONS TO OPERATE THE INFRASTRUCTURE;

20 OR

21 (III) ANY WORK INCLUDED IN A WARRANTY.

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