

First Regular Session
Seventy-fourth General Assembly
STATE OF COLORADO

ENGROSSED

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

LLS NO. 23-0637.01 Jennifer Berman x3286

HOUSE BILL 23-1137

HOUSE SPONSORSHIP

Lukens and Valdez,

SENATE SPONSORSHIP

Hansen and Roberts,

House Committees
Energy & Environment

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO STABILIZE NET METERING CREDITS**
102 **CALCULATED FOR AN ELECTRIC RETAIL UTILITY'S PURCHASE OF**
103 **ELECTRIC OUTPUT FROM A COMMUNITY SOLAR GARDEN.**

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>.)

Current law requires an electric retail utility (utility) to offer a net metering credit as the means of purchasing output from a community solar garden (CSG) located within the utility's service territory and establishes the means of calculating the net metering credit. The bill maintains that calculation if the CSG indicates to the utility that the CSG's

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

HOUSE
Amended 2nd Reading
February 17, 2023

subscribers' bill credits change annually. However, if the CSG indicates to the utility that the CSG's subscribers' bill credits remain fixed, the bill provides a different calculation for determining the net metering credit.

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

2 **SECTION 1.** In Colorado Revised Statutes, 40-2-127, **amend**
3 (5)(b)(II) as follows:

4 **40-2-127. Community energy funds - community solar**
5 **gardens - definitions - rules - legislative declaration - repeal.**

6 (5) **Purchases of the output from community solar gardens.**

7 (b) (II) (A) The purchase of the output of a community solar garden by
8 a qualifying retail utility ~~shall~~ **MUST** take the form of a net metering credit
9 against the qualifying retail utility's electric bill to each community solar
10 garden subscriber at the premises set forth in the subscriber's subscription.

11 (B) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE
12 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER
13 ORGANIZATION'S SUBSCRIBERS WITH A BILL CREDIT THAT CHANGES
14 ANNUALLY, the net metering credit ~~shall be~~ **IS** calculated by multiplying
15 the subscriber's share of the electricity production from the community
16 solar garden by the qualifying retail utility's total aggregate retail rate as
17 charged to the subscriber, minus a reasonable charge as determined by the
18 commission. **THE CHARGE WILL BE USED** to cover the utility's costs of
19 delivering to the subscriber's premises the electricity generated by the
20 community solar garden, integrating the solar generation with the utility's
21 system, and administering the community solar garden's contracts and net
22 metering credits.

23 (C) FOR A SUBSCRIBER ORGANIZATION THAT DIRECTS THE
24 QUALIFYING RETAIL UTILITY TO PROVIDE THE SUBSCRIBER

1 ORGANIZATION'S SUBSCRIBERS WITH A FIXED BILL CREDIT, THE NET
2 METERING CREDIT IS CALCULATED BY MULTIPLYING THE SUBSCRIBER'S
3 SHARE OF THE ELECTRICITY PRODUCTION FROM THE COMMUNITY SOLAR
4 GARDEN BY THE QUALIFYING RETAIL UTILITY'S TOTAL AGGREGATE RETAIL
5 RATE AS CHARGED TO THE SUBSCRIBER AT THE TIME THE SUBSCRIBER
6 ORGANIZATION APPLIES FOR OR BIDS CAPACITY INTO A UTILITY
7 COMMUNITY SOLAR GARDEN PROGRAM, MINUS A REASONABLE CHARGE, AS
8 DETERMINED BY THE COMMISSION AT THE TIME THE SUBSCRIBER
9 ORGANIZATION APPLIES FOR OR BIDS CAPACITY INTO A UTILITY
10 COMMUNITY SOLAR GARDEN PROGRAM. THE CHARGE WILL BE USED TO
11 COVER THE UTILITY'S COSTS RELATED TO: DELIVERING TO THE
12 SUBSCRIBER'S PREMISES THE ELECTRICITY GENERATED BY THE
13 COMMUNITY SOLAR GARDEN, INTEGRATING THE SOLAR GENERATION WITH
14 THE UTILITY'S SYSTEM, AND ADMINISTERING CONTRACTS AND NET
15 METERING CREDITS FOR THE COMMUNITY SOLAR GARDEN.

16 (D) FOR COMMUNITY SOLAR GARDENS ELIGIBLE FOR A FIXED BILL
17 CREDIT, AND SOLELY FOR THE PURPOSE OF APPLYING THE BILL CREDIT TO
18 A SUBSCRIBER'S BILL, THE BILL CREDIT SHALL NOT BE APPLIED TOWARD
19 THE FOLLOWING RATE RIDER CHARGES, UNLESS THE RATE RIDER CHARGES
20 ARE INCLUDED IN THE REASONABLE CHARGE: RATE RIDER CHARGES THAT
21 PROMOTE CLEAN ENERGY TECHNOLOGIES, INCLUDING BENEFICIAL
22 ELECTRIFICATION; RATE RIDER CHARGES THAT PROVIDE LOW-INCOME BILL
23 ASSISTANCE; OR RATE RIDER CHARGES THAT PROVIDE OTHER PUBLIC
24 BENEFITS AS DETERMINED BY THE COMMISSION.

25 (E) BY JUNE 30, 2024, THE COMMISSION SHALL ADOPT RULES TO
26 IMPLEMENT THE FIXED BILL CREDIT. THE RULES MUST CONSIDER THE
27 CHANGE OF VALUE TO COMMUNITY SOLAR GARDEN CUSTOMERS OF THE

1 FIXED BILL CREDIT OVER TIME THROUGH RATE ADJUSTMENTS OR OTHER
2 MECHANISMS.

3 (F) THE COMMISSION SHALL ALLOW A QUALIFYING RETAIL UTILITY
4 TO RECOVER THE COSTS INCURRED IN IMPLEMENTING AND MAINTAINING
5 BILLING SYSTEMS FOR THE VARIOUS BILL CREDIT PROCESSES REQUIRED
6 PURSUANT TO THIS SUBSECTION (5)(b)(II).

7 (G) The commission shall ensure that ~~this charge~~ THE
8 REASONABLE CHARGE THAT THE COMMISSION DETERMINES PURSUANT TO
9 SUBSECTIONS (5)(b)(II)(B) AND (5)(b)(II)(C) OF THIS SECTION does not
10 reflect costs that are already recovered by the utility from the subscriber
11 through other charges.

12 (H) If, and to the extent that, a subscriber's net metering credit
13 exceeds the subscriber's electric bill in any billing period, the net metering
14 credit shall be carried forward and applied against future bills.

15 (I) The qualifying retail utility and the owner of the community
16 solar garden shall MUST agree on whether the purchase of the renewable
17 energy credits from subscribers will be accomplished through a credit on
18 each subscriber's electricity bill or by a payment to the owner of the
19 community solar garden.

20 **SECTION 2. Act subject to petition - effective date.** This act
21 takes effect at 12:01 a.m. on the day following the expiration of the
22 ninety-day period after final adjournment of the general assembly; except
23 that, if a referendum petition is filed pursuant to section 1 (3) of article V
24 of the state constitution against this act or an item, section, or part of this
25 act within such period, then the act, item, section, or part will not take
26 effect unless approved by the people at the general election to be held in

- 1 November 2024 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.