



Energy

During the 2021 legislative session, the General Assembly considered several energy-related measures. These bills addressed the Public Utilities Commission's operations, the Colorado Energy Office's funding, renewable energy, electricity generation, transmission and use, and oil and gas.

Public Utilities Commission

The Public Utilities Commission (PUC) within the Colorado Department of Regulatory Agencies regulates public utilities in the state. *House Bill 21-1238* updates the methods used to determine the cost-effectiveness and other requirements of demand-side management (DSM) programs implemented by gas utilities. DSM programs aim to reduce end-use natural gas consumption in a cost-effective manner. The bill requires the PUC to review and approve DSM programs submitted by gas utilities starting in 2022.

House Bill 21-1269 directs the PUC to study the implementation, viability, and potential opt-out model of community choice energy in Colorado. The bill defines community choice energy as a mechanism that allows cities, counties, or groups of cities and counties to combine their purchasing power and choose alternative electricity suppliers.

The PUC operates and regulates a hazardous gas intrastate pipeline safety program. *Senate*

Bill 21-108 directs the PUC to expand its rules related to gas pipeline safety and increases the maximum penalty for violations of pipeline safety rules.

Senate Bill 21-261 makes various changes to Colorado the renewable energy standard (RES) and the regulation of distributed electricity by the PUC. Some changes to the RES under the bill include: increasing the size of distributed generation facilities from 120 percent to 200 percent of a customer's historical usage; allowing customers to carry forward monthly bill credits from distributed generation; and requiring qualifying retail utilities to purchase energy produced from any renewable energy source.

The bill directs the PUC to adopt rules to accommodate the aggregation and interconnection of retail distributed electricity generation. The bill also requires the PUC to adopt new rules that would enable landlords and tenants of multi-unit buildings to share in the production from a net metered retail distributed generation installation.

Colorado Energy Office

The Colorado Energy Office (CEO) within the Governor's Office promotes the use of renewable energy sources to meet Colorado's energy needs. *Senate Bill 21-230* transfers \$40 million from the General Fund to the

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Energy Fund within CEO. CEO is authorized to use these funds to advance energy efficiency and renewable energy through grants and other CEO programs. *Senate Bill 21-231* transfers \$3 million from the General Fund to CEO's Weatherization Assistance Program, which provides energy-efficiency services to income qualified Colorado residents.

Renewable Energy

The General Assembly considered numerous bills concerning renewable energy in the 2021 legislative session. *House Bill 21-1324* allows investor-owned electric utilities to submit proposals to the PUC for innovation energy technology projects and partnerships in Colorado. These projects must demonstrate no emissions of greenhouse gases, and must use a technology that has not been widely deployed in the United States. *House Bill 21-1253* transfers \$5 million from the General Fund to the Local Government Severance Tax Fund within the Colorado Department of Local Government. The department is required to use these funds to provide renewable and clean energy project grants to local governments within the state.

A career pathway allows individuals to pursue industry-relevant skills and certification, obtain employment within an occupational area, and advance to higher levels of education and employment. *House Bill 21-1149* requires the Workforce Development Council; the departments of Higher Education, Natural Resources, and Labor and Employment; the Office of Economic Development and International Trade, and the Colorado community college system to develop a career pathway for energy sector by the 2022-23 academic year. The bill also establishes the Strengthening Photovoltaic and Renewable Careers Workforce Development Program.

House Bill 21-1205 would have created an annual fee for plug-in electric vehicles to be used for maintenance of existing highways, streets, and roads. The bill was postponed indefinitely.

Electricity Generation, Transmission, & Use

Beneficial electrification is defined as converting the energy source of a customer's end use from a non-electric fuel source to a high-efficiency electric source. *Senate Bill 21-246* requires investor-owned electric utilities to file beneficial electricity plans with the PUC. These plans must include programs to advance beneficial electrification for residential and commercial customers, demonstrate that electric grid reliability will be maintained, and project fuel savings and cost-effectiveness calculations.

Senate Bill 21-072 requires transmission utilities to join organized wholesale markets, and expands the PUC's authority to install broadband facilities on an electric utility easement.

The bill also creates Colorado Electric Transmission Authority (transmission authority). The transmission authority has the power to: issue electric transmission bonds that are tax exempt; establish interstate electric transmission corridors; exercise the power of eminent domain to acquire eligible facilities; collect fees; and select a qualified transmission operator to finance, plan, acquire, maintain, and operate eligible facilities. The bill requires every transmission utility in Colorado to join an organized wholesale market by January 1, 2030. Finally, the bill requires the PUC to provide expedited reviews of new transmission facility applications and to issue a final order within 240 days after a utility's application to build new transmission facilities.

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Current law exempts cooperative electric associations with fewer than 25,000 member from certain statutory governance and transparency requirements. *House Bill 21-1131* modifies the requirements governing cooperative electric associations and eliminates this 25,000 member exemption. Some of the modifications under the bill include: authorizing electronic voting in elections and in meetings, requiring associations to post rates and net metering information on their websites, and expanding the transparency requirements for nonprofit generation and transmission cooperative electric associations.

Oil and Gas

The General Assembly considered two bills related to oil and gas in 2021. *House Bill 21-1034* would have invalidated any statute, rule, local ordinance or resolution that limits or prohibits the installation of systems or appliances that use natural gas or propane for cooking, hot water, space heating, or electrical generation in new and existing homes and business. *Senate Bill 21-114* would have required that newly constructed public school building sites be set back from existing oil and gas facilities at the same distance as new oil and gas facilities must be set back from existing schools. Both bills were postponed indefinitely.