

**Second Regular Session  
Sixty-seventh General Assembly  
STATE OF COLORADO**

**REVISED**

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

LLS NO. 10-1045.01 Thomas Morris

**HOUSE BILL 10-1418**

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**HOUSE SPONSORSHIP**

**McFadyen and Sonnenberg,**

**SENATE SPONSORSHIP**

**Bacon,**

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**House Committees**

Transportation & Energy

**Senate Committees**

Transportation

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**A BILL FOR AN ACT**

101 **CONCERNING REQUIREMENTS APPLICABLE TO COMMUNITY-BASED**  
102 **PROJECTS THAT QUALIFY FOR SPECIAL TREATMENT UNDER THE**  
103 **RENEWABLE ENERGY PORTFOLIO STANDARD.**

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**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://www.leg.state.co.us/billsummaries>.)*

With regard to the renewable energy portfolio standard, the bill:  
! Allows each kilowatt-hour of electricity generated from eligible energy resources at a community-based project to be counted as 2 kilowatt hours;

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

SENATE  
Am ended 2nd Reading  
May 10, 2010

HOUSE  
3rd Reading Unamended  
May 4, 2010

HOUSE  
Am ended 2nd Reading  
May 3, 2010

- ! Prohibits qualifying retail utilities from claiming the benefit of this new multiplier for any electricity that the qualifying retail utility claims for satisfaction of the distributed generation requirement enacted by House Bill 10-1001; and
- ! Modifies the definition of a "community-based project" to mean either a project that interconnects to electric transmission or distribution facilities owned by a Colorado cooperative electric association or municipal utility or a project that is owned by an organization or cooperative that is controlled by individual residents of the community.

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

2           **SECTION 1.** [REDACTED] 40-2-124 (1) (c) (VI) (A), Colorado  
3 Revised Statutes, is amended, and the said 40-2-124 (1) (c) is further  
4 amended BY THE ADDITION OF A NEW SUBPARAGRAPH, to read:

5           **40-2-124. Renewable energy standard - definitions - net**  
6 **metering.** (1) Each provider of retail electric service in the state of  
7 Colorado, other than municipally owned utilities that serve forty thousand  
8 customers or fewer, shall be considered a qualifying retail utility. Each  
9 qualifying retail utility, with the exception of cooperative electric  
10 associations that have voted to exempt themselves from commission  
11 jurisdiction pursuant to section 40-9.5-104 and municipally owned  
12 utilities, shall be subject to the rules established under this article by the  
13 commission. No additional regulatory authority of the commission other  
14 than that specifically contained in this section is provided or implied. In  
15 accordance with article 4 of title 24, C.R.S., the commission shall revise  
16 or clarify existing rules to establish the following:

17           (c) Electric resource standards:

18           (VI) Each kilowatt-hour of electricity generated from eligible  
19 energy resources at a community-based project shall be counted as one  
20 and one-half kilowatt-hours. [REDACTED] [REDACTED] For purposes of this

1 subparagraph (VI), "community-based project" means a project located  
2 in Colorado:

3 (A) That [REDACTED] is owned by individual residents of a  
4 community, ~~nonprofit~~ BY AN organization OR cooperative THAT IS  
5 CONTROLLED BY INDIVIDUAL RESIDENTS OF THE COMMUNITY, OR BY A  
6 local government entity or tribal council;

7 (IX) FOR PURPOSES OF STIMULATING RURAL ECONOMIC  
8 DEVELOPMENT AND FOR PROJECTS UP TO THIRTY MEGAWATTS OF  
9 NAMEPLATE CAPACITY THAT HAVE A POINT OF INTERCONNECTION RATED  
10 AT SIXTY-NINE KILOVOLTS OR LESS, EACH KILOWATT HOUR OF  
11 ELECTRICITY GENERATED FROM RENEWABLE ENERGY RESOURCES THAT  
12 INTERCONNECTS TO ELECTRIC TRANSMISSION OR DISTRIBUTION FACILITIES  
13 OWNED BY A COOPERATIVE ELECTRIC ASSOCIATION OR MUNICIPALLY  
14 OWNED UTILITY MAY BE COUNTED FOR THE LIFE OF THE PROJECT AS TWO  
15 KILOWATT HOURS FOR COMPLIANCE WITH THE REQUIREMENTS OF THIS  
16 PARAGRAPH (c) BY QUALIFYING RETAIL UTILITIES. == THIS MULTIPLIER  
17 SHALL NOT BE CLAIMED FOR INTERCONNECTIONS THAT FIRST OCCUR AFTER  
18 DECEMBER 31, 2014, AND SHALL NOT BE USED IN CONJUNCTION WITH  
19 ANOTHER COMPLIANCE MULTIPLIER. FOR QUALIFYING RETAIL UTILITIES  
20 OTHER THAN INVESTOR-OWNED UTILITIES, THE BENEFITS DESCRIBED IN  
21 THIS SUBPARAGRAPH (IX) APPLY ONLY TO THE AGGREGATE FIRST ONE  
22 HUNDRED MEGAWATTS OF NAMEPLATE CAPACITY OF PROJECTS STATEWIDE  
23 THAT REPORT HAVING ACHIEVED COMMERCIAL OPERATIONS TO THE  
24 COMMISSION PURSUANT TO THE PROCEDURE DESCRIBED IN THIS  
25 SUBPARAGRAPH (IX). TO THE EXTENT THAT A QUALIFYING RETAIL  
26 UTILITY CLAIMS THE BENEFIT DESCRIBED IN THIS SUBPARAGRAPH (IX),  
27 THOSE KILOWATT-HOURS OF ELECTRICITY DO NOT QUALIFY FOR

1 SATISFACTION OF THE DISTRIBUTED GENERATION REQUIREMENT OF  
2 SUBPARAGRAPH (I) OF THIS PARAGRAPH (c). THE COMMISSION SHALL  
3 ANALYZE THE IMPLEMENTATION OF THIS SUBPARAGRAPH (IX) AND SUBMIT  
4 A REPORT TO THE SENATE LOCAL GOVERNMENT AND ENERGY COMMITTEE  
5 AND THE HOUSE OF REPRESENTATIVES COMMITTEE ON TRANSPORTATION  
6 AND ENERGY, OR THEIR SUCCESSOR COMMITTEES, BY DECEMBER 31, 2011,  
7 REGARDING IMPLEMENTATION OF THIS SUBPARAGRAPH (IX), INCLUDING  
8 HOW MANY MEGAWATTS OF ELECTRICITY HAVE BEEN INSTALLED OR ARE  
9 SUBJECT TO A POWER PURCHASE AGREEMENT PURSUANT TO THIS  
10 SUBPARAGRAPH (IX) AND WHETHER THE COMMISSION RECOMMENDS THAT  
11 THE MULTIPLIER ESTABLISHED BY THIS SUBPARAGRAPH (IX) SHOULD BE  
12 CHANGED EITHER IN MAGNITUDE OR EXPIRATION DATE. ANY ENTITY THAT  
13 OWNS OR DEVELOPS A PROJECT THAT WILL TAKE ADVANTAGE OF THE  
14 BENEFITS OF THIS SUBPARAGRAPH (IX) SHALL NOTIFY THE COMMISSION  
15 WITHIN THIRTY DAYS AFTER SIGNING A POWER PURCHASE AGREEMENT  
16 AND WITHIN THIRTY DAYS AFTER BEGINNING COMMERCIAL OPERATIONS OF  
17 AN APPLICABLE PROJECT.

18         **SECTION 2. Act subject to petition - effective date -**  
19 **applicability.** (1) This act shall take effect at 12:01 a.m. on the day  
20 following the expiration of the ninety-day period after final adjournment  
21 of the general assembly (August 11, 2010, if adjournment sine die is on  
22 May 12, 2010); except that, if a referendum petition is filed pursuant to  
23 section 1 (3) of article V of the state constitution against this act or an  
24 item, section, or part of this act within such period, then the act, item,  
25 section, or part shall not take effect unless approved by the people at the  
26 general election to be held in November 2010 and shall take effect on the  
27 date of the official declaration of the vote thereon by the governor.

- 1           (2) The provisions of this act shall apply to conduct occurring on
- 2   or after the applicable effective date of this act.