

SENATE FILE NO. SF0042

Low-carbon reliable energy standards-amendments.

Sponsored by: Joint Minerals, Business & Economic  
Development Interim Committee

A BILL

for

1 AN ACT relating to public utilities; amending requirements  
2 and deadlines for low-carbon energy generation standards;  
3 amending reporting requirements for meeting the low-carbon  
4 energy standards; amending rate recovery mechanisms  
5 associated with low-carbon energy standards; requiring  
6 rulemaking; and providing for an effective date.

7

8 *Be It Enacted by the Legislature of the State of Wyoming:*

9

10 **Section 1.** W.S. 37-18-101(a)(iii) and 37-18-102(a)(i)  
11 through (iv), (v)(A), (c)(iii) and (e) are amended to  
12 read:

13

14 **37-18-101. Definitions.**

15

1 (a) As used in this article:

2

3 (iii) "Low-carbon" means electricity that is  
4 generated while using carbon capture, utilization and  
5 storage technology that ~~produces carbon emissions~~ captures  
6 not ~~greater~~ less than ~~six hundred fifty (650) pounds~~  
7 eighteen thousand seven hundred fifty (18,750) metric tons  
8 of carbon dioxide ~~per megawatt hour of generated~~  
9 electricity averaged over during one (1) calendar year and  
10 that has a capture design capacity of not less than  
11 seventy-five percent (75%) of the baseline carbon dioxide  
12 production of the generation unit as specified in 26 U.S.C.  
13 § 45Q(e)(2).

14

15 **37-18-102. Energy generation portfolio standards;**  
16 **reporting requirements; rate recovery and limitations.**

17

18 (a) Consistent with the objective of ensuring Wyoming  
19 electric utilities maintain access to reliable and cost  
20 effective electric generation resources, the public service  
21 commission shall establish by rule energy portfolio  
22 standards that will maximize the use of dispatchable and

1 reliable low-carbon electricity. In establishing standards,  
2 the commission:

3  
4 (i) Shall require a public utility serving more  
5 than ten thousand (10,000) Wyoming electric customers to  
6 generate a specified percentage of electricity ~~generated to~~  
7 ~~be that is~~ dispatchable and reliable low-carbon electricity  
8 from an existing coal-fired generation unit or an  
9 equivalent new coal-fueled generation unit;

10

11 (ii) Shall establish a date not later than July  
12 1, ~~2030~~2033 for requiring a percentage of electricity  
13 generated by a public utility to be dispatchable and  
14 reliable low-carbon electricity taking into consideration  
15 any potentially expiring federal tax credits;

16

17 (iii) Shall establish intermediate ~~standards and~~  
18 requirements for dispatchable and reliable low-carbon  
19 electricity that public utilities must generate before the  
20 electricity generation standard established in paragraphs  
21 (i) and (ii) of this subsection;

22

1           (iv) Beginning July 1, 2024, shall require each  
2 public utility ~~to demonstrate in each integrated resource~~  
3 ~~plan submitted~~ to file with the commission an annual report  
4 outlining the steps in the past calendar year the public  
5 utility ~~is taking~~ has taken to determine the market for  
6 carbon or carbon dioxide from the electricity generation  
7 and to achieve the electricity generation standard  
8 established in paragraphs (i) through (iii) of this  
9 subsection. In the annual report required under this  
10 paragraph, each public utility shall, for purposes of  
11 determining the market for carbon or carbon dioxide from  
12 electricity generation, report the potential customers or  
13 organizations representing potential customers the public  
14 utility has contacted and any information or estimates the  
15 customers are willing to make public on the quantities of  
16 carbon or carbon dioxide they may need, the breakeven  
17 prices or price range the customers estimate needing for  
18 carbon dioxide, oil and gas and the effect of any  
19 sequestration subsidies available. The commission shall, as  
20 appropriate, append to each annual report filed under this  
21 paragraph any relevant written comments the commission has  
22 received from potential carbon dioxide customers;

23

1 (v) Shall for each public utility:

2

3 (A) Not later than December 15, 2024,

4 Establish baseline standards for electric reliability to

5 ensure adequate reliable dispatchable power in Wyoming. The

6 standards established under this subparagraph may include

7 limits on outages and shall ensure that new or expanded

8 intermittent generation resources do not unreasonably

9 diminish power quality or increase momentary outages across

10 a utility's service territory or in any particular

11 location;

12

13 (c) Subject to W.S. 37-3-117(a) and the limitation in

14 subsection (b) of this section, the commission shall

15 consider the following when establishing reasonable rates

16 for a public utility working toward and achieving the

17 electricity generation standards established under

18 subsection (a) of this section:

19

20 (iii) To the extent a public utility can

21 demonstrate that it will incur incremental costs to comply

22 with the reliable and dispatchable low-carbon energy

23 standard, the commission shall authorize the public utility

1 to implement a rate recovery mechanism that collects a  
2 surcharge from customers not to exceed two percent (2%) of  
3 each customer's total electric bill to provide for the  
4 recovery of the prudently incurred incremental costs to  
5 comply with the reliable and dispatchable low-carbon energy  
6 standard. A rate recovery mechanism may be authorized and  
7 established prior to the public utility incurring  
8 incremental costs to comply with the reliable and  
9 dispatchable low-carbon energy standard and the public  
10 utility may retain funds collected through a mechanism in a  
11 regulatory account approved by the commission to offset  
12 future costs. To the extent the rate recovery mechanism is  
13 insufficient to compensate the public utility for its  
14 prudently incurred incremental costs to comply with the  
15 reliable and dispatchable low-carbon energy standard, the  
16 commission shall take such actions as necessary  
17 ~~notwithstanding any other provision of this section~~ to  
18 ensure the public utility is able to recover its prudently  
19 incurred incremental costs and customers are not charged  
20 for those incremental costs other than through the rate  
21 recovery mechanism specified in this subsection. No rate  
22 recovery shall be allowed by the commission under this  
23 paragraph after the public utility commences operation of

1 the carbon capture, utilization and storage technology for  
2 which the public utility has recovered rates under this  
3 paragraph. If the public utility's attempt to determine the  
4 market for carbon dioxide is inadequate, as determined by  
5 the commission, the commission shall deny the public  
6 utility the rate recovery authorized by this paragraph.

7  
8 (e) Beginning in 2023, and occurring every second  
9 year thereafter, the commission shall report to the  
10 ~~legislature~~ joint minerals, business and economic  
11 development interim committee and the joint corporations,  
12 elections and political subdivisions interim committee  
13 regarding implementation of the electricity portfolio  
14 standards and recommend whether it should be continued,  
15 modified or repealed. To the extent the electricity  
16 portfolio standards are modified or discontinued, nothing  
17 shall impair the ability of a public utility that has  
18 incurred costs to comply with the electricity portfolio  
19 standards to recover its prudently incurred costs as  
20 authorized by the commission.

21  
22 **Section 2.** The public service commission shall  
23 promulgate all rules necessary to implement this act. As

1 part of this rulemaking process, the public service  
2 commission shall amend deadlines for public utilities to  
3 submit final plans for achieving low-carbon energy  
4 production standards to the commission to account for the  
5 extension of deadlines provided by section 1 of this act.

6

7       **Section 3.** This act is effective immediately upon  
8 completion of all acts necessary for a bill to become law  
9 as provided by Article 4, Section 8 of the Wyoming  
10 Constitution.

11

12

(END)