

First Regular Session
Seventieth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 15-0479.01 Jennifer Berman x3286

SENATE BILL 15-120

SENATE SPONSORSHIP

Jones,

HOUSE SPONSORSHIP

Winter,

Senate Committees

Agriculture, Natural Resources, & Energy

House Committees

A BILL FOR AN ACT

101 CONCERNING A REQUIREMENT THAT EACH PROVIDER OF RETAIL
102 ELECTRIC SERVICE IN COLORADO DEVELOP AN ELECTRIC GRID
103 MODERNIZATION PLAN.

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/bills summaries>.)

The bill requires all providers of retail electric service in Colorado, including municipal utilities and cooperative electric associations, to develop a grid modernization plan outlining how the provider, over a 10-year period, proposes to make measurable progress toward the following grid modernization objectives:

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.

- ! Optimizing demand-side management;
- ! Optimizing supply-side management;
- ! Achieving advanced metering functionality within 5 years;
- ! Increasing electric grid reliability by improving integration capabilities for distributed resources; and
- ! Achieving advanced metering infrastructure functionality within 5 years.

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

2 **SECTION 1.** In Colorado Revised Statutes, **add** 40-4-120 as
3 follows:

4 **40-4-120. Grid modernization plans - legislative declaration**
5 **- reporting - rules - repeal.** (1) **Legislative declaration.** THE GENERAL
6 ASSEMBLY FINDS AND DECLARES THAT MODERNIZING COLORADO'S
7 ELECTRIC GRID WITH A MORE SECURE AND RESILIENT INFRASTRUCTURE,
8 MORE INNOVATIVE TECHNOLOGIES, AND IMPROVEMENTS IN DEMAND-SIDE
9 MANAGEMENT WILL:

10 (a) PROVIDE A MORE RELIABLE ELECTRIC SYSTEM THAT REDUCES
11 LOSSES FROM WEATHER-RELATED OUTAGES AND GRID INEFFICIENCIES,
12 BETTER INTEGRATES DISTRIBUTED RESOURCES LIKE RENEWABLE ENERGY
13 AND ENERGY STORAGE, AND EMPOWERS CUSTOMERS TO MANAGE AND
14 REDUCE THEIR ENERGY COSTS;

15 (b) PROVIDE CUSTOMERS WITH THE ABILITY TO MAKE INFORMED
16 DECISIONS ABOUT ENERGY USE AND ADOPT COST-SAVING TECHNOLOGIES
17 AND SERVICES; AND

18 (c) DRIVE ECONOMIC ACTIVITY AND JOB CREATION WITHIN THE
19 ENERGY SERVICES INDUSTRY IN COLORADO.

20 (2) **Grid modernization plans.** THE COMMISSION SHALL REQUIRE
21 THAT EACH PROVIDER OF RETAIL ELECTRIC SERVICE IN COLORADO
22 SUBJECT TO REGULATION BY THE COMMISSION SUBMIT A GRID

1 MODERNIZATION PLAN TO THE COMMISSION THAT DESCRIBES HOW THE
2 PROVIDER PROPOSES TO MAKE MEASURABLE PROGRESS TOWARD THE
3 FOLLOWING GRID MODERNIZATION OBJECTIVES AT THE DISTRIBUTION
4 LEVEL:

5 (a) OPTIMIZING DEMAND-SIDE MANAGEMENT BY:

6 (I) REDUCING PEAK DEMAND;

7 (II) IMPROVING END-USE EFFICIENCY;

8 (III) ENABLING DEMAND RESPONSE TECHNOLOGIES;

9 (IV) ENABLING TIME-OF-USE RATE DESIGNS; AND

10 (V) SECURING AND ENABLING CONSUMER CONTROL OF DATA;

11 (b) OPTIMIZING SUPPLY-SIDE MANAGEMENT BY:

12 (I) IMPROVING EFFICIENCIES IN SUPPLY DELIVERY AND RESOURCE
13 MANAGEMENT;

14 (II) IMPROVING EMERGENCY RESPONSE CAPABILITIES THROUGH
15 INTELLIGENT INFRASTRUCTURE; AND

16 (III) REDUCING THE NUMBER AND DURATION OF OUTAGES CAUSED
17 BY EXTREME WEATHER EVENTS;

18 (c) INCREASING ELECTRIC GRID RELIABILITY BY IMPROVING
19 INTEGRATION CAPABILITIES FOR DISTRIBUTED RESOURCES INCLUDING:

20 (I) RENEWABLE ENERGY RESOURCES;

21 (II) ELECTRIC VEHICLES;

22 (III) ELECTRICITY STORAGE TECHNOLOGIES; AND

23 (IV) MICROGRIDS; AND

24 (d) ACHIEVING ADVANCED METERING INFRASTRUCTURE
25 FUNCTIONALITY WITHIN FIVE YEARS. FOR PURPOSES OF A GRID
26 MODERNIZATION PLAN, ADVANCED METERING INFRASTRUCTURE
27 FUNCTIONALITY INCLUDES TECHNOLOGIES THAT:

1 (I) ENABLE A CUSTOMER TO WIRELESSLY ACCESS ENERGY-USE
2 DATA;

3 (II) PROVIDE ENERGY-USE DATA AT A MINIMUM OF
4 FIFTEEN-MINUTE INTERVALS; AND

5 (III) ENABLE A CUSTOMER TO INDEPENDENTLY AUTHORIZE
6 THIRD-PARTY SERVICE COMPANIES TO ACCESS REAL-TIME ENERGY DATA.

7 (3) **Components of a grid modernization plan.** IN DEVELOPING
8 A GRID MODERNIZATION PLAN, A PROVIDER SHALL:

9 (a) INCLUDE:

10 (I) AN OUTLINE OF THE TIMING AND PRIORITIES OF GRID
11 MODERNIZATION EFFORTS AND INVESTMENTS OVER A TEN-YEAR PERIOD;

12 (II) A PLAN FOR CUSTOMER MARKETING, EDUCATION, AND
13 OUTREACH;

14 (III) DEFINED MEASURABLE OUTCOMES;

15 (IV) ESTIMATED COSTS FOR GRID MODERNIZATION AND PROPOSED
16 COST-RECOVERY PRACTICES; AND

17 (V) A SHORT-TERM CAPITAL INVESTMENT PLAN; AND

18 (b) SOLICIT STAKEHOLDERS' INPUT ON THE PLAN.

19 (4) **Schedule of grid modernization plan.** (a) A PROVIDER
20 SHALL SUBMIT A DRAFT GRID MODERNIZATION PLAN TO THE COMMISSION
21 WITHIN NINE MONTHS AFTER THE EFFECTIVE DATE OF THIS SECTION. ONCE
22 THE DRAFT PLAN IS APPROVED BY THE COMMISSION, THE PROVIDER SHALL
23 ALSO SUBMIT A COPY OF THE FINAL PLAN TO THE COLORADO ENERGY
24 OFFICE. THE COMMISSION MAY ESTABLISH THE FORM AND MANNER IN
25 WHICH GRID MODERNIZATION PLANS SHOULD BE SUBMITTED.

26 (b) THE COMMISSION SHALL PROVIDE:

27 (I) PUBLIC NOTICE OF:

1 (A) ANY COMMISSION MEETINGS REGARDING GRID
2 MODERNIZATION PLANS; AND

3 (B) THE TIME FRAMES FOR PROVIDERS' SUBMISSIONS OF GRID
4 MODERNIZATION PLANS; AND

5 (II) UPON RECEIPT OF A PROVIDER'S DRAFT GRID MODERNIZATION
6 PLAN, A PROCESS FOR PUBLIC COMMENT ON THE GRID MODERNIZATION
7 PLAN.

8 (5) **Review of plans.** (a) WITHIN THREE MONTHS AFTER
9 RECEIVING A PROVIDER'S DRAFT PLAN, THE COMMISSION SHALL REVIEW
10 THE DRAFT PLAN, PROVIDE ANY COMMISSION OR PUBLIC FEEDBACK ON THE
11 DRAFT PLAN, AND, IN WRITING, APPROVE A FINAL PLAN.

12 (b) A PROVIDER SHALL COMMENCE IMPLEMENTATION OF ITS FINAL
13 PLAN WITHIN THREE MONTHS AFTER THE DATE OF THE COMMISSION'S
14 WRITTEN APPROVAL OF THE PLAN.

15 (6) THE COMMISSION SHALL PREAUTHORIZE A CAPITAL
16 INVESTMENT IDENTIFIED IN THE PROVIDER'S SHORT-TERM CAPITAL
17 INVESTMENT PLAN DEVELOPED PURSUANT TO SUBPARAGRAPH (V) OF
18 PARAGRAPH (a) OF SUBSECTION (3) OF THIS SECTION IF THE CAPITAL
19 INVESTMENT IS ASSOCIATED WITH ADVANCED METERING INFRASTRUCTURE
20 FUNCTIONALITY USING A FUTURE-YEAR TEST.

21 (7) **Rules.** THE COMMISSION MAY PROMULGATE RULES TO
22 IMPLEMENT THIS SECTION.

23 (8) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

24 **SECTION 2.** In Colorado Revised Statutes, **add** 40-3.5-108 as
25 follows:

26 **40-3.5-108. Grid modernization plans - repeal.** (1) A
27 MUNICIPALLY OWNED ELECTRIC UTILITY SERVING MORE THAN FORTY

1 THOUSAND METERS SHALL SUBMIT A GRID MODERNIZATION PLAN MEETING
2 THE REQUIREMENTS SET FORTH IN SECTION 40-4-120 TO THE GOVERNING
3 BODY OVERSEEING THE MUNICIPALLY OWNED ELECTRIC UTILITY. THE
4 GOVERNING BODY SHALL REVIEW THE GRID MODERNIZATION PLAN IN
5 ACCORDANCE WITH THE REVIEW PROCESS SET FORTH IN SECTION 40-4-120.
6 THE MUNICIPALLY OWNED ELECTRIC UTILITY SHALL SUBMIT ITS FINAL
7 PLAN TO THE COLORADO ENERGY OFFICE.

8 (2) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

9 **SECTION 3.** In Colorado Revised Statutes, **add** 40-9.5-119 as
10 follows:

11 **40-9.5-119. Grid modernization plans - repeal.** (1) A
12 COOPERATIVE ELECTRIC ASSOCIATION SHALL SUBMIT A GRID
13 MODERNIZATION PLAN THAT MEETS THE REQUIREMENTS SET FORTH IN
14 SECTION 40-4-120 TO THE BOARD OF DIRECTORS OF THE COOPERATIVE
15 ELECTRIC ASSOCIATION. THE BOARD OF DIRECTORS SHALL REVIEW THE
16 GRID MODERNIZATION PLAN IN ACCORDANCE WITH THE REVIEW PROCESS
17 SET FORTH IN SECTION 40-4-120. THE COOPERATIVE ELECTRIC
18 ASSOCIATION SHALL SUBMIT ITS FINAL PLAN TO THE COLORADO ENERGY
19 OFFICE.

20 (2) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2027.

21 **SECTION 4.** In Colorado Revised Statutes, 24-38.5-102, **add** (4)
22 as follows:

23 **24-38.5-102. Colorado energy office - duties and powers -**
24 **repeal.** (4) (a) THE COLORADO ENERGY OFFICE SHALL POST ON ITS WEB
25 SITE ALL GRID MODERNIZATION PLANS THAT IT RECEIVES PURSUANT TO
26 SECTIONS 40-4-120, 40-3.5-108, AND 40-9.5-119, C.R.S.

27 (b) ON OR BEFORE FEBRUARY 1, 2016, AND ANNUALLY

1 THEREAFTER, THE COLORADO ENERGY OFFICE SHALL REPORT ON THE
2 PROGRESS OF THE GRID MODERNIZATION PLANS TO THE COMMITTEES IN
3 THE HOUSE OF REPRESENTATIVES AND THE SENATE THAT HEAR MATTERS
4 CONCERNING ENERGY. ON OR BEFORE FEBRUARY 1, 2026, THE COLORADO
5 ENERGY OFFICE SHALL GIVE A FINAL REPORT ON THE IMPLEMENTATION OF
6 THE GRID MODERNIZATION PLANS.

7 (c) NOTHING IN THIS SUBSECTION (4) PROVIDES THE COLORADO
8 ENERGY OFFICE WITH OVERSIGHT OF UTILITIES.

9 (d) THIS SUBSECTION (4) IS REPEALED, EFFECTIVE JULY 1, 2027.

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