

Second Regular Session
Sixty-seventh General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 10-0969.01 Duane Gall

SENATE BILL 10-180

SENATE SPONSORSHIP

Williams, Penry, Schwartz, Kester, Boyd, Carroll M., Hudak, Johnston, Morse, Romer, Bacon, Heath, Hodge, Keller, Newell, Shaffer B., Tapia

HOUSE SPONSORSHIP

Kerr A., Casso, Court, Curry, Fischer, Hullinghorst, Miklosi, Solano

Senate Committees

Local Government and Energy

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE DEVELOPMENT OF A SMART GRID FOR COLORADO,**
102 **AND, IN CONNECTION THEREWITH, CONVENING A TASK FORCE**
103 **TO RECOMMEND LEGISLATIVE AND ADMINISTRATIVE MEASURES**
104 **TO ENCOURAGE THE ORDERLY IMPLEMENTATION OF SMART**
105 **GRID TECHNOLOGY IN COLORADO.**

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>.)

The bill creates a 9-member Colorado smart grid task force to

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.

gather information and report to the general assembly and the Colorado public utilities commission on issues related to the implementation of a smart energy grid in Colorado. The task force's initial report is due by January 20, 2011, and the task force is directed to meet periodically to update the information in the report. The bill provides for funding of the task force's activities through gifts, grants, and donations and contains a 5-year sunset provision.

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

2 **SECTION 1.** Article 4 of title 40, Colorado Revised Statutes, is
3 amended BY THE ADDITION OF A NEW SECTION to read:

4 **40-4-118. Colorado smart grid task force - fund - definition -**
5 **reports - repeal.** (1) **Task force.** (a) THERE IS HEREBY CREATED THE
6 COLORADO SMART GRID TASK FORCE, ALSO REFERRED TO IN THIS SECTION
7 AS THE "TASK FORCE". THE TASK FORCE SHALL PROVIDE TECHNICAL
8 EXPERTISE AND STRATEGIC POLICY RECOMMENDATIONS, FROM A
9 STATEWIDE PERSPECTIVE, TO THE COMMISSION AND THE GENERAL
10 ASSEMBLY. THE TASK FORCE'S PRIMARY TASK IS TO PRODUCE A REPORT
11 CONTAINING RECOMMENDATIONS TO FACILITATE THE TRANSITION TO A
12 SECURE, RESILIENT, AND TECHNOLOGICALLY ADVANCED ELECTRIC GRID,
13 ALSO REFERRED TO IN THIS SECTION AS THE "SMART GRID", FOR USE BY
14 ALL COLORADO RESIDENTS, BUSINESSES, AND GOVERNMENTAL AGENCIES.

15 (b) THE TASK FORCE SHALL ELECT A CHAIR AND A VICE-CHAIR
16 FROM ITS MEMBERS AT ITS FIRST MEETING.

17 (c) IN COLLECTING INFORMATION FOR ITS REPORT, THE TASK FORCE
18 SHALL:

19 (I) HOLD AT LEAST FOUR MEETINGS, WHICH SHALL BE OPEN TO THE
20 PUBLIC. THE TASK FORCE SHALL SOLICIT AND RECEIVE COMMENTS,
21 INCLUDING WRITTEN COMMENTS, FROM MEMBERS OF THE PUBLIC. THE
22 TASK FORCE MAY DETERMINE THE MANNER IN WHICH SUCH COMMENTS

1 ARE RECEIVED.

2 (II) CONSIDER AND GIVE WEIGHT TO ANY COMMENTS RECEIVED
3 FROM THE GENERAL PUBLIC AS WELL AS WRITTEN COMMENTS FROM
4 AFFECTED COUNTIES, CITIES, STATE AGENCIES, ELECTRIC UTILITIES AND
5 THEIR CUSTOMERS, ENVIRONMENTAL GROUPS, AND OTHER INTERESTED
6 STAKEHOLDERS;

7 (III) CONSIDER AND GIVE WEIGHT TO RESEARCH PAPERS AND
8 TECHNICAL INFORMATION MADE AVAILABLE THROUGH CURRENT
9 RESEARCH PROJECTS AT THE COMMISSION AND ACADEMIC INSTITUTIONS
10 AND FROM PRIVATE CITIZENS; AND

11 (IV) TAKE NOTICE OF PROCEEDINGS BEFORE THE COMMISSION
12 ADDRESSING SMART GRID DEVELOPMENT, CONFER WITH COMMISSIONERS
13 AND COMMISSION STAFF, AND CONSIDER AND GIVE WEIGHT TO THE
14 RECORDS, FINDINGS, AND DECISIONS IN THOSE PROCEEDINGS.

15 (2) **Membership.** (a) THE TASK FORCE CONSISTS OF NINE
16 MEMBERS AS FOLLOWS:

17 (I) THE DIRECTOR OF THE GOVERNOR'S ENERGY OFFICE, CREATED
18 IN SECTION 24-38.5-101, C.R.S., OR HIS OR HER DESIGNEE, WHO SHALL
19 CONVENE THE TASK FORCE AND WHO IS AUTHORIZED TO CONTRACT WITH
20 A MEDIATOR OR OTHER THIRD PARTY TO FACILITATE ACCOMPLISHMENT OF
21 THE TASK FORCE'S DUTIES;

22 (II) FOUR MEMBERS APPOINTED BY THE GOVERNOR AS FOLLOWS:

23 (A) ONE MEMBER REPRESENTING INVESTOR-OWNED ELECTRIC
24 UTILITIES;

25 (B) ONE MEMBER REPRESENTING MUNICIPAL UTILITIES;

26 (C) ONE MEMBER REPRESENTING COOPERATIVE ELECTRIC
27 ASSOCIATIONS; AND

1 (D) ONE MEMBER WITH EXPERTISE IN ENERGY POLICY AND
2 REGULATION AT THE STATE AND FEDERAL LEVEL;

3 (III) TWO MEMBERS APPOINTED BY THE PRESIDENT OF THE SENATE,
4 IN CONSULTATION WITH THE MINORITY LEADER OF THE SENATE, AS
5 FOLLOWS:

6 (A) ONE MEMBER REPRESENTING DEVELOPERS OF SMART GRID
7 SOFTWARE, HARDWARE, OR SERVICES; AND

8 (B) ONE MEMBER REPRESENTING CONSUMER PROTECTION; AND

9 (IV) TWO MEMBERS APPOINTED BY THE SPEAKER OF THE HOUSE OF
10 REPRESENTATIVES, IN CONSULTATION WITH THE MINORITY LEADER OF THE
11 HOUSE OF REPRESENTATIVES, AS FOLLOWS:

12 (A) ONE MEMBER REPRESENTING ACADEMIC RESEARCH AND
13 DEVELOPMENT OF SMART GRID TECHNOLOGY; AND

14 (B) ONE MEMBER WITH EXPERTISE IN ENGINEERING STANDARDS,
15 PROTOCOLS, AND TECHNICAL REQUIREMENTS FOR SMART GRID
16 DEPLOYMENT.

17 (b) MEMBERS OF THE TASK FORCE SHALL BE APPOINTED WITHIN
18 THIRTY DAYS AFTER THE EFFECTIVE DATE OF THIS SECTION.

19 (c) VACANCIES SHALL BE FILLED BY APPOINTMENT BY THE
20 OFFICIAL WHO APPOINTED THE MEMBER WHOSE ABSENCE RESULTED IN THE
21 VACANCY.

22 (3) **Duties - initial report - updates - issues.** (a) THE TASK
23 FORCE SHALL DEVELOP AN INITIAL REPORT, DESIGNATED THE 2011
24 COLORADO SMART GRID REPORT, IN WHICH THE TASK FORCE ADDRESSES
25 THE POLICY IMPLICATIONS OF, AND THE TASK FORCE'S RECOMMENDATIONS
26 FOR LEGISLATIVE AND ADMINISTRATIVE RESPONSES TO, THE FOLLOWING
27 ISSUES RELEVANT TO THE DEVELOPMENT OF A SMART GRID IN COLORADO:

- 1 (I) CONSUMER PROTECTION AND PRIVACY;
- 2 (II) GRID RELIABILITY;
- 3 (III) CYBER-SECURITY;
- 4 (IV) COMMUNICATION AND TECHNICAL STANDARDS;
- 5 (V) DISTRIBUTED GENERATION;
- 6 (VI) TRANSPORTATION ELECTRIFICATION;
- 7 (VII) WORKFORCE AND ECONOMIC DEVELOPMENT ISSUES;
- 8 (VIII) ENERGY EFFICIENCY AND DEMAND RESPONSE;
- 9 (IX) CARBON DIOXIDE EMISSION REDUCTION POTENTIAL; AND
- 10 (X) RENEWABLE ENERGY SYSTEM INTEGRATION.

11 (b) THE TASK FORCE SHALL PERIODICALLY REVISIT THE ISSUES SET
12 FORTH IN PARAGRAPH (a) OF THIS SUBSECTION (3) AND UPDATE THE
13 REPORT WITH NEW INFORMATION OR RECOMMENDATIONS AS THE TASK
14 FORCE DEEMS ADVISABLE.

15 (4) **Timeline.** THE TASK FORCE SHALL PRODUCE AND DELIVER ITS
16 INITIAL REPORT UNDER SUBSECTION (3) OF THIS SECTION TO THE
17 GOVERNOR, THE COMMISSION, AND THE GENERAL ASSEMBLY ON OR
18 BEFORE JANUARY 20, 2011, AND SHALL MEET AT LEAST ANNUALLY
19 THEREAFTER TO REVIEW THE REPORT, RECEIVE ADDITIONAL INFORMATION,
20 AND CONSIDER UPDATES TO THE REPORT.

21 (5) **Funding.** (a) THE GOVERNOR'S ENERGY OFFICE MAY ACCEPT
22 PRIVATE GIFTS, GRANTS, AND DONATIONS FOR THE PURPOSE OF PROVIDING
23 SUPPORT TO THE TASK FORCE TO PERFORM ITS RESPONSIBILITIES SPECIFIED
24 IN THIS SECTION. ANY SUCH GIFTS, GRANTS, AND DONATIONS SHALL BE
25 HELD IN A SEPARATE ACCOUNT WITHIN THE CLEAN ENERGY FUND CREATED
26 IN SECTION 24-75-1201, C.R.S., AND SHALL BE AVAILABLE TO THE OFFICE
27 AND THE TASK FORCE ONLY FOR THE PURPOSE OF CARRYING OUT THE TASK

1 FORCE'S DUTIES UNDER THIS SECTION. THE ACCOUNT SHALL ALSO CONSIST
2 OF MONEYS APPROPRIATED AND TRANSFERRED TO THE ACCOUNT. ANY
3 UNEXPENDED OR UNENCUMBERED MONEYS REMAINING IN THE ACCOUNT
4 AS OF JANUARY 1, 2015, SHALL REVERT TO THE CLEAN ENERGY FUND TO
5 BE USED BY THE GOVERNOR'S ENERGY OFFICE.

6 (b) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
7 GOVERNOR'S ENERGY OFFICE NOT BE REQUIRED TO SOLICIT GIFTS, GRANTS,
8 OR DONATIONS FROM ANY SOURCE FOR THE PURPOSES OF THIS SECTION
9 AND THAT NO GENERAL FUND MONEYS BE USED TO PAY FOR GRANTS
10 AWARDED PURSUANT TO THIS SECTION OR FOR ANY EXPENSES OF THE TASK
11 FORCE.

12 (c) IF, BY JUNE 1, 2010, MONEYS IN THE FUND CREATED PURSUANT
13 TO PARAGRAPH (a) OF THIS SUBSECTION (5) HAVE NOT REACHED AN
14 AMOUNT SUFFICIENT TO PAY THE EXPENSES OF THE TASK FORCE, THE TASK
15 FORCE SHALL NOT MEET NOR UNDERTAKE ANY OTHER DUTIES PURSUANT
16 TO THIS SECTION, AND THE GOVERNOR'S ENERGY OFFICE SHALL RETURN TO
17 EACH GRANTOR OR DONOR AN AMOUNT EQUAL TO SUCH GRANTOR'S OR
18 DONOR'S CONTRIBUTION. THE INTEREST, IF ANY, EARNED FROM THE
19 INVESTMENT OF MONEYS IN THE ACCOUNT SHALL BE TRANSFERRED TO THE
20 GENERAL FUND.

21 (6) **Definition.** AS USED IN THIS SECTION, "SMART GRID" MEANS A
22 STATEWIDE OR REGIONAL SYSTEM FOR ELECTRIC TRANSMISSION OR
23 DISTRIBUTION, OR BOTH, THAT INCORPORATES ONE OR MORE OF THE
24 FOLLOWING FUNCTIONALITIES:

25 (a) ENABLING CONSUMERS TO PARTICIPATE ACTIVELY AS PART OF
26 AN ENERGY MARKET USING INFORMATION, CONTROL, AND OPTIONS NOT
27 PREVIOUSLY AVAILABLE TO CONSUMERS;

1 (b) INTEGRATING DIFFERENT TYPES AND SIZES OF ELECTRICAL
2 GENERATION SYSTEMS USING SIMPLIFIED INTERCONNECTION PROCESSES
3 AND UNIVERSAL INTEROPERABILITY STANDARDS;

4 (c) LINKING ENERGY BUYERS AND SELLERS THROUGH
5 TECHNOLOGIES ALLOWING CONSUMERS AND THIRD PARTIES TO BID THEIR
6 ENERGY RESOURCES INTO THE ELECTRICITY MARKET;

7 (d) MONITORING, DIAGNOSING, AND RESPONDING TO POWER
8 QUALITY DEFICIENCIES;

9 (e) OPTIMIZING THE USE OF SYSTEM ASSETS AND ENHANCING
10 OVERALL EFFICIENCY THROUGH IMPROVED LOAD FACTORS AND BETTER
11 MANAGEMENT OF OUTAGES;

12 (f) ANTICIPATING AND AUTOMATICALLY RESPONDING TO SYSTEM
13 DEFICIENCIES;

14 (g) OPERATING RESILIENTLY WHEN CONFRONTED WITH A
15 CYBER-ATTACK OR NATURAL DISASTER; AND

16 (h) MAXIMIZING EFFICIENCY AND DEMAND RESPONSE.

17 (7) **Repeal.** THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2015.

18 **SECTION 2. Safety clause.** The general assembly hereby finds,
19 determines, and declares that this act is necessary for the immediate
20 preservation of the public peace, health, and safety.