

Second Regular Session
Sixty-sixth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 08-0033.02 Thomas Morris

HOUSE BILL 08-1164

HOUSE SPONSORSHIP

Solano, Benefield, Fischer, Levy, Casso, Kerr A., Madden, Merrifield, Peniston, and Todd

SENATE SPONSORSHIP

Schwartz, and Tupa

House Committees

Transportation & Energy

Senate Committees

A BILL FOR AN ACT

101 CONCERNING THE ADVANCEMENT OF NEW SOLAR ENERGY
102 TECHNOLOGIES.

Bill Summary

(Note: This summary applies to this bill as introduced and does not necessarily reflect any amendments that may be subsequently adopted.)

Declares it to be in the best interests of this state to develop and utilize Colorado's solar resources. Directs the public utilities commission to:

- Encourage utilities to exceed minimum renewable resource standards;
- Give full consideration to the likelihood of new environmental regulation and the risk of higher future costs

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.

associated with the emission of greenhouse gases such as carbon dioxide when it considers utility proposals to acquire resources;

- Consider whether acquisition of utility-scale solar resources is in the public interest, taking into account the associated costs and benefits, and, if so, the appropriate amount of utility-scale solar resources that should be acquired; and
- Periodically review and publish conclusions regarding the operational and economic characteristics of utility-scale solar electric generation technologies.

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

2 **SECTION 1.** 40-2-123 (1), Colorado Revised Statutes, is
3 amended, and the said 40-2-123 is further amended BY THE ADDITION
4 OF A NEW SUBSECTION, to read:

5 **40-2-123. New energy technologies - consideration by**
6 **commission - incentives - demonstration projects - definitions -**
7 **legislative declaration.** (1) (a) The commission shall give the fullest
8 possible consideration to the cost-effective implementation of new clean
9 energy and energy-efficient technologies in its consideration of
10 generation acquisitions for electric utilities, bearing in mind the beneficial
11 contributions such technologies make to Colorado's energy security,
12 economic prosperity, environmental protection, and insulation from fuel
13 price increases. The commission shall consider utility investments in
14 energy efficiency to be an acceptable use of ratepayer moneys.

15 (b) THE COMMISSION SHALL:

16 (I) ENCOURAGE UTILITIES TO EXCEED MINIMUM RENEWABLE
17 RESOURCE STANDARDS, WHERE THE COSTS AND BENEFITS OF RENEWABLE
18 RESOURCES, INCLUDING INDIRECT BENEFITS SUCH AS BENEFITS TO THE
19 STATE'S ECONOMY AND NATURAL ENVIRONMENT, JUSTIFY EXCEEDING

1 MINIMUM STANDARDS IN LAW OR REGULATION; AND

2 (II) GIVE FULL CONSIDERATION TO THE LIKELIHOOD OF NEW
3 ENVIRONMENTAL REGULATION AND THE RISK OF HIGHER FUTURE COSTS
4 ASSOCIATED WITH THE EMISSION OF GREENHOUSE GASES SUCH AS CARBON
5 DIOXIDE WHEN IT CONSIDERS UTILITY PROPOSALS TO ACQUIRE RESOURCES.

6 (3) (a) (I) ENERGY IS CRITICALLY IMPORTANT TO COLORADO'S
7 WELFARE AND DEVELOPMENT AND ITS USE HAS A PROFOUND IMPACT ON
8 THE ECONOMY AND ENVIRONMENT. IN ORDER TO DIVERSIFY COLORADO'S
9 ENERGY RESOURCES, ATTRACT NEW BUSINESSES AND JOBS, PROMOTE
10 DEVELOPMENT OF RURAL ECONOMIES, MINIMIZE WATER USE FOR ELECTRIC
11 GENERATION, REDUCE THE IMPACT OF VOLATILE FUEL PRICES, AND
12 IMPROVE THE NATURAL ENVIRONMENT OF THE STATE, THE GENERAL
13 ASSEMBLY FINDS IT IN THE BEST INTERESTS OF THE CITIZENS OF COLORADO
14 TO DEVELOP AND UTILIZE SOLAR ENERGY RESOURCES IN INCREASING
15 AMOUNTS.

16 (II) FOR PURPOSES OF THIS SUBSECTION (3), "UTILITY-SCALE"
17 MEANS PROJECTS WITH NAMEPLATE RATINGS IN EXCESS OF TWO
18 MEGAWATTS.

19 (b) THE COMMISSION SHALL CONSIDER WHETHER ACQUISITION OF
20 UTILITY-SCALE SOLAR RESOURCES IS IN THE PUBLIC INTEREST, TAKING
21 INTO ACCOUNT THE ASSOCIATED COSTS AND BENEFITS, AND, IF SO, THE
22 APPROPRIATE AMOUNT OF UTILITY-SCALE SOLAR RESOURCES THAT
23 SHOULD BE ACQUIRED. IN MAKING THIS DETERMINATION, THE
24 COMMISSION SHALL CONSIDER THE FOLLOWING POTENTIAL ATTRIBUTES OF
25 UTILITY-SCALE SOLAR ELECTRIC GENERATION:

26 (I) WHETHER THE PROPOSED GENERATION COULD PROVIDE
27 ENERGY STORAGE TO MATCH THE TIMES DURING WHICH UTILITY

- 1 GENERATION IS GENERALLY HIGHER COST;
- 2 (II) WHETHER THE PROPOSED GENERATION, DUE TO MODULARITY,
3 SCALABILITY, AND RAPID DEPLOYMENT, COULD RESULT IN REDUCTION OF
4 PERFORMANCE AND FINANCIAL RISK FOR THE UTILITY;
- 5 (III) WHETHER ECONOMIES OF SCALE CAN BE ACHIEVED THAT
6 LEAD TO COST REDUCTION;
- 7 (IV) WHETHER UTILITY-SCALE SOLAR ELECTRIC GENERATION
8 COULD REDUCE THE CONSUMPTION OF WATER FOR ELECTRIC GENERATION;
- 9 (V) WHETHER FUTURE COSTS CAN BE STABILIZED THROUGH
10 MITIGATION OF THE IMPACT OF UNPREDICTABLE FOSSIL FUEL PRICES; AND
- 11 (VI) WHETHER CARBON-FREE GENERATION REDUCES LONG-TERM
12 COSTS AND RISKS RELATED TO POTENTIAL CARBON REGULATION OR
13 TAXATION.

14 (c) THE COMMISSION SHALL TAKE INTO ACCOUNT THE BENEFITS
15 FROM THE INVESTMENT, INCREASED TAX BASE, JOBS, AND ECONOMIC
16 ACTIVITY ASSOCIATED WITH DEVELOPMENT OF UTILITY-SCALE SOLAR
17 ELECTRIC GENERATION IN REGIONS WITHIN COLORADO.

18 (d) THE COMMISSION SHALL PERIODICALLY REVIEW AND PUBLISH
19 CONCLUSIONS REGARDING THE OPERATIONAL AND ECONOMIC
20 CHARACTERISTICS OF UTILITY-SCALE SOLAR ELECTRIC GENERATION
21 TECHNOLOGIES, INCLUDING AT LEAST THE FOLLOWING:

- 22 (I) THERMAL ELECTRIC AND PHOTOVOLTAIC TECHNOLOGIES;
23 (II) MODULARITY AND SCALABILITY; AND
24 (III) PROJECTED PRICE DIFFERENTIAL BETWEEN UTILITY-SCALE
25 SOLAR GENERATION AND FOSSIL FUELS THAT COULD BE OFFSET BY ITS
26 DEPLOYMENT.

27 **SECTION 2. Safety clause.** The general assembly hereby finds,

- 1 determines, and declares that this act is necessary for the immediate
- 2 preservation of the public peace, health, and safety.