

SB118\_L.001

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on State, Veterans, & Military Affairs.

SB22-118 be amended as follows:

1 Amend printed bill, page 13, strike lines 17 through 27.

2 Strike pages 14 through 21.

3 Page 22, strike lines 1 through 24 and substitute:

4 "SECTION 14. In Colorado Revised Statutes, **add** 40-2-127.5 as  
5 follows:

6 **40-2-127.5. Community energy funds - community geothermal**  
7 **gardens - rules - legislative declaration - definitions - repeal.**

8 (1) **Legislative declaration.** THE GENERAL ASSEMBLY HEREBY FINDS AND  
9 DECLARES THAT:

10 (a) LOCAL COMMUNITIES CAN BENEFIT FROM THE FURTHER  
11 DEVELOPMENT OF RENEWABLE ENERGY, ENERGY EFFICIENCY,  
12 CONSERVATION, AND ENVIRONMENTAL IMPROVEMENT PROJECTS, AND THE  
13 GENERAL ASSEMBLY HEREBY ENCOURAGES ELECTRIC UTILITIES TO  
14 ESTABLISH COMMUNITY ENERGY FUNDS FOR THE DEVELOPMENT OF SUCH  
15 PROJECTS;

16 (b) IT IS IN THE PUBLIC INTEREST THAT BROADER PARTICIPATION  
17 IN GEOTHERMAL ELECTRIC GENERATION BY COLORADO RESIDENTS AND  
18 COMMERCIAL ENTITIES BE ENCOURAGED BY THE DEVELOPMENT AND  
19 DEPLOYMENT OF DISTRIBUTED GEOTHERMAL ELECTRIC GENERATING  
20 FACILITIES KNOWN AS COMMUNITY GEOTHERMAL GARDENS, IN ORDER TO:

21 (I) PROVIDE COLORADO RESIDENTS AND COMMERCIAL ENTITIES  
22 WITH THE OPPORTUNITY TO PARTICIPATE IN GEOTHERMAL ELECTRICITY  
23 GENERATION;

24 (II) ALLOW RENTERS, LOW-INCOME UTILITY CUSTOMERS, AND  
25 AGRICULTURAL PRODUCERS TO OWN INTERESTS IN SUCH GEOTHERMAL  
26 GENERATION FACILITIES;

27 (III) ALLOW INTERESTS IN SUCH GEOTHERMAL GENERATION  
28 FACILITIES TO BE PORTABLE AND TRANSFERRABLE; AND

29 (IV) LEVERAGE COLORADO'S GEOTHERMAL ELECTRICITY  
30 GENERATING CAPACITY THROUGH ECONOMIES OF SCALE.

31 (2) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT  
32 OTHERWISE REQUIRES, THE DEFINITIONS IN SECTION 40-2-124 APPLY, AND:

33 (a) (I) "COMMUNITY GEOTHERMAL GARDEN" MEANS A  
34 GEOTHERMAL FACILITY THAT PRODUCES ELECTRICITY FROM THE EARTH'S  
35 HEAT WITH A NAMEPLATE RATING WITHIN THE RANGE SPECIFIED UNDER  
36 SUBSECTION (2)(b)(IV) OF THIS SECTION THAT IS LOCATED IN OR NEAR A  
37 COMMUNITY SERVED BY A QUALIFYING RETAIL UTILITY WHERE THE  
38 BENEFICIAL USE OF THE ELECTRICITY GENERATED BY THE FACILITY

1 BELONGS TO THE SUBSCRIBERS TO THE COMMUNITY GEOTHERMAL  
2 GARDEN. THERE MUST BE AT LEAST TEN SUBSCRIBERS. THE OWNER OF THE  
3 COMMUNITY GEOTHERMAL GARDEN MAY BE THE QUALIFYING RETAIL  
4 UTILITY OR ANY OTHER FOR-PROFIT OR NONPROFIT ENTITY OR  
5 ORGANIZATION, INCLUDING A SUBSCRIBER ORGANIZATION ORGANIZED  
6 UNDER THIS SECTION, THAT CONTRACTS TO SELL THE OUTPUT FROM THE  
7 COMMUNITY GEOTHERMAL GARDEN TO THE QUALIFYING RETAIL UTILITY.  
8 A COMMUNITY GEOTHERMAL GARDEN IS DEEMED TO BE "LOCATED ON THE  
9 SITE OF CUSTOMER FACILITIES".

10 (II) A COMMUNITY GEOTHERMAL GARDEN CONSTITUTES "RETAIL  
11 DISTRIBUTED GENERATION" WITHIN THE MEANING OF SECTION 40-2-124.

12 (III) NOTWITHSTANDING ANY PROVISION OF THIS SECTION OR  
13 SECTION 40-2-124 TO THE CONTRARY, A COMMUNITY GEOTHERMAL  
14 GARDEN CONSTITUTES RETAIL DISTRIBUTED GENERATION FOR PURPOSES  
15 OF A COOPERATIVE ELECTRIC ASSOCIATION'S COMPLIANCE WITH THE  
16 APPLICABLE RENEWABLE ENERGY STANDARD UNDER SECTION 40-2-124.

17 (IV) A COMMUNITY GEOTHERMAL GARDEN MUST HAVE A  
18 NAMEPLATE RATING OF FIVE MEGAWATTS OR LESS; EXCEPT THAT THE  
19 COMMISSION MAY, IN RULES ADOPTED PURSUANT TO SUBSECTION (3)(b)  
20 OF THIS SECTION, APPROVE THE FORMATION OF A COMMUNITY  
21 GEOTHERMAL GARDEN WITH A NAMEPLATE RATING OF UP TO TEN  
22 MEGAWATTS ON OR AFTER JULY 1, 2023.

23 (b) "SUBSCRIBER" MEANS A RETAIL CUSTOMER OF A QUALIFYING  
24 RETAIL UTILITY WHO OWNS A SUBSCRIPTION AND WHO HAS IDENTIFIED ONE  
25 OR MORE PHYSICAL LOCATIONS TO WHICH THE SUBSCRIPTION IS  
26 ATTRIBUTED. SUCH PHYSICAL LOCATIONS MUST BE WITHIN THE SERVICE  
27 TERRITORY OF THE SAME QUALIFYING RETAIL UTILITY AS THE COMMUNITY  
28 GEOTHERMAL GARDEN. THE SUBSCRIBER MAY CHANGE FROM TIME TO  
29 TIME THE PREMISES TO WHICH THE COMMUNITY GEOTHERMAL GARDEN  
30 ELECTRICITY GENERATION IS ATTRIBUTED, SO LONG AS THE PREMISES ARE  
31 WITHIN THE SAME SERVICE TERRITORY.

32 (c) "SUBSCRIPTION" MEANS A PROPORTIONAL INTEREST IN  
33 GEOTHERMAL ELECTRIC GENERATION FACILITIES INSTALLED AT A  
34 COMMUNITY GEOTHERMAL GARDEN, TOGETHER WITH THE RENEWABLE  
35 ENERGY CREDITS ASSOCIATED WITH OR ATTRIBUTABLE TO SUCH FACILITIES  
36 UNDER SECTION 40-2-124. EACH SUBSCRIPTION MUST BE SIZED TO  
37 REPRESENT AT LEAST ONE KILOWATT OF THE COMMUNITY GEOTHERMAL  
38 GARDEN'S GENERATING CAPACITY AND TO SUPPLY NO MORE THAN ONE  
39 HUNDRED TWENTY PERCENT OF THE AVERAGE ANNUAL CONSUMPTION OF  
40 ELECTRICITY BY EACH SUBSCRIBER AT THE PREMISES TO WHICH THE  
41 SUBSCRIPTION IS ATTRIBUTED, WITH A DEDUCTION FOR THE AMOUNT OF  
42 ANY EXISTING GEOTHERMAL FACILITIES AT SUCH PREMISES.  
43 SUBSCRIPTIONS IN A COMMUNITY GEOTHERMAL GARDEN MAY BE

1 TRANSFERRED OR ASSIGNED TO A SUBSCRIBER ORGANIZATION OR TO ANY  
2 PERSON OR ENTITY WHO QUALIFIES TO BE A SUBSCRIBER UNDER THIS  
3 SECTION.

4 (3) **Subscriber organization - subscriber qualifications -**  
5 **transferability of subscriptions.** (a) THE COMMUNITY GEOTHERMAL  
6 GARDEN MAY BE OWNED BY A SUBSCRIBER ORGANIZATION, WHOSE SOLE  
7 PURPOSE IS BENEFICIALLY OWNING AND OPERATING A COMMUNITY  
8 GEOTHERMAL GARDEN. THE SUBSCRIBER ORGANIZATION MAY BE ANY  
9 FOR-PROFIT OR NONPROFIT ENTITY PERMITTED BY COLORADO LAW. THE  
10 COMMUNITY GEOTHERMAL GARDEN MAY ALSO BE BUILT, OWNED, AND  
11 OPERATED BY A THIRD PARTY UNDER CONTRACT WITH THE SUBSCRIBER  
12 ORGANIZATION.

13 (b) THE COMMISSION SHALL ADOPT RULES AS NECESSARY TO  
14 IMPLEMENT THIS SECTION, INCLUDING RULES TO FACILITATE THE  
15 FINANCING OF SUBSCRIBER-OWNED COMMUNITY GEOTHERMAL GARDENS.  
16 THE RULES MUST INCLUDE:

17 (I) MINIMUM CAPITALIZATION;

18 (II) THE SHARE OF A COMMUNITY GEOTHERMAL GARDEN'S  
19 GEOTHERMAL ELECTRIC GENERATION FACILITIES THAT A SUBSCRIBER  
20 ORGANIZATION MAY AT ANY TIME OWN IN ITS OWN NAME; AND

21 (III) AUTHORIZING SUBSCRIBER ORGANIZATIONS TO ENTER INTO  
22 LEASES, SALE-AND-LEASEBACK TRANSACTIONS, OPERATING AGREEMENTS,  
23 AND OTHER OWNERSHIP ARRANGEMENTS WITH THIRD PARTIES.

24 (c) IF A SUBSCRIBER CEASES TO BE A CUSTOMER AT THE PREMISES  
25 ON WHICH THE SUBSCRIPTION IS BASED BUT, WITHIN A REASONABLE  
26 PERIOD AS DETERMINED BY THE COMMISSION, BECOMES A CUSTOMER AT  
27 ANOTHER PREMISES IN THE SERVICE TERRITORY OF THE QUALIFYING  
28 RETAIL UTILITY AND WITHIN THE GEOGRAPHIC AREA SERVED BY THE  
29 COMMUNITY GEOTHERMAL GARDEN, THE SUBSCRIPTION CONTINUES IN  
30 EFFECT BUT THE BILL CREDIT AND OTHER FEATURES OF THE SUBSCRIPTION  
31 ARE ADJUSTED AS NECESSARY TO REFLECT ANY DIFFERENCES BETWEEN  
32 THE NEW AND PREVIOUS PREMISES' CUSTOMER CLASSIFICATION AND  
33 AVERAGE ANNUAL CONSUMPTION OF ELECTRICITY.

34 (4) **Standards for construction and operation.** THE FOLLOWING  
35 REQUIREMENTS APPLY TO ANY COMMUNITY GEOTHERMAL GARDEN  
36 EXCEEDING TWO MEGAWATTS:

37 (a) THE INITIAL INSTALLATION OF ANY ELECTRICAL EQUIPMENT  
38 ASSOCIATED WITH THE COMMUNITY GEOTHERMAL GARDEN IS SUBJECT TO  
39 FINAL INSPECTION AND APPROVAL IN ACCORDANCE WITH SECTION  
40 12-115-120.

41 (b) FOLLOWING THE DEVELOPMENT OR ACQUISITION BY A  
42 QUALIFYING RETAIL UTILITY OF A COMMUNITY GEOTHERMAL GARDEN IN  
43 WHICH THE QUALIFYING RETAIL UTILITY RETAINS OWNERSHIP, THE

1 QUALIFYING RETAIL UTILITY SHALL EITHER USE ITS OWN EMPLOYEES TO  
2 OPERATE AND MAINTAIN THE COMMUNITY GEOTHERMAL GARDEN OR  
3 CONTRACT FOR OPERATION AND MAINTENANCE OF THE COMMUNITY  
4 GEOTHERMAL GARDEN BY A CONTRACTOR WHOSE EMPLOYEES HAVE  
5 ACCESS TO AN APPRENTICESHIP PROGRAM REGISTERED WITH THE UNITED  
6 STATES DEPARTMENT OF LABOR'S OFFICE OF APPRENTICESHIP OR WITH A  
7 STATE APPRENTICESHIP COUNCIL RECOGNIZED BY THAT OFFICE; EXCEPT  
8 THAT THIS APPRENTICESHIP REQUIREMENT DOES NOT APPLY TO:

9 (I) THE DESIGN, PLANNING, OR ENGINEERING OF THE  
10 INFRASTRUCTURE;

11 (II) MANAGEMENT FUNCTIONS TO OPERATE THE INFRASTRUCTURE;  
12 OR

13 (III) ANY WORK INCLUDED IN A WARRANTY.

14 (5) **Community geothermal gardens not subject to regulation.**

15 NEITHER THE OWNERS OF NOR THE SUBSCRIBERS TO A COMMUNITY  
16 GEOTHERMAL GARDEN ARE CONSIDERED PUBLIC UTILITIES SUBJECT TO  
17 REGULATION BY THE COMMISSION SOLELY AS A RESULT OF THEIR INTEREST  
18 IN THE COMMUNITY GEOTHERMAL GARDEN. PRICES PAID FOR  
19 SUBSCRIPTIONS IN COMMUNITY GEOTHERMAL GARDENS SHALL NOT BE  
20 SUBJECT TO REGULATION BY THE COMMISSION.

21 (6) **Purchases of the output from community geothermal**  
22 **gardens.** (a) (I) EACH QUALIFYING RETAIL UTILITY SHALL SET FORTH IN  
23 ITS PLAN FOR ACQUISITION OF RENEWABLE RESOURCES A PLAN TO  
24 PURCHASE THE ELECTRICITY AND RENEWABLE ENERGY CREDITS  
25 GENERATED FROM ONE OR MORE COMMUNITY GEOTHERMAL GARDENS  
26 OVER THE PERIOD COVERED BY THE PLAN.

27 (IV) FOR EACH QUALIFYING RETAIL UTILITY'S COMPLIANCE YEARS  
28 COMMENCING IN 2023 AND THEREAFTER, THE COMMISSION SHALL  
29 DETERMINE THE MINIMUM AND MAXIMUM PURCHASES OF ELECTRICAL  
30 OUTPUT FROM NEWLY INSTALLED COMMUNITY GEOTHERMAL GARDENS OF  
31 DIFFERENT OUTPUT CAPACITY THAT THE QUALIFYING RETAIL UTILITY  
32 SHALL PLAN TO ACQUIRE. IN ADDITION, AS NECESSARY, THE COMMISSION  
33 SHALL FORMULATE AND IMPLEMENT POLICIES CONSISTENT WITH THIS  
34 SECTION THAT SIMULTANEOUSLY ENCOURAGE:

35 (A) THE OWNERSHIP BY CUSTOMERS OF SUBSCRIPTIONS IN  
36 COMMUNITY GEOTHERMAL GARDENS AND OF OTHER FORMS OF  
37 DISTRIBUTED GENERATION, TO THE EXTENT THE COMMISSION FINDS THERE  
38 TO BE CUSTOMER DEMAND FOR SUCH OWNERSHIP;

39 (B) OWNERSHIP IN COMMUNITY GEOTHERMAL GARDENS BY  
40 RESIDENTIAL RETAIL CUSTOMERS AND AGRICULTURAL PRODUCERS,  
41 INCLUDING LOW-INCOME CUSTOMERS, TO THE EXTENT THE COMMISSION  
42 FINDS THERE TO BE DEMAND FOR SUCH OWNERSHIP;

43 (C) THE DEVELOPMENT OF COMMUNITY GEOTHERMAL GARDENS

1 WITH ATTRIBUTES THAT THE COMMISSION FINDS RESULT IN LOWER  
2 OVERALL TOTAL COSTS FOR THE QUALIFYING RETAIL UTILITY'S  
3 CUSTOMERS;

4 (D) SUCCESSFUL FINANCING AND OPERATION OF COMMUNITY  
5 GEOTHERMAL GARDENS OWNED BY SUBSCRIBER ORGANIZATIONS; AND

6 (E) THE ACHIEVEMENT OF THE GOALS AND OBJECTIVES OF SECTION  
7 40-2-124.

8 (b) (I) (A) THE OUTPUT FROM A COMMUNITY GEOTHERMAL  
9 GARDEN MUST BE SOLD ONLY TO THE QUALIFYING RETAIL UTILITY SERVING  
10 THE GEOGRAPHIC AREA WHERE THE COMMUNITY GEOTHERMAL GARDEN  
11 IS LOCATED.

12 (B) ONCE A COMMUNITY GEOTHERMAL GARDEN IS PART OF A  
13 QUALIFYING RETAIL UTILITY'S PLAN FOR ACQUISITION OF RENEWABLE  
14 RESOURCES, AS APPROVED BY THE COMMISSION, THE COMMISSION SHALL  
15 INITIATE A PROCEEDING, OR CONSIDER IN AN ACTIVE PROCEEDING, TO  
16 DETERMINE WHETHER THE QUALIFYING RETAIL UTILITY MUST PURCHASE  
17 ALL OF THE ELECTRICITY AND RENEWABLE ENERGY CREDITS GENERATED  
18 BY THE COMMUNITY GEOTHERMAL GARDEN OR WHETHER A SUBSCRIBER  
19 MAY, UPON BECOMING A SUBSCRIBER, CHOOSE TO RETAIN OR SELL TO THE  
20 QUALIFYING RETAIL UTILITY THE SUBSCRIBER'S RENEWABLE ENERGY  
21 CREDITS.

22 (C) THE AMOUNT OF ELECTRICITY AND RENEWABLE ENERGY  
23 CREDITS GENERATED BY EACH COMMUNITY GEOTHERMAL GARDEN IS  
24 DETERMINED BY A PRODUCTION METER INSTALLED BY THE QUALIFYING  
25 RETAIL UTILITY OR THIRD-PARTY SYSTEM OWNER AND PAID FOR BY THE  
26 OWNER OF THE COMMUNITY GEOTHERMAL GARDEN.

27 (II) THE PURCHASE OF THE OUTPUT OF A COMMUNITY  
28 GEOTHERMAL GARDEN BY A QUALIFYING RETAIL UTILITY TAKES THE FORM  
29 OF A NET METERING CREDIT AGAINST THE QUALIFYING RETAIL UTILITY'S  
30 ELECTRIC BILL TO EACH COMMUNITY GEOTHERMAL GARDEN SUBSCRIBER  
31 AT THE PREMISES SET FORTH IN THE SUBSCRIBER'S SUBSCRIPTION. THE NET  
32 METERING CREDIT IS CALCULATED BY MULTIPLYING THE SUBSCRIBER'S  
33 SHARE OF THE ELECTRICITY PRODUCTION FROM THE COMMUNITY  
34 GEOTHERMAL GARDEN BY THE QUALIFYING RETAIL UTILITY'S TOTAL  
35 AGGREGATE RETAIL RATE AS CHARGED TO THE SUBSCRIBER, MINUS A  
36 REASONABLE CHARGE AS DETERMINED BY THE COMMISSION TO COVER THE  
37 UTILITY'S COSTS OF DELIVERING TO THE SUBSCRIBER'S PREMISES THE  
38 ELECTRICITY GENERATED BY THE COMMUNITY GEOTHERMAL GARDEN,  
39 INTEGRATING THE GEOTHERMAL GENERATION WITH THE UTILITY'S  
40 SYSTEM, AND ADMINISTERING THE COMMUNITY GEOTHERMAL GARDEN'S  
41 CONTRACTS AND NET METERING CREDITS. THE COMMISSION SHALL ENSURE  
42 THAT THIS CHARGE DOES NOT REFLECT COSTS THAT ARE ALREADY  
43 RECOVERED BY THE UTILITY FROM THE SUBSCRIBER THROUGH OTHER

1 CHARGES. IF, AND TO THE EXTENT THAT, A SUBSCRIBER'S NET METERING  
2 CREDIT EXCEEDS THE SUBSCRIBER'S ELECTRIC BILL IN ANY BILLING PERIOD,  
3 THE NET METERING CREDIT IS CARRIED FORWARD AND APPLIED AGAINST  
4 FUTURE BILLS. THE QUALIFYING RETAIL UTILITY AND THE OWNER OF THE  
5 COMMUNITY GEOTHERMAL GARDEN MUST AGREE ON WHETHER THE  
6 PURCHASE OF THE RENEWABLE ENERGY CREDITS FROM SUBSCRIBERS WILL  
7 BE ACCOMPLISHED THROUGH A CREDIT ON EACH SUBSCRIBER'S  
8 ELECTRICITY BILL OR BY A PAYMENT TO THE OWNER OF THE COMMUNITY  
9 GEOTHERMAL GARDEN.

10 (c) THE OWNER OF THE COMMUNITY GEOTHERMAL GARDEN MUST  
11 PROVIDE REAL-TIME PRODUCTION DATA TO THE QUALIFYING RETAIL  
12 UTILITY TO FACILITATE INCORPORATION OF THE COMMUNITY GEOTHERMAL  
13 GARDEN INTO THE UTILITY'S OPERATION OF ITS ELECTRIC SYSTEM AND TO  
14 FACILITATE THE PROVISION OF NET METERING CREDITS.

15 (d) THE OWNER OF THE COMMUNITY GEOTHERMAL GARDEN IS  
16 RESPONSIBLE FOR PROVIDING TO THE QUALIFYING RETAIL UTILITY, ON A  
17 MONTHLY BASIS AND WITHIN REASONABLE PERIODS SET BY THE  
18 QUALIFYING RETAIL UTILITY, THE PERCENTAGE SHARES THAT SHOULD BE  
19 USED TO DETERMINE THE NET METERING CREDIT TO EACH SUBSCRIBER. IF  
20 THE ELECTRICITY OUTPUT OF THE COMMUNITY GEOTHERMAL GARDEN IS  
21 NOT FULLY SUBSCRIBED, THE QUALIFYING RETAIL UTILITY SHALL  
22 PURCHASE THE UNSUBSCRIBED RENEWABLE ENERGY AND THE RENEWABLE  
23 ENERGY CREDITS AT A RATE EQUAL TO THE QUALIFYING RETAIL UTILITY'S  
24 AVERAGE HOURLY INCREMENTAL COST OF ELECTRICITY SUPPLY OVER THE  
25 IMMEDIATELY PRECEDING CALENDAR YEAR.

26 (e) EACH QUALIFYING RETAIL UTILITY SHALL SET FORTH IN ITS  
27 PLAN FOR ACQUISITION OF RENEWABLE RESOURCES A PROPOSAL FOR  
28 INCLUDING LOW-INCOME CUSTOMERS AS SUBSCRIBERS TO A COMMUNITY  
29 GEOTHERMAL GARDEN. THE UTILITY MAY GIVE PREFERENCE TO  
30 COMMUNITY GEOTHERMAL GARDENS THAT HAVE LOW-INCOME  
31 SUBSCRIBERS.

32 (f) QUALIFYING RETAIL UTILITIES ARE ELIGIBLE FOR THE  
33 INCENTIVES AND SUBJECT TO THE OWNERSHIP LIMITATIONS SET FORTH IN  
34 SECTION 40-2-124 (1)(f) FOR UTILITY INVESTMENTS IN COMMUNITY  
35 GEOTHERMAL GARDENS AND MAY RECOVER THROUGH RATES A MARGIN,  
36 IN AN AMOUNT DETERMINED BY THE COMMISSION, ON ALL ENERGY AND  
37 RENEWABLE ENERGY CREDITS PURCHASED FROM COMMUNITY  
38 GEOTHERMAL GARDENS. SUCH INCENTIVE PAYMENTS ARE EXCLUDED  
39 FROM THE COST ANALYSIS REQUIRED BY SECTION 40-2-124 (1)(g).

40 (6) NOTHING IN THIS SECTION WAIVES OR SUPERSEDES THE RETAIL  
41 RATE IMPACT LIMITATIONS IN SECTION 40-2-124 (1)(g). UTILITY  
42 EXPENDITURES FOR UNSUBSCRIBED ENERGY AND RENEWABLE ENERGY  
43 CREDITS GENERATED BY COMMUNITY GEOTHERMAL GARDENS MUST BE

1 INCLUDED IN THE CALCULATIONS OF RETAIL RATE IMPACT REQUIRED BY  
2 THAT SECTION.

3 (7) **Applicability to cooperative electric associations and**  
4 **municipally owned utilities.** THIS SECTION SHALL NOT APPLY TO  
5 COOPERATIVE ELECTRIC ASSOCIATIONS OR TO MUNICIPALLY OWNED  
6 UTILITIES.

7 **SECTION 15.** In Colorado Revised Statutes, 25-7-105, **amend**  
8 (1)(e)(VIII)(H) as follows:

9 **25-7-105. Duties of commission - rules - legislative declaration**  
10 **- definitions.** (1) Except as provided in sections 25-7-130 and 25-7-131,  
11 the commission shall promulgate rules that are consistent with the  
12 legislative declaration set forth in section 25-7-102 and necessary for the  
13 proper implementation and administration of this article 7, including:

14 (e) (VIII) (H) In verifying clean energy plans or a wholesale  
15 generation and transmission cooperative electric resource plan submitted  
16 in accordance with subsection (1)(e)(VIII)(I) of this section, the division  
17 shall prevent double counting of emission reductions among utilities and  
18 shall consider electricity generated by renewable energy resources as  
19 having zero greenhouse gas emissions only if: The electricity is  
20 accompanied by any associated renewable energy credit, and the  
21 renewable energy credit is retired on behalf of the utility's customers in  
22 the year generated; or the electricity is generated by retail distributed  
23 generation, as defined in sections 40-2-124 (1)(a)(VIII), ~~and 40-2-127~~  
24 ~~(2)(b)(I)(A) and (2)(b)(I)(B), AND 40-2-127.5 (2)(a)(I) AND (2)(a)(II), and~~  
25 the retail customer retains the renewable energy credit as part of a  
26 voluntary renewable energy program."

27 Renumber succeeding sections accordingly.

28 Page 23, strike lines 4 through 7 and substitute "a community solar  
29 garden, as that term is defined in section 40-2-127 (2), ~~C.R.S. If House~~  
30 ~~Bill 10-1342 does not take effect, there shall be no qualified community~~  
31 ~~locations in the service territories of investor-owned utilities.~~ OR A  
32 COMMUNITY GEOTHERMAL GARDEN AS THAT TERM IS DEFINED IN SECTION  
33 42-2-127.5 (2)."

34 Page 23, strike lines 14 through 17 and substitute "a community solar  
35 garden as that term is defined in section 40-2-127 (2), ~~C.R.S. If House~~  
36 ~~Bill 10-1342 does not take effect, there shall be no qualified community~~  
37 ~~locations in the service territories of investor-owned utilities.~~ OR A  
38 COMMUNITY GEOTHERMAL GARDEN AS THAT TERM IS DEFINED IN SECTION  
39 42-2-127.5 (2).

40 **SECTION 19.** In Colorado Revised Statutes, 40-2-129, **amend**

1 (3) as follows:

2 **40-2-129. New resource acquisitions - factors in determination**  
3 **- local employment - "best value" metrics - performance audit.**

4 (3) The provisions of this section regarding "best value" employment  
5 metrics do not apply to projects involving retail distributed generation, as  
6 defined in section 40-2-124 (1)(a)(VIII), ~~or~~ 40-2-127 (2)(b)(I)(B), OR  
7 40-2-127.5 (2)(b)(II).

8 **SECTION 20.** In Colorado Revised Statutes, 40-9.5-106, **amend**  
9 (2) as follows:

10 **40-9.5-106. Prohibited acts.** (2) No cooperative electric  
11 association, as to rates, charges, service, or facilities or as to any other  
12 matter, shall make or grant any preference or advantage to any  
13 corporation or person or subject any corporation or person to any  
14 prejudice or disadvantage. No cooperative electric association shall  
15 establish or maintain any unreasonable difference as to rates, charges,  
16 service, or facilities or as to any other matter, either between localities or  
17 between any class of service. Notwithstanding section 40-6-108 (1)(b),  
18 any complaint arising out of this subsection (2) signed by one or more  
19 customers of such association shall be resolved by the public utilities  
20 commission in accordance with the hearing and enforcement procedures  
21 established in articles 6 and 7 of this title. A cooperative electric  
22 association may approve any reasonable rate, charge, service,  
23 classification, or facility that establishes a graduated rate for increased  
24 energy consumption, for energy conservation and energy efficiency  
25 purposes, by residential customers that is revenue-neutral for the class,  
26 where revenue includes margins, expenses, riders, or charges as approved  
27 by the cooperative electric association. The implementation of such rate,  
28 charge, service, classification, or facility by a cooperative electric  
29 association shall not be deemed to subject any person or corporation to  
30 any prejudice, disadvantage, or undue discrimination. In adopting such  
31 rate, a cooperative electric association shall give due consideration to the  
32 impact of such rates on low-income customers. A cooperative electric  
33 association may utilize a community energy fund as contemplated by  
34 ~~section 40-2-127~~ SECTIONS 40-2-127 AND 40-2-127.5 for energy  
35 efficiency, energy conservation, weatherization, and renewable energy  
36 purposes. A cooperative electric association shall not apply such rate to  
37 consumers that have single meters that record energy consumption for  
38 combined residential and agricultural uses."

39 Renumber succeeding section accordingly.

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