

SENATE COMMITTEE OF REFERENCE AMENDMENT

Committee on Transportation & Energy.

SB19-236 be amended as follows:

1 Amend printed bill, page 13, strike lines 11 through 27 and substitute:

2

3 **"40-3.2-106. Costs of pollution in utility planning - definitions**

4 **- rules.** (1) THE COMMISSION SHALL REQUIRE AN ELECTRIC PUBLIC
5 UTILITY SUBJECT TO COMMISSION JURISDICTION TO CONSIDER THE COST OF
6 CARBON DIOXIDE EMISSIONS, AS SET FORTH PURSUANT TO SUBSECTION (4)
7 OF THIS SECTION, WHEN DETERMINING THE COST, BENEFIT, OR NET
8 PRESENT VALUE OF ANY PLAN OR PROPOSAL SUBMITTED IN ONE OF THE
9 FOLLOWING PROCEEDINGS:

10 (a) ELECTRIC RESOURCE PLANS OR ANY UTILITY PLAN OR
11 APPLICATION THAT CONSIDERS OR PROPOSES THE ACQUISITION OF NEW
12 ELECTRIC GENERATING RESOURCES OR THE RETIREMENT OF EXISTING
13 UTILITY GENERATION;

14 (b) APPLICATIONS RELATED TO SECTION 40-2-124;

15 (c) APPLICATIONS RELATED TO SECTION 40-3.2-104; OR

16 (d) A PLAN OR APPLICATION FOR TRANSPORTATION
17 ELECTRIFICATION OR OTHER FORMS OF BENEFICIAL ELECTRIFICATION.

18 (2) IN A PROCEEDING LISTED IN SUBSECTION (1) OF THIS SECTION,
19 A UTILITY SHALL:

20 (a) AT A MINIMUM, MODEL AN OPTIMIZATION OF A BASE CASE
21 PORTFOLIO OF RESOURCES USING THE COST OF CARBON DIOXIDE
22 EMISSIONS, AS SET FORTH PURSUANT TO SUBSECTION (4) OF THIS SECTION.
23 THE COST OF CARBON DIOXIDE EMISSIONS MUST APPLY TO THE
24 EVALUATION OF ALL EXISTING ELECTRIC GENERATION RESOURCES AND TO
25 ANY NEW RESOURCES EVALUATED OR PROPOSED AS PART OF THE
26 RESOURCE MODELING. THE COMMISSION MAY REQUIRE A UTILITY TO FILE
27 OR PROPOSE ADDITIONAL BASE CASES. FOR THE PURPOSE OF DEVELOPING
28 ADDITIONAL OPTIMIZED PORTFOLIOS OR FOR SCENARIO ANALYSIS, THE
29 COMMISSION MAY AMEND ITS RULES TO ALLOW A UTILITY TO USE OTHER
30 COSTS FOR CARBON DIOXIDE EMISSIONS IN ADDITION TO THE COST OF
31 CARBON DIOXIDE EMISSIONS SET FORTH PURSUANT TO SUBSECTION (4) OF
32 THIS SECTION.

33 (b) (I) PRESENT A CALCULATION OF THE NET PRESENT VALUE OF
34 REVENUE REQUIREMENT FOR THE RESOURCES IN EACH OPTIMIZED
35 PORTFOLIO. TO SHOW THE NET PRESENT VALUE OF REVENUE REQUIREMENT
36 THAT WOULD BE INCURRED BY THE UTILITY FOR IMPLEMENTING THE
37 PORTFOLIO, IN ADDITION TO PRESENTING THE FULL NET PRESENT VALUE OF
38 REVENUE REQUIREMENT THROUGH A CALCULATION USING THE COST OF
39 CARBON DIOXIDE EMISSIONS SET FORTH PURSUANT TO SUBSECTION (4) OF
40 THIS SECTION, THE UTILITY SHALL ALSO PRESENT THE FULL NET PRESENT
41 VALUE OF REVENUE REQUIREMENT THROUGH A CALCULATION WITHOUT

1 USING THE COST OF CARBON DIOXIDE EMISSIONS SET FORTH PURSUANT TO
2 SUBSECTION (4) OF THIS SECTION.

3 (II) IN ADDITION TO THE NET PRESENT VALUE OF REVENUE
4 REQUIREMENT CALCULATIONS REQUIRED IN SUBSECTION (2)(b)(I) OF THIS
5 SECTION, FOR EACH OPTIMIZED MODEL RUN THE UTILITY MUST PROVIDE A
6 PRESENT VALUE CALCULATION SHOWING THE NET PRESENT VALUE OF THE
7 TOTAL COST OF CARBON DIOXIDE EMISSIONS OF EACH PORTFOLIO,
8 CALCULATED BY MULTIPLYING THE TOTAL EMISSIONS OF THAT PORTFOLIO
9 BY THE COST OF CARBON DIOXIDE SET FORTH PURSUANT TO SUBSECTION
10 (4) OF THIS SECTION.

11 (3) IN APPROVING A RESOURCE PLAN, THE COMMISSION SHALL
12 CONSIDER:

13 (a) THE NET PRESENT VALUE OF THE COST OF CARBON DIOXIDE
14 EMISSIONS;

15 (b) THE NET PRESENT VALUE OF REVENUE REQUIREMENTS THAT
16 WOULD BE INCURRED BY THE UTILITY FOR IMPLEMENTING THE PORTFOLIO;
17 AND

18 (c) OTHER RELEVANT FACTORS, AS DETERMINED BY THE
19 COMMISSION.

20 (4) THE COMMISSION SHALL BASE THE COST OF CARBON DIOXIDE
21 EMISSIONS ON THE MOST RECENT ASSESSMENT OF THE SOCIAL COST OF
22 CARBON DIOXIDE DEVELOPED BY THE FEDERAL GOVERNMENT. STARTING
23 IN 2020, THE COMMISSION SHALL USE A SOCIAL COST OF CARBON DIOXIDE
24 OF NOT LESS THAN FORTY-SIX DOLLARS PER SHORT TON. THE COMMISSION
25 SHALL MODIFY THE COST OF CARBON DIOXIDE EMISSIONS BASED ON
26 ESCALATION RATES OF THE 2020 BASE COST BY AN AMOUNT THAT IS
27 EQUAL TO OR GREATER THAN THE CENTRAL VALUE ESCALATION RATES
28 ESTABLISHED IN THE TECHNICAL SUPPORT DOCUMENT. WHEN
29 CALCULATING THE COST OF CARBON DIOXIDE EMISSIONS FOR ANY
30 PROCEEDING LISTED IN SUBSECTION (1) OF THIS SECTION, THE COMMISSION
31 SHALL USE THE SAME DISCOUNT RATE AS THAT USED TO DEVELOP THE
32 FEDERAL SOCIAL COST OF CARBON DIOXIDE, AS SET FORTH IN THE
33 TECHNICAL SUPPORT DOCUMENT.

34 (5) THE COMMISSION SHALL APPLY A COST OF CARBON DIOXIDE
35 EMISSIONS TO THE NONENERGY BENEFITS FOR PROGRAMS THAT ARE
36 DEFINED TO BE BENEFICIAL ELECTRIFICATION.

37 (6) AS USED IN THIS SECTION:

38 (a) "BENEFICIAL ELECTRIFICATION" MEANS A UTILITY'S CHANGE IN
39 THE ENERGY SOURCE POWERING AN END USE FROM A NONELECTRIC
40 SOURCE TO AN ELECTRIC SOURCE, INCLUDING TRANSPORTATION, WATER
41 HEATING, SPACE HEATING, OR INDUSTRIAL PROCESSES, IF THE CHANGE:

42 (I) REDUCES SYSTEM COSTS FOR THE UTILITY'S CUSTOMERS;

43 (II) REDUCES NET CARBON DIOXIDE EMISSIONS; OR

1 (III) PROVIDES FOR A MORE EFFICIENT UTILIZATION OF GRID
2 RESOURCES.

3 (b) "TECHNICAL SUPPORT DOCUMENT" MEANS THE 2016
4 TECHNICAL SUPPORT DOCUMENT OF THE FEDERAL INTERAGENCY WORKING
5 GROUP ON SOCIAL COST OF GREENHOUSE GASES, ENTITLED "TECHNICAL
6 UPDATE OF THE SOCIAL COST OF CARBON FOR REGULATORY IMPACT
7 ANALYSIS - UNDER EXECUTIVE ORDER 12866".

8 Strike page 14.

9 Page 15, strike lines 1 through 4.

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