

**COLORADO DEPARTMENT OF REGULATORY AGENCIES**  
**Public Utilities Commission**

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**PART 3**  
**RULES REGULATING ELECTRIC UTILITIES**

**3652. Definitions.**

The following definitions apply only to rules 3650 – 3668. In the event of a conflict between these definitions and a statutory definition, the statutory definition shall apply.

- (a) “Annual compliance report” means the report a QRU is required to file annually with the Commission pursuant to rule 3662 to demonstrate compliance with the RES.
- (b) “Benefiting meter” means a utility meter serving a unit or a common area in a multi-unit property that receives a system share of retail distributed generation. Benefiting meters that receive a system share of retail distributed generation located on a multi-unit property may be on different rate schedules and need not be physically interconnected with the retail distributed generation system. A multi-unit property owner or unit owners’ association may be the customer of record for more than one benefiting meter at a multi-unit property.
- (c) “Biomass” means nontoxic plant matter consisting of agricultural crops or their byproducts, urban wood waste, mill residue, slash, or brush; animal wastes and products of animal wastes; or methane produced at landfills or as a by-product of the treatment of wastewater residuals. With respect to nontoxic plant matter obtained from forests, both slash and brush shall mean products and materials derived from forest restoration and management, including, but not limited to, harvesting residues, pre-commercial thinning, and materials removed as part of a federally recognized timber sale or removed to reduce hazardous fuels, to reduce or contain disease or insect infestation, or to restore ecosystem health.
- (d) “Coal mine methane” means methane captured from inactive coal mines where the methane is escaping to the atmosphere or from active coal mines where the methane vented in the normal course of mine operations is naturally escaping to the atmosphere.
- (e) “Community-based project” means a project that meets the following three conditions: the project is owned by individual residents of a community, by an organization or cooperative that is controlled by individual residents of the community, by a local government entity, or by a tribal council; the project’s generating capacity does not exceed 30 MW; and, there exists a resolution of support adopted by the local governing body of each local jurisdiction in which the project is to be located.
- (f) “Community solar garden” or “CSG” means a solar electric generation facility with a nameplate rating of two MW or less that is located in or near a community served by a QRU where the beneficial use of the renewable energy generated by the facility belongs to the subscribers of the CSG. A CSG shall have at least ten CSG subscribers. A CSG shall be deemed to be located on the site of each subscribing customer’s facilities for the purpose of crediting the CSG subscribers’ bills for the renewable energy purchased from the CSG by the QRU. The renewable energy generated by a CSG shall be sold only to the QRU serving the geographic area where the CSG is

located. The renewable energy generated by a CSG shall constitute retail renewable distributed generation under paragraph 3652(ff).

- (g) “Compliance plan” means the annual plan a QRU is required to file with the Commission pursuant to rule 3657.
- (h) “Compliance year” means a calendar year for which the RES is applicable.
- (i) “CSG owner” means the owner of the solar generation facilities installed at a CSG that contracts to sell the unsubscribed renewable energy and RECs generated by the CSG to a QRU. A CSG subscriber organization operating a CSG not owned by it will be deemed to be a CSG owner for purposes of these rules. A CSG owner may be the QRU or any other for-profit or nonprofit entity or organization, including a CSG subscriber organization.
- (j) “CSG subscriber” means a retail customer of a QRU who owns a subscription to a CSG and who has identified one or more premises served by the QRU to which the CSG subscription shall be attributed.
- (k) “CSG subscriber organization” means any for-profit or nonprofit entity permitted by Colorado law and whose sole purpose shall be:
  - (I) to beneficially own and operate the CSG; or
  - (II) to operate the CSG that is built, owned, and operated by a third party under contract with such CSG subscriber organization.
- (l) “CSG subscription” means a proportionate interest in the beneficial use of the electricity generated by the CSG, including without limitation, the renewable energy and RECs associated with or attributable to the CSG.
- (m) “Early eligible energy resources” are eligible energy resources, excluding retail renewable distributed generation, where the utility certifies that the resource is commercially operational and can produce energy under the terms of its contract, prior to January 1, 2015.
- (n) “Eligible energy” means renewable energy, recycled energy, or greenhouse gas neutral electricity generated by a facility using coal mine methane or synthetic gas.
- (o) “Eligible energy resources” are renewable energy resources or facilities that generate recycled energy or greenhouse gas neutral electricity generated using coal mine methane or synthetic gas.
- (p) “Eligible low-income CSG subscriber” means a residential customer of an investor owned QRU who:
  - (I) has a household income at or below 165 percent of the current federal poverty level, as published each year in the federal register by the U.S. Department of Health and Human Services; and
  - (II) otherwise meets the eligibility criteria set forth in rules of the Colorado Department of Human Services adopted pursuant to § 40-8.5-105, C.R.S.
- (q) “Generation meter” means a utility production meter or production meters that measure the output of a retail distributed generation system that is allocated to benefiting meters. The retail distributed generation system may be owned by the owner of the multi-unit property, a unit owners’ association,

or a designee of the owner or unit owners' association of the multi-unit property. A retail distributed generation system located on a multi-unit property may have more than one point of interconnection and the total output of such a system shall be measured by aggregating the output of each production meter.

- (r) "Greenhouse gas neutral electricity" means electricity generated by facilities using coal mine methane or synthetic gas that the Commission has determined to be greenhouse gas neutral on a CO<sub>2</sub> equivalent basis pursuant to § 40-2-124(1)(a)(IV), C.R.S.
- (s) "Multi-unit property" means a property, including two or more contiguous parcels under common ownership, divided into at least two non-residential or two separate residential units, or both, including common interest communities without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way, or utility rights-of-way.
- (t) "On-site solar system" means a solar renewable energy system that is retail renewable distributed generation.
- (u) "Person" means Commission staff or any individual, firm, partnership, corporation, company, association, cooperative association, joint stock association, joint venture, governmental entity, or other legal entity.
- (v) "Pyrolysis" means the thermochemical decomposition of material at elevated temperatures without the participation of oxygen.
- (w) "Qualifying retail utility" or "QRU" means any provider of retail electric service in the state of Colorado other than municipally owned electric utilities that serve 40,000 customers or fewer.
- (x) "Qualifying wholesale utility" means a generation and transmission cooperative electric association that provides wholesale electric service directly to Colorado cooperative electric associations that are its members.
- (y) "Recycled energy" means energy produced by a generation unit with a nameplate capacity of not more than fifteen MW that converts the otherwise lost energy from the heat from exhaust stacks or pipes to electricity and that does not combust additional fossil fuel. Recycled energy does not include energy produced by any system that uses energy, lost or otherwise, from a process whose primary purpose is the generation of electricity, including, without limitation, any process involving engine-driven generation or pumped hydroelectricity generation.
- (z) "Renewable distributed generation" means retail renewable distributed generation and wholesale renewable distributed generation.
- (aa) "Renewable energy" means energy generated from renewable energy resources including renewable distributed generation.
- (bb) "Renewable energy credit" or "REC" means a contractual right to the full set of non-energy attributes, including any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, directly attributable to a specific amount of electric energy generated from a renewable energy resource. One REC results from one MWH of electric energy generated from a renewable energy resource. For the purposes of these rules, RECs acquired from on-site solar systems before August 11, 2010 shall qualify as RECs from retail renewable distributed generation for purposes of demonstrating compliance with the renewable energy standard. RECs acquired from off-grid on-site solar systems prior to August 11, 2010 shall also qualify as RECs

from retail renewable distributed generation for purposes of demonstrating compliance with the renewable energy standard.

- (cc) “Renewable energy credit contract” means a contract for the sale of renewable energy credits without the associated energy.
- (dd) “Renewable energy resource” means facilities that generate electricity by means of the following energy sources: solar radiation, wind, geothermal, biomass, hydropower, and fuel cells using hydrogen derived from eligible energy resources. Fossil and nuclear fuels and their derivatives are not eligible energy resources. Hydropower resources in existence on January 1, 2005 must have a nameplate rating of 30 MW or less. Hydropower resources not in existence on January 1, 2005 must have a nameplate rating of ten MW or less.
- (ee) “Renewable energy standard” or “RES” means the electric resource standard for eligible energy resources specified in § 40-2-124, C.R.S.
- (ff) “Renewable energy standard adjustment” or “RESA” means a forward-looking cost recovery mechanism used by an investor owned QRU to provide funding for implementing the RES.
- (gg) “Renewable energy supply contract” means a contract for the sale of renewable energy and the RECs associated with such renewable energy. If the contract is silent as to renewable energy credits, the renewable energy credits will be deemed to be combined with the energy transferred under the contract.
- (hh) “Retail electricity sales” means electric energy sold to retail end-use electric consumers by a QRU or an electric utility that is eligible to become a QRU pursuant to § 40-2-124(5)(b), C.R.S.,
- (ii) “Retail renewable distributed generation” means a renewable energy resource that is located on the premises of an end-use electric consumer and is interconnected on the end-use electric consumer’s side of the meter. For the purposes of this definition, the non-residential end-use electric customer, prior to the installation of the renewable energy resource, shall not have its primary business being the generation of electricity for retail or wholesale sale from the same facility. In addition, at the time of the installation of the renewable energy resource, the non-residential end-use electric customer must use its existing facility for a legitimate commercial, industrial, governmental, or educational purpose other than the generation of electricity. Retail renewable distributed generation shall be sized to supply no more than 120 percent of the average annual consumption of electricity by the end-use electric consumer at that site. The end-use electric consumer’s site shall include all contiguous property owned or leased by the consumer, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way, or utility rights-of-way.
- (jj) “Rural renewable project” means a renewable energy resource with a nameplate rating of 30 MW or less that interconnects to electric transmission or distribution facilities owned by a cooperative electric association or municipally owned utility at a point of interconnection of 69 kV or less.
- (kk) “Service entrance capacity” means the capacity of the QRU’s electric service conductors that are physically connected to the customer’s electric service entrance conductors.
- (ll) “Solar renewable energy system” means a system that uses solar radiation energy to generate electricity.
- (mm) “Standard rebate offer” or “SRO” means a standardized incentive program offered by a QRU to its retail electric service customers for on-site solar systems as set forth in rule 3658.

- (nn) “Synthetic gas” means gas fuel produced through the pyrolysis of municipal solid waste.
- (oo) “System share” means the percentage of the output of a retail distributed generation system or systems associated with a generation meter to which a benefiting meter is allocated. The system share of a generation meter allocated to each benefiting meter shall be determined by the multi-unit property owner, their designee, or the unit owners’ association and provided to the QRU on a designated form provided by the QRU.
- (pp) “Unit owners’ association” shall have the same meaning as in § 38-33.3-103, C.R.S.
- (qq) “Wholesale renewable distributed generation” means a renewable energy resource with a nameplate rating of 30 MW or less that does not qualify as retail renewable distributed generation.

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[indicates omission of unaffected rules]

**3664. Net Metering.**

- (a) Except as provided in paragraph 3664(i), all investor owned QRUs shall allow the customer’s retail electricity consumption to be offset by the electricity generated from retail renewable distributed generation, provided that the generating capacity of the customer’s facility meets the following two criteria:
  - (I) the retail renewable distributed generation shall be sized to supply no more than 120 percent of the customer’s average annual electricity consumption at that site, where the site includes all contiguous property owned or leased by the consumer, without regard to interruptions in contiguity caused by easements, public thoroughfares, transportation rights-of-way, or utility rights-of-way; and
  - (II) the rated capacity of the retail renewable distributed generation does not exceed the customer’s service entrance capacity.
- (b) If a customer with retail renewable distributed generation generates renewable energy pursuant to paragraph 3664(a) in excess of the customer’s consumption, the excess kWh shall be carried forward from month to month and credited at a ratio of 1:1 against the customer’s retail kWh consumption in subsequent months. Within 60 days of the end of each calendar year, or within 60 days of when the customer terminates its retail service, the investor owned QRU shall compensate the customer for any accrued excess kWh credits, at the investor owned QRU’s average hourly incremental cost of electricity supply over the most recent calendar year. However, the customer may make a one-time election, in writing, on or before the end of a calendar year, to request that the excess kWh be rolled over as a credit from month to month indefinitely until the customer terminates service with the investor owned QRU, at which time no payment shall be required from the investor owned QRU for any remaining excess kWh credits supplied by the customer.
- (c) A customer’s retail renewable distributed generation shall be equipped with metering equipment that can measure the flow of electric energy in both directions. The investor owned QRU shall utilize a single bi-directional electric meter.

- (d) If the customer's existing electric meter does not meet the requirements of these rules, the investor owned QRU shall install and maintain a new meter for the customer, at the company's expense. Any subsequent meter change necessitated by the customer shall be paid for by the customer.
- (e) The investor owned QRU shall not require more than one meter per customer to comply with this rule 3664. Nothing in this rule 3664 shall preclude the QRU from placing a second meter to measure the output of a solar renewable energy system for the counting of RECs subject to the following conditions.
  - (I) For customer facilities over ten kW, a production meter shall be required to measure the solar renewable energy system output for the counting of RECs.
  - (II) For systems ten kW and smaller, a production meter may be installed under either of the following circumstances:
    - (A) the QRU may install a production meter on the solar renewable energy system output at its own expense if the customer consents; or
    - (B) the customer may request that the QRU install a production meter on the solar renewable energy system output in addition to the meter at the customer's expense.
  - (III) If the on-site solar system is not owned by the electric consumer, the owner or operator of the on-site solar system shall pay the cost of installing the production meter.
- (f) An investor owned QRU shall provide net metering service at non-discriminatory rates to customers with retail renewable distributed generation. A customer shall not be required to change the rate under which the customer received retail service in order for the customer to install retail renewable distributed generation. Nothing in this rule shall prohibit an investor owned QRU from requesting changes in rates at any time.
- (g) Unless the Commission approves under § 40-2-124(1)(g)(IV)(B), C.R.S., an alternative surcharge for net metered customers served by an investor owned QRU, the investor owned QRU shall bill a retail customer receiving net metering service a surcharge to supplement that customer's contribution toward the investor owned QRU's RESA account.
  - (I) For retail renewable distributed generation that is production metered, the surcharge shall increase the customer's total contribution to the investor owned QRU's RESA account to the calculated level it would have been had all of the customer's consumption been billed at the investor owned QRU's applicable rates.
  - (II) For retail renewable distributed generation that is not production metered, the surcharge shall increase the customer's total contribution to the investor owned QRU's RESA account as follows, based upon the size of the customer's system.
    - (A) For customers with a system that is from 500 watts to five kW, a 500 kWh volume proxy shall be used. The 500 kWh volume proxy will be multiplied by the current monthly per kWh effective residential energy rate and effective riders. That product will then be multiplied by two percent to obtain the customer's RESA contribution amount.

- (B) For customers with a system that is from five kW up to ten kW, a 1,000 kWh volume proxy shall be used. The 1,000 kWh volume proxy will be multiplied by the current monthly per kWh effective residential energy rate and effective riders. That product will then be multiplied by two percent to obtain the customer's RESA contribution amount.
- (h) If more than one meter is used to measure the electricity consumption of a customer with retail renewable distributed generation at the premises where the retail renewable distributed generation is installed, the following provisions apply:
  - (I) An investor owned QRU must, upon request from such customer, aggregate for billing purposes a meter to which the retail renewable distributed generation is physically attached (the designated meter) with one or more meters (the additional meters) in the manner set out in this paragraph when each additional meter is located on the customer's contiguous property.
  - (II) A net metering customer must give at least 30 days' notice to the QRU to request that additional meters be aggregated pursuant to this paragraph. The specific designated and additional meters must be identified at the time of such request. In the event that more than one additional meter is identified, the utility shall apply the net metering kWh credits to the sum of the kWh consumption as measured by the designated and additional meters.
  - (III) If, in a monthly billing period, the customer's retail renewable distributed generation generates more renewable energy than the customers' consumption as measured by the designated and additional meters, the excess kWh credits will be rolled over as a credit from month to month indefinitely until the customer terminates service with the investor owned QRU, at which time no payment shall be required from the investor owned QRU for any remaining excess kWh credits supplied by the customer.
  - (IV) Meters aggregated pursuant to this paragraph may be on different rate schedules.
- (i) Multi-unit properties with separately metered units, including mixed-use buildings with units that take service on different utility rate schedules and common interest communities managed by unit owners' associations shall be eligible for net metering. Multi-unit properties with a retail distributed generation system interconnected to a designated generation meter to may allocate kilowatt-hour credits to any onsite benefiting meter(s) in accordance with a property owner-defined system share so long as the annual energy production from the system share will supply no more than 200 percent of the benefiting meter's reasonably expected average annual electricity consumption.
  - (I) An investor owned QRU shall offset the retail electricity consumption of a benefiting meter at a multi-unit property that is not master metered with electricity produced by the generation from a generation meter at the same multi-unit property consistent with the system share allocated to the benefiting meter.
  - (II) An investor owned QRU shall attribute electricity produced by the generation meter on a kilowatt-hour basis consistent with each benefiting meter's system share. The QRU shall calculate and provide kilowatt-hour credits for each benefiting meter at a multi-unit property based on the system share of the benefiting meter and the retail rate schedule on which the benefiting meter takes service. For any benefiting meter that takes service on a time-varying rate schedule, the investor owned QRU shall track the time period during which energy was produced at the generation meter (e.g., on-peak, shoulder, or off-peak,

as applicable) and apply kilowatt-hour credits to each benefitting meter at the corresponding time period (e.g., on-peak, should, or off-peak, as applicable).

- (III) If the electricity produced by a system share from the generation meter exceeds the consumption of the benefitting meter associated with such system share during a month, the excess kilowatt-hours shall be carried forward from month to month and credited based on the time period during which the kilowatt-hours were produced at a ratio of 1:1 against the benefitting meter's retail kilowatt-hour consumption in subsequent months. On an annual basis the benefitting meter may roll-over no more than 100 percent of the reasonably expected annual usage of the benefitting meter and any excess above 100 percent may, at the customer's election in writing, be cashed-out to the benefitting meter at the investor owned QRU's average hourly incremental cost. When the benefitting meter terminates service, any excess shall be applied to a common area benefitting meter that is designated by the property owner.
- (IV) The multi-unit property owner or unit owners' association must provide the system share allocated to each designated onsite benefitting meter to the investor owned QRU on a designated form, which may be updated no more than two times per year. The QRU shall implement changes to the allocation of system shares among benefitting meters within 30 days after a multi-unit property owner or unit owners' association submits the designated form to the QRU.
- (V) A multi-unit property owner or unit owners' association must give at least 60 days' notice to the QRU to request net metering at a multi-unit property. The generation meter, each benefitting meter, and the system share of each benefitting meter must be identified at the time of request. The QRU must begin billing and crediting each benefitting meter at the retail rate schedule on which each benefitting meter takes service within 60 days of a completed request.
- (j) Pursuant to § 24-33-115(2), C.R.S., for the Colorado Division of Parks and Outdoor Recreation (CDPOR) as the customer of an investor owned QRU, the investor owned QRU may, on a case-by-case or project-by-project basis:
  - (I) waive any existing limits on the net metering of electricity generated on contiguous property constituting the CDPOR customer's site;
  - (II) waive any existing limits on generating capacity or customer service entrance capacity if the customer proposes to make any necessary upgrades to its service entrance capacity at its own expense; and
  - (III) have the right of first refusal to purchase, and the right not to purchase, electricity from retail renewable distributed generation that is sized to provide more than 120 percent of the average annual consumption of electricity by the CDPOR customer at that site. If the investor owned QRU exercises its option to purchase excess generation under this subparagraph 3664(i)(III), it may claim the RECs based on such purchases.
  - (IV) This paragraph does not confer upon CDPOR the right to make retail sales of electricity or distribute electricity to other state agencies or to noncontiguous properties.

**3665. [Reserved].**