

COLORADO DEPARTMENT OF REGULATORY AGENCIES

Public Utilities Commission

4 CODE OF COLORADO REGULATIONS (CCR) 723-3

PART 3

RULES REGULATING ELECTRIC UTILITIES

3881. Billing Credits and Unsubscribed Electricity and RECs.

- (a) Compensation to the CSG subscriber for its share of the electricity and RECs generated by a CSG shall take the form of a billing credit paid to the CSG subscriber by the utility or, if authorized by the CSG subscriber, contributed to a third party administrator qualified and approved by the utility for the purpose of providing low-income energy assistance and bill reductions within the utility's service territory.
- (b) Billing credit amounts shall be set forth in the utility's tariffs and shall take one of two forms: a bill credit amount that changes annually or a bill credit amount that remains fixed starting at the time the subscriber organization applies for or bids capacity into a utility CSG program. The utility shall file its tariffs no later than November 15 of each year for effect the following January 1, updating the level of annual or fixed billing credit amounts to be paid when multiplied by the CSG subscriber's share as a percentage of the electricity generated by the CSG. The utility's tariff shall record the levels of fixed billing credit amounts established for CSGs over time.
 - (I) When a subscriber organization directs the utility to provide subscribers to a CSG with a bill credit that changes annually, the billing credit shall be calculated by multiplying the CSG subscriber's share as a percentage of the electricity generated by the CSG times the applicable annual bill credit amount set forth in the utility's tariff. The bill credit amount shall be calculated as the utility's total aggregate retail rate of the subscriber's rate class, including all billed components, as charged to the CSG subscriber's class, minus the delivery, integration, and administration charge approved by the Commission in accordance with subparagraph 3881(b)(V).
 - (A) For the purpose of calculating the billing credit amount for a commercial or industrial customer on a demand tariff:
 - (i) the total aggregate retail rate shall be determined by dividing the total electric charges to be paid by the customer to the utility for the most recent calendar year (including demand charges) by the customers' total electricity consumption for that year for subscriptions to CSGs planned for purchases by the utility before January 1, 2016. In the event that the designated premises to which the CSG subscription is attributed has less than one year of billing history, an estimate of the total annual charges shall be made by the utility; or

- (ii) the total aggregate retail rate shall be determined using the average charges and usage for the subscriber's rate class for subscriptions to CSGs planned for purchases by the utility after January 1, 2016.
 - (II) When a subscriber organization directs the utility to provide subscribers to a CSG with a fixed bill credit, the billing credit shall be calculated by multiplying the CSG subscriber's share of the electricity production from the CSG by the applicable fixed bill credit amount set forth in the utility's tariff. The billing credit amount shall be calculated as the utility's total aggregate retail rate as charged to the subscriber's class, minus the delivery, integration, and administration charge approved by the Commission in accordance with subparagraph 3881(b)(V).
 - (A) For the purpose of calculating the billing credit for a commercial or industrial customer on a demand tariff, the utility's total aggregate retail rate shall be determined using the average charges and usage for the subscriber's rate class.
 - (B) The election of the fixed bill credit must be made before the commercial operation date of the CSG.
 - (C) The fixed bill credit shall apply for the life of the CSG.
 - (III) Solely for the purpose of applying the bill credit to a subscriber's bill, the bill credit shall not be applied toward the following rate rider charges, unless the rate rider charges are included in the delivery, integration, and administration charge approved by the Commission in accordance with subparagraph 3881(b)(V): rate rider charges that promote clean energy technologies, including beneficial electrification; rate rider charges that provide income-qualified bill assistance; or rate rider charges that provide other public benefits as determined by the Commission. These rate rider charges shall be treated as non-bypassable charges and identified and approved through the annual utility advice letter filings submitted pursuant to paragraph 3881(b).
 - (IV) Billing credits shall be reflected in the CSG subscriber's bill from the utility no later than the 60th day after the utility receives the information required to calculate the billing credit from the CSG subscriber organization.
 - (V) The Commission-approved delivery, integration, and administration charge shall cover the utility's costs of delivering to the CSG subscriber's premises the electricity generated by the CSG, integrating the generation from the CSG into the utility's system, and administering the contracts with CSG owners and billing credits. This charge shall be a fixed amount, shall include the customer charge as charged to the CSG subscriber's class, shall include the demand-side management (DSM) and RESA rate components as charged to the CSG subscriber's class, and shall not reflect costs that are already recovered by the utility from CSG subscribers through other charges. The utility may seek a revision of this charge no more frequently than once per year.
- (c) If, in a monthly billing period, the CSG subscriber's billing credit associated with a CSG subscription exceeds the customer's bill from the utility, the excess billing credit will be rolled over as a credit from month to month indefinitely until the customer terminates service with the utility, at which time no payment shall be required from the utility for any remaining billing credits

associated with the customer's CSG subscription; however, nothing in this rule precludes the CSG subscriber or the utility from contributing the remaining billing credits to another utility account paid by the CSG subscriber or to a third party administrator qualified and approved by the utility for the purpose of providing low-income energy assistance and bill reductions within the utility's service territory, where the utility has implemented a program for such contributions pursuant to paragraph 3881(d).

- (d) In lieu of rolling over billing credits from month to month pursuant to paragraph 3881(b), the CSG subscriber may contribute the excess 12 months' net billing credit at the end of the April billing cycle to a third party administrator qualified and approved by the utility for the purpose of providing low-income energy assistance and bill reductions within the utility's service territory, where the utility has implemented a program for such contributions pursuant to paragraph 3881(d).
- (e) A description of any proposed program to allow contributions of billing credits or excess billing credits to a third party administrator qualified and approved by the utility for the purpose of providing low-income energy assistance and bill reductions within the utility's service territory, pursuant to paragraphs 3881(a) through (c), shall be included in the utility's acquisition plan for new CSGs filed with the Commission. The description shall include the utility's proposed process for qualification and approval of third party administrators; the criteria a third party must meet to become qualified and approved; the method by which a utility will allocate billing credits, unsubscribed electricity to multiple third party administrators; the way in which the program will be marketed to low-income customers as a renewable program such that customers are made aware that a portion of the bill assistance they receive was derived from renewable energy resources; and a reporting methodology to be included in each annual RES compliance report filed with the Commission. Any billing credits shall be calculated and applied to a recipient's bill based on the total aggregate retail rate of the contributing CSG subscriber.
- (f) In its annual RES compliance report filed with the Commission, the utility shall, at a minimum, provide the total number of CSG billing credits that were contributed to qualified third party administrator, pursuant to paragraphs 3881(a) through (c).
- (g) For RECs purchased by the utility, the utility and the CSG owner shall agree on whether subscribers will be compensated by the billing credit on each CSG subscriber's bill in accordance with paragraph 3881(a) or by a payment to the CSG owner.
- (h) The utility shall purchase from the CSG owner the unsubscribed electricity and RECs at a rate equal to the utility's average hourly incremental cost of electricity supply over the immediately preceding calendar year. A utility may donate the purchased unsubscribed electricity to eligible low-income CSG subscribers as kWh credits. Any billing credits shall be calculated and applied to a recipient's bill based on the total aggregate retail rate of the recipient's customer class.