

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 08R-424E

IN THE MATTER OF PROPOSED AMENDMENTS TO THE RULES OF THE COLORADO
PUBLIC UTILITIES COMMISSION RELATING TO THE RENEWABLE ENERGY
STANDARD.

NOTICE OF PROPOSED RULEMAKING

Mailed Date: September 23, 2008
Adopted Date: September 17, 2008

I. BY THE COMMISSION

A. Statement

1. The Colorado Public Utilities Commission (Commission) hereby issues this Notice of Proposed Rulemaking (NOPR) regarding the Renewable Energy Standard (RES). With the exception of amended Rule 3650(b) which is shown below, a copy of the proposed rules as amended will be drafted and published separately.

2. Public Utilities Commission electric rules 4 *Code of Colorado Regulations* (CCR) 723-3-3650 through 3665 cover the Renewable Electric Standard (RES). These rules first went into effect in July 2006. In March 2007, Governor Ritter signed into law HB07-1281, which made substantive changes to the RES. A limited rulemaking was undertaken in late 2007 to implement changes required by this legislation. In the 2008 legislative session, the general assembly passed, and Governor Ritter signed, HB08-1160 concerning net metering requirements for cooperative electric utilities. This legislation required that the Commission, by October 1, 2008, address the applicability of its interconnection rules to cooperative electric utilities.

3. The basis and purpose of the proposed rulemaking will be to:

- a) Reevaluate the rules concerning the applicability of the Commission's small generator interconnection procedures to cooperative electric utilities as required by HB08-1160; and
- b) Modify and clarify the complete body of RES rules to address issues made evident by our experience with the RES to date.

4. The statutory authority for the proposed rules is found in § 40-2-124, C.R.S.

5. The proposed rulemaking will open for review the entire set of RES rules, Rules 3650 through 3665. It is anticipated that modifications to the rules may be proposed in several areas including, but not limited to:

- a) The applicability of the Commission's interconnection rules to cooperative electric utilities (as required by HB08-1160 and addressed below);
- b) The method of computing the retail rate impact of complying with the RES ;
- c) Certification of renewable energy generation facilities for compliance with the RES and the reporting obligations of the owners of said facilities;
- d) Renewable Energy Credit (REC) tracking including use of the Western Regional Electrical Generation Information System (WREGIS) as the approved database for tracking REC creation and transactions;
- e) The source, lifespan, and other characteristics of RECs used for compliance with the RES;
- f) Information required to be submitted as part of the annual Compliance Report verifying the claimed renewable generation;
- g) Environmental issues relating to the siting of renewable resources;
- h) Rules for managing and incentivizing community-based projects; and,
- i) General administration of the Renewable Energy Standard including, but not limited to:
 - i. The administration of net metering programs by utilities subject to the RES; and
 - ii. The delegation of certain administrative functions to Staff.

6. At this time, and in consideration of the requirement in HB08-1160 to address the applicability of the Commission's interconnection standard to cooperative electric utilities, codified as § 40-9.5-118(1)(d), C.R.S., we propose a modification only to Rule 3650(b) which concerns the applicability of the RES rules to cooperative electric utilities. This amendment will make clear that the Commission's interconnection standard, Rule 3665, now applies to cooperative electric utilities as written. Thus, Rule 3650(b) will now read:

Rules 3651, 3652, 3654(b), (e) through (j), and (m), 3659(a)(I) through (a)(V), (b) through (k), 3660(i), 3661(b), (c), (g), and (j), 3662(a)(I) through (a)(X), (a)(XII), (b), (d), and (e), and 3665 shall apply to cooperative electric associations in the state of Colorado.

7. For the remaining items b through g, new proposed rules will be forthcoming. Following the publication of the proposed rules, there will be a public comment period and hearing as described below.

8. An Administrative Law Judge (ALJ) will conduct a hearing on the proposed rules and related issues at the below-stated time and place. Interested persons may submit written comments on the rules, including data, views, or arguments, and present these orally at hearing unless the ALJ deems oral presentations unnecessary. The Commission anticipates making available a draft of all the proposed rules revisions no later than October 24, 2008. The Commission encourages interested persons to submit written comments on any of the current RES rules prior to the release of the draft proposed rule revisions. In the event interested persons wish to file comments concerning the draft proposed rule revisions before the hearing, the Commission requests that such comments be filed no later than November 7, 2008. Reply comments should be submitted by November 21, 2008. The Commission prefers that interested persons submitting comments do so both in paper and, when possible, electronic

format. The Commission may post electronically submitted comments to its web site. The Commission will consider all submissions, whether oral or written.

9. In submitting comments or replies, interested persons are invited to suggest changes that will make the subject rules more efficient, rational, or meaningful.

II. **ORDER**

A. **The Commission Orders That:**

1. This Notice of Proposed Rulemaking shall be filed with the Colorado Secretary of State for publication in the October edition of *The Colorado Register*.

2. A Hearing on the proposed rules and related matters shall be held before an Administrative Law Judge as follows:

DATE: December 8 and 9, 2008
TIME: 9:00 am
PLACE: Commission Hearing Room
Suite 250
1560 Broadway
Denver, Colorado

3. The ALJ may set additional hearings, if necessary.

4. At the time set for hearing in this matter, interested persons may submit written comments and may present these orally unless the ALJ deems oral comments unnecessary. Interested persons may file written comments in this matter before hearing. The Commission prefers that such pre-filed comments be submitted in both paper and, when possible, electronic format no later than November 7, 2008. Reply comments should be submitted by November 21, 2008.

5. This Order is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
September 17, 2008.**

(SEAL)



ATTEST: A TRUE COPY



Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JAMES K. TARPEY

MATT BAKER

Commissioners

CHAIRMAN RONALD J. BINZ
ABSENT.