SENATE FILE NO. SF0071

Electricity production standard.

Sponsored by: Senator(s) Hicks and Driskill and Representative(s) Baker, Blackburn, Clem, Edwards, Lindholm, Madden and Miller

A BILL

for

AN ACT relating to electric utilities; establishing minimum procurement requirements for electric utilities; requiring reports; providing enforcement and rulemaking authority; mandating the public service commission to account for specified factors in rate setting; and providing for an effective date.

Be It Enacted by the Legislature of the State of Wyoming:

Section 1. W.S. 37-16-301 through 37-16-305 are created to read:

ARTICLE 3

ELECTRICITY PRODUCTION STANDARD
37-16-301. Definitions.

(a) As used in this article:

(i) "Compliance year" means any twelve (12) month period beginning January 1 and ending December 31, starting in 2018, for which compliance with this article shall be demonstrated;

(ii) "Dispatch ability" means the ability of a transmission system control operator, who balances electricity supply and load at all times to meet transmission system operating criteria and to provide reliable electric service to customers, or the owner of an electricity generating resource to rapidly start, stop, increase or decrease electricity production from that electricity generating resource in order to respond to the electricity transmission system's needs;

(iii) "Electric utility" means any electrical company or electric cooperative that is engaged in the business of distributing electricity to electric customers in Wyoming;
(iv) "Electricity generating resource" means any plant or equipment used to generate electricity by any means;

(v) "Eligible generating resource" means an electricity generating resource either located within Wyoming or delivering electricity into Wyoming from another state that produces electricity from one (1) or more of the following sources or system:

(A) Coal;

(B) Hydroelectric;

(C) Natural gas;

(D) Net metering system, as defined by W.S. 37-16-101(a)(viii);

(E) Nuclear;

(F) Oil.
(vi) "Energy credit" means a certificate of proof of one (1) megawatt hour of electricity generated by an eligible generating resource that is tracked and verified by the commission and includes all of the attributes associated with one (1) megawatt hour unit of electricity production.


(a) In compliance year 2018, each electric utility shall procure a minimum of ninety-five percent (95%) of its sales of electricity in Wyoming from eligible generating resources.

(b) In compliance year 2019, each electric utility shall procure a minimum of one hundred percent (100%) of its sales of electricity in Wyoming from eligible generating resources.

37-16-303. Energy credits; administrative penalty.
(a) An electric utility may purchase energy credits for a compliance year through December 31 of that year.

(b) In order to meet the minimum procurement standards specified in W.S. 37-16-302 an electric utility shall use electricity from an eligible generating resource in which the associated energy credits have not been sold separately.

(c) An electric utility shall not resell energy credits and count those sold credits against the electric utility's obligation to meet the standards specified in W.S. 37-16-302.

(d) If an electric utility is unable to meet the standards specified in W.S. 37-16-302 in any compliance year, the electric utility shall pay an administrative penalty, assessed by the commission, of ten dollars ($10.00) for each megawatt hour of energy credits the electric utility failed to procure. An electric utility may not recover this penalty through its electricity rates.

37-16-304. Procurement; reporting.
(a) In meeting the requirements of this article, an electric utility shall:

(i) Conduct energy credit solicitation under which the electric utility offers to purchase energy credits under contracts of at least ten (10) years in duration;

(ii) When procuring energy credits, consider the importance of dispatch ability and other attributes of the eligible generating resource contained in the commission's supply procurement rules.

(b) In accordance with commission rules, an electric utility shall submit annual reports demonstrating compliance with this article for each compliance year. The reports shall be filed with the commission no later than March 1 of the year following a compliance year.
The commission shall adopt no later than November 1, 2017 rules to implement and enforce the provisions of this article. The rules shall establish:

(i) An energy credit tracking system to verify compliance with this article;

(ii) A system by which electricity generating resources may be certified as eligible generating resources;

(iii) Requirements for annual reports and supply procurement;

(iv) An appropriate administrative penalty not to exceed one thousand dollars ($1,000.00) for an electric utility's failure to file an annual report.

Section 2. W.S. 37-2-122(a) is amended to read:

37-2-122. Matters considered in fixing rates; order changing services or facilities.
(a) In determining what are just and reasonable rates the commission \textit{may—shall} take into consideration the requirements of W.S. 37-16-301 through 37-16-305, availability or reliability of service, depreciation of plant, technological obsolescence of equipment, expense of operation, physical and other values of the plant, system, business and properties of the public utility whose rates are under consideration. In determining just and reasonable rates for electricity the commission shall \textit{also} consider common sets of facts developed pursuant to W.S. 37-2-114(b)(i) and regional benefits provided by the utility.

Section 3. This act is effective immediately upon completion of all acts necessary for a bill to become law as provided by Article 4, Section 8 of the Wyoming Constitution.

(END)