

HOUSE BILL NO. HB0200

Reliable and dispatchable low-carbon energy standards.

Sponsored by: Representative(s) Zwonitzer, Clausen, Crank, Eyre, Miller and Newsome and Senator(s) Anselmi-Dalton, Baldwin, Boner, Dockstader, Driskill and Von Flatern

A BILL

for

1 AN ACT relating to public utilities; providing legislative
2 findings; requiring the public service commission to
3 establish electricity generation portfolio standards for
4 public utilities; limiting the recovery of costs for the
5 retirement of coal fired electric generation facilities;
6 authorizing the public service commission to grant
7 reasonable rate recovery for public utilities as specified;
8 making conforming amendments; and providing for an
9 effective date.

10

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

12

13 **Section 1.**

14

1 (a) The legislature finds that:

2

3 (i) Wyoming is the largest producer of coal in
4 the United States, supplying approximately forty percent
5 (40%) of the nation's coal, which is used to generate
6 approximately eleven percent (11%) of the nation's
7 electricity that is supplied to millions of consumers in
8 the United States;

9

10 (ii) Approximately two-thirds (2/3) of the
11 electricity produced in Wyoming, most of which is produced
12 by coal-fired electric generation facilities, is exported
13 to other states, ensuring reliability and sufficient
14 resource adequacy of the electric-transmission grid;

15

16 (iii) Approximately twenty-nine (29) states have
17 established renewable fuel standards for the generation of
18 electricity with the stated goals of reducing or
19 eliminating carbon dioxide in the production of
20 electricity;

21

1 (iv) Wyoming coal is a low-sulfur, abundant and
2 reasonably priced source of fuel for electricity
3 generation;

4

5 (v) A utility supplying power in the Western
6 United States has announced plans to retire several
7 coal-fired electric generation facilities before their
8 established depreciable lives are projected to end;

9

10 (vi) Many utilities are making significant
11 investments in electricity generation resources other than
12 coal, including wind, solar and battery storage;

13

14 (vii) It is essential to the well-being of
15 consumers across the nation to be able to access
16 dispatchable resources, including coal and natural gas
17 facilities;

18

19 (viii) Carbon capture technology is capable of
20 reducing or eliminating carbon dioxide from coal-fired
21 electric generation facilities, but additional time and
22 technological innovation are necessary to provide this
23 climate solution on a commercialized basis;

1

2 (ix) The deployment of carbon capture technology
3 in Wyoming will provide energy to other states to meet
4 policy goals of reduced or zero carbon dioxide emissions
5 while maintaining reliable sources of electricity and
6 ensuring sufficient resource adequacy.

7

8 **Section 2.** W.S. 37-18-101 and 37-18-102 are created
9 to read:

10

11

CHAPTER 18

12

RELIABLE AND DISPATCHABLE LOW-CARBON ENERGY STANDARDS

13

14 **37-18-101. Definitions.**

15

16 (a) As used in this article:

17

18 (i) "Carbon capture, utilization and storage
19 technology" means technology that has the principal purpose
20 of capturing, reusing, storing, sequestering or using
21 carbon dioxide emissions to prevent carbon dioxide from
22 entering the atmosphere;

23

1 (ii) "Dispatchable" means a source of
2 electricity that is available for use on demand and that
3 can be dispatched upon request of a power grid operator or
4 that can have its power output adjusted, according to
5 market needs;

6
7 (iii) "Low-carbon" means electricity that is
8 generated while using carbon capture, utilization and
9 storage technology that produces carbon emissions not
10 greater than six hundred fifty (650) pounds of carbon
11 dioxide per megawatt hour of generated electricity averaged
12 over one (1) calendar year;

13
14 (iv) "Reliable" means generated electricity that
15 is not subject to intermittent availability.

16
17 **37-18-102. Energy generation portfolio standards;**
18 **reporting requirements; rate recovery and limitations.**

19
20 (a) The public service commission shall establish by
21 rule energy portfolio standards that will maximize the use
22 of dispatchable and reliable low-carbon electricity. In
23 establishing standards, the commission:

1

2 (i) Shall require a public utility to generate a
3 specified percentage of electricity generated to be
4 dispatchable and reliable low-carbon electricity;

5

6 (ii) Shall establish a date not later than July
7 1, 2030 for requiring a percentage of electricity generated
8 by a public utility to be dispatchable and reliable
9 low-carbon electricity;

10

11 (iii) Shall establish intermediate standards and
12 requirements for dispatchable and reliable low-carbon
13 electricity that public utilities must generate before the
14 electricity generation standard established in paragraphs
15 (i) and (ii) of this subsection;

16

17 (iv) Shall require each public utility to
18 demonstrate in each integrated resource plan submitted to
19 the commission the steps the public utility is taking to
20 achieve the electricity generation standard established in
21 paragraphs (i) through (iii) of this subsection.

22

1 (b) In addition to W.S. 37-3-117(a), the rates
2 charged by an electric public utility shall not include any
3 recovery of or earnings on the capital costs associated
4 with new electric generation facilities built, in whole or
5 in part, to replace the electricity generated from one (1)
6 or more coal fired electric generation facilities located
7 in Wyoming and retired on or after January 1, 2024, unless
8 the commission determines that the public utility that
9 owned the retired coal fired electric generation facility:

10

11 (i) Has satisfied the requirements of W.S.
12 37-3-117(a); and

13

14 (ii) Is achieving or has taken steps to the
15 commission's satisfaction to achieve the electricity
16 generation standards established under subsection (a) of
17 this section.

18

19 (c) Subject to W.S. 37-3-117(a) and the limitation in
20 subsection (b) of this section, the commission may take
21 into account any of the following when establishing
22 reasonable rates for a public utility working toward and

1 achieving the electricity generation standards established
2 under subsection (a) of this section:

3

4 (i) A public utility that generates dispatchable
5 and reliable low-carbon electricity may apply to the
6 commission for rate recovery of the cost of any carbon
7 capture, utilization and storage technology used to achieve
8 the electricity generation standards established under
9 subsection (a) of this section, including a higher return
10 on equity, provided that any rate recovery under this
11 paragraph for a public utility shall not exceed one billion
12 dollars (\$1,000,000,000.00);

13

14 (ii) A public utility may apply to the
15 commission for authorization to allow a portion of any
16 revenues from the sale of carbon dioxide captured, stored
17 or utilized as a result of generating dispatchable and
18 reliable low-carbon electricity to be returned to the
19 shareholders of the public utility.

20

21 (d) The commission shall promulgate rules to ensure
22 that public utilities are satisfactorily progressing toward
23 achieving the dispatchable and reliable low-carbon

1 electricity generation standard that the commission
2 establishes as required in subsection (a) of this section.

3

4 **Section 3.** W.S. 37-1-101(a)(intro) and (vi) by
5 creating a new subparagraph (N) is amended to read:

6

7 **37-1-101. Definitions.**

8

9 (a) As used in chapters 1, 2, 3, 12, ~~and 17~~ and 18 of
10 this title:

11

12 (vi) "Public utility" means and includes every
13 person that owns, operates, leases, controls or has power
14 to operate, lease or control:

15

16 (N) The provisions of W.S. 37-18-101 and
17 37-18-102 shall not apply to any cooperative electrical
18 generation and transmission association operating in
19 interstate commerce whose rates are not regulated by the
20 Wyoming public service commission.

21

1 **Section 4.** This act is effective July 1, 2020.

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3

(END)