

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

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

7

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

9

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

12

13

ARTICLE 3

14

ELECTRICITY PRODUCTION STANDARD

15

1 **37-16-301. Definitions.**

2

3 (a) As used in this article:

4

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

9

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

19

20 (iii) "Electric utility" means any electrical
21 company or electric cooperative that is engaged in the
22 business of distributing electricity to electric customers
23 in Wyoming;

1

2 (iv) "Electricity generating resource" means any
3 plant or equipment used to generate electricity by any
4 means;

5

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

11

12 (A) Coal;

13

14 (B) Hydroelectric;

15

16 (C) Natural gas;

17

18 (D) Net metering system, as defined by W.S.
19 37-16-101(a)(viii);

20

21 (E) Nuclear;

22

23 (F) Oil.

1

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

8

9 **37-16-302. Eligible generating resource standard.**

10

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

15

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

20

21 **37-16-303. Energy credits; administrative penalty.**

22

1 (a) An electric utility may purchase energy credits
2 for a compliance year through December 31 of that year.

3

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

9

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

14

15 (d) If an electric utility is unable to meet the
16 standards specified in W.S. 37-16-302 in any compliance
17 year, the electric utility shall pay an administrative
18 penalty, assessed by the commission, of ten dollars
19 (\$10.00) for each megawatt hour of energy credits the
20 electric utility failed to procure. An electric utility may
21 not recover this penalty through its electricity rates.

22

23 **37-16-304. Procurement; reporting.**

1

2 (a) In meeting the requirements of this article, an
3 electric utility shall:

4

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

9

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

14

15 (b) In accordance with commission rules, an electric
16 utility shall submit annual reports demonstrating
17 compliance with this article for each compliance year. The
18 reports shall be filed with the commission no later than
19 March 1 of the year following a compliance year.

20

21 **37-16-305. Commission authority; rulemaking**
22 **authority; penalties.**

23

1 (a) The commission shall adopt no later than November
2 1, 2017 rules to implement and enforce the provisions of
3 this article. The rules shall establish:

4
5 (i) An energy credit tracking system to verify
6 compliance with this article;

7
8 (ii) A system by which electricity generating
9 resources may be certified as eligible generating
10 resources;

11
12 (iii) Requirements for annual reports and supply
13 procurement;

14
15 (iv) An appropriate administrative penalty not
16 to exceed one thousand dollars (\$1,000.00) for an electric
17 utility's failure to file an annual report.

18
19 **Section 2.** W.S. 37-2-122(a) is amended to read:

20
21 **37-2-122. Matters considered in fixing rates; order**
22 **changing services or facilities.**

23

