

## 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;

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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:

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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)