

HOUSE BILL NO. HB0248

Electricity production standard.

Sponsored by: Representative(s) Bear, Fortner, Knapp and
Zwonitzer and Senator(s) Hicks and McKeown

A BILL

for

1 AN ACT relating to electric utilities; establishing minimum
2 procurement requirements for electric utilities; requiring
3 reports; defining terms; providing enforcement and
4 rulemaking authority; mandating the public service
5 commission to account for specified factors in rate
6 setting; and providing for an 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) "Biogenic natural gas" means natural gas
6 formed through a biological process;

7

8 (ii) "Compliance year" means the period
9 beginning January 1, 2023 and ending December 31, 2023 and
10 each calendar year thereafter;

11

12 (iii) "Electric utility" means a public utility
13 as defined by W.S. 37-1-101(a)(vi)(C);

14

15 (iv) "Electricity generating resource" means any
16 plant or equipment used to generate electricity by any
17 means;

18

19 (v) "Eligible generating resource" means an
20 electricity generating resource that produces electricity
21 from one (1) or more of the following sources or systems:

22

23 (A) Coal;

1

2

(B) Thermogenic natural gas;

3

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(C) Oil;

5

6

(D) Hydroelectric;

7

8

(E) Biogenic natural gas;

9

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(F) Net metering system, as defined by W.S.

11

37-16-101(a)(viii);

12

13

(G) Nuclear;

14

15

(H) Geothermal;

16

17

(J) Hydrogen.

18

19

(vi) "Energy credit" means the exclusive right

20

to claim the attributes, other than energy and capacity, of

21

one (1) megawatt hour of electricity generated by an

22

eligible generating resource;

23

1 (vii) "Thermogenic natural gas" means natural
2 gas formed by chemical reactions without the presence of
3 microorganisms.

4

5 **37-16-302. Eligible generating resource standard;**
6 **exception.**

7

8 (a) In compliance year 2023, each electric utility
9 shall produce or procure a minimum of ninety-five percent
10 (95%) of electricity sold in Wyoming from eligible
11 generating resources located in Wyoming, except as provided
12 in subsection (c) of this section but in accordance with
13 W.S. 37-18-102.

14

15 (b) In compliance year 2024 and in each subsequent
16 compliance year, each electric utility shall produce or
17 procure a minimum of one hundred percent (100%) of
18 electricity sold in Wyoming from eligible generating
19 resources located in Wyoming, except as provided in
20 subsections (c) and (d) of this section but in accordance
21 with W.S. 37-18-102.

22

1 (c) An electric utility may utilize electricity
2 generated from eligible generating resources outside of
3 Wyoming to satisfy the standards established in this
4 section if the electric utility demonstrates to the
5 commission's satisfaction that:

6

7 (i) Eligible generating resources located within
8 Wyoming are unavailable; or

9

10 (ii) Eligible generating resources are available
11 from outside of Wyoming at a lower cost to Wyoming electric
12 utility customers.

13

14 (d) An electric utility's minimum obligation to
15 produce or procure electricity sold in Wyoming from
16 eligible generating resources in any compliance year may be
17 reduced to the extent the utility:

18

19 (i) Is required by law to purchase electricity
20 produced by other generating facilities;

21

22 (ii) Produces electricity from other generating
23 facilities constructed pursuant to a certificate of public

1 convenience and necessity or otherwise approved by the
2 commission and included in rates prior to January 1, 2023;

3

4 (iii) Obtained energy credits for the compliance
5 year, except that the minimum obligation shall not be
6 satisfied by obtaining energy credits if the utility has
7 retired an eligible generating resource prior to the end of
8 its depreciable life, unless such retirement is necessary
9 to comply with federal or Wyoming law; or

10

11 (iv) Has contracted with customers for the
12 purchase of renewable energy.

13

14 (e) In determining just and reasonable rates under
15 W.S. 37-2-122, the commission shall take into consideration
16 the requirements of this article.

17

18 (f) Nothing in this section shall supersede the
19 requirements of W.S. 37-18-102.

20

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

22

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

4

5 (b) Except as provided in subsection (c) of this
6 section, in order to meet the minimum procurement standards
7 specified in W.S. 37-16-302, only energy credits associated
8 with electricity from an eligible generating resource
9 located in Wyoming and for which the associated energy
10 credits have not been sold separately.

11

12 (c) An electric utility may use energy credits from
13 an eligible generating resource generated or produced
14 outside of Wyoming to meet the minimum production standards
15 specified in W.S. 37-16-302 if the electric utility
16 demonstrates to the commission's satisfaction that:

17

18 (i) Eligible generating resources located within
19 Wyoming are unavailable;

20

21 (ii) Energy credits for electricity from an
22 eligible generating resource located in Wyoming are
23 unavailable for purchase; or

1

2 (iii) Energy credits are available from outside
3 of Wyoming that will result in lower costs to Wyoming
4 electric utility customers.

5

6 (d) An electric utility shall not resell or otherwise
7 transfer energy credits and count those sold credits
8 against the electric utility's obligation to meet the
9 standards specified in W.S. 37-16-302.

10

11 (e) If an electric utility fails to meet the
12 standards specified in W.S. 37-16-302 in any compliance
13 year, the electric utility shall pay an administrative
14 penalty, assessed by the commission, of ten dollars
15 (\$10.00) for each megawatt hour of energy the electric
16 utility failed to produce or procure. An electric utility
17 shall not recover this penalty through its electricity
18 rates.

19

20 **37-16-304. Reporting.**

21

22 An electric utility shall submit annual reports
23 demonstrating compliance with this article for each

1 compliance year. The reports shall be filed with the
2 commission not later than March 1 of the year following a
3 compliance year.

4

5 **37-16-305. Commission authority; rulemaking**
6 **authority; penalties; sunset.**

7

8 (a) Not later than November 1, 2022, the commission
9 shall adopt rules to implement and enforce the provisions
10 of this article. The rules shall establish:

11

12 (i) A system for validating energy credits;

13

14 (ii) Any additional criteria necessary to
15 identify eligible generating resources;

16

17 (iii) Requirements for annual compliance reports
18 and supply procurement;

19

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

23

1 (b) This article is repealed effective July 1, 2028.

2

3 **Section 2.** W.S. 37-2-122(a) and 37-18-102(c) by
4 creating a new paragraph (iv) are amended to read:

5

6 **37-2-122. Matters considered in fixing rates; order**
7 **changing services or facilities.**

8

9 (a) In determining what are just and reasonable rates
10 the commission may take into consideration the requirements
11 of W.S. 37-16-301 through 37-16-305, the availability or
12 reliability of service, depreciation of plant,
13 technological obsolescence of equipment, expense of
14 operation, physical and other values of the plant, system,
15 business and properties of the public utility whose rates
16 are under consideration. In determining just and reasonable
17 rates for electricity the commission shall also consider
18 common sets of facts developed pursuant to W.S.
19 37-2-114(b)(i) and regional benefits provided by the
20 utility.

21

22 **37-18-102. Energy generation portfolio standards;**
23 **reporting requirements; rate recovery and limitations.**

1

2 (c) Subject to W.S. 37-3-117(a) and the limitation in
3 subsection (b) of this section, the commission shall
4 consider the following when establishing reasonable rates
5 for a public utility working toward and achieving the
6 electricity generation standards established under
7 subsection (a) of this section:

8

9 (iv) The requirements of W.S. 37-16-301 through
10 37-16-305.

11

12 **Section 3.** This act is effective July 1, 2021.

13

14 (END)

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