

**DRAFT ONLY
NOT APPROVED FOR
INTRODUCTION**

HOUSE BILL NO.

Wyoming energy independence-rate recovery and reliability.

Sponsored by: Joint Minerals, Business & Economic
Development Interim Committee

A BILL

for

1 AN ACT relating to public utilities; amending
2 considerations by the public service commission in setting
3 rates; authorizing and specifying the recovery of costs for
4 public utilities; specifying requirements for reliable
5 electricity generation and service; specifying
6 applicability; requiring rulemaking; and providing for
7 effective dates.

8

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

10

11 **Section 1.** W.S. 37-3-120 is created to read:

12

1 **37-3-120. Cost recovery for proven dispatchable**
2 **generation assets.**

3

4 (a) As used in this section:

5

6 (i) "Dispatchable" means a source of electricity
7 that is available for use on demand and that can be
8 dispatched upon request of a power grid operator or that
9 can have its power output adjusted, according to market
10 needs;

11

12 (ii) "Proven dispatchable generation resource"
13 means a significant energy resource that has demonstrated
14 the capability to provide dispatchable energy;

15

16 (iii) "Significant energy resource" means a
17 resource that consists of:

18

19 (A) A total of one hundred (100) megawatts
20 or more of new generating capacity that has a dependable
21 life of not less than ten (10) years;

22

1 (B) A contract for purchase for not less
2 than ten (10) years and not less than one hundred (100)
3 megawatts of electricity, electric generating capacity or
4 both;

5

6 (C) The purchase or lease by a public
7 utility from an affiliated company of a generating
8 facility, electricity, electric generating capacity or
9 electricity and electric generating capacity;

10

11 (D) A contract with an option for the public
12 utility or an affiliate to purchase a resource that
13 consists of not less than one hundred (100) megawatts of
14 new generating capacity that has a remaining dependable
15 life of not less than ten (10) years; or

16

17 (E) A type of resource designated by the
18 commission as a significant energy resource.

19

20 (b) Except as otherwise provided in this chapter and
21 chapter 2 of this title, this section shall apply to the
22 recovery of costs associated with the acquisition,
23 expansion, maintenance, retrofitting, fueling or operation

1 of a proven dispatchable generation resource and the
2 reasonable legal fees and costs associated with efforts to
3 preserve the continued operation of a proven dispatchable
4 generation resource.

5

6 (c) To recover costs specified in subsection (d) of
7 this section, a public utility shall demonstrate, to the
8 commission's satisfaction:

9

10 (i) The amount sought to be recovered is
11 attributable to Wyoming as a cost that Wyoming has imposed;

12

13 (ii) The actions taken by the public utility,
14 through a detailed description of the actions, resulting in
15 the costs sought to be recovered;

16

17 (iii) That the actions taken by the public
18 utility resulting in the costs sought to be recovered were:

19

20 (A) Reasonable when considering available
21 dispatchable resources; and

22

1 (B) Necessary to acquire, operate and
2 maintain dispatchable resources.

3

4 (iv) That the recovery of costs for the actions
5 taken by the public utility is in the public interest.

6

7 (d) Subject to subsection (c) of this section, the
8 commission shall allow a public utility rate recovery for
9 the costs associated with:

10

11 (i) Any commission approved significant energy
12 resource decision relating to a proven dispatchable
13 generation resource in Wyoming;

14

15 (ii) Any commission approved voluntary resource
16 decision relating to a proven dispatchable generation
17 resource in Wyoming;

18

19 (iii) Costs necessary to acquire, expand,
20 retrofit or maintain proven dispatchable generation
21 resources located within the state to comply with federal
22 law or ensure the efficient operation of those resources;

23

1 (iv) Costs to obtain needed generation because of
2 a federal action, decision or mandate that requires the
3 closure, retirement or decommissioning of a proven
4 dispatchable generation resource until permanent
5 replacement generation can be obtained or constructed;

6

7 (v) Stranded costs because of any federal action,
8 decision or mandate to close, retire or decommission proven
9 dispatchable generation resources located within Wyoming;

10

11 (vi) Reasonable legal fees and costs arising out
12 of efforts to preserve the continued operation of proven
13 dispatchable generation resources that are either located
14 in Wyoming or provide generation to Wyoming.

15

16 (e) A public utility may recover fuel-related costs
17 associated with acquiring and transporting fuel necessary
18 for operating a proven dispatchable generation resource if
19 the public utility demonstrates to the commission's
20 satisfaction that:

21

22 (i) Any fuel transportation costs are reasonable
23 in comparison to current fuel transportation market rates;

1

2 (ii) Any fuel purchase for the proven
3 dispatchable generation resource is at a cost less than or
4 equal to the lower of:

5

6 (A) The current market price for that fuel
7 in the general geographic area from which the resource is
8 extracted; or

9

10 (B) The costs to purchase that fuel from an
11 affiliate company of the public utility.

12

13 (iii) The term of collective fuel supply
14 contracts entered into by the affected public utility is
15 reasonable to ensure necessary fuel supply for the public
16 utility; and

17

18 (iv) The cost for the public utility to maintain
19 a reasonable stockpile of fuel for up to one (1) year for
20 operation of the proven dispatchable generation resource is
21 reasonable according to prudent utility practice.

22

1 (f) A public utility may recover reasonable ongoing
2 operating costs incurred in connection with the operation
3 of a proven dispatchable generation resource located in
4 Wyoming.

5
6 (g) A public utility is entitled to a presumption that
7 the ongoing operating costs specified in subsection (f) of
8 this section are reasonable in any rate case before the
9 commission. Any person may submit evidence to the
10 commission to challenge the reasonableness of a public
11 utility's ongoing operating costs specified in this
12 subsection. If a public utility's ongoing operating costs
13 are unchallenged or if the commission determines that a
14 challenging party has failed to demonstrate that the public
15 utility's ongoing operating costs are not reasonable, the
16 public utility is entitled to recover ongoing operating
17 costs specified in subsection (f) of this section. If the
18 commission determines that the public utility's ongoing
19 operating costs are not reasonable, the commission shall
20 establish rates that allow the public utility to recover
21 only reasonable ongoing operating costs associated with a
22 proven dispatchable generation resource.

23

1 (h) Upon the filing of a request for rate recovery
2 under this section by a public utility that is expected to
3 result in a rate increase for the public utility's
4 ratepayers, the commission shall provide a written notice
5 of the public utility's request to the joint appropriations
6 committee and the joint minerals, business and economic
7 development interim committee. Upon receiving a notice
8 specified in this subsection, either committee may review
9 the public utility's request and may determine whether to
10 seek to intervene in the rate case and advocate on behalf
11 of the legislature.

12

13 **Section 2.** W.S. 37-2-122 by creating a new subsection
14 (f) and 37-3-112 are amended to read:

15

16 **37-2-122. Matters considered in fixing rates; order**
17 **changing services or facilities; qualifying facilities**
18 **contracts.**

19

20 (f) In determining what are just and reasonable rates,
21 the commission shall, in addition to the matters specified
22 in this section, consider:

23

1 (i) Whether the rates proposed by the public
2 utility are in the public interest;

3
4 (ii) The dispatchability of the energy resources
5 for which rates are sought. As used in this paragraph,
6 "dispatchability" means a source of electricity that is
7 available for use on demand and that can be dispatched upon
8 request of a power grid operator or that can have its power
9 output adjusted, according to market needs;

10
11 (iii) The state's desired policy to have proven
12 dispatchable generation resources operating within the
13 state to ensure adequate resources to reliably meet the
14 state's energy needs;

15
16 (iv) Whether the proposal is consistent with the
17 Wyoming energy strategy developed under W.S. 37-5-
18 503(a)(vii).

19
20 **37-3-112. Service to be adequate and safe; service to**
21 **be dispatchable and reliable; regulations to be just and**
22 **reasonable; unjust discrimination or undue preference as to**
23 **service prohibited; definitions.**

1

2 (a) As used in this section:

3

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

9

10 (ii) "Reliable" means generated electricity that
11 is not subject to intermittent availability.

12

13 (b) The service and facilities of every public utility
14 shall be adequate and safe and every service regulation
15 shall be just and reasonable. The service of every public
16 utility shall be dispatchable and reliable. The commission
17 shall have the authority to investigate, consider and
18 determine standards for availability, dispatchability or
19 reliability of service that are objectively established by
20 rule consistent with commonly accepted industry standards.
21 It shall be unlawful for any public utility to make or
22 permit to exist any unjust discrimination or undue
23 preference with respect to its service, facilities or

1 service regulations. This provision shall not be construed
2 as prohibiting a public utility from establishing
3 classifications which distinguish among its various
4 services, facilities or service regulations if the
5 classifications are not unduly discriminatory among the
6 customers in the same class of service.

7

8 **Section 3.** Nothing in this act shall be construed to
9 impair or alter any agreement, contract or obligation
10 entered into before the effective date of this section.

11

12 **Section 4.** The public service commission shall
13 promulgate all rules necessary to implement this act.

14

15 **Section 5.**

16

17 (a) Except as provided in subsection (b) of this
18 section, this act is effective July 1, 2025.

19

20 (b) Sections 4 and 5 of this act are effective
21 immediately upon completion of all acts necessary for a
22 bill to become law as provided by Article 4, Section 8 of
23 the Wyoming Constitution.

1

2

(END)