



2024 Legislative Issue Form

1.) **Contact Information** (of person bringing forth issue):

- a. **Name:** Sonja Macys
- b. **Title:** County Commissioner
- c. **County:** Routt
- d. **Phone Number:** (970) 819-4260
- e. **E-Mail Address:** smacys@co.routt.co.us

2.) **Issue/Problem to be addressed** (What is the problem this legislation is seeking to solve?)

Rural Electric Cooperative member-owners do not have the same opportunity to install grid-tied renewable energy systems as Investor-Owned Utilities (IOU) and municipal (Muni) customers do, resulting in a lack of equitable opportunity to reduce greenhouse gas emissions and save money. Given that Cooperatives are located within Colorado's rural areas, deploying renewable resources, including micro grids, would allow for enhanced grid resilience, a more equitable distribution of renewable energy statewide. In addition, it would allow rural areas, many of whom are in coal transitioning communities, to contribute to the state's greenhouse gas emissions reduction targets. There are several best practices that IOUs and Muni customers benefit from that are not available to Cooperative member-owners. These are:

- Higher net metering standards (up to 200% of historic use per SB21-261).
- Meter aggregation and offsite generation, also known as "virtual net metering."

3.) **Background on this Issue/Problem** (How did this come to be? Why are you seeking a legislative remedy?)

[C.R.S. 40-9.5-118](#) requires a minimum standard for net metering of 10Kw residential, 25Kw commercial but it also enables Cooperatives to set policy that exceeds the state minimum standard. Many Cooperatives throughout the state only recognize and adhere to a portion of [C.R.S. 40-9.5-118](#), Section 2IA and B, providing member-owners very limited generating capacity. They ignore section 2II, which specifically indicates that "Each cooperative electric association may allow customer-generators to generate electricity subject to net metering in amounts in excess of the minimum amounts specified in subparagraph (I) of this paragraph (e)."

The relevant portion of the statute is as follows:

- (I) Size specifications. Each cooperative electric association shall allow:
 - (A) Residential customer-generators to generate electricity subject to net metering up to ten kilowatts; and
 - (B) Commercial or industrial customer-generators to generate electricity subject to net metering up to twenty-five kilowatts.
- (II) Each cooperative electric association may allow customer-generators to generate electricity subject to net metering in amounts in excess of the minimum amounts specified in subparagraph (I) of this paragraph (e). If the cooperative electric association denies interconnection to a customer-generator that has requested interconnection of a system with a capacity of twenty-five kilowatts or larger, the association shall provide a written technical or economic explanation of such denial to the customer.

With the introduction of [SB21-261](#), better net metering opportunities became available for IOU and Muni customers (i.e. changing the 120% cap on net metering). However, these opportunities of [SB21-261](#) were not made available to member-owners of Cooperatives.

In addition, because Cooperatives are not overseen by the Public Utilities Commission (PUC), additional "best practices" in net metering are also unavailable to Cooperative member-owners. For example, the PUC enforces standards for net metering that are set forth in §40-2-124, C.R.S., including the provision to allow for "[meter aggregation](#)" and off-site net metering. For more definitions of these two concepts, [please see this brief](#).

Please submit this completed form to Brittney Becerra at bbecerra@ccionline.org

By Friday, July 7.



Some Cooperatives, such as Yampa Valley Electric Association, have set higher net metering standards to incentivize renewable energy. For example, in 2014, YVEA set standards at 25Kw for residential and 100Kw for commercial. As solar gained traction, with local government projects at the forefront and more planned¹, [YVEA rolled back their net metering standards](#), a move that jeopardizes local government projects including The City of Steamboat Springs' City Hall, Routt County's Wastewater Treatment Plants in Phippsburg and Milner, and Hayden's Business Park.

These are just a few local examples of how Cooperative policy is stifling renewable energy deployment in Colorado's rural areas. This is particularly troubling given new federal "elective pay" opportunities, found in the Inflation reduction Act (IRA), that would allow for local governments to benefit from the 30-50% "tax credit" for which they were not previously eligible. Never before have locally distributed renewable energy resources provided such quick return on investment for taxpayers.

As rising home valuations and instable energy costs increase financial pressures on taxpayers throughout the state, local governments must re-evaluate renewable energy projects in light of new opportunity. We simply can't walk away from the cost savings that climate-friendly renewable energy projects offer.

4.) **Proposed Solution/Legislative Remedy to this issue.**

Cooperative member-owners should, legislatively, be afforded the same net metering options as IOU and Muni customers. Legislation should require that Cooperatives allow for:

- Higher net metering standards. Either up to 200% of historic use per SB21-261, 25Kw residential or 100Kw commercial or standards even higher based on additional study.
- Meter aggregation and offsite generation, also known as "virtual net metering."

5.) **Have you explored a non-legislative solution to this problem?**

Yes, at the local level. Prior to [YVEA rolling back net metering standards](#) Routt County, the City of Steamboat Springs and the Town of Hayden made them aware of projects underway and the harm this locally-instituted policy would do to taxpayers. See the following articles:

<https://www.steamboatpilot.com/news/yvea-board-votes-to-reduce-renewable-energy-connection-sizes-per-meter/>
<https://www.steamboatpilot.com/news/city-asking-yvea-for-waiver-to-net-metering-cap/>

In addition, the Routt County Board of County Commissioners held several public meetings (5/22/2023, 6/5/2023) requesting that YVEA change its policy. Commissioner Sonja Macys attended three YVEA Board Meetings to reiterate these requests (April 2023, June 2023).

<https://www.steamboatpilot.com/news/commissioners-eye-federal-funds-for-solar-projects-amid-yvea-transition/>
<https://www.yampavalleybugle.com/post/yvea-s-new-power-deal-won-t-change-the-co-op-s-net-metering-policies>

6.) **Statutory Citation to be modified AND proposed/revised language (The Colorado Revised Statute is available for free at [this link](#), by selecting "Colorado Revised Statutes"). CRS 35-5.5-118 to allow local governing authorities to issue citations per CRS 16-2.3-101 *et seq.***

See #2 & 3.

¹ <https://www.steamboatpilot.com/news/work-underway-on-yampa-valleys-largest-regional-solar-array/>
<https://www.steamboatpilot.com/news/solar-success-installs-on-city-county-facilities-save-thousands-each-month/>
<https://www.steamboatpilot.com/news/city-asking-yvea-for-waiver-to-net-metering-cap/>

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7.) Relationship of this issue to County Commissioner's roles and/or authorities.

County Commissioners have an obligation to their constituents to make the best use of taxpayers' resources, saving where possible and making appropriate investments. There is unprecedented opportunity to deploy renewable energy resources at a 30-50% discount, thanks to the recently established "elective pay" program. It would be irresponsible to ignore the opportunity this unprecedented offer presents to save taxpayers' dollars year over year and make a positive contribution to local and state emissions reductions targets.

8.) Has this proposal been approved by the Board of County Commissioners?

The issue has been discussed in the Board of County Commissioners public hearing room since February 2023. This specific proposal was advanced at a June 2023 meeting for legislative consideration. Approval will be ratified at the 7/11/2023 Board of County Commissioners meeting.

9.) List any potential Proponents/Opponents & their perspective; indicate any groups/individuals with whom you have already discussed this issue.

Proponents include local governments in Routt County and other rural counties in Colorado, renewable energy advocates, climate action advocates, statewide membership driven groups (i.e. Sierra Club, Conservation Colorado) and some rural electric cooperatives. Our local Cooperative, YVEA, is on record in a number of public meetings suggesting that a legislative fix is needed. However, it is our understanding that the Colorado Rural Electric Association (CREA) has consistently opposed including Cooperatives in this type of legislation.

10.) Have you visited with your legislator(s) about this proposal? What was their reaction? Are members of your delegation likely to sponsor, support, or oppose this proposal?

We have been keeping our legislators, Senator Dylan Roberts and Representative Meghan Lukens, abreast of the situation for the past six months. Representative Lukens has indicated interest in carrying this legislation if CCI is willing to make it a priority. We anticipate support from both legislators and also have good relationships with legislators in other rural and urban areas throughout the state.

11.) Anticipated Fiscal Impact (to counties, state, other stakeholders, etc.).

Locally distributed energy resources can help make the grid more resilient, protect taxpayers from rising energy costs, create jobs and contribute to local resilience through innovative technologies like micro grids². Thanks to unprecedented financial opportunities made available through the Inflation Reduction Act, these opportunities are now within reach for many local governments.

12.) Please list the local subject matter experts CCI staff can follow-up with for more information on this proposal.

Sonja Macys

13.) If your county is submitting multiple issue forms, please rank each issue.

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² <https://crea.coop/2021/10/28/innovative-microgrid-unveiled-in-northern-colorado/>
<https://encorp.com/2022/07/21/innovative-rural-coop-in-colorado-shows-the-way-on-microgrids/>

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