

SENATE FILE NO. SF0042

Low-carbon reliable energy standards-amendments.

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

A BILL

for

1 AN ACT relating to public utilities; amending requirements  
2 and deadlines for low-carbon energy generation standards;  
3 amending reporting requirements for meeting the low-carbon  
4 energy standards; amending rate recovery mechanisms  
5 associated with low-carbon energy standards; requiring  
6 rulemaking; and providing for effective dates.

7

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

9

10 **Section 1.** W.S. 37-18-101(a)(iii) and 37-18-102(a)(i)  
11 through (iv), (v)(A), (c)(iii), (d) and (e) are amended to  
12 read:

13

14 **37-18-101. Definitions.**

15

1 (a) As used in this article:

2

3 (iii) "Low-carbon" means electricity that is  
4 generated while using carbon capture, utilization and  
5 storage technology that ~~produces carbon emissions~~ captures  
6 not ~~greater~~ less than ~~six hundred fifty (650) pounds~~  
7 eighteen thousand seven hundred fifty (18,750) metric tons  
8 of carbon dioxide ~~per megawatt hour of generated~~  
9 electricity averaged over during one (1) calendar year and  
10 that has a capture design capacity of not less than  
11 seventy-five percent (75%) of the baseline carbon dioxide  
12 production of the generation unit as specified in 26 U.S.C.  
13 § 45Q(e)(2):

14

15 (A) From an existing coal-fired generation  
16 unit; or

17

18 (B) As allowed and defined by 25 U.S.C. §  
19 45Q, as amended, and any applicable regulations of the  
20 federal environmental protection agency.

21

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

1

2 (a) Consistent with the objective of ensuring Wyoming  
3 electric utilities maintain access to reliable and cost  
4 effective electric generation resources, the public service  
5 commission shall establish by rule energy portfolio  
6 standards that will maximize the use of dispatchable and  
7 reliable low-carbon electricity. In establishing standards,  
8 the commission:

9

10 (i) Shall require a public utility servicing more  
11 than ten thousand (10,000) Wyoming electric customers to  
12 generate a specified percentage of electricity ~~generated to~~  
13 ~~be that is~~ dispatchable and reliable low-carbon electricity  
14 from an existing coal-fired generation unit or an  
15 equivalent new coal-fueled generation unit;

16

17 (ii) Shall establish a date not later than July  
18 1, ~~2030~~ 2038 for requiring a percentage of electricity  
19 generated by a public utility to be dispatchable and  
20 reliable low-carbon electricity taking into consideration  
21 any potentially expiring federal tax credits;

22

1           (iii) Shall establish intermediate ~~standards and~~  
2 requirements for dispatchable and reliable low-carbon  
3 electricity that public utilities must generate before the  
4 electricity generation standard established in paragraphs  
5 (i) and (ii) of this subsection;

6  
7           (iv) Beginning July 1, 2024, shall require each  
8 public utility ~~to demonstrate in each integrated resource~~  
9 ~~plan submitted~~ to file with the commission an annual report  
10 outlining the steps in the past calendar year the public  
11 utility ~~is taking~~ has taken to achieve the electricity  
12 generation standard established in paragraphs (i) through  
13 (iii) of this subsection;

14  
15           (v) Shall for each public utility:

16  
17           (A) Establish baseline standards for  
18 electric reliability to ensure that new or expanded  
19 intermittent generation resources do not unreasonably  
20 diminish power quality or increase momentary outages across  
21 a utility's service territory or in any particular location  
22 and to ensure that new or expanded resources do not  
23 decrease reliable and dispatchable electricity;

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 (iii) To the extent a public utility can  
10 demonstrate that it will incur incremental costs to comply  
11 with the reliable and dispatchable low-carbon energy  
12 standard, the commission shall authorize the public utility  
13 to implement a rate recovery mechanism that collects a  
14 surcharge from customers not to exceed two percent (2%) of  
15 each customer's total electric bill to provide for the  
16 recovery of the prudently incurred incremental costs to  
17 comply with the reliable and dispatchable low-carbon energy  
18 standard, including costs related to securing non-utility  
19 funding, the exploration of carbon reduction technologies,  
20 the implementation of carbon reduction pilot projects, due  
21 diligence studies and reports, feasibility studies,  
22 front-end engineering design studies, geological studies  
23 and tax and financing studies. A rate recovery mechanism

1 may be authorized and established prior to the public  
2 utility incurring incremental costs to comply with the  
3 reliable and dispatchable low-carbon energy standard and  
4 the public utility may retain funds collected through a  
5 mechanism in a regulatory account approved by the  
6 commission to offset future costs. To the extent the rate  
7 recovery mechanism is insufficient to compensate the public  
8 utility for its prudently incurred incremental costs to  
9 comply with the reliable and dispatchable low-carbon energy  
10 standard, the commission shall take such actions as  
11 necessary notwithstanding any other provision of this  
12 section to ensure the public utility is able to recover its  
13 prudently incurred incremental costs and customers are not  
14 charged for those incremental costs other than through the  
15 rate recovery mechanism specified in this subsection.

16

17 (d) The commission shall promulgate rules to require  
18 public utilities to file reports to ensure that public  
19 utilities are satisfactorily progressing toward achieving  
20 the dispatchable and reliable low-carbon electricity  
21 generation standard that the commission establishes as  
22 required in subsection (a) of this section and achieving

1 reasonable electric reliability and power quality outcomes  
2 as required by subsection (a) of this section.

3

4 (e) Beginning in 2023, and occurring every second  
5 year thereafter, the commission shall report to the  
6 ~~legislature~~ joint minerals, business and economic  
7 development interim committee and the joint corporations,  
8 elections and political subdivisions interim committee  
9 regarding implementation of the electricity portfolio  
10 standards and recommend whether it should be continued,  
11 modified or repealed. To the extent the electricity  
12 portfolio standards are modified or discontinued, nothing  
13 shall impair the ability of a public utility that has  
14 incurred costs to comply with the electricity portfolio  
15 standards to recover its prudently incurred costs as  
16 authorized by the commission.

17

18 **Section 2.** The public service commission shall  
19 promulgate all rules necessary to implement this act. As  
20 part of this rulemaking process, the public service  
21 commission shall amend deadlines for public utilities to  
22 submit final plans for achieving low-carbon energy

1 production standards to the commission to account for the  
2 extension of deadlines provided by section 1 of this act.

3

4 **Section 3.**

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6 (a) Except as provided in subsection (b) of this  
7 section, this act is effective immediately upon completion  
8 of all acts necessary for a bill to become law as provided  
9 by Article 4, Section 8 of the Wyoming Constitution.

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11 (b) Section 1 of this act is effective July 1, 2024.

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(END)