

REPORTS OF STANDING COMMITTEES

MR. PRESIDENT:

The Committee on **Utilities** recommends **SB 455** be amended on page 2, in line 4, by striking "180" and inserting "240"; in line 42, after "(4)" by inserting "In any proceeding conducted pursuant to this subsection relating to the abandonment or retirement of a fossil fuel-fired electric generating unit, the commission shall not approve the abandonment or retirement of such electric generating unit, authorize a surcharge or issuance of bonds for the decommissioning of such electric generating unit or take any other action that authorizes or allows for the recovery of costs for the retirement of such electric generating unit, including recovery of stranded assets, unless the commission determines that relevant evidence sufficiently supports the commission to find that:

(A) The utility will replace the abandoned or retired electric generating unit with new electric generating capacity that:

(i) Is equal to or greater than the amount of electric generating capacity necessary to meet the minimum reserve capacity requirements established pursuant to accreditation rules of the regional transmission organization or independent system operator responsible for accrediting capacity within the utility's service area based on an estimate of the average replacement capacity at the time construction of such replacement capacity begins;

(ii) is dispatchable by either the utility or the regional transmission organization or independent system operator responsible for balancing load within the utility's service area; and

(iii) maintains or improves the reliability and resilience of the electric transmission grid;

(B) the abandonment or retirement is not expected to harm the utility's customers or

decrease the utility's regional rate competitiveness by causing the utility to experience higher costs than would be expected by continuing to operate such electric generating unit in compliance with applicable law, unless, consistent with the integrated resource planning framework utilized by the commission, the commission determines that such higher costs are justified by other factors that are specified by the commission. The utility shall provide the commission with evidence of all known direct and indirect costs of abandonment or retirement of the electric generating unit and demonstrate that cost savings or avoided or mitigated cost increases to customers will occur as a result of the abandonment or retirement of the electric generating unit; and

(C) unless the abandonment or retirement of the electric generating unit is required to comply with federal or state laws, such abandonment or retirement is for economic purposes and for the benefit of customers and not principally based on achieving environmental, social and governance goals that are not mandated by federal or state laws.

(5)";

On page 3, in line 10, by striking "180" and inserting "240"; in line 18, after "(d)" by inserting "(1) It is the intent of the legislature that when a public utility files a petition for a determination of ratemaking principles and treatment pursuant to subsection (b) or (c), consistent with the state corporation commission's customary practices, the commission shall:

(A) Issue a determination on such petition in an expeditious manner; and

(B) when circumstances allow, attempt to issue such determination in a period of time that is less than the 240-day deadline to issue such determination established pursuant to subsection (b) or (c).

(2) In furtherance of such legislative intent, a public utility that intends to file a petition for a determination of ratemaking principles and treatment pursuant to this section shall provide

notice to the commission of such public utility's intent to file such petition not less than 30 days before filing a petition pursuant to this section. Upon receipt of such notice, the commission shall provide notice of the public utility's intent to file a petition pursuant to this section to each person or entity that was a party to or an intervenor in the public utility's most recently concluded base rate case.

(3) In any proceeding conducted pursuant to this section, any application for intervention in such proceeding shall be submitted not later than 10 days after the public utility's filing of a petition for a determination of ratemaking principles and treatment. The commission shall adopt a procedural schedule for the proceeding not later than 30 days after a public utility files a petition for a determination of ratemaking principles and treatment pursuant to this section.

(e)";

Also on page 3, in line 32, by striking "(d)" and inserting "(e)";

On page 4, following line 8, by inserting:

"(i) The commission shall prepare and submit an annual report to the legislature by December 1 of each year providing:

(1) The number of requests by utilities to retire electric generating units in the state, the nameplate capacity of each of those units and whether the request was approved or denied by the commission;

(2) the impact of any commission-approved retirement of an electric generating unit on the:

(A) Utility's and state's generation fuel mix;

(B) required capacity reserve margins for the utility;

(C) need for capacity additions or expansions at new or existing facilities as a result of the retirement; and

(D) need for additional power or capacity reserve arrangements; and

(3) whether the retirement resulted in stranded costs for ratepayers that will be recovered by the utility through securitization or some other charge on customer bills.

(j) The provisions of subsection (c)(4) shall expire on July 1, 2034.";

And by redesignating subsections, paragraphs, subparagraphs and clauses accordingly;

On page 1, in the title, in line 2, after the semicolon by inserting "extending the timeline for the commission to make a predetermination of ratemaking principles and treatment prior to the construction of or acquiring a stake in an electric generation or transmission facility; establishing procedural requirements to support the timely and expeditious completion of such proceedings; prohibiting the commission from authorizing the retirement of fossil fuel-fired electric generating facilities unless certain requirements are met;"; in line 3, after the semicolon by inserting "requiring the commission to report annually on public utility requests to retire fossil fuel-fired electric generating facilities;"; and the bill be passed as amended.

_____Chairperson