



*Colorado HB17-1323
Concerning PUC Ethics and Consumer Protections*

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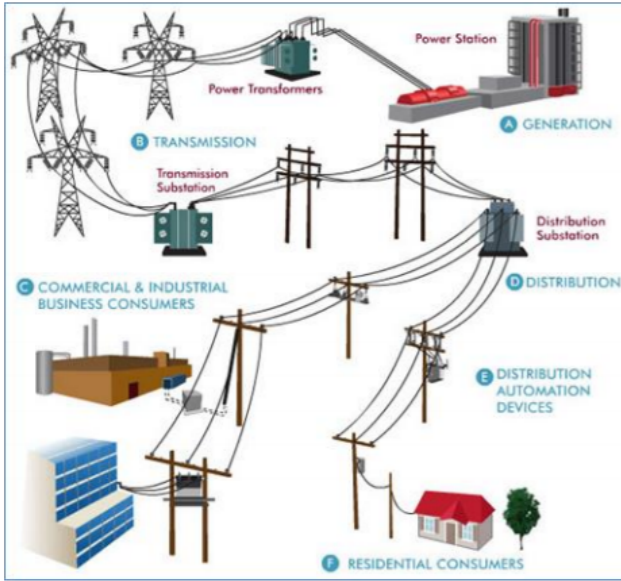
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Do Changes in the Utility Landscape Require Changes in the Approaches of Public Utility Commissions?

The Utility of the Past: Vertically Integrated Utilities

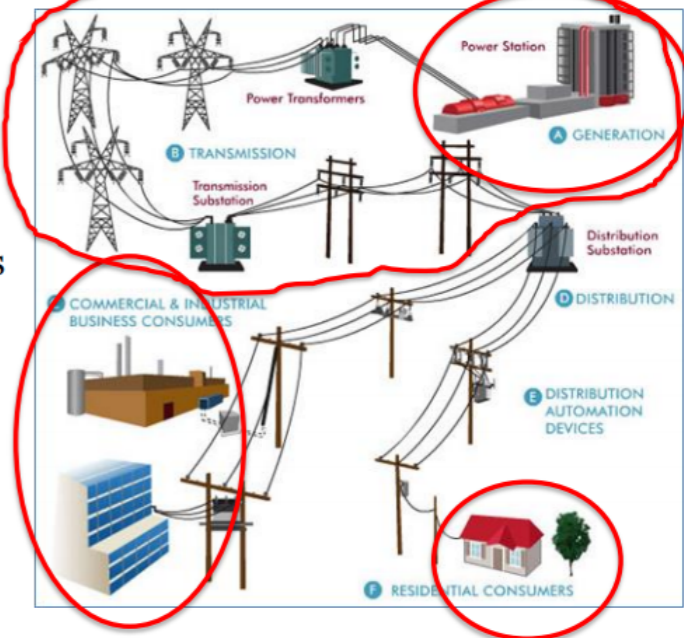


- Utility owned & operated virtually all generation, transmission, and distribution infrastructure
- Monopoly franchise within a defined service territory – and an obligation to serve
- Government-owned, customer-owned, or economically regulated to protect the public interest

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The Utility of Today: Smaller Role in a Restructured Industry

- Changes in public policy have driven changes in ownership and operation of generation & transmission:
 - Independent power producers can sell bulk power to utilities
 - Customers can generate electricity (e.g. solar) and sell excess power to their utility
 - Two-thirds of bulk power supply in US is dispatched by independent “regional transmission organizations”



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Source: Regulatory Assistance Project

Colorado HB17-1323- PUC Ethics and Cons. Protection (Rep. Esgar, Sen. Garcia, Sen. Cooke)

Modeled on California Senate Bill 19 and Assembly Bill 2903

Focused on creating rules and guidelines for Commission ethics and activities and to enhance consumer protections

- Creates exclusion period for former utility executives to serve on PUC
- Requires the development of PUC code of ethics etc...
- Creates an independent ombudsman for PUC ethics
- Authorizes PUC ED to create training and professional development opportunities for Commission staff

http://leg.colorado.gov/sites/default/files/documents/2017A/bills/2017A_1323_01.pdf



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Section 2-PUC Service Prohibition

Prohibits employees of regulated utilities from serving on the Public Utilities Commission for 4 years after the termination of employment from the utility

- Eliminates need for recusal
- Creates a buffer from perceived, or real, conflicts of interest

Prohibits financial relationships and interests in regulated bodies

Why not other intervening parties/ bodies?



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Section 5- Creation of Code of Ethics etc...

Requires Public Utilities Commission to create rules setting forth:

The Commission's policies concerning conflicts of interest;

A statement of incompatible activities; and

Limitations on *Ex Parte* communications

How does this relate to transparency and legitimacy?



Section 4- Creation of Independent Ombudsman

Directs the Executive Director of the Public Utilities Commission to coordinate with the Office of the Attorney General to appoint an Independent Ombudsman for Ethics

The Ombudsman duties include:

Receiving complaints and comments from employees of the Commission and members of the public concerning how the Commission is carrying out its function;

Creating, maintaining and administering a program of enhanced ethics training for all commissioners and employees of the Commission

Report annually to *Legislative Committees of Reference* concerning complaints and complaint disposition

How does this improve operations and transparency of the Commission?



Section 3- PUC Staff Training and Development Assignments

Authorizes the Executive Director of the Public Utilities Commission to allow Commission employees to undertake temporary training and development assignments with related state government to enhance the employees substantive expertise related to, and familiarity with, agencies that undertake coordinated activities with the Commission

Authorizes in the same way, coordination with higher education to develop curriculum and training for workforce to improve candidates for employment with the Commission

How does this improve effectiveness and operation of the Commission?



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Conclusion- Takeaways

- As customers demand more transparency from utilities, they also demand these characteristics from regulatory bodies
- Customers are demanding more level playing fields
- Outwork facing transparency creates trust in the customer
- Customers are demanding independent accountability to support trust in the process
- Regulatory bodies must be current on emerging issue areas and policy movement in order to further bolster customer trust



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