

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

INTRODUCED

LLS NO. 26-0699.02 Clare Haffner x6137

HOUSE BILL 26-1337

HOUSE SPONSORSHIP

Valdez and Winter T.,

SENATE SPONSORSHIP

(None),

House Committees
Energy & Environment

Senate Committees

A BILL FOR AN ACT

101 CONCERNING FACILITATING THE DEVELOPMENT OF NUCLEAR ENERGY
102 PROJECTS IN THE STATE.

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill requires the Colorado energy office (office) to serve as the state's permitting coordinator for nuclear energy projects. The office is required to:

- Coordinate with developers of nuclear energy projects (developers), stakeholders, and state and local permitting agencies throughout the permitting process and assist

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

developers in navigating local, state, and federal regulations;

- Build administrative and coordination capacity to prepare for federal funding opportunities; and
- On or before December 1, 2027, recommend to the public utilities commission (commission) factors for the commission to consider when approving the acquisition of a nuclear energy project or other clean firm resources and cost-recovery mechanisms for the development of nuclear energy projects.

The bill requires an investor-owned electric utility with more than 500,000 customers to:

- On or before August 1, 2027, solicit requests for information from communities and local governments interested in hosting a nuclear energy project and from potential development partners; and
- Identify, in collaboration with other public utilities, local governments, and developers, potential sites for a nuclear energy project.

The bill states that an investor-owned electric utility may submit to the commission, and the commission is required to approve, an application to expend and recover up to \$20 million to finance studies regarding potential sites, facility designs, and other activities related to the development of nuclear energy projects in the state. The bill requires the commission to issue an approval or denial of a petition from an investor-owned electric utility regarding a cost-recovery mechanism for a nuclear energy project no later than 6 months after receiving the petition.

The bill establishes a statewide goal of identifying at least one nuclear energy project site by 2035 and beginning construction of at least one nuclear energy project by 2040.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** part 6 to article
3 38.5 of title 24 as follows:

4 **PART 6**

5 **ADVANCED ENERGY DEVELOPMENT**

6 **24-38.5-601. Legislative declaration.**

7 (1) THE GENERAL ASSEMBLY DECLARES THAT IT IS THE POLICY OF

1 THE STATE TO ENCOURAGE THE DEVELOPMENT OF NUCLEAR ENERGY, AND,
2 ACCORDINGLY, COLORADO SHALL HAVE THE GOALS OF:

3 (a) IDENTIFYING AT LEAST ONE NUCLEAR ENERGY PROJECT SITE BY
4 2035; AND

5 (b) BEGINNING CONSTRUCTION OF AT LEAST ONE NUCLEAR ENERGY
6 PROJECT BY 2040.

7 (2) THE GENERAL ASSEMBLY FURTHER DECLARES THAT THE OFFICE
8 SHOULD MAKE EVERY EFFORT TO SECURE FEDERAL FUNDS TO SUPPORT THE
9 COSTS OF IMPLEMENTATION AND DEVELOPMENT OF NUCLEAR ENERGY
10 PROJECTS IN THE STATE.

11 **24-38.5-602. Definitions.**

12 AS USED IN THIS PART 6, UNLESS THE CONTEXT OTHERWISE
13 REQUIRES:

14 (1) "CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY"
15 MEANS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ISSUED BY
16 THE COMMISSION PURSUANT TO ARTICLE 5 OF TITLE 40.

17 (2) "COMMISSION" MEANS THE PUBLIC UTILITIES COMMISSION
18 CREATED IN SECTION 40-2-101 (1).

19 (3) "DEVELOPER" MEANS AN OWNER OR OPERATOR OF A NUCLEAR
20 ENERGY PROJECT.

21 (4) "LOCAL GOVERNMENT" MEANS A COUNTY, CITY, TOWN, OR
22 CITY AND COUNTY.

23 (5) "NUCLEAR ENERGY PROJECT" MEANS A PROJECT FOR THE
24 CONSTRUCTION AND OPERATION OF A NUCLEAR ENERGY RESOURCE
25 FACILITY.

26 (6) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN
27 SECTION 24-38.5-101.

1 (7) "PERMITTING AGENCIES" MEANS STATE AND LOCAL
2 GOVERNMENT AGENCIES WITH PERMITTING AUTHORITY.

3 **24-38.5-603. Advanced nuclear energy development -**
4 **responsibilities of Colorado energy office - cost-recovery mechanism**
5 **process.**

6 (1) THE OFFICE SHALL SERVE AS THE STATE'S PERMITTING
7 COORDINATOR FOR NUCLEAR ENERGY PROJECTS BY:

8 (a) SERVING AS A SINGLE POINT OF CONTACT FOR DEVELOPERS,
9 STAKEHOLDERS, AND PERMITTING AGENCIES THROUGHOUT THE
10 PERMITTING PROCESS;

11 (b) COORDINATING WITH PERMITTING AGENCIES TO STREAMLINE
12 PERMITTING PROCESSES AND ALIGN WITH FEDERAL PERMITTING
13 REQUIREMENTS; AND

14 (c) ASSISTING DEVELOPERS IN NAVIGATING LOCAL, STATE, AND
15 FEDERAL REGULATIONS.

16 (2) NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE
17 CONTRARY, THE UNITED STATES NUCLEAR REGULATORY COMMISSION HAS
18 THE EXCLUSIVE AUTHORITY TO ISSUE PERMITS RELATED TO THE
19 CONSTRUCTION AND OPERATION OF A NUCLEAR POWER PLANT OR REACTOR
20 PURSUANT TO THE FEDERAL "ATOMIC ENERGY ACT OF 1954", PUB.L.
21 83-703.

22 (3) (a) THE OFFICE SHALL:

23 (I) BUILD ADMINISTRATIVE AND COORDINATION CAPACITY TO
24 PREPARE FOR FEDERAL FUNDING OPPORTUNITIES, APPLICATIONS, AND
25 AWARD MANAGEMENT; AND

26 (II) ON OR BEFORE DECEMBER 1, 2027, COLLABORATE WITH
27 RATE-REGULATED PUBLIC UTILITIES AND RELEVANT STAKEHOLDERS TO

1 RECOMMEND TO THE COMMISSION:

2 (A) FACTORS THE COMMISSION SHALL CONSIDER WHEN DECIDING
3 WHETHER TO APPROVE A RATE-REGULATED PUBLIC UTILITY'S ACQUISITION
4 OF A NUCLEAR ENERGY PROJECT OR OTHER CLEAN FIRM RESOURCES; AND

5 (B) COST-RECOVERY MECHANISMS FOR THE DEVELOPMENT OF A
6 NUCLEAR ENERGY PROJECT.

7 (b) FOR THE PURPOSE OF MAKING RECOMMENDATIONS TO THE
8 COMMISSION REGARDING COST-RECOVERY MECHANISMS PURSUANT TO
9 SUBSECTION (3)(a)(II)(B) OF THIS SECTION, THE OFFICE SHALL EVALUATE
10 POTENTIAL COST-RECOVERY MECHANISMS OR PROCESSES RELATED TO
11 COST RECOVERY, INCLUDING:

12 (I) A PARTIAL OR PHASED CERTIFICATE OF PUBLIC CONVENIENCE
13 AND NECESSITY FOR A NUCLEAR ENERGY PROJECT;

14 (II) APPROVAL OF CONCURRENT CAPITAL COST RECOVERY FOR A
15 NUCLEAR ENERGY PROJECT WITHIN THE CONTEXT OF A PARTIAL OR PHASED
16 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY; OR

17 (III) APPROVAL OF COST PREMIUMS WITH A CAP.

18 **SECTION 2.** In Colorado Revised Statutes, **add** 40-2-140 as
19 follows:

20 **40-2-140. Nuclear energy projects - requests for information**
21 **- nuclear energy project siting - cost recovery - definitions.**

22 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
23 REQUIRES:

24 (a) "DEVELOPER" MEANS AN OWNER OR OPERATOR OF A NUCLEAR
25 ENERGY PROJECT.

26 (b) "LOCAL GOVERNMENT" MEANS A COUNTY, CITY, TOWN, OR
27 CITY AND COUNTY.

1 (c) "NUCLEAR ENERGY PROJECT" MEANS A PROJECT FOR THE
2 CONSTRUCTION AND OPERATION OF A NUCLEAR ENERGY RESOURCE
3 FACILITY.

4 (d) "OFFICE" MEANS THE COLORADO ENERGY OFFICE CREATED IN
5 SECTION 24-38.5-101.

6 (2) (a) AN INVESTOR-OWNED ELECTRIC UTILITY WITH MORE THAN
7 FIVE HUNDRED THOUSAND CUSTOMERS SHALL:

8 (I) ON OR BEFORE AUGUST 1, 2027, SOLICIT A REQUEST FOR
9 INFORMATION FROM COMMUNITIES AND LOCAL GOVERNMENTS
10 INTERESTED IN HOSTING A NUCLEAR ENERGY PROJECT;

11 (II) ON OR BEFORE AUGUST 1, 2027, SOLICIT A REQUEST FOR
12 INFORMATION FROM POTENTIAL DEVELOPERS WITH EXPERIENCE
13 DEVELOPING, CONSTRUCTING, OPERATING, OR SERVICING NUCLEAR
14 ENERGY PROJECTS;

15 (III) IDENTIFY, IN COLLABORATION WITH OTHER PUBLIC UTILITIES,
16 LOCAL GOVERNMENTS, AND DEVELOPERS, POTENTIAL SITING
17 OPPORTUNITIES FOR A NUCLEAR ENERGY PROJECT, TAKING INTO ACCOUNT
18 THE FOLLOWING:

19 (A) JOBS AND WORKFORCE TRANSITION OPPORTUNITIES;

20 (B) EXISTING INFRASTRUCTURE, WATER, AND LAND USE
21 REGULATIONS; AND

22 (C) ENVIRONMENTAL JUSTICE AND JUST TRANSITION
23 CONSIDERATIONS AND COMMUNITY SUPPORT AND BENEFITS;

24 (IV) WHEN IDENTIFYING POTENTIAL SITES FOR NUCLEAR ENERGY
25 PROJECTS, GIVE PREFERENCE TO A POTENTIAL SITE FOR A NUCLEAR
26 ENERGY PROJECT THAT IS LOCATED IN AN ENERGY COMMUNITY, AS
27 DEFINED BY THE FEDERAL "INFLATION REDUCTION ACT OF 2022", PUB.L.

1 117-169; AND

2 (V) WHEN PRACTICABLE, ALIGN IDENTIFICATION OF POTENTIAL
3 SITES FOR NUCLEAR ENERGY PROJECTS WITH LARGE-LOAD SITING AND
4 DEVELOPMENT.

5 (b) THE COMMISSION SHALL ALLOW FOR EXPEDITED, UP-FRONT
6 COST RECOVERY FOR AN INVESTOR-OWNED ELECTRIC UTILITY WITH MORE
7 THAN FIVE HUNDRED THOUSAND CUSTOMERS FOR EXPENDITURES RELATED
8 TO THE REQUIREMENTS SET FORTH IN SUBSECTION (2)(a) OF THIS SECTION.

9 (c) AN INVESTOR-OWNED ELECTRIC UTILITY WITH MORE THAN FIVE
10 HUNDRED THOUSAND CUSTOMERS MAY SUBMIT TO THE COMMISSION, AND
11 THE COMMISSION SHALL APPROVE, AN APPLICATION TO EXPEND AND
12 RECOVER UP TO TWENTY MILLION DOLLARS TO FINANCE STUDIES
13 REGARDING POTENTIAL SITES, FACILITY DESIGNS, AND OTHER ACTIVITIES
14 RELATED TO THE DEVELOPMENT OF NUCLEAR ENERGY PROJECTS IN THE
15 STATE.

16 (d) AN INVESTOR-OWNED ELECTRIC UTILITY WITH MORE THAN FIVE
17 HUNDRED THOUSAND CUSTOMERS SHALL RECOVER STUDY EXPENDITURES
18 APPROVED PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION THROUGH
19 AN EXISTING RATE ADJUSTMENT MECHANISM THAT IS ASSOCIATED WITH
20 THE COST OF GENERATION CAPACITY OR THROUGH DEFERRED ACCOUNTING
21 TREATMENT FOR WHICH THE DEFERRED EXPENDITURES ARE RECOVERABLE
22 IN THE FIRST RATE CASE SUBMITTED AFTER THE COMPLETION OF THE
23 STUDIES.

24 (3) AN INVESTOR-OWNED ELECTRIC UTILITY MAY PETITION THE
25 COMMISSION FOR COST RECOVERY FOR A NUCLEAR ENERGY PROJECT USING
26 THE COST-RECOVERY MECHANISM RECOMMENDATIONS THAT THE OFFICE
27 RECOMMENDS TO THE COMMISSION PURSUANT TO SECTION 24-38.5-603

1 (3)(a)(II)(B).

2 (4) THE COMMISSION MAY APPROVE A COST-RECOVERY
3 MECHANISM RECOMMENDED BY THE OFFICE PURSUANT TO SECTION
4 24-38.5-603 (3)(a)(II)(B). NO LATER THAN SIX MONTHS AFTER RECEIVING
5 A PETITION FROM AN INVESTOR-OWNED ELECTRIC UTILITY REGARDING A
6 COST-RECOVERY MECHANISM FOR A NUCLEAR ENERGY PROJECT, THE
7 COMMISSION SHALL ISSUE AN APPROVAL OR DENIAL OF THE PETITION. IN
8 EVALUATING THE PETITION, THE COMMISSION SHALL CONSIDER HOW
9 COST-RECOVERY MECHANISMS MAY INCENTIVIZE NUCLEAR ENERGY
10 DEVELOPMENT AND PROTECT CUSTOMER UTILITY BILLS.

11 **SECTION 3. Act subject to petition - effective date -**
12 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
13 the expiration of the ninety-day period after final adjournment of the
14 general assembly (August 12, 2026, if adjournment sine die is on May 13,
15 2026); except that, if a referendum petition is filed pursuant to section 1
16 (3) of article V of the state constitution against this act or an item, section,
17 or part of this act within such period, then the act, item, section, or part
18 will not take effect unless approved by the people at the general election
19 to be held in November 2026 and, in such case, will take effect on the
20 date of the official declaration of the vote thereon by the governor.

21 (2) This act applies to nuclear energy projects proposed on or after
22 the applicable effective date of this act.