

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 26-0225.01 Clare Haffner x6137

HOUSE BILL 26-1081

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House Committees
Energy & Environment

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A BILL FOR AN ACT

101 **CONCERNING MEASURES TO OPTIMIZE COLORADO'S ELECTRIC**
102 **TRANSMISSION SYSTEM.**

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>.)

Section 3 of the bill defines "advanced transmission technologies" as hardware or software technologies that increase the capacity, efficiency, reliability, or resiliency of an existing or new transmission facility.

Section 4 requires the Colorado public utilities commission (commission) to adopt rules requiring a regulated electric utility to

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.

SENATE
3rd Reading Unamended
April 8, 2026

SENATE
Amended 2nd Reading
April 7, 2026

HOUSE
3rd Reading Unamended
March 6, 2026

HOUSE
Amended 2nd Reading
March 5, 2026

consider advanced transmission technologies in the electric utility's 10-year transmission plan and to identify strategies to reduce the costs of new transmission.

Section 5 requires the Colorado electric transmission authority (authority) to, as much as practicable, engage and coordinate with formal subregional transmission planning organizations.

Under current law, the authority is required to annually submit a report of its activities, including a complete operating and financial statement covering the operations of the authority for the previous state fiscal year, to certain committees of reference of the general assembly. **Section 6** requires that the annual report also include a description of the activities and accomplishments of the authority during the previous calendar year.

Section 7 adds a nonvoting seat to the authority's board of directors for the director of the commission or the director's designee.

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

2 **SECTION 1. Short title.** The short title of this act is the
3 "Colorado Grid Optimization Act".

4 **SECTION 2. Legislative declaration.** (1) The general assembly
5 finds and declares that:

6 (a) Both in-state and regional electric transmission systems are
7 essential to maintaining grid reliability and resilience amid unprecedented
8 load growth. As new transmission projects undergo lengthy planning,
9 permitting, and review processes, commercially available and proven
10 advanced transmission technologies present near-term opportunities to
11 accelerate the interconnection of new resources, maximize the
12 performance of existing transmission assets, and deliver least-cost energy
13 to consumers.

14 (b) Advanced transmission technologies are technologies that
15 increase the capacity, efficiency, reliability, or resiliency of a transmission
16 facility and have the potential to optimize the transmission grid by
17 lowering costs, reducing congestion, and expediting the interconnection

1 of new load;

2 (c) Advanced transmission technologies have been shown to
3 complement transmission expansion by optimizing the cost, utilization,
4 and value of new transmission build-out. When planned in tandem with
5 proposed new transmission facilities, these technologies can alleviate
6 transmission constraints, improve system efficiency, inform more
7 strategic siting and sequencing of infrastructure, and support broader
8 benefits for customers, landowners, wildlife, and disproportionately
9 impacted communities.

10 (d) National analyses, the federal energy regulatory commission,
11 and various state utility commissions have identified advanced
12 transmission technologies as cost-effective tools that can be deployed on
13 faster timelines than new transmission construction, thereby supporting
14 near-term reliability and job creation while mitigating rate impacts for
15 customers;

16 (e) Strategic use of advanced transmission technologies also has
17 the potential to reduce wildfire risk and prevent power outages during
18 emergencies by improving real-time situational awareness and reducing
19 stress on existing transmission lines under extreme conditions;

20 (f) Integrating advanced transmission technologies into relevant
21 transmission planning processes and decision-making can support
22 Colorado's long-term energy affordability and grid modernization efforts
23 by making sufficient information available to regulators and the public
24 regarding where such technologies can deliver system-wide and customer
25 benefits;

26 (g) The Colorado electric transmission authority, referred to in this
27 section as the "authority", was created by Senate Bill 21-072 to enable the

1 expansion and financing of electric transmission facilities and
2 infrastructure and has since helped advance the state's clean energy goals
3 and reliability with an interregional focus. Additionally, Senate Bill
4 23-016 required the authority to conduct a transmission capacity
5 expansion study to assess the need for expanded transmission capacity in
6 the state.

7 (h) It is in the state's best interest to have coordinated statewide
8 transmission planning, and there is great potential value in the authority
9 providing leadership in regional transmission coordination and
10 interregional project development, including by supporting the
11 advancement of priority projects through joint studies and the facilitation
12 of multi-utility and grid operator collaboration where appropriate; and

13 (i) Regional planning groups, along with the authority, can
14 provide the state with a dedicated venue to coordinate interregional
15 transmission needs and advocate for equitable cost allocation and public
16 policy alignment in regional transmission organization governance
17 structures.

18 **SECTION 3.** In Colorado Revised Statutes, 40-42-102, **add** (1.3),
19 (1.5), and (12.5) as follows:

20 **40-42-102. Definitions.**

21 As used in this article 42, unless the context otherwise requires:

22 (1.3) "ADVANCED CONDUCTOR" MEANS A CONDUCTOR
23 TECHNOLOGY USED IN AN ELECTRIC TRANSMISSION SYSTEM THAT, WHEN
24 COMPARED TO AN ALUMINUM CONDUCTOR STEEL REINFORCED
25 CONDUCTOR OF THE SAME DIAMETER, PLUS OR MINUS ONE PERCENT:

26 (a) HAS A DIRECT CURRENT ELECTRICAL RESISTANCE, MEASURED
27 AT A STANDARD REFERENCE TEMPERATURE OF TWENTY DEGREES CELSIUS

1 CONSISTENT WITH INDUSTRY PRACTICE, THAT IS AT LEAST FIFTEEN
2 PERCENT LOWER OR MEETS HIGHER PERFORMANCE STANDARDS
3 RECOGNIZED BY THE COMMISSION TO ACCOUNT FOR EVOLVING
4 TECHNOLOGIES OR TRANSMISSION SYSTEM NEEDS; AND

5 (b) INCREASES THE POTENTIAL ENERGY CARRYING CAPACITY BY
6 AT LEAST SIXTY PERCENT OR MEETS HIGHER PERFORMANCE STANDARDS
7 RECOGNIZED BY THE COMMISSION TO ACCOUNT FOR EVOLVING
8 TECHNOLOGIES OR TRANSMISSION SYSTEM NEEDS.

9 (1.5) "ADVANCED TRANSMISSION TECHNOLOGIES" MEANS
10 HARDWARE OR SOFTWARE TECHNOLOGIES THAT INCREASE THE CAPACITY,
11 EFFICIENCY, RELIABILITY, OR RESILIENCY OF AN EXISTING OR NEW
12 TRANSMISSION FACILITY, INCLUDING:

13 (a) ADVANCED CONDUCTORS; AND

14 (b) GRID-ENHANCING TECHNOLOGIES.

15 (12.5) "GRID-ENHANCING TECHNOLOGY" MEANS A HARDWARE OR
16 SOFTWARE TECHNOLOGY THAT REDUCES CONGESTION OR ENHANCES THE
17 FLEXIBILITY OF ELECTRIC TRANSMISSION AND DISTRIBUTION SYSTEMS BY
18 INCREASING THE CAPACITY OF A TRANSMISSION OR DISTRIBUTION LINE, OR
19 BY REROUTING ELECTRICITY FROM OVERLOADED LINES TO UNCONGESTED
20 LINES, WHILE MAINTAINING INDUSTRY SAFETY STANDARDS.

21 "GRID-ENHANCING TECHNOLOGY" INCLUDES:

22 (a) DYNAMIC LINE RATINGS;

23 (b) ADVANCED POWER FLOW CONTROLLERS;

24 (c) TOPOLOGY OPTIMIZATION;

25 (d) ENERGY STORAGE, INCLUDING ANY TYPE OF MOBILE OR
26 RELOCATABLE ENERGY STORAGE SYSTEM, WHEN USED AS A TRANSMISSION
27 OR DISTRIBUTION RESOURCE; AND

1 (e) OTHER TECHNOLOGIES THAT INCREASE GRID RELIABILITY,
2 FLEXIBILITY, AND CAPACITY.

3 **SECTION 4.** In Colorado Revised Statutes, 40-2-126, **amend (6);**
4 **and add (7), (8), and (9)** as follows:

5 **40-2-126. Transmission facilities - biennial review - energy**
6 **resource zones - plans - approval - cost recovery - powerline trail**
7 **consideration - rules - definitions.**

8 (6) The commission shall amend its rules requiring the filing of
9 ten-year transmission plans by utilities to also require utilities to:

10 (a) Consider and address plans for the construction of new
11 powerline trails in coordination with applicable local governments in each
12 two-year update to a ten-year transmission plan; ~~and~~

13 (b) Demonstrate compliance with section 33-45-103 (2);

14 (c) FOR UTILITIES SUBJECT TO RATE REGULATION BY THE
15 COMMISSION, IDENTIFY STRATEGIES TO REDUCE THE COSTS OF
16 CONSTRUCTION AND OBTAINING ADEQUATE FINANCING FOR IDENTIFIED
17 PROJECTS IN THE UTILITY'S TEN-YEAR TRANSMISSION PLAN, INCLUDING BY
18 CONSIDERING, AFTER EVALUATING WHETHER APPLICABLE, THE USE OF
19 BONDS ISSUED BY THE COLORADO ELECTRIC TRANSMISSION AUTHORITY
20 PURSUANT TO SECTION 40-42-104 (1)(r). IF A UTILITY IDENTIFIES OR
21 EVALUATES THE POTENTIAL USE OF BONDS ISSUED BY THE COLORADO
22 ELECTRIC TRANSMISSION AUTHORITY AS A COST-REDUCTION STRATEGY IN
23 THE UTILITY'S TEN-YEAR TRANSMISSION PLAN, THE UTILITY SHALL
24 CONSULT WITH THE COLORADO ELECTRIC TRANSMISSION AUTHORITY
25 PRIOR TO FILING THE UTILITY'S TEN-YEAR TRANSMISSION PLAN.

26 (d) INCORPORATE, IN THE UTILITY'S TEN-YEAR TRANSMISSION
27 PLAN, AN EVALUATION OF ADVANCED TRANSMISSION TECHNOLOGIES,

1 AS DEFINED IN SECTION 40-42-102 (1.5), WHICH EVALUATION MUST
2 INCLUDE:

3 (I) A TECHNICAL FEASIBILITY ASSESSMENT;

4 (II) IF TECHNICALLY FEASIBLE, A COST-EFFECTIVENESS ANALYSIS
5 AND TIMETABLE FOR POTENTIAL DEPLOYMENT;

6 (III) AN ASSESSMENT OF ADVANCED TRANSMISSION
7 TECHNOLOGIES ABLE TO REDUCE OR MITIGATE TRANSMISSION SYSTEM
8 NEEDS WITH THE POTENTIAL TO ACHIEVE THE FOLLOWING, AS APPLICABLE:

9 (A) AN INCREASE IN TRANSMISSION SYSTEM CAPACITY,
10 COST-EFFECTIVENESS, RELIABILITY, OR RESILIENCY;

11 (B) A REDUCTION OF TRANSMISSION SYSTEM CONGESTION;

12 (C) A REDUCTION IN THE TIMELINE TO CONNECT NEW GENERATION
13 OR LOAD TO THE GRID;

14 (D) A REDUCTION OF THE RISK OF IGNITING WILDFIRES;

15 (E) AN INCREASE IN CAPACITY TO CONNECT NEW RENEWABLE
16 ENERGY AND CLEAN ENERGY RESOURCES REFLECTING THE UTILITY'S
17 GENERATION AND LOAD PLANNING FORECASTS FROM THE UTILITY'S MOST
18 RECENT ELECTRIC RESOURCE PLAN; OR

19 (F) AN INCREASE IN THE TRANSFER CAPABILITY OF ELECTRICITY
20 BETWEEN COLORADO AND NEIGHBORING STATES;

21 (IV) A DESCRIPTION OF ANY ADDITIONAL POTENTIAL BENEFITS OF
22 DEPLOYING ADVANCED TRANSMISSION TECHNOLOGIES, WHICH BENEFITS
23 MAY INCLUDE:

24 (A) THE ABILITY TO MEET SHORT-TERM TRANSMISSION NEEDS
25 WHILE NEW TRANSMISSION IS BEING SITED, PERMITTED, OR CONSTRUCTED;

26 AND

27 (B) A REDUCTION IN IMPACTS TO HIGH-PRIORITY HABITATS,

1 WILDLIFE MOVEMENT CORRIDORS AND CROSSINGS, AND SPECIES OF
2 GREATEST CONSERVATION NEED, AS IDENTIFIED BY THE DIVISION OF PARKS
3 AND WILDLIFE CREATED IN SECTION 33-9-104; AND

4 (V) IF ADVANCED TRANSMISSION TECHNOLOGIES ARE FOUND TO
5 OFFER A MORE COST-EFFECTIVE STRATEGY TO ACHIEVE THE GOALS LISTED
6 IN SUBSECTION (6)(d)(III) OF THIS SECTION, WHETHER IN COMBINATION
7 WITH OR INSTEAD OF OTHER CAPITAL INVESTMENTS, BUT ARE NOT
8 INCORPORATED INTO THE UTILITY'S TEN-YEAR TRANSMISSION PLAN, A
9 DETAILED EXPLANATION, INCLUDING RELEVANT ANALYSES, SUBMITTED TO
10 THE COMMISSION AS PART OF THE UTILITY'S TEN-YEAR TRANSMISSION
11 PLAN AND ADVANCED TRANSMISSION TECHNOLOGIES EVALUATION,
12 EXPLAINING WHY ADVANCED TRANSMISSION TECHNOLOGIES SHOULD NOT
13 BE DEPLOYED TO MEET A SPECIFIC NEED OR IN LIEU OF ANOTHER PROJECT.

14 (7) AN IDENTIFICATION OF A WILDFIRE-RELATED BENEFIT AS
15 DESCRIBED IN SUBSECTION (6)(d)(III)(D) OF THIS SECTION IN AN
16 ASSESSMENT OF ADVANCED TRANSMISSION TECHNOLOGIES CONDUCTED
17 BY A UTILITY PURSUANT TO SUBSECTION (6)(d)(III) OF THIS SECTION DOES
18 NOT TRIGGER A SEPARATE COMMISSION APPROVAL PROCESS. THE
19 COMMISSION MAY CONSIDER THE IDENTIFIED WILDFIRE-RELATED BENEFIT
20 DURING THE COMMISSION'S REVIEW OF THE UTILITY'S NEXT WILDFIRE
21 MITIGATION PLAN FILING OR A FUTURE CERTIFICATE OF PUBLIC
22 CONVENIENCE AND NECESSITY FILED BY THE UTILITY.

23 (8) NOTHING IN SUBSECTION (6) OF THIS SECTION PRECLUDES THE
24 EVALUATION OF OTHER TECHNOLOGIES OR DEVICES THAT ENHANCE THE
25 RELIABILITY, RESILIENCE, OR PROTECTION OF THE ELECTRIC TRANSMISSION
26 SYSTEM, INCLUDING BY IMPROVING THE STABILITY OF EXISTING
27 TRANSMISSION INFRASTRUCTURE.

1 (9) (a) IN AMENDING ITS RULES PURSUANT TO SUBSECTION (6) OF
2 THIS SECTION, THE COMMISSION SHALL SEEK TO MINIMIZE DUPLICATION OF
3 TRANSMISSION PLANNING PROCESSES, TECHNICAL STUDIES, OR ANALYSES
4 CONDUCTED THROUGH AN APPLICABLE REGIONAL TRANSMISSION
5 ORGANIZATION OR INDEPENDENT SYSTEM OPERATOR. IN DOING SO, THE
6 COMMISSION MAY ALLOW A UTILITY TO REFERENCE AND INCORPORATE
7 ANALYSES CONDUCTED THROUGH AN APPLICABLE REGIONAL
8 TRANSMISSION ORGANIZATION OR INDEPENDENT SYSTEM OPERATOR, AS
9 APPROPRIATE, AND TO RELY ON THESE ANALYSES TO SATISFY THE
10 REQUIREMENTS OF THIS SECTION TO THE EXTENT THAT THE ANALYSES
11 ADDRESS THE REQUIREMENTS OF THIS SECTION.

12 (b) A UTILITY RELYING ON ANALYSES CONDUCTED THROUGH AN
13 APPLICABLE REGIONAL TRANSMISSION ORGANIZATION OR INDEPENDENT
14 SYSTEM OPERATOR SHALL IDENTIFY IN THE UTILITY'S FILING THE SECTION
15 OF EACH ANALYSIS THAT ADDRESSES THE REQUIREMENTS OF THE
16 ADVANCED TRANSMISSION TECHNOLOGIES EVALUATION SET FORTH IN
17 SUBSECTION (6)(d) OF THIS SECTION AND THE RELEVANCE OF THE
18 ANALYSIS TO THOSE REQUIREMENTS.

19 (c) PARTICIPATION IN A REGIONAL TRANSMISSION PLANNING
20 PROCESS DOES NOT BY ITSELF SATISFY THE REQUIREMENTS OF COMMISSION
21 RULES AMENDED PURSUANT TO SUBSECTION (6) OF THIS SECTION.

22 **SECTION 5.** In Colorado Revised Statutes, 40-42-104, **add** (10)
23 as follows:

24 **40-42-104. General and specific powers and duties of the**
25 **authority.**

26 (10) IN CONDUCTING ITS DUTIES IN ACCORDANCE WITH THIS
27 ARTICLE 42, THE AUTHORITY SHALL, TO THE EXTENT PRACTICABLE,

1 ENGAGE AND COORDINATE WITH FORMAL SUBREGIONAL TRANSMISSION
2 PLANNING ORGANIZATIONS.

3 **SECTION 6.** In Colorado Revised Statutes, **amend** 40-42-108 as
4 follows:

5 **40-42-108. Report to general assembly.**

6 Commencing in 2022, the authority shall submit a report of its
7 activities to the energy and environment committee of the house of
8 representatives and the transportation and energy committee of the senate,
9 or any successor committees, not later than ~~December~~ JANUARY 31 of
10 each year. The report shall set forth a complete operating and financial
11 statement covering the operations of the authority for the previous state
12 fiscal year AND A DESCRIPTION OF THE ACTIVITIES AND ACCOMPLISHMENTS
13 OF THE AUTHORITY DURING THE PREVIOUS CALENDAR YEAR.
14 Notwithstanding section 24-1-136 (11)(a)(I), the requirement to submit
15 the report continues indefinitely.

16 **SECTION 7.** In Colorado Revised Statutes, 40-42-103, **amend**
17 (2)(a) as follows:

18 **40-42-103. Authority - creation - board - open meetings and**
19 **open records.**

20 (2) (a) The powers of the authority are vested in a board of
21 directors, which consists of the following ~~nine~~ TEN members:

22 (I) Two members appointed by the governor with the consent of
23 the senate;

24 (II) The director of the Colorado energy office created in section
25 24-38.5-101 or the director's designee;

26 (III) Three members appointed by the speaker of the house of
27 representatives; ~~and~~

- 1 (IV) Three members appointed by the president of the senate; AND
2 (V) THE DIRECTOR OF THE COMMISSION OR THE DIRECTOR'S
3 DESIGNEE, WHO IS A NONVOTING EX OFFICIO MEMBER.

4 **SECTION 8.** In Colorado Revised Statutes, 24-92-303, **amend**
5 (1) and (5)(b)(II)(C); and **add** (1.5) as follows:

6 **24-92-303. Definitions.**

7 As used in this part 3, unless the context otherwise requires:

8 (1) ~~"Construction" means the construction, alteration, or repair of~~
9 ~~an energy sector public works project, consistent with and including the~~
10 ~~same limitations as the definition of construction as established in section~~
11 ~~45 (b)(7)(a) of the federal "Internal Revenue Code of 1986", as amended,~~
12 ~~and as described in all related official guidance from the federal internal~~
13 ~~revenue service and the United States department of labor implementing~~
14 ~~the applicable sections of the federal "Inflation Reduction Act".~~
15 **"ADVANCED TRANSMISSION TECHNOLOGIES" HAS THE MEANING SET FORTH**
16 **IN SECTION 40-42-102 (1.5).**

17 (1.5) **"CONSTRUCTION" MEANS THE CONSTRUCTION, ALTERATION,**
18 **OR REPAIR OF AN ENERGY SECTOR PUBLIC WORKS PROJECT, CONSISTENT**
19 **WITH AND INCLUDING THE SAME LIMITATIONS AS THE DEFINITION OF**
20 **CONSTRUCTION AS ESTABLISHED IN SECTION 45 (b)(7)(a) OF THE FEDERAL**
21 **"INTERNAL REVENUE CODE OF 1986", AS AMENDED, AND AS DESCRIBED**
22 **IN ALL RELATED OFFICIAL GUIDANCE FROM THE FEDERAL INTERNAL**
23 **REVENUE SERVICE AND THE UNITED STATES DEPARTMENT OF LABOR**
24 **IMPLEMENTING THE APPLICABLE SECTIONS OF THE FEDERAL "INFLATION**
25 **REDUCTION ACT".**

26 (5) (b) **"Energy sector public works project" includes the**
27 **following project types, so long as they satisfy the criteria in subsection**

1 (5)(a)(I) or (5)(a)(II) of this section:

2 (II) Other projects with a total project cost of one million dollars
3 or more that include:

4 (C) Electric transmission projects, INCLUDING PROJECTS THAT
5 INCLUDE ADVANCED TRANSMISSION TECHNOLOGIES;

6 **SECTION 9.** In Colorado Revised Statutes, 24-92-304, add (6)
7 as follows:

8 **24-92-304. Energy sector public works projects - craft labor**
9 **employment - training - wage requirements.**

10 (6) (a) AN ENERGY SECTOR PUBLIC WORKS PROJECT THAT
11 INCLUDES ADVANCED TRANSMISSION TECHNOLOGIES MUST MEET THE
12 PREVAILING WAGE REQUIREMENTS SET FORTH IN THIS PART 3 AND THE
13 APPRENTICESHIP UTILIZATION REQUIREMENTS SET FORTH IN SECTION
14 24-92-115.

15 (b) NOTHING IN THIS ARTICLE 92 APPLIES TO A PROJECT THAT
16 INCLUDES ADVANCED TRANSMISSION TECHNOLOGIES, WHICH PROJECT
17 DOES NOT REQUIRE UTILITY LINE CONSTRUCTION WORK PERFORMED BY A
18 JOURNEYMAN LINEWORKER OR PROPERLY SUPERVISED APPRENTICE, SUCH
19 AS A SOFTWARE UPGRADE OR SMALL INSTALLATION THAT DOES NOT MEET
20 THE REQUIREMENTS FOR AN ENERGY SECTOR PUBLIC WORKS PROJECT.

21 **SECTION 10. Act subject to petition - effective date.** This act
22 takes effect at 12:01 a.m. on the day following the expiration of the
23 ninety-day period after final adjournment of the general assembly (August
24 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
25 referendum petition is filed pursuant to section 1 (3) of article V of the
26 state constitution against this act or an item, section, or part of this act
27 within such period, then the act, item, section, or part will not take effect

1 unless approved by the people at the general election to be held in
2 November 2026 and, in such case, will take effect on the date of the
3 official declaration of the vote thereon by the governor.