



Fiscal Note

Legislative Council Staff

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SB 26-182: UPDATED CLEAN ENERGY PLAN MUNICIPALLY OWNED UTILITY

Prime Sponsors:

Sen. Snyder; Simpson
Rep. Caldwell; Pascal

Fiscal Analyst:

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Version: Initial Fiscal Note
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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill allows a municipally owned utility that cannot meet its previously filed clean energy plan’s emission reduction goals to submit a revised plan to the Department of Public Health and Environment.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Revenue
- Minimal State Expenditures
- Local Government

Appropriations. No appropriation is required.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill allows a municipally owned utility that cannot meet its previously filed clean energy plan's emission reduction goals to submit a revised plan to the Department of Public Health and Environment (CDPHE) by December 31, 2026. The revised plan must be approved by the utility's governing body and must commit to achieving an 80 percent reduction in greenhouse gas emissions, compared to 2005 levels, between December 31, 2029, and December 31, 2032.

A municipally owned utility that submits such a revised plan must:

- submit a detailed generation and transmission plan covering the types and amounts of resources needed, where new generation will be sourced, and the location and capacity of any new transmission infrastructure;
- file annual reports with the CDPHE, to also be posted to the utility's website, starting January 1, 2028, and continuing through December 31, 2033, with detailed information about its progress acquiring generation and transmission resources, its current emission reductions relative to 2005, and an updated demand forecast;
- fully phase-out coal burning by December 31, 2032;
- pursue a 95 percent greenhouse gas reduction by December 31, 2039, as long as doing so does not compromise electric grid reliability standards; and
- between achieving the 80 percent reduction and December 31, 2035, the utility must try to offset any excess cumulative emissions its delayed timeline caused compared to its original plan, again without jeopardizing reliability.

CDPHE is required to publicly verify the revised plan, but the Public Utilities Commission is excluded from this review. The municipally owned utility must cover the department's verification costs. Other existing statutory deadlines are adjusted to align with the revised timeline.

Background

Filing clean energy plans with the CDPHE was initially required by [House Bill 21-1266](#), and updated by [Senate Bill 23-198](#). These policies permitted cooperative electric associations and municipally owned utilities to voluntarily submit clean energy plans targeting reduced greenhouse gas emissions from their Colorado electricity sales.

State Revenue

The bill authorizes the CDPHE to recoup its costs from municipal utilities that submit a revised plan. Because the CDPHE's workload is assessed to be minimal, it is assumed no revenue will be collected. If revenue is collected, it will be credited to the Stationary Sources Control Fund, and subject to TABOR.

State Expenditures

In FY 2026-27, workload for the Air Pollution Control Division in the CDPHE will increase to verify any revised clean energy plans filed by December 2026. On an ongoing basis, through 2033, the CDPHE will receive annual reports from applicable municipal utilities. Future greenhouse gas targets, in 2035 and 2039, and associated resource planning decisions are not subject to division verification or oversight.

Local Government

Municipal utilities that submit a revised plan will have additional workload to develop and submit the plan, and may be required to cover the CDPHE's costs to review the plan, which are assumed to be minimal.

Effective Date

The bill takes effect upon signature of the Governor, or upon becoming law without his signature.

State and Local Government Contacts

Colorado Energy Office
Law

Public Health and Environment
Regulatory Agencies