

Second Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO

REVISED

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

LLS NO. 26-0789.01 Christopher McMichael x4775

SENATE BILL 26-142

SENATE SPONSORSHIP

**Ball and Kipp**, Amabile, Benavidez, Coleman, Cutter, Daugherty, Exum, Jodeh, Lindstedt, Mullica, Roberts, Snyder

HOUSE SPONSORSHIP

**Joseph and Gonzalez R.**,

Senate Committees  
Transportation & Energy

House Committees  
Energy & Environment

A BILL FOR AN ACT

101 CONCERNING THE DEVELOPMENT OF THERMAL ENERGY RESOURCES.

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>.)*

A qualifying entity is an industrial or commercial facility operator that recovers thermal energy as a by-product of its primary industrial or commercial processes. The bill permits the sale of recovered thermal energy by a qualifying entity under certain conditions, including:

- The thermal energy is a by-product of the qualifying entity's primary industrial or commercial process, and the thermal energy is not generated primarily for retail sale;
- The qualifying entity's primary business activity is not the

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.

HOUSE  
Amended 2nd Reading  
May 1, 2026

SENATE  
3rd Reading Unamended  
April 28, 2026

SENATE  
Amended 2nd Reading  
April 27, 2026

- operation of a public utility;
- The recovery and sale of thermal energy does not result in an increase in fossil fuel combustion beyond what the qualifying entity's primary industrial or commercial process requires;
- The recovered thermal energy is sold pursuant to a contract between the qualifying entity and a purchaser; and
- The qualifying entity does not sell electricity, natural gas, or other commodities regulated by the public utilities commission as part of the transaction.

The bill authorizes a local government or a special district (local government) to enter into an agreement with one or more entities for the purpose of providing the local government with service from a thermal energy network. The local government may issue bonds for the purpose of financing thermal energy infrastructure, interconnections, or customer connections within the jurisdiction of the local government.

The bill also increases the net electric generating capacity of a community geothermal garden from 5 megawatts to 25 megawatts. The bill requires a qualifying retail utility to purchase a minimum amount of electricity from community geothermal gardens, as determined by the public utilities commission.

Under current law, if a municipality builds or acquires gas or electric works and distribution systems, the municipality must get voter approval at the next municipal election. The bill removes the voter approval requirement if the municipality builds or acquires heating and cooling works and distribution systems for the distribution of heat and cooling obtained from geothermal resources or from waste and cogenerated heat.

The bill requires the Colorado energy and carbon management commission (commission) and the Colorado geological survey to collect data and information related to the development of geological resources in the state. The commission shall make recommendations to encourage safe and effective development of geothermal resources and report those recommendations to the general assembly on or before November 15, 2026.

The bill requires investor-owned electric utilities (utilities) to identify small-scale geothermal projects and large-scale geothermal projects (geothermal projects). The utility must solicit proposals for the development of small-scale geothermal projects of up to 25 megawatts of net electric generating capacity and large-scale geothermal projects that are greater than 25 megawatts of net electric generating capacity. The utility may submit the proposals to the public utilities commission as part of the utility's next electric resource planning filing. A utility may also partner with a specific customer or group of customers to develop geothermal projects if the specific customer agrees to certain conditions,

such as covering at least 50% of the cost of development of the project.

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

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

4           (a) In 2021, the general assembly enacted Senate Bill 21-264,  
5 requiring regulated gas utilities to develop clean heat plans to reduce  
6 greenhouse gas emissions;

7           (b) In 2023, the general assembly enacted House Bill 23-1252,  
8 which authorized thermal energy networks, integrated thermal energy into  
9 the clean heat standard, and required a large gas utility to propose pilot  
10 thermal energy network projects;

11           (c) The Colorado energy office has invested substantial public  
12 funds in geothermal and thermal energy network grants and tax credits,  
13 and communities across the state are pursuing neighborhood-scale  
14 alternatives to natural gas infrastructure;

15           (d) While existing law does not prohibit municipalities from  
16 operating thermal energy networks that include private participants and  
17 does not prohibit industrial facilities from selling recovered waste heat,  
18 the absence of express statutory authority for these activities imposes  
19 unnecessary soft costs on every entity that attempts to conduct those  
20 activities, including legal fees, financial risk premiums, and extended  
21 project timelines;

22           (e) These soft costs are disproportionately burdensome for small  
23 and rural communities and prevent publicly funded thermal energy  
24 project operators from entering into contracts that make financial sense;  
25 and

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(f) Geothermal energy and thermal energy networks have the potential to provide stable, predictable, and lower-cost energy for heating and cooling, and expanding access to geothermal and thermal energy resources can help reduce energy burdens for income-qualified households and improve energy affordability for Coloradans.

(2) Therefore, the general assembly declares that:

(a) It is the purpose of this act to reduce soft costs and legal ambiguity associated with thermal energy network deployment and industrial waste heat recovery by providing express statutory authority for these activities that otherwise lack clear legal pathways; and

(b) This act does not limit any authority that a local government already has under the local government's organic statute or other state law to provide thermal energy service; and

(c) This act does not create new state spending obligations or new regulatory mandates on existing or new regulatory bodies.

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**SECTION 2.** In Colorado Revised Statutes, **add** 29-1-208 as follows:

**29-1-208. Local government thermal energy aggregation - contracting authority - revenue bonds - private operators - definitions.**

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

(a) "LOCAL GOVERNMENT" MEANS A STATUTORY OR HOME RULE CITY, TOWN, COUNTY, CITY AND COUNTY, OR SPECIAL DISTRICT.

(b) "PUBLIC UTILITIES COMMISSION" MEANS THE PUBLIC UTILITIES

1 COMMISSION CREATED IN SECTION 40-2-101.

2 (c) "THERMAL ENERGY" HAS THE MEANING SET FORTH IN SECTION  
3 40-3.2-108 (2)(r).

4 (d) "THERMAL ENERGY NETWORK" HAS THE MEANING SET FORTH  
5 IN SECTION 40-3.2-108 (2)(s).

6 (e) "THERMAL ENERGY SERVICE AGREEMENT" MEANS A CONTRACT  
7 BETWEEN A LOCAL GOVERNMENT AND ONE OR MORE OTHER PARTIES FOR  
8 THE PURCHASE, SALE, DELIVERY, OR CAPACITY RESERVATION OF THERMAL  
9 ENERGY OR THERMAL ENERGY NETWORK SERVICE.

10 (2) (a) A LOCAL GOVERNMENT MAY AGGREGATE THERMAL  
11 ENERGY DEMAND FOR BUILDINGS AND FACILITIES OWNED OR MANAGED BY  
12 THE LOCAL GOVERNMENT WITH DEMAND FROM OTHER ENTITIES,  
13 INCLUDING PRIVATE ENTITIES THAT ELECT TO PARTICIPATE IN THE  
14 THERMAL ENERGY NETWORK.

15 (b) A LOCAL GOVERNMENT THAT AGGREGATES THERMAL ENERGY  
16 DEMAND PURSUANT TO THIS SUBSECTION (2) IS NOT CONSIDERED A PUBLIC  
17 UTILITY OR A MUNICIPAL UTILITY AND IS NOT SUBJECT TO REGULATION BY  
18 THE PUBLIC UTILITIES COMMISSION.

19 (3) (a) A LOCAL GOVERNMENT MAY ENTER INTO THERMAL ENERGY  
20 SERVICE AGREEMENTS FOR A TERM NOT TO EXCEED TWENTY-FIVE YEARS,  
21 SUBJECT TO ANNUAL APPROPRIATION BY THE LOCAL GOVERNMENT.

22 (b) A LOCAL GOVERNMENT MAY ENTER INTO  
23 INTERGOVERNMENTAL AGREEMENTS WITH OTHER LOCAL GOVERNMENTS  
24 PURSUANT TO SECTION 29-1-203 FOR THE DEVELOPMENT, OPERATION, OR  
25 FINANCING OF A THERMAL ENERGY NETWORK.

26 (c) A LOCAL GOVERNMENT MAY ENTER INTO A CONTRACT WITH A  
27 PRIVATE ENTITY FOR THE DESIGN, CONSTRUCTION, OPERATION,

1 MAINTENANCE, OR MANAGEMENT OF A THERMAL ENERGY NETWORK ON  
2 BEHALF OF THE LOCAL GOVERNMENT IF THE CONTRACT IS APPROVED BY  
3 THE GOVERNING BODY OF THE LOCAL GOVERNMENT.

4 (4) A LOCAL GOVERNMENT OR A PRIVATE ENTITY ON BEHALF OF A  
5 LOCAL GOVERNMENT, OTHER THAN A PRIVATE ENTITY THAT IS A UTILITY  
6 REGULATED BY THE PUBLIC UTILITIES COMMISSION OR AN AFFILIATE OF A  
7 PUBLIC UTILITY, AS DEFINED IN SECTION 40-3-104.3 (4)(b), THAT  
8 OPERATES, MAINTAINS, OR MANAGES A THERMAL ENERGY NETWORK IS  
9 NOT A CONSIDERED A MUNICIPAL UTILITY OR A PUBLIC UTILITY, AS  
10 DEFINED IN SECTION 40-1-103, AND IS NOT SUBJECT TO REGULATION BY  
11 THE PUBLIC UTILITIES COMMISSION.

12 (5) (a) (I) IF A LOCAL GOVERNMENT IS OTHERWISE AUTHORIZED BY  
13 LAW TO ISSUE BONDS, THE LOCAL GOVERNMENT MAY ISSUE REVENUE  
14 BONDS, GENERAL OBLIGATION BONDS, OR OTHER FINANCING MECHANISMS  
15 AUTHORIZED BY LAW FOR THE PURPOSE OF FINANCING THE DESIGN,  
16 CONSTRUCTION, ACQUISITION, OR IMPROVEMENT OF THERMAL ENERGY  
17 NETWORK INFRASTRUCTURE, INCLUDING PIPES, INTERCONNECTIONS, HEAT  
18 EXCHANGERS, GROUND-SOURCE LOOPS, CUSTOMER CONNECTIONS, AND  
19 OTHER INFRASTRUCTURE RELATED TO THE DISTRIBUTION OF THERMAL  
20 ENERGY.

21 (II) NOTHING IN THIS SECTION SHALL BE CONSTRUED AS  
22 IMPACTING THE STATUTORY REQUIREMENTS RELATED TO THE LOCAL  
23 GOVERNMENT ACQUISITION OF ELECTRICAL DISTRIBUTION  
24 INFRASTRUCTURE.

25 (b) IF A LOCAL GOVERNMENT ISSUES BONDS PURSUANT TO THIS  
26 SUBSECTION (5), THE BONDS MUST BE PAYABLE SOLELY FROM THE  
27 REVENUE DERIVED FROM THE OPERATION OF THE THERMAL ENERGY

1 NETWORK AND DO NOT CONSTITUTE A GENERAL OBLIGATION OF THE  
2 LOCAL GOVERNMENT.

3 (c) GENERAL OBLIGATION BONDS ISSUED PURSUANT TO THIS  
4 SUBSECTION (5) ARE SUBJECT TO SECTION 20 OF ARTICLE X OF THE STATE  
5 CONSTITUTION AND ALL OTHER APPLICABLE LAWS.

6 (d) NOTWITHSTANDING ANY OTHER PROVISION OF THIS SECTION,  
7 NOTHING IN THIS SUBSECTION (5) SHALL BE CONSTRUED TO LIMIT,  
8 RESTRICT, OR OTHERWISE IMPAIR THE BONDING, FINANCING, OR  
9 CREDIT-RAISING AUTHORITY, OR ANY POWERS INCIDENTAL TO THAT  
10 AUTHORITY, GRANTED TO A LOCAL GOVERNMENT BY ITS ORGANIC  
11 STATUTE OR ANY OTHER PROVISION OF STATE LAW.

12 (6) A LOCAL GOVERNMENT MAY PROVIDE THERMAL ENERGY  
13 SERVICE TO PARTICIPANTS LOCATED OUTSIDE THE JURISDICTIONAL  
14 BOUNDARIES OF THE LOCAL GOVERNMENT IF:

15 (a) THE LOCAL GOVERNMENT HAS ENTERED INTO AN  
16 INTERGOVERNMENTAL AGREEMENT IN ACCORDANCE WITH SECTION  
17 29-1-203 WITH THE LOCAL GOVERNMENT IN WHICH THE PARTICIPANT  
18 RECEIVING THE THERMAL ENERGY SERVICE IS LOCATED; OR

19 (b) THE LOCAL GOVERNMENT AND THE PARTICIPANT HAVE  
20 ENTERED INTO A THERMAL ENERGY SERVICE AGREEMENT.

21 (7) THE PROVISION OF THERMAL ENERGY SERVICE IN ACCORDANCE  
22 WITH THIS SECTION SHALL NOT BE CONSTRUED AS THE PROVISION OF  
23 NATURAL GAS SERVICE AND DOES NOT CONSTITUTE A VIOLATION OF ANY  
24 EXCLUSIVE FRANCHISE AGREEMENT FOR THE DISTRIBUTION OF NATURAL  
25 GAS.

26 (8) A THERMAL ENERGY SERVICE AGREEMENT ENTERED INTO  
27 PURSUANT TO THIS SECTION MAY BE SUBMITTED AS EVIDENCE OF

1 CUSTOMER DEMAND IN ANY PROCEEDING BEFORE THE PUBLIC UTILITIES  
2 COMMISSION CONDUCTED PURSUANT TO SECTION 40-4-121.

3 (9) NOTHING IN THIS SECTION EXPANDS OR LIMITS THE AUTHORITY  
4 OF THE PUBLIC UTILITIES COMMISSION OVER A PUBLIC UTILITY REGULATED  
5 UNDER TITLE 40. EXCEPT AS EXPRESSLY PROVIDED IN THIS SECTION,  
6 THERMAL ENERGY SYSTEMS AUTHORIZED PURSUANT TO THIS SECTION ARE  
7 NOT REGULATED BY THE PUBLIC UTILITIES COMMISSION AND ARE  
8 GOVERNED BY LOCAL GOVERNMENT CONTRACTING AUTHORITY.

9 (10) (a) A PUBLIC ELECTRIC UTILITY THAT HAS A CERTIFICATE OF  
10 PUBLIC CONVENIENCE AND NECESSITY ISSUED BY THE PUBLIC UTILITIES  
11 COMMISSION TO PROVIDE RETAIL ELECTRIC SERVICE IN THE TERRITORY  
12 WHERE A THERMAL ENERGY NETWORK FACILITY IS LOCATED HAS THE  
13 EXCLUSIVE RIGHT TO PROVIDE ELECTRIC SERVICE TO THE THERMAL  
14 ENERGY NETWORK FACILITY; EXCEPT THAT THIS SUBSECTION (10) DOES  
15 NOT IMPACT A CUSTOMER'S RIGHT TO UTILIZE RETAIL DISTRIBUTED  
16 GENERATION, AS DEFINED IN SECTION 40-2-124 (1)(a)(VIII).

17 (b) NOTHING IN THIS SECTION SHALL BE CONSTRUED AS IMPACTING  
18 THE STATUTORY REQUIREMENTS RELATED TO A PUBLIC ELECTRIC UTILITY  
19 OBTAINING A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY  
20 ISSUED BY THE PUBLIC UTILITIES COMMISSION.

21 (11) (a) EMISSION REDUCTIONS ASSOCIATED WITH A THERMAL  
22 ENERGY NETWORK THAT IS OPERATING IN ACCORDANCE WITH THIS  
23 SECTION AND THAT IS WITHIN THE SERVICE TERRITORY OF A PUBLIC  
24 UTILITY THAT IS REQUIRED TO FILE A CLEAN HEAT PLAN WITH THE PUBLIC  
25 UTILITIES COMMISSION PURSUANT TO SECTION 40-3.2-108 SHALL BE  
26 COUNTED AS PART OF THE PUBLIC UTILITY'S EMISSION REDUCTION  
27 CALCULATIONS RELATED TO THE UTILITY'S CLEAN HEAT PLAN, EVEN IF THE

1 THERMAL ENERGY NETWORK IS CONSTRUCTED OR OPERATED WITHOUT  
2 UTILITY INVESTMENT OR PARTICIPATION.

3 (b) THE PUBLIC UTILITIES COMMISSION SHALL PROHIBIT THE  
4 DOUBLE COUNTING OF EMISSION REDUCTIONS ASSOCIATED WITH A  
5 THERMAL ENERGY NETWORK.

6 (c) A LOCAL GOVERNMENT THAT CONSTRUCTS, DEVELOPS, OR  
7 OPERATES A THERMAL ENERGY NETWORK SHALL NOTIFY THE PUBLIC  
8 UTILITY THAT PROVIDES UTILITY SERVICE TO THE LOCATION WHERE THE  
9 THERMAL ENERGY NETWORK IS LOCATED THAT THE LOCAL GOVERNMENT  
10 WILL CONSTRUCT, DEVELOP, OR OPERATE A THERMAL ENERGY NETWORK  
11 PRIOR TO BEGINNING CONSTRUCTION OF THE THERMAL ENERGY NETWORK  
12 IN ORDER TO ALLOW FOR COORDINATION BETWEEN THE LOCAL  
13 GOVERNMENT AND THE PUBLIC UTILITY RELATED TO THE UTILITY' CLEAN  
14 HEAT PLAN, TO THE EXTENT PRACTICABLE.

15 **SECTION 3.** In Colorado Revised Statutes, **add** 30-11-134 as  
16 follows:

17 **30-11-134. Thermal energy network agreements.**

18 A BOARD OF COUNTY COMMISSIONERS MAY ENTER INTO  
19 AGREEMENTS WITH ONE OR MORE ENTITIES, INCLUDING OTHER LOCAL  
20 GOVERNMENTAL ENTITIES, FOR THE PROVISION OF SERVICE FROM A  
21 THERMAL ENERGY NETWORK IN ACCORDANCE WITH SECTION 40-4-121 (7)  
22 OR 29-1-208.

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24 **SECTION 4.** In Colorado Revised Statutes, 31-15-713, **amend**  
25 (1)(a) as follows:

26 **31-15-713. Power to sell public works - real property.**

27 (1) The governing body of each municipality has the power:

1 (a) To sell and dispose of waterworks, ditches, gasworks,  
2 geothermal systems, solar systems, electric light works, THERMAL ENERGY  
3 NETWORKS AS DEFINED IN SECTION 40-3.2-108 (2)(s), or other public  
4 utilities, public buildings, real property used or held for park purposes, or  
5 ~~any other~~ real property used or held for any governmental purpose. Before  
6 any ~~such~~ sale is made, the question of ~~said~~ THE sale and the terms and  
7 consideration ~~thereof~~ OF THE SALE shall be submitted at a regular or  
8 special election and approved in the manner provided for authorization of  
9 bonded indebtedness by section 31-15-302 (1)(d).

10 **SECTION 5.** In Colorado Revised Statutes, 31-15-901, **add**  
11 (1)(e) as follows:

12 **31-15-901. Miscellaneous powers.**

13 (1) The governing body of each municipality has the power:

14 (e) TO ENTER INTO AGREEMENTS WITH ONE OR MORE ENTITIES,  
15 INCLUDING OTHER LOCAL GOVERNMENTAL ENTITIES, FOR THE PROVISION  
16 OF SERVICE FROM A THERMAL ENERGY NETWORK IN ACCORDANCE WITH  
17 SECTION 40-4-121 (7).

18 **SECTION 6.** In Colorado Revised Statutes, 32-1-1001, **add**  
19 (1)(p) as follows:

20 **32-1-1001. Common powers - definitions.**

21 (1) For and on behalf of the special district, the board has the  
22 following powers:

23 (p) TO ENTER INTO AGREEMENTS WITH ONE OR MORE PARTIES,  
24 INCLUDING OTHER LOCAL GOVERNMENTAL ENTITIES, FOR THE PROVISION  
25 OF SERVICE FROM A THERMAL ENERGY NETWORK IN ACCORDANCE WITH  
26 SECTION 40-4-121 (7) OR 29-1-208.

27 **SECTION 7.** In Colorado Revised Statutes, 34-60-106, **add**

1 (2.5)(c) as follows:

2 **34-60-106. Additional powers of commission - fees - rules -**  
3 **definitions - repeal.**

4 (2.5) (c) IN EXERCISING THE AUTHORITY GRANTED TO THE  
5 COMMISSION PURSUANT TO THIS ARTICLE 60, THE COMMISSION SHALL NOT  
6 CONDITION ANY APPROVAL OF OIL AND GAS OPERATIONS ON AN OPERATOR  
7 AGREEING TO SUBJECT THE OPERATOR'S OIL AND GAS WELLS TO THE DATA  
8 COLLECTION PROGRAM DESCRIBED IN SECTION 37-90.5-112.

9 **SECTION 8.** In Colorado Revised Statutes, **add** 37-90.5-112 as  
10 follows:

11 **37-90.5-112. Geothermal data collection - duties of commission**  
12 **- gifts, grants, or donations - report - repeal.**

13 (1) (a) THE COMMISSION AND THE COLORADO GEOLOGICAL  
14 SURVEY, ESTABLISHED IN SECTION 23-41-203, SHALL FACILITATE THE  
15 COLLECTION OF DATA REGARDING GEOTHERMAL RESOURCES IN THE STATE.  
16 IN CONSIDERATION OF AVAILABLE MONEY, THE COMMISSION AND THE  
17 COLORADO GEOLOGICAL SURVEY MAY:

18 (I) COLLECT DATA TO INFORM THE ASSESSMENT OR DEVELOPMENT  
19 OF GEOTHERMAL RESOURCES IN THE STATE;

20 (II) CONSIDER THE USE OF OIL AND GAS WELLS SCHEDULED TO BE  
21 PLUGGED AND ABANDONED AS ORPHANED WELLS, AS DEFINED IN SECTION  
22 34-60-133 (8)(f); MARGINAL WELLS, AS DEFINED IN SECTION 34-60-133  
23 (8)(d.5); OR, WITH THE CONSENT OF THE OPERATOR, OTHER OIL AND GAS  
24 WELLS IDENTIFIED BY AN OIL AND GAS OPERATOR;

25 (III) CONSIDER THE USE OF MONITORING AND OBSERVATION  
26 WELLS, AS DEFINED IN SECTION 37-91-102 (10.5); TEST HOLES, AS DEFINED  
27 IN SECTION 37-91-102 (15.7), AUTHORIZED BY THE STATE BOARD OF

1 EXAMINERS OF WATER WELL AND GROUND HEAT EXCHANGER  
2 CONTRACTORS, CREATED IN SECTION 37-91-103; OR OTHER WELLS, AS  
3 DEFINED IN SECTION 37-91-102 (16), IDENTIFIED BY THE STATE ENGINEER,  
4 APPOINTED PURSUANT TO SECTION 37-80-101;

5 (IV) ASSESS BOTTOM-HOLE TEMPERATURES AND THERMAL  
6 GRADIENTS FROM WELLS, AS DESCRIBED IN SUBSECTIONS (1)(a)(II) AND  
7 (1)(a)(III) OF THIS SECTION;

8 (V) UTILIZE EXISTING INFRASTRUCTURE OR DRILL NEW WELLS FOR  
9 DATA COLLECTION IF FUNDING IS AVAILABLE;

10 (VI) PRIORITIZE THE COLLECTION OF BOTTOM-HOLE  
11 TEMPERATURES, THE MEASUREMENT AND EVALUATION OF THERMAL  
12 GRADIENTS, AND THE COLLECTION OF OTHER RELEVANT DATA THAT  
13 WOULD SUPPORT INCREASED UNDERSTANDING OF AVAILABLE  
14 GEOTHERMAL RESOURCES OR THAT COULD FACILITATE OR INFORM:

15 (A) THE PRODUCTION OF GEOTHERMAL ENERGY;

16 (B) DRILLING OF RESERVOIR DEPTH RESOURCE EXPLORATION,  
17 CHARACTERIZATION, OR CONFIRMATION WELLS TO GATHER ADDITIONAL  
18 DATA AND INFORMATION;

19 (C) FIELD TESTS OR OTHER TESTS AT SITES WITH POTENTIAL FOR  
20 HYDROTHERMAL, NEXT-GENERATION DEVELOPMENT, OR ELECTRIC POWER  
21 GENERATION; OR

22 (D) THE DEPLOYMENT OF LOW-TEMPERATURE GEOTHERMAL  
23 TECHNOLOGIES FOR HEATING, COOLING, OR OTHER DIRECT USES; AND

24 (VII) CONSIDER ANY ADDITIONAL RELEVANT DATA OR  
25 INFORMATION, INCLUDING:

26 (A) DATA RELATED TO RESOURCES IN HOT DRY ROCK;

27 (B) TEMPERATURE AT DEPTH;

1 (C) INFORMATION RELATED TO SUBSURFACE PERMEABILITY AND  
2 FRACTURE NETWORKS;

3 (D) DATA RELATED TO LOCAL STRESS REGIMES; AND

4 (E) THERMAL CONDUCTIVITY, THERMAL DIFFUSIVITY, AND  
5 UNDISTURBED GROUND TEMPERATURE.

6 (b) THE DATA COLLECTION CONDUCTED PURSUANT TO THIS  
7 SUBSECTION (1) MUST BE:

8 (I) CONDUCTED SUBJECT TO PRIVATE PROPERTY RIGHTS;

9 (II) CONDUCTED WITHOUT COMPELLING THE PUBLIC RELEASE OF  
10 PROPRIETARY DATA WITHOUT THE CONSENT OF THE DATA OWNER;

11 (III) CONDUCTED WITHOUT INCREASING THE RISK OF ADVERSE  
12 IMPACTS TO PUBLIC HEALTH, SAFETY, AND WELFARE, INCLUDING THE  
13 ENVIRONMENT AND WILDLIFE RESOURCES;

14 (IV) CONDUCTED VOLUNTARILY WHEN DATA IS PROVIDED BY AN  
15 ENTITY OTHER THAN THE COMMISSION OR THE COLORADO GEOLOGICAL  
16 SURVEY; AND

17 (V) ORGANIZED IN A SEARCHABLE FORMAT THAT IS MADE  
18 AVAILABLE AT NO COST TO THE PUBLIC.

19 (c) (I) THE COMMISSION AND THE COLORADO GEOLOGICAL SURVEY  
20 MAY CONTRACT WITH THIRD-PARTY ENTITIES TO CONDUCT THE DATA  
21 COLLECTION PURSUANT TO THIS SUBSECTION (1).

22 (II) THE COMMISSION MAY SEEK, ACCEPT, AND EXPEND GIFTS,  
23 GRANTS, OR DONATIONS FROM PRIVATE OR PUBLIC SOURCES FOR THE  
24 PURPOSES OF CONDUCTING THE DATA COLLECTION PURSUANT TO THIS  
25 SUBSECTION (1).

26 (III) THE COMMISSION MAY EXPEND ANY MONEY APPROPRIATED  
27 BY THE GENERAL ASSEMBLY FOR THE PURPOSES OF CONDUCTING THE DATA

1 COLLECTION PURSUANT TO THIS SUBSECTION (1).

2 (d) (I) THE COLLECTION OF DATA CONDUCTED PURSUANT TO THIS  
3 SUBSECTION (1) IS CONTINGENT ON AVAILABLE APPROPRIATIONS OR GIFTS,  
4 GRANTS, OR DONATIONS RECEIVED FOR THIS PURPOSE AND DOES NOT  
5 IMPAIR THE COLORADO GEOLOGICAL SURVEY'S OBLIGATION TO FULFILL  
6 EXISTING STATUTORY RESPONSIBILITIES. THE COLORADO GEOLOGICAL  
7 SURVEY SHALL NOT REDUCE EXISTING COMMITMENTS OF MONEY MADE BY  
8 THE COLORADO GEOLOGICAL SURVEY FROM THE SEVERANCE TAX  
9 OPERATIONAL FUND, CREATED IN SECTION 39-29-109 (2)(b)(I), OR THE  
10 GENERAL FUND TO CONDUCT THE DATA COLLECTION.

11 (II) THE COLLECTION OF DATA CONDUCTED PURSUANT TO THIS  
12 SUBSECTION (1) IS CONTINGENT ON AVAILABLE APPROPRIATIONS OR GIFTS,  
13 GRANTS, OR DONATIONS RECEIVED FOR THIS PURPOSE AND DOES NOT  
14 IMPAIR THE COMMISSION'S OBLIGATION TO FULFILL EXISTING STATUTORY  
15 OR REGULATORY RESPONSIBILITIES OR EXISTING PERMITTING AND  
16 REGULATORY PROGRAMS. THE COMMISSION SHALL NOT REDUCE EXISTING  
17 COMMITMENTS OF MONEY MADE BY THE COMMISSION FROM THE  
18 SEVERANCE TAX OPERATIONAL FUND, CREATED IN SECTION 39-29-109  
19 (2)(b)(I), OR THE GENERAL FUND TO CONDUCT THE DATA COLLECTION.

20 (2) (a) THE COMMISSION SHALL DEVELOP RECOMMENDATIONS TO  
21 ENCOURAGE THE SAFE AND EFFECTIVE DEVELOPMENT OF GEOTHERMAL  
22 RESOURCES IN THE STATE.

23 (b) (I) IN DEVELOPING THE RECOMMENDATIONS PURSUANT TO THIS  
24 SUBSECTION (2), THE COMMISSION MAY CONSIDER MEASURES THAT  
25 FACILITATE THE SAFE AND EFFECTIVE DEVELOPMENT OF GEOTHERMAL  
26 RESOURCES, INCLUDING THE CREATION OF A GEOTHERMAL DEVELOPMENT  
27 AUTHORITY.

1 (II) ANY RECOMMENDED GEOTHERMAL DEVELOPMENT AUTHORITY  
2 MAY BE STRUCTURED TO FACILITATE PUBLIC-PRIVATE PARTNERSHIPS,  
3 SECURE FEDERAL FUNDING, AND PROVIDE FINANCIAL RISK-MITIGATION  
4 MECHANISMS FOR DEEP EXPLORATORY DRILLING AND ASSOCIATED  
5 TRANSMISSION INFRASTRUCTURE OR FOR CONDUCTING THERMAL ENERGY  
6 NETWORK STUDIES OR DEVELOPING A THERMAL ENERGY NETWORK. ANY  
7 RECOMMENDED GEOTHERMAL DEVELOPMENT AUTHORITY MUST BE  
8 NONREGULATORY IN NATURE.

9 (c) IN DEVELOPING THE RECOMMENDATIONS PURSUANT TO THIS  
10 SUBSECTION (2), THE COMMISSION SHALL CONSULT WITH:

11 (I) STATE AGENCIES WITH SUBJECT MATTER EXPERTISE RELEVANT  
12 TO THE RECOMMENDATIONS, INCLUDING:

13 (A) THE COLORADO GEOLOGICAL SURVEY;

14 (B) THE COLORADO ENERGY OFFICE CREATED IN SECTION  
15 24-38.5-101;

16 (C) THE DIVISION OF WATER RESOURCES IN THE DEPARTMENT OF  
17 NATURAL RESOURCES; AND

18 (D) THE COLORADO OFFICE OF ECONOMIC DEVELOPMENT CREATED  
19 IN SECTION 24-48.5-101;

20 (II) STAKEHOLDERS WITH TECHNICAL OR ECONOMIC EXPERTISE  
21 REGARDING THE DEVELOPMENT OF GEOTHERMAL RESOURCES, AS  
22 DETERMINED BY THE COMMISSION; AND

23 (III) ANY OTHER PERSON THE COMMISSION DETERMINES  
24 NECESSARY TO DEVELOP RECOMMENDATIONS FOR THE SAFE AND  
25 EFFECTIVE DEVELOPMENT OF GEOTHERMAL RESOURCES IN THE STATE.

26 (3) ON OR BEFORE NOVEMBER 15, 2026, THE COMMISSION SHALL  
27 SUBMIT A REPORT THAT SUMMARIZES THE RECOMMENDATIONS DEVELOPED

1 PURSUANT TO SUBSECTION (2) OF THIS SECTION TO THE HOUSE OF  
2 REPRESENTATIVES ENERGY AND ENVIRONMENT COMMITTEE AND THE  
3 SENATE TRANSPORTATION AND ENERGY COMMITTEE, OR THEIR SUCCESSOR  
4 COMMITTEES.

5 (4) THIS SUBSECTION (4) AND SUBSECTIONS (2) AND (3) OF THIS  
6 SECTION ARE REPEALED, EFFECTIVE SEPTEMBER 1, 2028.

7 **SECTION 9.** In Colorado Revised Statutes, 40-2-127.5, **amend**  
8 (2)(a)(IV) as follows:

9 **40-2-127.5. Community energy funds - community geothermal**  
10 **gardens - rules - legislative declaration - definitions - repeal.**

11 (2) **Definitions.** As used in this section, unless the context  
12 otherwise requires, the definitions in section 40-2-124 apply, and:

13 (a) (IV) A community geothermal garden must have a ~~nameplate~~  
14 ~~rating of five~~ NET ELECTRIC GENERATING CAPACITY OF TWENTY-FIVE  
15 megawatts or less. ~~except that the commission may, in rules adopted~~  
16 ~~pursuant to subsection (3)(b) of this section, approve the formation of a~~  
17 ~~community geothermal garden with a nameplate rating of up to ten~~  
18 ~~megawatts.~~

19 ==  
20 **SECTION 10.** In Colorado Revised Statutes, **add** 40-2-140 as  
21 follows:

22 **40-2-140. Geothermal energy development - small-scale**  
23 **geothermal projects - large-scale geothermal projects - commission**  
24 **duties - labor requirements - rules - definitions.**

25 (1) **Definitions.** AS USED IN THIS SECTION, UNLESS THE CONTEXT  
26 OTHERWISE REQUIRES:

27 (a) "INVESTOR-OWNED ELECTRIC UTILITY" OR "UTILITY" MEANS AN

1 INVESTOR-OWNED UTILITY THAT PROVIDES RETAIL ELECTRIC SERVICE TO  
2 CUSTOMERS IN THE STATE AND IS REGULATED BY THE COMMISSION.

3 (b) "LARGE-SCALE GEOTHERMAL PROJECT" MEANS A GEOTHERMAL  
4 PROJECT OR GEOTHERMAL PROJECTS IDENTIFIED BY A UTILITY PURSUANT  
5 TO SUBSECTION (3) OF THIS SECTION THAT INDIVIDUALLY OR IN  
6 AGGREGATE PRODUCE MORE THAN TWENTY-FIVE MEGAWATTS OF  
7 NAMEPLATE ELECTRIC GENERATING CAPACITY.

8 (c) "NET ELECTRIC GENERATING CAPACITY" MEANS THE MAXIMUM  
9 CONTINUOUS ELECTRICAL OUTPUT, EXPRESSED IN MEGAWATTS, DELIVERED  
10 TO THE TRANSMISSION OR DISTRIBUTION SYSTEM, EXCLUDING AUXILIARY  
11 OR PARASITIC LOADS REQUIRED FOR ON-SITE PLANT OPERATIONS.

12 (d) "SMALL-SCALE GEOTHERMAL PROJECT" MEANS A GEOTHERMAL  
13 PROJECT IDENTIFIED BY A UTILITY PURSUANT TO SUBSECTION (2) OF THIS  
14 SECTION THAT PRODUCES TWENTY-FIVE MEGAWATTS OR LESS OF  
15 NAMEPLATE ELECTRIC GENERATING CAPACITY.

16 (2) **Small-scale geothermal projects.**

17 (a) AN INVESTOR-OWNED ELECTRIC UTILITY SHALL IDENTIFY ONE  
18 OR MORE POTENTIAL SMALL-SCALE GEOTHERMAL PROJECTS AT SPECIFIC  
19 LOCATIONS OR AS COMMUNITY GEOTHERMAL GARDENS, AS DEFINED IN  
20 SECTION 40-2-127.5 (2)(a).

21 (b) WHEN CONSIDERING THE DEVELOPMENT OF SMALL-SCALE  
22 GEOTHERMAL PROJECTS, AN INVESTOR-OWNED ELECTRIC UTILITY SHALL  
23 ISSUE A REQUEST FOR PROPOSALS TO SOLICIT PROPOSALS AND BIDS FOR  
24 DEVELOPMENT OF SMALL-SCALE GEOTHERMAL PROJECTS THAT THE  
25 UTILITY SHALL SUBMIT TO THE COMMISSION IN ACCORDANCE WITH  
26 SUBSECTION (2)(c) OF THIS SECTION.

27 (c) NO LATER THAN ONE HUNDRED TWENTY DAYS AFTER AN

1 INVESTOR-OWNED ELECTRIC UTILITY CONCLUDES THE REQUEST FOR  
2 PROPOSALS CONDUCTED IN ACCORDANCE WITH SUBSECTION (2)(b) OF THIS  
3 SECTION, THE INVESTOR-OWNED ELECTRIC UTILITY SHALL SUBMIT AN  
4 APPLICATION TO THE COMMISSION FOR THE DEVELOPMENT OF  
5 SMALL-SCALE GEOTHERMAL PROJECTS IF THE UTILITY RECEIVES A BID IN  
6 RESPONSE TO THE REQUEST FOR PROPOSALS SOLICITED IN ACCORDANCE  
7 WITH THIS SUBSECTION (2), WHICH APPLICATION MUST INCLUDE:

8 (I) A DESCRIPTION OF THE SMALL-SCALE GEOTHERMAL PROJECT  
9 AND WHETHER IT IS LOCATION SPECIFIC OR A COMMUNITY GEOTHERMAL  
10 GARDEN;

11 (II) THE PROPOSED LOCATION OF THE SMALL-SCALE GEOTHERMAL  
12 PROJECT;

13 (III) THE AMOUNT OF ELECTRICITY, MEASURED IN  
14 MEGAWATT-HOURS, THAT WILL BE GENERATED FROM THE SMALL-SCALE  
15 GEOTHERMAL PROJECT; AND

16 (IV) AN ESTIMATE OF THE PROJECTED TOTAL CAPITAL COST AND  
17 OPERATING COST OF THE SMALL-SCALE GEOTHERMAL PROJECT AND THE  
18 IMPACT THAT THE COST WILL HAVE ON THE UTILITY'S CUSTOMERS.

19 (d) THE COMMISSION SHALL APPROVE, CONDITIONALLY APPROVE,  
20 DENY, OR MODIFY AN INVESTOR-OWNED ELECTRIC UTILITY'S APPLICATION  
21 SUBMITTED PURSUANT TO THIS SUBSECTION (2) WITHIN ONE HUNDRED  
22 TWENTY DAYS AFTER RECEIVING THE APPLICATION, OR WITHIN ONE  
23 HUNDRED EIGHTY DAYS AFTER RECEIVING THE APPLICATION, FOR GOOD  
24 CAUSE SHOWN.

25 (e) IN EVALUATING A SMALL-SCALE GEOTHERMAL PROJECT BID OR  
26 PROPOSAL, THE COMMISSION SHALL EVALUATE THE BID OR PROPOSAL  
27 SUBMITTED BY AN INVESTOR-OWNED ELECTRIC UTILITY BASED ON

1     FACTORS THAT INCLUDE:

2             (I) THE PROJECTED TOTAL CAPITAL AND OPERATING COST OF THE  
3     SMALL-SCALE GEOTHERMAL PROJECT AND THE PROJECT'S IMPACT ON  
4     RATEPAYERS IS REASONABLE IN CONSIDERATION OF GREENHOUSE GAS  
5     EMISSION REDUCTIONS AND OTHER RELEVANT BENEFITS, INCLUDING  
6     RESOURCE ADEQUACY NEEDS, LONG-TERM CAPACITY ACCREDITATION, THE  
7     NEED FOR CLEAN FIRM GENERATION RESOURCES, AND ACHIEVING STATE  
8     ENERGY POLICY GOALS, AS DETERMINED BY THE COMMISSION; AND

9             (II) THE DEVELOPMENT OF THE SMALL-SCALE GEOTHERMAL  
10    PROJECT IS IN THE PUBLIC INTEREST.

11            (f) AS PART OF AN APPLICATION SUBMITTED TO THE COMMISSION  
12    PURSUANT TO THIS SUBSECTION (2), THE INVESTOR-OWNED ELECTRIC  
13    UTILITY SHALL REQUEST, AS APPROPRIATE:

14            (I) A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY;

15            (II) APPROVAL FOR ANY PROCUREMENT AGREEMENTS AND  
16    ASSOCIATED COST RECOVERY BY THE INVESTOR-OWNED ELECTRIC  
17    UTILITY; AND

18            (III) APPROVAL OF A RETURN ON INVESTED CAPITAL RECOVERY  
19    APPROACH FOR ANY USED AND USEFUL PROJECT OWNED BY THE  
20    INVESTOR-OWNED ELECTRIC UTILITY THAT IS DEVELOPED IN ACCORDANCE  
21    WITH THIS SECTION.

22            (3) **Large-scale geothermal projects.**

23            (a) (I) WHEN CONSIDERING THE DEVELOPMENT OF LARGE-SCALE  
24    GEOTHERMAL PROJECTS, AN INVESTOR-OWNED ELECTRIC UTILITY SHALL  
25    ISSUE A REQUEST FOR PROPOSALS TO SOLICIT PROPOSALS AND BIDS FOR  
26    DEVELOPMENT OF LARGE-SCALE GEOTHERMAL PROJECTS THAT THE  
27    UTILITY SHALL SUBMIT TO THE COMMISSION IN ACCORDANCE WITH

1 SUBSECTION (3)(b)      OF THIS SECTION.

2 (II) WHEN SOLICITING A REQUEST FOR PROPOSALS IN ACCORDANCE  
3 WITH THIS SUBSECTION (3)(a), THE INVESTOR-OWNED ELECTRIC UTILITY  
4 SHALL TARGET THE ACQUISITION OR DEVELOPMENT OF NO MORE THAN  
5 THREE HUNDRED MEGAWATTS OF NAMEPLATE ELECTRIC GENERATING  
6 CAPACITY FROM LARGE-SCALE GEOTHERMAL PROJECTS.

7 (b) NO LATER THAN ONE HUNDRED TWENTY DAYS AFTER AN  
8 INVESTOR-OWNED ELECTRIC UTILITY CONCLUDES THE REQUEST FOR  
9 PROPOSALS CONDUCTED IN ACCORDANCE WITH SUBSECTION (3)(a) OF THIS  
10 SECTION, THE INVESTOR-OWNED ELECTRIC UTILITY SHALL SUBMIT AN  
11 APPLICATION TO THE COMMISSION FOR THE DEVELOPMENT OF  
12 LARGE-SCALE GEOTHERMAL PROJECTS IF THE UTILITY RECEIVES A BID IN  
13 RESPONSE TO THE REQUEST FOR PROPOSALS SOLICITED IN ACCORDANCE  
14 WITH THIS SUBSECTION (3). WHICH APPLICATION MUST INCLUDE:

15 (I) A DESCRIPTION OF THE LARGE-SCALE GEOTHERMAL PROJECT  
16 AND WHETHER IT IS A SINGLE PROJECT OR AN AGGREGATE OF MULTIPLE  
17 GEOTHERMAL PROJECTS;

18 (II) THE PROPOSED LOCATION OR LOCATIONS OF THE LARGE-SCALE  
19 GEOTHERMAL PROJECT;

20 (III) THE TOTAL AMOUNT OF ELECTRICITY, MEASURED IN  
21 MEGAWATT-HOURS, THAT WILL BE GENERATED FROM THE LARGE-SCALE  
22 GEOTHERMAL PROJECT AND THE ACCREDITED CAPACITY ASSOCIATED WITH  
23 THE PROJECT OR PROJECTS;     

24 (IV) AN ESTIMATE OF THE PROJECTED TOTAL CAPITAL COST AND  
25 OPERATING COST OF THE LARGE-SCALE GEOTHERMAL PROJECT AND THE  
26 IMPACT THAT THE COST WILL HAVE ON THE UTILITY'S CUSTOMERS;

27 (V) THE PROPOSED OWNERSHIP STRUCTURE FOR THE LARGE-SCALE

1 GEOTHERMAL PROJECTS, WHICH MAY INCLUDE FULL OR PARTIAL BUILD  
2 TRANSFER OWNERSHIP STRUCTURES, JOINT VENTURES, OR INDEPENDENT  
3 POWER PRODUCTION OWNERSHIP STRUCTURES WITH A POWER PURCHASE  
4 AGREEMENT; AND

5 (VI) A DESCRIPTION OF ANY SPECIFIC CUSTOMER OR GROUP OF  
6 CUSTOMERS THAT THE INVESTOR-OWNED ELECTRIC UTILITY MAY PARTNER  
7 WITH TO SUPPORT THE DEVELOPMENT OF A LARGE-SCALE GEOTHERMAL  
8 PROJECT IN ACCORDANCE WITH SUBSECTION (3)(d) OF THIS SECTION.

9 (c) THE COMMISSION SHALL APPROVE, CONDITIONALLY APPROVE,  
10 DENY, OR MODIFY AN INVESTOR-OWNED ELECTRIC UTILITY'S APPLICATION  
11 SUBMITTED PURSUANT TO THIS SUBSECTION (3) WITHIN ONE HUNDRED  
12 TWENTY DAYS AFTER RECEIVING THE APPLICATION, OR WITHIN ONE  
13 HUNDRED EIGHTY DAYS AFTER RECEIVING THE APPLICATION, FOR GOOD  
14 CAUSE SHOWN.

15 (d) IN EVALUATING A LARGE-SCALE GEOTHERMAL PROJECT BID OR  
16 PROPOSAL, THE COMMISSION SHALL EVALUATE THE BID OR PROPOSAL  
17 SUBMITTED BY AN INVESTOR-OWNED ELECTRIC UTILITY BASED ON  
18 WHETHER:

19 (I) THE PROJECTED TOTAL CAPITAL AND OPERATING COST OF THE  
20 LARGE-SCALE GEOTHERMAL PROJECT AND THE PROJECT'S IMPACT ON  
21 RATEPAYERS IS REASONABLE IN CONSIDERATION OF RELIABILITY,  
22 GREENHOUSE GAS EMISSION REDUCTIONS, AND OTHER RELEVANT  
23 BENEFITS, INCLUDING RESOURCE ADEQUACY NEEDS, LONG-TERM  
24 CAPACITY ACCREDITATION, THE NEED FOR CLEAN FIRM GENERATION  
25 RESOURCES TO MAKE PROGRESS TOWARD THE ECONOMY-WIDE GOAL OF  
26 NET-ZERO EMISSIONS BY 2050, AND ACHIEVING STATE ENERGY POLICY  
27 GOALS, AS DETERMINED BY THE COMMISSION; AND

1 (II) THE DEVELOPMENT OF THE LARGE-SCALE GEOTHERMAL  
2 PROJECT IS IN THE PUBLIC INTEREST.

3 (e) AS PART OF AN APPLICATION SUBMITTED TO THE COMMISSION  
4 PURSUANT TO THIS SUBSECTION (3), THE INVESTOR-OWNED ELECTRIC  
5 UTILITY MAY REQUEST, TO THE EXTENT NECESSARY:

6 (I) A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY;

7 (II) APPROVAL FOR ANY PROCUREMENT AGREEMENTS AND  
8 ASSOCIATED COST RECOVERY BY THE INVESTOR-OWNED ELECTRIC  
9 UTILITY; AND

10 (III) APPROVAL OF A RETURN ON INVESTED CAPITAL RECOVERY  
11 APPROACH FOR ANY PROJECT OWNED BY THE INVESTOR-OWNED ELECTRIC  
12 UTILITY THAT IS DEVELOPED IN ACCORDANCE WITH THIS SECTION.

13 (f) AN INVESTOR-OWNED ELECTRIC UTILITY MAY ONLY SUBMIT  
14 ONE APPLICATION TO THE COMMISSION PURSUANT TO THIS SUBSECTION (3).  
15 AN INVESTOR-OWNED ELECTRIC UTILITY SHALL USE THE EXPERIENCE  
16 FROM CONDUCTING THE SOLICITATION AND SUBMITTING AN APPLICATION  
17 PURSUANT TO THIS SUBSECTION (3) TO INFORM THE UTILITY'S APPROACH  
18 IN FUTURE ELECTRIC RESOURCE PLAN PROCEEDINGS RELATED TO  
19 GEOTHERMAL ENERGY DEVELOPMENT AND OTHER CLEAN FIRM  
20 TECHNOLOGIES.

21 (4) Labor requirements. A SMALL-SCALE GEOTHERMAL PROJECT  
22 OR A LARGE-SCALE GEOTHERMAL PROJECT AUTHORIZED PURSUANT TO  
23 THIS SECTION THAT IS CONSIDERED AN ENERGY SECTOR PUBLIC WORKS  
24 PROJECT, AS DEFINED IN SECTION 24-92-303 (5), MUST COMPLY WITH:

25 (a) THE PREVAILING WAGE REQUIREMENTS IN PART 2 OF ARTICLE  
26 92 OF TITLE 24;

27 (b) THE APPRENTICESHIP UTILIZATION REQUIREMENTS IN SECTION

1 24-92-115 (7); AND

2 (c) THE LABOR REQUIREMENTS IN PART 3 OF ARTICLE 92 OF TITLE

3 24.

4 == ==

5 (5) **Rules.** THE COMMISSION MAY ADOPT ANY RULES NECESSARY  
6 TO IMPLEMENT AND ENFORCE THIS SECTION.

7 **SECTION 11.** In Colorado Revised Statutes, 40-4-121, **add**  
8 (1)(e.5) and (7) as follows:

9 **40-4-121. Thermal energy network projects - pilot program**  
10 **for large gas utilities - application - commission proceeding -**  
11 **reporting - thermal energy network for local governments -**  
12 **definitions.**

13 (1) As used in this section, unless the context otherwise requires:

14 (e.5) "SPECIAL DISTRICT" HAS THE MEANING SET FORTH IN SECTION  
15 32-1-103 (20).

16 (7) A LOCAL GOVERNMENT OR A SPECIAL DISTRICT MAY  
17 AGGREGATE THERMAL ENERGY DEMAND FOR THE PURPOSE OF  
18 FACILITATING SERVICE FROM A THERMAL ENERGY NETWORK IN  
19 ACCORDANCE WITH SECTION 29-1-208.

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

- 1 November 2026 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.