HB 26-1081

Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1081: OPTIMIZE COLORADO ELECTRIC TRANSMISSION SYSTEM

Prime Sponsors:
Rep. Camacho; Duran
Sen. Roberts

Fiscal Analyst:
Clare Pramuk, 303-866-4796
clare.pramuk@coleg.gov

Bill Outcome: Signed into Law
Drafting Number: LLS 26-0225

Version: Final Fiscal Note
Date: July 14, 2026

Fiscal note status: The final fiscal note reflects the enacted bill.

Summary Information

Overview. The bill requires electric utilities to evaluate the use of advanced transmission technologies in their 10-year transmission plans to increase capacity, efficiency, reliability, or resilience, and to identify strategies to reduce the costs of construction.

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

- Minimal State Workload
- Local Government
- Statutory Public Entity

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 requires electric utilities to evaluate the use of advanced transmission technologies in their 10-year transmission plans to increase capacity, efficiency, reliability, or resilience and to identify strategies to reduce the costs of construction.

Public Utilities Commission

The bill requires the Public Utilities Commission (PUC) in the Department of Regulatory Agencies to amend its rules to require utilities to include the following in their 10-year transmission plans:

- identification of strategies to reduce the costs of construction and to obtain adequate financing for identified projects;
- evaluation of the use of bonds issued by the Colorado Electric Transmission Authority (CETA); and
- evaluation of the potential of advanced transmission technologies to meet transmission needs.

The PUC is further required to amend its rules to minimize duplication of transmission planning processes, technical studies, or analyses conducted through an applicable regional transmission organization or independent system operator. The PUC may allow a utility to reference such analyses in their transmission plans.

Colorado Electric Transmission Authority

The bill requires the CETA to engage and coordinate with formal subregional transmission planning organizations to the extent practicable. The CETA board of directors is increased to include the director of the PUC or their designee as a nonvoting ex officio member. Finally, the bill moves the CETA annual report to the General Assembly from December 1 to January 31 and adds a description of the CETA's activities and accomplishments during the previous calendar year to the report.

Energy Sector Public Works

The bill requires that energy sector public works projects that include advanced transmission technologies meet applicable prevailing wage and apprenticeship utilization requirements.

Background

CETA was created by the General Assembly in 2021 as an independent special purpose authority governed by a nine-member board of directors comprised of Governor and legislative leadership appointees and the director of the Colorado Energy Office or their designee. The authority plans and develops electric transmission corridors and power lines in the state to increase grid reliability and has revenue bonding authority for funding transmission projects.

State Expenditures

This PUC will conduct rulemaking to update transmission planning rules to include advanced grid technologies in utility transmission planning. Although it requires utilities to file additional information with the PUC, this is materially similar to the transmission information that utilities are already required to submit, and any additional review by the PUC will be a minimal workload increase. The PUC director will also have a minimal workload increase to sit on the CETA board.

Local Government

The bill minimally increases workload for municipal utilities that file additional transmission information with the PUC.

Statutory Public Entity

The bill may increase expenditures for the CETA to consult with utilities regarding advanced transmission technologies and to pay for any additional costs associated with board activities. To the extent that utilities identify using CETA bonds as a cost reduction strategy, revenue bond issuance by the CETA may increase.

Effective Date

The bill was signed into law by the Governor on May 29, 2026, and takes August 12, 2026, assuming no referendum petition is filed.

State and Local Government Contacts

Colorado Energy Office

Governor's Office of Boards and Commissions

Law

Natural Resources

Public Safety

Regulatory Agencies