

CHAPTER 127

PUBLIC UTILITIES

HOUSE BILL 26-1007

BY REPRESENTATIVE(S) Smith and Stewart R., Bacon, Boesenecker, Brown, Camacho, Carter, Duran, Espenoza, Froelich, Goldstein, Hamrick, Lindsay, Marshall, Nguyen, Paschal, Rutinel, Sirota, Stewart K., Story, Titone, Valdez, Woodrow, Zokaie, McCluskie, English, Jackson, McCormick, Phillips;
also SENATOR(S) Kipp and Ball, Amabile, Benavidez, Bridges, Cutter, Daugherty, Gonzales J., Hinrichsen, Jodeh, Kolker, Lindstedt, Marchman, Roberts, Snyder, Sullivan, Wallace, Weissman, Coleman.

AN ACT**CONCERNING MEASURES TO IMPROVE A CUSTOMER'S ABILITY TO USE DISTRIBUTED ENERGY RESOURCES.**

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

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

(a) With weather-related power outages on the rise, distributed generation systems, such as residential solar energy systems, create a clean, reliable energy source that, especially when paired with an energy storage system, is less vulnerable to natural disasters and grid failures;

(b) Customers across the state are increasingly wanting to have more freedom and choice over their energy decisions and to increase the self-reliance and self-sufficiency of their families and communities;

(c) Portable-scale solar generation devices plug in directly to a wall outlet and immediately provide energy to a home. These devices can play a meaningful role in addressing energy affordability statewide, and they are ideal for any small space, such as an apartment balcony or a small patio.

(d) While clean energy technologies, including portable-scale solar generation devices, are becoming increasingly available for customers, interconnection fees and other utility processes can make the adoption of such technologies unnecessarily costly and burdensome;

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

(e) It is the policy of the state and the intent of the general assembly to encourage the use of portable-scale solar generation devices and to limit obstacles to customers' use of these devices; and

(f) Increasing renewable energy generation and allowing customers across the state to have more freedom, choice, and self-sufficiency over their energy decisions through the use of portable-scale solar generation devices is a matter of statewide concern.

(2) The general assembly further finds that:

(a) Customer-sited distributed energy resources, including rooftop solar and energy storage, are important tools to help customers manage bills, improve resilience, and support achievement of the state's clean energy and climate goals;

(b) UL labeling and listing, building codes, and fire codes ensure consumer safety for renewable energy devices;

(c) Ensuring efficient, low-cost, and timely interconnection of distributed energy resources is a matter of statewide concern;

(d) Use of meter collar adapters can reduce or avoid costly and time-consuming service panel upgrades when interconnecting distributed energy resources, thereby lowering the costs of and barriers to customer-sited distributed energy resources for households and small businesses;

(e) Cooperative electric associations are required to comply with the interconnection rules adopted by the public utilities commission, and municipally owned utilities are required to adopt interconnection standards that are functionally similar to those established by the public utilities commission;

(f) However, existing law does not explicitly require that cooperative electric associations and municipally owned utilities must allow for customer use of meter collar adapters; and

(g) Therefore, additional statutory direction is needed to ensure that all utilities in the state fully and efficiently accommodate the use of meter collar adapters.

(3) The general assembly further finds that requiring separate production meters for customer-sited distributed energy resources in circumstances where net energy consumption can be accurately measured at the customer's billing meter adds unnecessary cost and complexity that discourage beneficial distributed energy resources.

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

40-2-140. Portable-scale solar generation devices - requirements - exemptions - definitions.

(1) AS USED IN THIS SECTION:

(a) "COMMON INTEREST COMMUNITY" HAS THE MEANING SET FORTH IN SECTION 38-33.3-103 (8).

(b) "ENERGY EFFICIENCY MEASURE" HAS THE MEANING SET FORTH IN SECTION 38-33.3-106.7 (1)(b).

(c) "LIMITED COMMON ELEMENT" HAS THE MEANING SET FORTH IN SECTION 38-33.3-103 (19).

(d) "PERSON" HAS THE MEANING SET FORTH IN SECTION 2-4-401 (8).

(e) "PORTABLE-SCALE SOLAR GENERATION DEVICE" OR "DEVICE" MEANS A SINGLE PHOTOVOLTAIC SYSTEM PER ADDRESS AND ASSOCIATED EQUIPMENT THAT:

(I) IS DESIGNED OR COMMISSIONED TO SUPPLY A MAXIMUM POWER OUTPUT OF NOT MORE THAN ONE THOUSAND NINE HUNDRED TWENTY WATTS TO THE ELECTRIC GRID; AND

(II) IS LABELED AND LISTED BY A NATIONALLY RECOGNIZED TESTING LABORATORY.

(2) A PORTABLE-SCALE SOLAR GENERATION DEVICE MUST INCLUDE A FEATURE THAT PREVENTS THE DEVICE FROM ENERGIZING THE ELECTRIC GRID DURING A POWER OUTAGE.

(3) A CUSTOMER THAT USES A PORTABLE-SCALE SOLAR GENERATION DEVICE SHALL NOT CONNECT MORE THAN ONE DEVICE TO A SINGLE WALL OUTLET PER ADDRESS.

(4)(a) A PROVIDER OF RETAIL ELECTRIC SERVICE OR WHOLESALE ENERGY SHALL NOT REQUIRE A CUSTOMER TO:

(I) OBTAIN THE PROVIDER'S APPROVAL BEFORE INSTALLING OR USING A PORTABLE-SCALE SOLAR GENERATION DEVICE;

(II) PAY THE PROVIDER A FEE RELATED TO A PORTABLE-SCALE SOLAR GENERATION DEVICE; OR

(III) INSTALL ANY ADDITIONAL CONTROLS OR EQUIPMENT BEYOND WHAT IS INTEGRATED INTO A PORTABLE-SCALE SOLAR GENERATION DEVICE PURSUANT TO THE UL LISTING OF THE DEVICE.

(b) A PROVIDER OF RETAIL ELECTRIC SERVICE OR WHOLESALE ENERGY MAY REQUIRE A CUSTOMER TO NOTIFY THE PROVIDER OF THE CUSTOMER'S USE OF A PORTABLE-SCALE SOLAR GENERATION DEVICE BY INDICATING THE PRESENCE AND SIZE OF THE DEVICE IN KILOWATTS.

(5) A PORTABLE-SCALE SOLAR GENERATION DEVICE THAT HAS A POWER OUTPUT OF NOT MORE THAN THREE HUNDRED NINETY-ONE WATTS IS EXEMPT FROM:

(a) THE SOLAR PHOTOVOLTAIC INSTALLATION REQUIREMENTS DESCRIBED IN SECTION 40-2-128; AND

(b) ANY BUILDING SAFETY CODE PROVISIONS OR PRODUCT LISTING PROVISIONS THAT WOULD REQUIRE ALTERATIONS TO THE BUILDING'S ELECTRICAL WIRING.

(6) ON AND AFTER JANUARY 1, 2027, A PERSON SHALL NOT SELL, LEASE, OR RENT A PORTABLE-SCALE SOLAR GENERATION DEVICE THAT HAS A POWER OUTPUT OF MORE THAN THREE HUNDRED NINETY-ONE WATTS IN THE STATE AND IS NOT UL LABELED AND LISTED.

(7) ON AND AFTER JANUARY 1, 2027:

(a) A PERSON SHALL NOT DIRECTLY OR INDIRECTLY UNREASONABLY PROHIBIT THE INSTALLATION, USE, OR OPERATION OF A PORTABLE-SCALE SOLAR GENERATION DEVICE;

(b) A COVENANT OR RESTRICTION THAT EXPLICITLY OR INDIRECTLY UNREASONABLY PROHIBITS OR RESTRICTS THE INSTALLATION, USE, OR OPERATION OF A PORTABLE-SCALE SOLAR GENERATION DEVICE IS UNENFORCEABLE AND VOID AS A MATTER OF PUBLIC POLICY;

(c) A PORTABLE-SCALE SOLAR GENERATION DEVICE IS CONSIDERED AN ENERGY EFFICIENCY MEASURE FOR THE PURPOSES OF SECTION 38-33.3-106.7; EXCEPT THAT, NOTWITHSTANDING SECTION 38-33.3-106.7 (3)(d), A REAL PROPERTY OWNER MAY INSTALL, USE, OR OPERATE A DEVICE ON REAL PROPERTY THAT IS A LIMITED COMMON ELEMENT OF A COMMON INTEREST COMMUNITY;

(d) A REAL PROPERTY OWNER MAY REQUIRE REASONABLE RESTRICTIONS FOR THE INSTALLATION, USE, OR OPERATION OF A PORTABLE-SCALE SOLAR GENERATION DEVICE, INCLUDING REQUIRING PRIOR NOTICE OF THE INSTALLATION OF A DEVICE AND RESTRICTIONS RELATED TO PREVENTING FIRE OR ELECTRICAL OVERLOAD OF THE EXISTING ELECTRICAL SYSTEM, PREVENTING DAMAGE OR HARM TO A PERSON OR PROPERTY, AND THE LOCATION OF THE DEVICE; AND

(e) A REAL PROPERTY OWNER THAT RESIDES IN A COMMON INTEREST COMMUNITY AND INSTALLS A PORTABLE-SCALE SOLAR GENERATION DEVICE MAY BE REQUIRED TO REASONABLY SECURE THE DEVICE TO THEIR UNIT OR ANY LIMITED COMMON ELEMENT PATIO, DECK, OR BALCONY THAT SOLELY SERVES THE REAL PROPERTY OWNER'S UNIT. THE REAL PROPERTY OWNER MAY BE RESPONSIBLE FOR ALL LIABILITY AND COSTS ASSOCIATED WITH THE INSTALLATION, MAINTENANCE, OR REMOVAL OF THE DEVICE AND REQUIRED TO INDEMNIFY THE COMMUNITY ASSOCIATION AND OTHER OWNERS FROM ANY RELATED LIABILITY OR COSTS.

(8) A PROVIDER OF RETAIL ELECTRIC SERVICE OR WHOLESALE ENERGY IS NOT LIABLE FOR ANY DAMAGE OR INJURY CAUSED BY A PORTABLE-SCALE SOLAR GENERATION DEVICE.

(9) THE INSTALLATION OF A PORTABLE-SCALE SOLAR GENERATION DEVICE MUST BE IN ACCORDANCE WITH FIRE CODE REQUIREMENTS AND APPLICABLE LOCAL BUILDING CODES THAT PERTAIN TO HEALTH AND SAFETY.

SECTION 3. In Colorado Revised Statutes, 40-2-124, **add** (1.3), (1.4), and (7)(c) as follows:

40-2-124. Renewable energy standards - qualifying retail and wholesale utilities - definitions - net metering - legislative declaration - rules.

(1.3) ON OR BEFORE DECEMBER 31, 2026, THE COMMISSION SHALL REVISE EXISTING RULES TO:

(a) REQUIRE A QUALIFYING RETAIL UTILITY TO POST AND MAINTAIN ON ITS WEBSITE A PUBLIC LIST OF AT LEAST ONE METER COLLAR ADAPTER THAT IS APPROVED BY THE QUALIFYING RETAIL UTILITY;

(b) (I) REQUIRE A QUALIFYING RETAIL UTILITY TO HAVE A PROCESS FOR APPROVING A CUSTOMER-OWNED METER COLLAR ADAPTER THAT IS NOT INCLUDED IN THE PUBLIC LIST MAINTAINED BY THE QUALIFYING RETAIL UTILITY PURSUANT TO SUBSECTION (1.3)(a) OF THIS SECTION, WHICH PROCESS MUST TAKE NO MORE THAN NINETY DAYS AFTER THE DATE OF SUBMISSION FOR APPROVAL OF A SPECIFIC METER COLLAR ADAPTER BY THE PROPOSING PARTY.

(II) A QUALIFYING RETAIL UTILITY SHALL APPROVE A PROPOSED CUSTOMER-OWNED METER COLLAR ADAPTER THAT:

(A) IS CERTIFIED FOR COMPLIANCE WITH THE STANDARDS REFERENCED IN UL414;

(B) IS PHYSICALLY AND ELECTRICALLY COMPATIBLE WITH THE UL LISTINGS OF EXISTING EQUIPMENT AT THE INSTALLATION LOCATION AND MEETS ALL NATIONAL ELECTRIC CODE CLEARANCE AND SAFETY STANDARDS;

(C) IS RATED ADEQUATELY FOR THE CONNECTED EQUIPMENT THAT IS USED FOR PURPOSES OF SOLAR, BATTERY STORAGE TECHNOLOGY, ELECTRIC VEHICLE CHARGE, OR ENERGY EFFICIENCY MEASURES; AND

(D) DOES NOT COMPROMISE THE STRUCTURAL INTEGRITY OF THE METER ENCLOSURE OR INTERFERE WITH SAFE METER OPERATION.

(III) A QUALIFYING RETAIL UTILITY MAY DENY A PROPOSED CUSTOMER-OWNED METER COLLAR ADAPTER ONLY IF:

(A) THE PROPOSED METER COLLAR ADAPTER DOES NOT MEET THE REQUIREMENTS SET FORTH IN SUBSECTION (1.3)(b)(II) OF THIS SECTION; AND

(B) THE QUALIFYING RETAIL UTILITY PROVIDES WRITTEN NOTICE TO THE PROPOSING PARTY THAT CLEARLY EXPLAINS WHY THE PROPOSED METER COLLAR ADAPTER FAILS TO MEET SAFETY REQUIREMENTS AND EXPLAINS THE DIFFERENCES BETWEEN THE PROPOSED METER COLLAR ADAPTER AND A METER COLLAR ADAPTER THAT HAS BEEN APPROVED BY THE QUALIFYING RETAIL UTILITY.

(c) IF THE INSTALLATION OF AN APPROVED METER COLLAR ADAPTER REQUIRES RELOCATION OF THE METER ENCLOSURE OR REPLACEMENT OF THE METER HOUSING, REQUIRE A QUALIFYING RETAIL UTILITY TO, UPON REQUEST OF THE CUSTOMER,

PROVIDE AN ESTIMATE OF THE COSTS ASSOCIATED WITH THIS WORK, WHICH COSTS ARE THE RESPONSIBILITY OF THE CUSTOMER. NOTHING IN THIS SECTION REQUIRES A QUALIFYING RETAIL UTILITY TO MODIFY, RELOCATE, REPLACE, OR UPGRADE METERING INFRASTRUCTURE TO ACCOMMODATE THE INSTALLATION OF A METER COLLAR ADAPTER.

(d) IF THE INSTALLATION OF AN APPROVED METER COLLAR ADAPTER REQUIRES REMOVAL OF THE METER, ALLOW A QUALIFYING RETAIL UTILITY TO REQUIRE THAT THE INSTALLATION WORK BE PERFORMED BY THE QUALIFYING RETAIL UTILITY OR A LICENSED ELECTRICAL CONTRACTOR OR OTHER THIRD PARTY APPROVED BY THE QUALIFYING RETAIL UTILITY IN A TIMELY MANNER AND AT NO ADDITIONAL COST TO THE CUSTOMER;

(e) REQUIRE A QUALIFYING RETAIL UTILITY TO ESTABLISH AND PUBLISH IN THE QUALIFYING RETAIL UTILITY'S TARIFFS A PROCESS FOR A CUSTOMER TO REQUEST AND INSTALL A METER COLLAR ADAPTER, WHICH PROCESS MUST TAKE NO LONGER THAN THIRTY DAYS AND NOT BE UNDULY BURDENSOME TO THE CUSTOMER; AND

(f) REQUIRE A QUALIFYING RETAIL UTILITY TO FACILITATE THE INSTALLATION OF A METER COLLAR ADAPTER BY AN ELECTRICAL CONTRACTOR REGISTERED WITH THE STATE ELECTRICAL BOARD PURSUANT TO SECTION 12-115-110 AND REQUIRE THAT ALL ELECTRICAL WORK BE PERFORMED BY A MASTER ELECTRICIAN, JOURNEYMAN ELECTRICIAN, RESIDENTIAL WIREMAN, OR PROPERLY SUPERVISED APPRENTICE.

(1.4) FOR THE PURPOSES OF SUBSECTION (1.3) OF THIS SECTION, "PROPOSING PARTY" MEANS A METER COLLAR ADAPTER MANUFACTURER.

(7) (c) (I) A MUNICIPALLY OWNED UTILITY SHALL POST AND MAINTAIN ON ITS WEBSITE A PUBLIC LIST OF AT LEAST ONE METER COLLAR ADAPTER THAT IS APPROVED BY THE MUNICIPALLY OWNED UTILITY.

(II) ON OR BEFORE DECEMBER 31, 2026, A MUNICIPALLY OWNED UTILITY'S INTERCONNECTION STANDARDS MUST:

(A) INCLUDE A PROCESS FOR APPROVING A CUSTOMER-OWNED METER COLLAR ADAPTER THAT IS NOT INCLUDED IN THE PUBLIC LIST MAINTAINED BY THE MUNICIPALLY OWNED UTILITY PURSUANT TO SUBSECTION (7)(c)(I) OF THIS SECTION, WHICH PROCESS MUST TAKE NO MORE THAN NINETY DAYS AFTER THE DATE OF SUBMISSION FOR APPROVAL OF A SPECIFIC METER COLLAR ADAPTER BY THE PROPOSING PARTY;

(B) INCLUDE A PROCESS FOR A CUSTOMER TO REQUEST AND INSTALL A METER COLLAR ADAPTER, WHICH PROCESS MUST TAKE NO LONGER THAN THIRTY DAYS AND NOT BE UNDULY BURDENSOME TO THE CUSTOMER; AND

(C) ALLOW FOR THE INSTALLATION OF A METER COLLAR ADAPTER BY A PROFESSIONAL CONTRACTOR WITH A VALID ELECTRICIAN LICENSE ISSUED PURSUANT TO ARTICLE 115 OF TITLE 12.

(III) A MUNICIPALLY OWNED UTILITY SHALL APPROVE A PROPOSED CUSTOMER-OWNED METER COLLAR ADAPTER THAT:

(A) IS CERTIFIED FOR COMPLIANCE WITH THE STANDARDS REFERENCED IN UL414;

(B) IS PHYSICALLY AND ELECTRICALLY COMPATIBLE WITH THE UL LISTINGS OF EXISTING EQUIPMENT AT THE INSTALLATION LOCATION AND MEETS ALL NATIONAL ELECTRIC CODE CLEARANCE AND SAFETY STANDARDS;

(C) IS RATED ADEQUATELY FOR THE CONNECTED EQUIPMENT THAT IS USED FOR PURPOSES OF SOLAR, BATTERY STORAGE TECHNOLOGY, ELECTRIC VEHICLE CHARGE, OR ENERGY EFFICIENCY MEASURES; AND

(D) DOES NOT COMPROMISE THE STRUCTURAL INTEGRITY OF THE METER ENCLOSURE OR INTERFERE WITH SAFE METER OPERATION.

(IV) A MUNICIPALLY OWNED UTILITY MAY DENY A PROPOSED CUSTOMER-OWNED METER COLLAR ADAPTER ONLY IF:

(A) THE PROPOSED METER COLLAR ADAPTER DOES NOT MEET THE REQUIREMENTS SET FORTH IN SUBSECTION (7)(c)(II) OF THIS SECTION; AND

(B) THE MUNICIPALLY OWNED UTILITY PROVIDES WRITTEN NOTICE TO THE PROPOSING PARTY THAT CLEARLY EXPLAINS WHY THE PROPOSED METER COLLAR ADAPTER FAILS TO MEET SAFETY REQUIREMENTS AND EXPLAINS THE DIFFERENCES BETWEEN THE PROPOSED METER COLLAR ADAPTER AND A METER COLLAR ADAPTER THAT HAS BEEN APPROVED BY THE MUNICIPALLY OWNED UTILITY.

(V) IF THE INSTALLATION OF AN APPROVED METER COLLAR ADAPTER REQUIRES RELOCATION OF THE METER ENCLOSURE OR REPLACEMENT OF THE METER HOUSING, A MUNICIPALLY OWNED UTILITY SHALL, UPON REQUEST OF THE CUSTOMER, PROVIDE AN ESTIMATE OF THE COSTS ASSOCIATED WITH THE NECESSARY LABOR AND EQUIPMENT OF THE MUNICIPALLY OWNED UTILITY, WHICH COSTS ARE THE RESPONSIBILITY OF THE CUSTOMER. NOTHING IN THIS SECTION REQUIRES A MUNICIPALLY OWNED UTILITY TO MODIFY, RELOCATE, REPLACE, OR UPGRADE METERING INFRASTRUCTURE TO ACCOMMODATE THE INSTALLATION OF A METER COLLAR ADAPTER.

(VI) FOR THE PURPOSES OF 7 THIS SUBSECTION (7)(c), "PROPOSING PARTY" MEANS A METER COLLAR ADAPTER MANUFACTURER.

SECTION 4. In Colorado Revised Statutes, 40-9.5-118, **amend** (2)(d) as follows:

40-9.5-118. Net metering - rules.

(2) Each cooperative electric association shall allow a customer-generator's retail electricity consumption to be offset by the electricity generated from eligible energy resources on the customer-generator's side of the meter that are interconnected with the facilities of the cooperative electric association, subject to the following:

(d) **Interconnection standards.** A cooperative electric association and a customer-generator shall comply with the interconnection standards and insurance requirements established in the rules ~~promulgated~~ ADOPTED by the public utilities

commission pursuant to section 40-2-124; except that the cooperative electric association may reduce or waive any of the insurance requirements; and except that the public utilities commission shall initiate a rule-making proceeding no later than October 1, 2008, for the purpose of addressing cooperative electric association system issues in its small generator interconnection procedures. A cooperative electric association shall not prevent or unreasonably burden the installation of a net metering system if such system includes protective equipment that prevents any export of customer-generated electricity from the customer's side of the meter. A COOPERATIVE ELECTRIC ASSOCIATION AND A CUSTOMER-GENERATOR SHALL COMPLY WITH THE RULES ADOPTED BY THE PUBLIC UTILITIES COMMISSION PURSUANT TO SECTION 40-2-124 (1.3) REGARDING METER COLLAR ADAPTERS AND WITH OTHER COMMISSION RULES REGARDING PRODUCTION METERS.

SECTION 5. In Colorado Revised Statutes, 38-33.3-106.7, **amend** (1)(b)(V) and (1)(b)(VI); and **add** (1)(b)(VII) as follows:

38-33.3-106.7. Unreasonable restrictions on energy efficiency measures - definitions.

(1) (b) As used in this section, "energy efficiency measure" means a device or structure that reduces the amount of energy derived from fossil fuels that is consumed by a residence or business located on the real property. "Energy efficiency measure" is further limited to include only the following types of devices or structures:

(V) A retractable clothesline; ~~and~~

(VI) A heat pump system, as defined in section 39-26-732 (2)(c); AND

(VII) ON AND AFTER JANUARY 1, 2027, A PORTABLE-SCALE SOLAR GENERATION DEVICE, AS DEFINED IN SECTION 40-2-140 (1)(e).

SECTION 6. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

Approved: May 7, 2026