First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

ENGROSSED

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

LLS NO. 25-0358.01 Jennifer Berman x3286

HOUSE BILL 25-1040

HOUSE SPONSORSHIP

Valdez and Winter T.,

SENATE SPONSORSHIP

Roberts and Liston, Baisley

House Committees
Energy & Environment

Senate Committees

A BILL FOR AN ACT

CONCERNING THE INCLUSION OF NUCLEAR ENERGY AS A SOURCE OF CLEAN ENERGY.

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.)

The statutory definition of "clean energy" determines which energy projects are eligible for clean energy project financing at the county and city and county level. The statutory definition of "clean energy resource" determines which energy resources may be used by a qualifying retail utility to meet the 2050 clean energy target. The bill updates the 2 statutory definitions to include nuclear energy; except that for property

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
February 20, 2025

valuations made for tax purposes, the bill exempts from the definition of "clean energy resource" nuclear energy generated by a public utility.

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

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

(a) Colorado's estimated electricity peak demand is projected to double in the next 5 years;

(b) The current path to eliminating greenhouse gas emissions in Colorado includes only the use of wind, geothermal, and solar power and battery storage;

(c) Providing more options for generating electricity in Colorado will lead to a less expensive and a more reliable path to eliminating greenhouse gas emissions;

(d) Advanced nuclear energy can produce higher quantities of clean energy with a smaller land footprint than other clean energy sources;

(e) Small modular nuclear reactors can replace coal power plants while maintaining the number of jobs in the communities in which the coal power plants are located;

(f) New designs for advanced nuclear reactors are being developed by entrepreneurial companies in the United States seeking to increase the value of nuclear technology within our energy system. It is estimated that the designs will be commercially operational this decade and will be ready for large-scale deployment by the 2030s to help meet domestic and global clean energy needs.

(g) The development of a small modular reactor can create up to 900 jobs lasting up to 4 years, as well as up to 300 permanent jobs;

(h) Advancements in policy at the federal level, such as the bipartisan "Atomic Energy Advancement Act", H.R. 6544, will improve regulatory oversight of nuclear energy by prioritizing workforce training, environmental protections, and public safety, while reducing reliance on fossil fuels; and

(i) Through recycling methods, up to 96% of the reusable material in spent fuel can be recycled.

(2) The general assembly further finds that:

(a) Coloradans care about clean energy; to that end, nuclear energy:

(I) Is currently the single largest source of carbon-free electricity generation in the United States and around the world, with 94 nuclear reactors in the United States alone generating about 50% of the country's carbon-free electricity;

(II) Does not produce carbon dioxide, thus offsetting carbon emissions; and

(III) Should be included in the statutory definitions of "clean energy" and "clean energy resource";

(b) In adding nuclear energy to the statutory definitions of "clean energy" and "clean energy resource", Colorado can continue to spearhead energy innovations that align with the state's goals of keeping energy affordable;

(c) On its own, nuclear energy has a 92.7% capacity factor, which refers to the percentage of time that an electricity-generating source is able to generate electricity, and is a much higher capacity factor than for all other generation sources;

(d) Because nuclear energy has such a high capacity factor,

utilizing nuclear energy as a source of clean energy will help Colorado prevent future blackouts and brownouts;

(e) Nuclear energy can be utilized in conjunction with existing clean energy sources to lower energy costs for Coloradans and maintain a reliable source of electricity;

(f) Adding nuclear energy to the statutory definitions of "clean energy" and "clean energy resource" will attract continued public and private research funding for innovations in clean energy technology;

(g) Due to current funding levels, nuclear reactor designs that help decarbonize hard-to-reach industries and locations already exist; and

(h) New innovations such as microreactors would benefit rural areas by keeping the energy source serving those areas local.

(3) Therefore, the general assembly declares that it is in the best interest of Colorado to add nuclear energy to the statutory definitions of "clean energy" and "clean energy resource".

SECTION 2. In Colorado Revised Statutes, 30-20-1202, **amend** (2) as follows:

30-20-1202. Definitions. As used in this part 12, unless the context otherwise requires:

(2) "Clean energy" means energy derived from biomass, as defined in section 40-2-124 (1)(a)(I); ~~C.R.S.,~~ geothermal energy; solar energy; small hydroelectricity; ~~and~~ NUCLEAR ENERGY, INCLUDING NUCLEAR ENERGY PROJECTS AWARDED FUNDING THROUGH THE UNITED STATES DEPARTMENT OF ENERGY'S ADVANCED NUCLEAR REACTOR PROGRAMS; wind energy; ~~as well as any~~ AND hydrogen derived from ~~any of~~ the ~~foregoing~~ OTHER ENERGY SOURCES LISTED IN THIS SUBSECTION (2).

SECTION 3. In Colorado Revised Statutes, 40-2-125.5, **amend**

(2)(b) as follows:

40-2-125.5. Carbon dioxide emission reductions - goal to eliminate by 2050 - legislative declaration - interim targets - submission and approval of plans - definitions - cost recovery - reports - rules. (2) **Definitions.** As used in this section, unless the context otherwise requires:

(b) (I) "Clean energy resource" means any electricity-generating technology that generates or stores electricity without emitting carbon dioxide into the atmosphere.

(II) "Clean energy ~~resources" include~~ RESOURCE" INCLUDES, without limitation:

(A) Eligible energy resources as defined in section 40-2-124 (1)(a); AND

(B) NUCLEAR ENERGY, INCLUDING NUCLEAR ENERGY PROJECTS AWARDED FUNDING THROUGH THE UNITED STATES DEPARTMENT OF ENERGY'S ADVANCED NUCLEAR REACTOR PROGRAMS.

SECTION 4. In Colorado Revised Statutes, 39-4-101, **amend** (2.4) as follows:

39-4-101. Definitions. As used in this article 4, unless the context otherwise requires:

(2.4) (a) EXCEPT AS PROVIDED IN SUBSECTION (2.4)(b) OF THIS SECTION, "clean energy resource" has the same meaning as set forth in section 40-2-125.5 (2)(b).

(b) "CLEAN ENERGY RESOURCE", FOR PURPOSES OF PROPERTY TAXATION UNDER THIS SECTION, DOES NOT INCLUDE NUCLEAR ENERGY.

SECTION 5. 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; 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.