

**First Regular Session  
Seventy-fifth General Assembly  
STATE OF COLORADO**

**PREAMENDED**

*This Unofficial Version Includes Committee  
Amendments Not Yet Adopted on Second Reading*

LLS NO. 25-0358.01 Jennifer Berman x3286

**HOUSE BILL 25-1040**

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**HOUSE SPONSORSHIP**

**Valdez and Winter T.,**

**SENATE SPONSORSHIP**

**Roberts and Liston,**

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**House Committees**  
Energy & Environment

**Senate Committees**

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**A BILL FOR AN ACT**

101 **CONCERNING THE INCLUSION OF NUCLEAR ENERGY AS A SOURCE OF**  
102 **CLEAN ENERGY.**

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**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.

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

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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 that:

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

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

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

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

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

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

24 (g) The development of a small modular reactor can create up to  
25 900 jobs lasting up to 4 years, as well as up to 300 permanent jobs;

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

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

8 (2) The general assembly further finds that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18 **30-20-1202. Definitions.** As used in this part 12, unless the  
19 context otherwise requires:

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

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

1 (2)(b) as follows:

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

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

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

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

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

17 **SECTION 4.** In Colorado Revised Statutes, 39-4-101, **amend**  
18 (2.4) as follows:

19 **39-4-101. Definitions.** As used in this article 4, unless the context  
20 otherwise requires:

21 (2.4) (a) EXCEPT AS PROVIDED IN SUBSECTION (2.4)(b) OF THIS  
22 SECTION, "clean energy resource" has the same meaning as set forth in  
23 section 40-2-125.5 (2)(b).

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

26 **SECTION 5.** In Colorado Revised Statutes, **add 40-2-140 as**  
27 **follows:**

1           **40-2-140. Nuclear energy studies - funding through rate**  
2 **adjustments or deferred accounting.** (1) TO EXPAND AND DIVERSIFY  
3 CLEAN ENERGY RESOURCES IN THE STATE AND TO ADVANCE  
4 OPPORTUNITIES RELATED TO THE POTENTIAL SITING OF NUCLEAR ENERGY  
5 FACILITIES, A PUBLIC UTILITY REGULATED BY THE COMMISSION MAY  
6 SUBMIT TO THE COMMISSION, AND THE COMMISSION SHALL APPROVE, AN  
7 APPLICATION TO EXPEND AND RECOVER UP TO FIFTEEN MILLION DOLLARS  
8 TO FINANCE STUDIES REGARDING POTENTIAL SITES, FACILITY DESIGNS,  
9 AND OTHER ACTIVITIES RELATED TO THE DEVELOPMENT OF NUCLEAR  
10 ENERGY IN THE STATE.

11           (2) A PUBLIC UTILITY SHALL RECOVER STUDY EXPENDITURES  
12 APPROVED PURSUANT TO SUBSECTION (1) OF THIS SECTION THROUGH AN  
13 EXISTING RATE ADJUSTMENT MECHANISM THAT IS ASSOCIATED WITH THE  
14 COST OF GENERATING CAPACITY OR THROUGH DEFERRED ACCOUNTING  
15 TREATMENT FOR WHICH THE DEFERRED EXPENDITURES ARE RECOVERABLE  
16 IN THE FIRST RATE CASE SUBMITTED AFTER THE COMPLETION OF THE  
17 STUDIES.

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