



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 25-1260: ELECTRICAL GENERATION & DISTRIBUTION RESILIENCY

Prime Sponsors:

Rep. DeGraaf

Sen. Pelton R.

Fiscal Analyst:

Shukria Maktabi, 303-866-4720

shukria.maktabi@coleg.gov

Published for: House Finance

Drafting number: LLS 25-0798

Version: First Revised Note

Date: March 12, 2025

Fiscal note status: The revised fiscal note reflects the introduced bill, as amended by the House Energy and Environment Committee.

Summary Information

Overview. The bill requires evaluating and reporting on the state's electric generation and grid resilience against geomagnetic storms.

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

- State Revenue
- State Expenditures

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact ¹	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$78,087	\$0
State Expenditures	\$0	\$78,087	\$0
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$78,087	\$0
Change in State FTE	0.0 FTE	0.6 FTE	0.0 FTE

¹ Fund sources for these impacts are shown in the tables below.

Table 1A
State Revenue

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$78,087	\$0
Total Revenue	\$0	\$78,087	\$0

Table 1B
State Expenditures

Fund Source	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
General Fund	\$0	\$0	\$0
Cash Funds	\$0	\$65,824	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$0	\$12,263	\$0
Total Expenditures	\$0	\$78,087	\$0
Total FTE	0.0 FTE	0.6 FTE	0.0 FTE

Summary of Legislation

The bill requires each electric utility to evaluate the reliability of electrical generation and grid resilience against geomagnetic storms and report their findings to the Public Utilities Commission (PUC) in the Department of Regulatory Agencies (DORA) by July 1, 2026. By January 2027, the PUC must compile and analyze the submitted reports, and make legislative recommendations to the General Assembly on requiring electric utilities to create plans for grid resiliency against geomagnetic storms.

Background

Geomagnetic Storms

A geomagnetic storm is a space weather phenomenon caused by solar activity. It creates strong magnetic fields that can damage satellites and terrestrial electronics, including electricity infrastructure.

State Revenue

The bill increases state cash fund revenue to the Fixed Utility Fund (FUF) by about \$78,000 in in FY 2026-27 only. Administrative costs incurred by the PUC are paid from the FUF, which receives an annual assessment on the state's regulated utilities. Whenever additional expenses are incurred against the fund, the assessment must be raised to increase revenue to cover these expenses. This revenue is subject to TABOR.

State Expenditures

The bill increases state expenditures in the PUC in DORA by \$78,000 in FY 2026-27 only. These costs, paid from the Fixed Utility Fund, are summarized in Table 2 and discussed below.

Table 2
State Expenditures
Department of Regulatory Agencies

Cost Component	Budget Year FY 2025-26	Out Year FY 2026-27	Out Year FY 2027-28
Personal Services	\$0	\$51,716	\$0
Operating Expenses	\$0	\$768	\$0
Capital Outlay Costs	\$0	\$13,340	\$0
Centrally Appropriated Costs	\$0	\$12,263	\$0
Total Costs	\$0	\$78,087	\$0
Total FTE	0.0 FTE	0.6 FTE	0.0 FTE

Department of Regulatory Agencies

In FY 2026-27 only, PUC requires 1.0 FTE to evaluate reports provided by utilities and develop legislative recommendations. This includes an electrical and environmental engineer (0.5 FTE) to assess infrastructure resilience and environmental impacts and a policy advisor (0.5 FTE) to support recommendation development. Staff are required until January 2027 when recommendations to the General Assembly are due, and include standard operating and capital outlay costs.

Centrally Appropriated Costs

Pursuant to a Joint Budget Committee policy, certain costs associated with this bill are addressed through the annual budget process and centrally appropriated in the Long Bill or supplemental appropriations bills, rather than in this bill. These costs, which may include employee insurance, supplemental employee retirement payments, leased space, and indirect cost assessments, are shown in the expenditure table above.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by the amounts shown in the State Revenue section above. This estimate assumes the December 2024 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2026-27. Because TABOR refunds are paid from the General Fund, increased cash fund revenue will reduce the amount of General Fund available to spend or save.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Colorado Energy Office

Public Health and Environment

Law

Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).