



Fiscal Note

Legislative Council Staff

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SB 25-127: OPTIMIZING COLORADO ELECTRIC TRANSMISSION SYSTEM

Prime Sponsors:
Sen. Simpson; Roberts

Fiscal Analyst:
Matt Bishop, 303-866-4796
matt.bishop@coleg.gov

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Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill requires the Colorado Electric Transmission Authority to create a statewide electric transmission plan.

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

- Minimal State Workload
- Statutory Public Entity

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2025-26	Out Year FY 2026-27
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 directs the Colorado Electric Transmission Authority (CETA) to study advanced transmission technology and maintain a statewide transmission model. It must create a statewide transmission plan by September 1, 2027, and update the plan every three years.

Electric utilities and wholesale electric cooperatives, in their filings with the Public Utilities Commission (PUC) in the Department of Regulatory Agencies, must include transmission plans that align with the statewide transmission plan, with coordination from CETA. They must also evaluate the use of advanced transmission technologies.

The PUC may also investigate incentives for advanced transmission technologies that provide transmission congestion relief, interconnect new generation, reduce wildfire risk, mitigate public safety power shutoffs. Any incentives may consider shared savings approaches, performance incentive mechanisms, and consumer protections.

Background

CETA receives an annual appropriation of \$500,000 from the Fixed Utility Fund in the PUC, which collects an annual assessment from the state's regulated utilities. Additionally, CETA can generate revenue by issuing electric transmission bonds. Under current law, CETA's funding from the PUC is capped at this amount, and any surplus beyond its actual expenses plus a 50 percent reserve margin must be returned. As a result, any extra costs CETA incurs must be covered within this annual allocation, its reserved funds, or through bond issuance.

State Expenditures

The bill minimally increases workload in the Department of Regulatory Agencies beginning in FY 2025-26. 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 PUC can be accomplished within existing appropriations.

Statutory Public Entity

The bill increases expenditures in CETA to conduct studies on transmission capacity expansion and grid enhancing technology studies. Beginning in FY 2025-26, this requires about \$171,000 and 1.0 FTE to oversee the design and implementation of the required studies. The studies are expected to cost an estimated \$850,000 over three years, with repeating costs every three-year period for the studies to be updated. Costs are paid from the Electric Transmission Operational Fund.

Local Government

The bill increases workload for municipal utilities that file additional transmission information with the PUC. This is expected to be minimal.

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 Electric Transmission Authority
Colorado Energy Office

Law
Regulatory Agencies