

Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO

PREAMENDED

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

LLS NO. 26-0699.02 Clare Haffner x6137

HOUSE BILL 26-1337

HOUSE SPONSORSHIP

Valdez and Winter T.,

SENATE SPONSORSHIP

(None),

House Committees

Energy & Environment
Appropriations

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING FACILITATING THE DEVELOPMENT OF NUCLEAR ENERGY**
102 **PROJECTS IN THE STATE.**

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 bill requires the Colorado energy office (office) to serve as the state's permitting coordinator for nuclear energy projects. The office is required to:

- Coordinate with developers of nuclear energy projects (developers), stakeholders, and state and local permitting agencies throughout the permitting process and assist

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.*

1 THE STATE TO ENCOURAGE THE DEVELOPMENT OF NUCLEAR ENERGY, AND,
2 ACCORDINGLY, COLORADO SHALL HAVE THE GOALS OF:

3 (a) IDENTIFYING AT LEAST ONE NUCLEAR ENERGY PROJECT SITE BY
4 2035; AND

5 (b) BEGINNING CONSTRUCTION OF AT LEAST ONE NUCLEAR ENERGY
6 PROJECT BY 2040.

7 (2) THE GENERAL ASSEMBLY FURTHER DECLARES THAT THE OFFICE
8 SHOULD MAKE EVERY EFFORT TO SECURE FEDERAL FUNDS TO SUPPORT THE
9 COSTS OF IMPLEMENTATION AND DEVELOPMENT OF NUCLEAR ENERGY
10 PROJECTS IN THE STATE.

11 **24-38.5-602. Definitions.**

12 AS USED IN THIS PART 6, UNLESS THE CONTEXT OTHERWISE
13 REQUIRES:

14 (1) "CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY"
15 MEANS A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY ISSUED BY
16 THE COMMISSION PURSUANT TO ARTICLE 5 OF TITLE 40.

17 (2) "COMMISSION" MEANS THE PUBLIC UTILITIES COMMISSION
18 CREATED IN SECTION 40-2-101 (1).

19 (3) "DEVELOPER" MEANS A PERSON THAT SEEKS TO OWN OR
20 OPERATE A NUCLEAR ENERGY PROJECT.

21 (4) "LOCAL GOVERNMENT" MEANS A COUNTY, CITY, TOWN, OR
22 CITY AND COUNTY.

23 (5) "NUCLEAR ENERGY PROJECT" MEANS A PROJECT FOR THE
24 CONSTRUCTION AND OPERATION OF A NUCLEAR ENERGY RESOURCE
25 FACILITY.

26 (6) "OFFICE" MEANS THE ADVANCED NUCLEAR ENERGY
27 DEVELOPMENT AND TECHNICAL ASSISTANCE OFFICE CREATED IN SECTION

1 24-38.5-603.

2 (7) "PERMITTING AGENCIES" MEANS STATE AND LOCAL
3 GOVERNMENT AGENCIES WITH PERMITTING AUTHORITY.

4 **24-38.5-603. Advanced nuclear energy development and**
5 **technical assistance office - creation - duties.**

6 (1) THERE IS CREATED IN THE COLORADO ENERGY OFFICE THE
7 ADVANCED NUCLEAR ENERGY DEVELOPMENT AND TECHNICAL ASSISTANCE
8 OFFICE.

9 (2) THE DIRECTOR OF THE COLORADO ENERGY OFFICE SHALL
10 APPOINT THE DIRECTOR OF THE OFFICE.

11 (3) THE OFFICE SHALL SERVE AS THE STATE'S PERMITTING
12 COORDINATOR FOR NUCLEAR ENERGY PROJECTS BY:

13 (a) SERVING AS A SINGLE POINT OF CONTACT FOR DEVELOPERS,
14 STAKEHOLDERS, AND PERMITTING AGENCIES THROUGHOUT THE
15 PERMITTING PROCESS;

16 (b) COORDINATING WITH PERMITTING AGENCIES TO STREAMLINE
17 PERMITTING PROCESSES AND ALIGN WITH FEDERAL PERMITTING
18 REQUIREMENTS; AND

19 (c) ASSISTING DEVELOPERS IN NAVIGATING LOCAL, STATE, AND
20 FEDERAL REGULATIONS.

21 (4) NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE
22 CONTRARY, THE UNITED STATES NUCLEAR REGULATORY COMMISSION HAS
23 THE EXCLUSIVE AUTHORITY TO ISSUE PERMITS RELATED TO THE
24 CONSTRUCTION AND OPERATION OF A NUCLEAR POWER PLANT OR REACTOR
25 PURSUANT TO THE FEDERAL "ATOMIC ENERGY ACT OF 1954", PUB.L.
26 83-703.

27 (5) THE OFFICE SHALL COORDINATE ONLY WITH A LOCAL

1 GOVERNMENT THAT RESPONDS TO THE REQUEST FOR INFORMATION
2 SOLICITED BY AN INVESTOR-OWNED UTILITY PURSUANT TO SECTION
3 40-2-140 (2)(a)(I).

4 (6) (a) THE OFFICE SHALL:

5 (I) BUILD ADMINISTRATIVE AND COORDINATION CAPACITY TO
6 PREPARE FOR FEDERAL FUNDING OPPORTUNITIES, APPLICATIONS, AND
7 AWARD MANAGEMENT; AND

8 (II) ON OR BEFORE DECEMBER 1, 2027, COLLABORATE WITH
9 RATE-REGULATED PUBLIC UTILITIES AND RELEVANT STAKEHOLDERS TO
10 RECOMMEND TO THE COMMISSION:

11 (A) FACTORS THE COMMISSION SHALL CONSIDER WHEN DECIDING
12 WHETHER TO APPROVE A RATE-REGULATED PUBLIC UTILITY'S ACQUISITION
13 OF A NUCLEAR ENERGY PROJECT OR OTHER CLEAN FIRM RESOURCES; AND

14 (B) COST-RECOVERY MECHANISMS FOR THE DEVELOPMENT OF A
15 NUCLEAR ENERGY PROJECT.

16 (b) FOR THE PURPOSE OF MAKING RECOMMENDATIONS TO THE
17 COMMISSION REGARDING COST-RECOVERY MECHANISMS PURSUANT TO
18 SUBSECTION (6)(a)(II)(B) OF THIS SECTION, THE OFFICE SHALL EVALUATE
19 POTENTIAL COST-RECOVERY MECHANISMS OR PROCESSES RELATED TO
20 COST RECOVERY, INCLUDING:

21 (I) A PARTIAL OR PHASED CERTIFICATE OF PUBLIC CONVENIENCE
22 AND NECESSITY FOR A NUCLEAR ENERGY PROJECT;

23 (II) APPROVAL OF CONCURRENT CAPITAL COST RECOVERY FOR A
24 NUCLEAR ENERGY PROJECT WITHIN THE CONTEXT OF A PARTIAL OR PHASED
25 CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY; OR

26 (III) APPROVAL OF COST PREMIUMS WITH A CAP.

27 (7) ANY NUCLEAR ENERGY PLANNING FRAMEWORK OR OTHER

1 REGULATORY REQUIREMENTS RELATED TO THE DEVELOPMENT OR
2 DEPLOYMENT OF NUCLEAR ENERGY TECHNOLOGY BY A DEVELOPER IN THE
3 STATE MUST INCLUDE REQUIREMENTS THAT A PROJECT THAT IS AN ENERGY
4 SECTOR PUBLIC WORKS PROJECT, AS DEFINED IN SECTION 24-92-303 (5),
5 COMPLY WITH THE STATE PREVAILING WAGE SET FORTH IN PART 3 OF
6 ARTICLE 92 OF THIS TITLE 24 AND THE APPRENTICESHIP UTILIZATION
7 REQUIREMENTS SET FORTH IN SECTION 24-92-115 (7) AND IS SUBJECT TO
8 THE REQUIREMENTS SET FORTH IN SECTIONS 24-92-305 TO 24-92-307.

9 **24-38.5-604. Advanced nuclear energy development fund -**
10 **creation - annual fee.**

11 (1) THE ADVANCED NUCLEAR ENERGY DEVELOPMENT FUND IS
12 CREATED IN THE STATE TREASURY. THE FUND CONSISTS OF MONEY
13 CREDITED TO THE FUND PURSUANT TO SUBSECTION (4)(b) OF THIS SECTION
14 AND ANY OTHER MONEY THAT THE GENERAL ASSEMBLY MAY APPROPRIATE
15 OR TRANSFER TO THE FUND.

16 (2) THE STATE TREASURER SHALL CREDIT ALL INTEREST AND
17 INCOME DERIVED FROM THE DEPOSIT AND INVESTMENT OF MONEY IN THE
18 FUND TO THE FUND.

19 (3) MONEY IN THE FUND IS CONTINUOUSLY APPROPRIATED TO THE
20 OFFICE FOR PROVIDING:

21 (a) TECHNICAL ASSISTANCE TO AN INVESTOR-OWNED UTILITY
22 THAT IS A DEVELOPER TO AVOID REGULATORY DELAYS AND REGULATORY
23 OBSTACLES; AND

24 (b) EXPERT STAFF CAPACITY ON ADVANCED NUCLEAR
25 TECHNOLOGY, SITING, AND PERMITTING.

26 (4) (a) AN INVESTOR-OWNED UTILITY THAT IS A DEVELOPER SHALL
27 PAY TO THE OFFICE AN ANNUAL FEE. THE AMOUNT OF THE FEE IS

1 DETERMINED BY THE DIRECTOR OF THE OFFICE, NOT TO EXCEED ONE
2 MILLION ONE HUNDRED AND FIFTY THOUSAND DOLLARS.

3 (b) THE OFFICE SHALL DEPOSIT THE ANNUAL FEE INTO THE FUND.

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

6 **40-2-140. Nuclear energy projects - requests for information**
7 **- nuclear energy project siting - cost recovery - definitions.**

8 (1) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE
9 REQUIRES:

10 (a) "DEVELOPER" MEANS A PERSON THAT SEEKS TO OWN OR
11 OPERATE A NUCLEAR ENERGY PROJECT.

12 (b) "JUST TRANSITION COMMUNITY" HAS THE SAME MEANING AS
13 "COAL TRANSITION COMMUNITY", AS DEFINED IN SECTION 8-83-502 (1).

14 (c) "LOCAL GOVERNMENT" MEANS A COUNTY, CITY, TOWN, OR
15 CITY AND COUNTY.

16 (d) "NUCLEAR ENERGY PROJECT" MEANS A PROJECT FOR THE
17 CONSTRUCTION AND OPERATION OF A NUCLEAR ENERGY RESOURCE
18 FACILITY.

19 (e) "OFFICE" MEANS THE ADVANCED NUCLEAR ENERGY
20 DEVELOPMENT AND TECHNICAL ASSISTANCE OFFICE CREATED IN SECTION
21 24-38.5-603.

22 (2) (a) AN INVESTOR-OWNED ELECTRIC UTILITY WITH MORE THAN
23 FIVE HUNDRED THOUSAND CUSTOMERS:

24 (I) ON OR BEFORE AUGUST 1, 2027, SHALL SOLICIT A REQUEST FOR
25 INFORMATION FROM LOCAL GOVERNMENTS INTERESTED IN HOSTING A
26 NUCLEAR ENERGY PROJECT;

27 (II) ON OR BEFORE AUGUST 1, 2027, SHALL SOLICIT A REQUEST

1 FOR INFORMATION FROM POTENTIAL DEVELOPERS WITH EXPERIENCE
2 DEVELOPING, CONSTRUCTING, OPERATING, OR SERVICING NUCLEAR
3 ENERGY PROJECTS;

4 (III) MAY IDENTIFY, IN COLLABORATION WITH OTHER PUBLIC
5 UTILITIES, LOCAL GOVERNMENTS, AND DEVELOPERS, POTENTIAL SITING
6 OPPORTUNITIES FOR A NUCLEAR ENERGY PROJECT, TAKING INTO ACCOUNT
7 THE FOLLOWING:

8 (A) JOBS AND WORKFORCE TRANSITION OPPORTUNITIES;

9 (B) EXISTING INFRASTRUCTURE, WATER, AND LAND USE
10 REGULATIONS; AND

11 (C) ENVIRONMENTAL JUSTICE AND JUST TRANSITION
12 CONSIDERATIONS AND COMMUNITY SUPPORT AND BENEFITS;

13 (IV) WHEN IDENTIFYING POTENTIAL SITES FOR NUCLEAR ENERGY
14 PROJECTS, SHALL GIVE PREFERENCE TO A POTENTIAL SITE FOR A NUCLEAR
15 ENERGY PROJECT THAT IS LOCATED IN AN ENERGY COMMUNITY, AS
16 DEFINED BY THE FEDERAL "INFLATION REDUCTION ACT OF 2022", PUB.L.
17 117-169, OR A JUST TRANSITION COMMUNITY; AND

18 (V) WHEN PRACTICABLE, SHALL ALIGN IDENTIFICATION OF
19 POTENTIAL SITES FOR NUCLEAR ENERGY PROJECTS WITH LARGE-LOAD
20 SITING AND DEVELOPMENT.

21 (b) THE COMMISSION SHALL ALLOW FOR EXPEDITED, UP-FRONT
22 COST RECOVERY FOR AN INVESTOR-OWNED ELECTRIC UTILITY WITH MORE
23 THAN FIVE HUNDRED THOUSAND CUSTOMERS FOR EXPENDITURES RELATED
24 TO THE REQUIREMENTS SET FORTH IN SUBSECTION (2)(a) OF THIS SECTION.

25 (c) AN INVESTOR-OWNED ELECTRIC UTILITY WITH MORE THAN FIVE
26 HUNDRED THOUSAND CUSTOMERS SHALL SUBMIT TO THE COMMISSION,
27 AND THE COMMISSION MAY APPROVE, MODIFY, OR DENY, AN APPLICATION

1 TO EXPEND AND RECOVER UP TO TWENTY MILLION DOLLARS TO FINANCE
2 STUDIES REGARDING POTENTIAL SITES, FACILITY DESIGNS, AND OTHER
3 ACTIVITIES RELATED TO THE DEVELOPMENT OF NUCLEAR ENERGY
4 PROJECTS IN THE STATE. COMMISSION APPROVAL OF AN APPLICATION
5 CONFERS A REBUTTABLE PRESUMPTION OF PRUDENCE FOR ACTIONS
6 CONSISTENT WITH THE COMMISSION-APPROVED APPLICATION.

7 (d) AN INVESTOR-OWNED ELECTRIC UTILITY WITH MORE THAN FIVE
8 HUNDRED THOUSAND CUSTOMERS SHALL RECOVER STUDY EXPENDITURES
9 APPROVED PURSUANT TO SUBSECTION (2)(c) OF THIS SECTION THROUGH
10 AN EXISTING RATE ADJUSTMENT MECHANISM THAT IS ASSOCIATED WITH
11 THE COST OF GENERATION CAPACITY OR THROUGH DEFERRED ACCOUNTING
12 TREATMENT FOR WHICH THE DEFERRED EXPENDITURES ARE RECOVERABLE
13 IN THE FIRST RATE CASE SUBMITTED AFTER THE COMPLETION OF THE
14 STUDIES.

15 (3) AN INVESTOR-OWNED ELECTRIC UTILITY MAY PETITION THE
16 COMMISSION FOR COST RECOVERY FOR A NUCLEAR ENERGY PROJECT USING
17 THE COST-RECOVERY MECHANISM RECOMMENDATIONS THAT THE OFFICE
18 RECOMMENDS TO THE COMMISSION PURSUANT TO SECTION 24-38.5-603
19 (6)(a)(II)(B).

20 (4) THE COMMISSION MAY APPROVE A COST-RECOVERY
21 MECHANISM RECOMMENDED BY THE OFFICE PURSUANT TO SECTION
22 24-38.5-603 (6)(a)(II)(B). NO LATER THAN SIX MONTHS AFTER RECEIVING
23 A PETITION FROM AN INVESTOR-OWNED ELECTRIC UTILITY REGARDING A
24 COST-RECOVERY MECHANISM FOR A NUCLEAR ENERGY PROJECT, THE
25 COMMISSION SHALL ISSUE AN APPROVAL OR DENIAL OF THE PETITION. IN
26 EVALUATING THE PETITION, THE COMMISSION SHALL CONSIDER HOW
27 COST-RECOVERY MECHANISMS MAY INCENTIVIZE NUCLEAR ENERGY

1 DEVELOPMENT AND PROTECT CUSTOMER UTILITY BILLS.

2 (5) AN INVESTOR-OWNED UTILITY THAT IS A DEVELOPER EARNS A
3 WEIGHTED AVERAGE COST OF CAPITAL RETURN ON ANY DEFERRED
4 EXPENDITURES AND MAY RECOVER ANY ANNUAL FEE PAID TO THE OFFICE
5 PURSUANT TO SECTION 24-38.5-604 (4)(a) IN THE SAME MANNER AS STUDY
6 EXPENDITURES.

7 **SECTION 3. Act subject to petition - effective date -**
8 **applicability.** (1) This act takes effect at 12:01 a.m. on the day following
9 the expiration of the ninety-day period after final adjournment of the
10 general assembly (August 12, 2026, if adjournment sine die is on May 13,
11 2026); except that, if a referendum petition is filed pursuant to section 1
12 (3) of article V of the state constitution against this act or an item, section,
13 or part of this act within such period, then the act, item, section, or part
14 will not take effect unless approved by the people at the general election
15 to be held in November 2026 and, in such case, will take effect on the
16 date of the official declaration of the vote thereon by the governor.

17 (2) This act applies to nuclear energy projects proposed on or after
18 the applicable effective date of this act.