



# Fiscal Note

## Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

### HB 26-1129: GAS UTILITY SERVICE

**Prime Sponsors:**

Rep. Barron; Flanell

Sen. Kirkmeyer; Pelton B.

**Fiscal Analyst:**

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**Fiscal note status:** This fiscal note reflects the introduced bill. This analysis is preliminary and will be updated following further review and any additional information received.

#### Summary Information

**Overview.** The bill requires a gas distribution utility to exempt carbon dioxide emissions from gas usage by residential customers as part a clean heat plan, among other provisions.

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

- Minimal State Workload
- Local Government

**Appropriations.** No appropriation is required.

**Table 1**  
**State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
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**

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The bill requires a gas distribution utility to exempt carbon dioxide emissions from gas usage by residential customers as part of a clean heat plan submitted to the Public Utilities Commission (PUC). If a utility submitted a clean heat plan prior to the effective date of the bill, it may revise the plan to exclude residential customers from its calculations.

The bill allows a PUC-regulated gas distribution utility to recover costs from projects that improve or upgrade the safety or integrity of the gas distribution system. The bill also repeals statute that prevented a utility from providing certain incentives to customers establishing gas service on a property.

## **Background**

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Senate Bill 21-264 required gas distribution utilities to reduce greenhouse gas emissions and to file clean heat plans with the PUC.

## **State Expenditures**

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The bill increases workload in the PUC, the Air Pollution Control Division of the Department of Public Health and Environment, and the Colorado Energy Office to review any existing clean heat plans that are modified by utilities. Because it is unknown how many utilities may modify clean heat plans, it is assumed that these agencies will seek additional resources through the annual budget process as necessary.

## **Local Government**

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The bill may impact any local government that receives gas services from certain PUC-regulated gas distribution utilities, or wants to establish gas service on a property. For local governments that track local greenhouse gas pollution emissions in areas serviced by these utilities, the bill may increase workload for staff time to remove residential carbon dioxide emission data from clean energy plans.

## **Effective Date**

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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**

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Local Affairs

Public Health and Environment

Municipal Utilities

Regulatory Agencies

Natural Resources