

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. 26-0225.01 Clare Haffner x6137

HOUSE BILL 26-1081

HOUSE SPONSORSHIP

Camacho and Duran,

SENATE SPONSORSHIP

Roberts,

House Committees
Energy & Environment

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING MEASURES TO OPTIMIZE COLORADO'S ELECTRIC**
102 **TRANSMISSION SYSTEM.**

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>.)

Section 3 of the bill defines "advanced transmission technologies" as hardware or software technologies that increase the capacity, efficiency, reliability, or resiliency of an existing or new transmission facility.

Section 4 requires the Colorado public utilities commission (commission) to adopt rules requiring a regulated electric utility to

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.

consider advanced transmission technologies in the electric utility's 10-year transmission plan and to identify strategies to reduce the costs of new transmission.

Section 5 requires the Colorado electric transmission authority (authority) to, as much as practicable, engage and coordinate with formal subregional transmission planning organizations.

Under current law, the authority is required to annually submit a report of its activities, including a complete operating and financial statement covering the operations of the authority for the previous state fiscal year, to certain committees of reference of the general assembly. **Section 6** requires that the annual report also include a description of the activities and accomplishments of the authority during the previous calendar year.

Section 7 adds a nonvoting seat to the authority's board of directors for the director of the commission or the director's designee.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. Short title.** The short title of this act is the
3 "Colorado Grid Optimization Act".

4 **SECTION 2. Legislative declaration.** (1) The general assembly
5 finds and declares that:

6 (a) Both in-state and regional electric transmission systems are
7 essential to maintaining grid reliability and resilience amid unprecedented
8 load growth. As new transmission projects undergo lengthy planning,
9 permitting, and review processes, commercially available and proven
10 advanced transmission technologies present near-term opportunities to
11 accelerate the interconnection of new resources, maximize the
12 performance of existing transmission assets, and deliver least-cost energy
13 to consumers.

14 (b) Advanced transmission technologies are technologies that
15 increase the capacity, efficiency, reliability, or resiliency of a transmission
16 facility and have the potential to optimize the transmission grid by
17 lowering costs, reducing congestion, and expediting the interconnection

1 of new load;

2 (c) Advanced transmission technologies have been shown to
3 complement transmission expansion by optimizing the cost, utilization,
4 and value of new transmission build-out. When planned in tandem with
5 proposed new transmission facilities, these technologies can alleviate
6 transmission constraints, improve system efficiency, inform more
7 strategic siting and sequencing of infrastructure, and support broader
8 benefits for customers, landowners, wildlife, and disproportionately
9 impacted communities.

10 (d) National analyses, the federal energy regulatory commission,
11 and various state utility commissions have identified advanced
12 transmission technologies as cost-effective tools that can be deployed on
13 faster timelines than new transmission construction, thereby supporting
14 near-term reliability and job creation while mitigating rate impacts for
15 customers;

16 (e) Strategic use of advanced transmission technologies also has
17 the potential to reduce wildfire risk and prevent power outages during
18 emergencies by improving real-time situational awareness and reducing
19 stress on existing transmission lines under extreme conditions;

20 (f) Integrating advanced transmission technologies into relevant
21 transmission planning processes and decision-making can support
22 Colorado's long-term energy affordability and grid modernization efforts
23 by making sufficient information available to regulators and the public
24 regarding where such technologies can deliver system-wide and customer
25 benefits;

26 (g) The Colorado electric transmission authority, referred to in this
27 section as the "authority", was created by Senate Bill 21-072 to enable the

1 expansion and financing of electric transmission facilities and
2 infrastructure and has since helped advance the state's clean energy goals
3 and reliability with an interregional focus. Additionally, Senate Bill
4 23-016 required the authority to conduct a transmission capacity
5 expansion study to assess the need for expanded transmission capacity in
6 the state.

7 (h) It is in the state's best interest to have coordinated statewide
8 transmission planning, and there is great potential value in the authority
9 providing leadership in regional transmission coordination and
10 interregional project development, including by supporting the
11 advancement of priority projects through joint studies and the facilitation
12 of multi-utility and grid operator collaboration where appropriate; and

13 (i) Regional planning groups, along with the authority, can
14 provide the state with a dedicated venue to coordinate interregional
15 transmission needs and advocate for equitable cost allocation and public
16 policy alignment in regional transmission organization governance
17 structures.

18 **SECTION 3.** In Colorado Revised Statutes, 40-42-102, **add** (1.3),
19 (1.5), and (12.5) as follows:

20 **40-42-102. Definitions.**

21 As used in this article 42, unless the context otherwise requires:

22 (1.3) "ADVANCED CONDUCTOR" MEANS A CONDUCTOR
23 TECHNOLOGY USED IN AN ELECTRIC TRANSMISSION SYSTEM THAT, WHEN
24 COMPARED TO AN ALUMINUM CONDUCTOR STEEL REINFORCED
25 CONDUCTOR OF THE SAME DIAMETER, PLUS OR MINUS ONE PERCENT:

26 (a) HAS A DIRECT CURRENT ELECTRICAL RESISTANCE, MEASURED
27 AT A STANDARD REFERENCE TEMPERATURE OF TWENTY DEGREES CELSIUS

1 CONSISTENT WITH INDUSTRY PRACTICE, THAT IS AT LEAST FIFTEEN
2 PERCENT LOWER; AND

3 (b) INCREASES THE POTENTIAL ENERGY CARRYING CAPACITY BY
4 AT LEAST SIXTY PERCENT OR MEETS HIGHER PERFORMANCE STANDARDS
5 RECOGNIZED BY THE COMMISSION TO ACCOUNT FOR EVOLVING
6 TECHNOLOGIES OR TRANSMISSION SYSTEM NEEDS.

7 (1.5) "ADVANCED TRANSMISSION TECHNOLOGIES" MEANS
8 HARDWARE OR SOFTWARE TECHNOLOGIES THAT INCREASE THE CAPACITY,
9 EFFICIENCY, RELIABILITY, OR RESILIENCY OF AN EXISTING OR NEW
10 TRANSMISSION FACILITY, INCLUDING:

11 (a) ADVANCED CONDUCTORS; AND

12 (b) GRID-ENHANCING TECHNOLOGIES.

13 (12.5) "GRID-ENHANCING TECHNOLOGY" MEANS A HARDWARE OR
14 SOFTWARE TECHNOLOGY THAT REDUCES CONGESTION OR ENHANCES THE
15 FLEXIBILITY OF ELECTRIC TRANSMISSION AND DISTRIBUTION SYSTEMS BY
16 INCREASING THE CAPACITY OF A TRANSMISSION OR DISTRIBUTION LINE, OR
17 BY REROUTING ELECTRICITY FROM OVERLOADED LINES TO UNCONGESTED
18 LINES, WHILE MAINTAINING INDUSTRY SAFETY STANDARDS.

19 "GRID-ENHANCING TECHNOLOGY" INCLUDES:

20 (a) DYNAMIC LINE RATINGS;

21 (b) ADVANCED POWER FLOW CONTROLLERS;

22 (c) TOPOLOGY OPTIMIZATION;

23 (d) ENERGY STORAGE, WHEN USED AS A TRANSMISSION OR
24 DISTRIBUTION RESOURCE; AND

25 (e) OTHER TECHNOLOGIES THAT INCREASE GRID RELIABILITY,
26 FLEXIBILITY, AND CAPACITY.

27 **SECTION 4.** In Colorado Revised Statutes, 40-2-126, **amend (6);**

1 and **add (7)** as follows:

2 **40-2-126. Transmission facilities - biennial review - energy**
3 **resource zones - plans - approval - cost recovery - powerline trail**
4 **consideration - rules - definitions.**

5 (6) The commission shall amend its rules requiring the filing of
6 ten-year transmission plans by utilities to also require utilities to:

7 (a) Consider and address plans for the construction of new
8 powerline trails in coordination with applicable local governments in each
9 two-year update to a ten-year transmission plan; ~~and~~

10 (b) Demonstrate compliance with section 33-45-103 (2);

11 (c) IDENTIFY STRATEGIES TO REDUCE THE COSTS OF
12 CONSTRUCTION AND OBTAINING ADEQUATE FINANCING FOR IDENTIFIED
13 PROJECTS IN THE UTILITY'S TEN-YEAR TRANSMISSION PLAN, INCLUDING BY
14 USING BONDS ISSUED BY THE COLORADO ELECTRIC TRANSMISSION
15 AUTHORITY PURSUANT TO SECTION 40-42-104 (1)(r). IF A UTILITY
16 IDENTIFIES OR EVALUATES THE POTENTIAL USE OF BONDS ISSUED BY THE
17 COLORADO ELECTRIC TRANSMISSION AUTHORITY AS A COST-REDUCTION
18 STRATEGY IN THE UTILITY'S TEN-YEAR TRANSMISSION PLAN, THE UTILITY
19 SHALL CONSULT WITH THE COLORADO ELECTRIC TRANSMISSION
20 AUTHORITY PRIOR TO FILING THE UTILITY'S TEN-YEAR TRANSMISSION
21 PLAN.

22 (d) INCORPORATE, IN THE UTILITY'S TEN-YEAR TRANSMISSION
23 PLAN, AN EVALUATION OF ■ ADVANCED TRANSMISSION TECHNOLOGIES,
24 AS DEFINED IN SECTION 40-42-102 (1.5), ■ WHICH EVALUATION MUST
25 INCLUDE:

26 (I) A TECHNICAL FEASIBILITY ASSESSMENT;

27 (II) **IF TECHNICALLY FEASIBLE, A COST-EFFECTIVENESS ANALYSIS**

1 AND TIMETABLE FOR POTENTIAL DEPLOYMENT;

2 (III) AN ASSESSMENT OF ADVANCED TRANSMISSION
3 TECHNOLOGIES ABLE TO REDUCE OR MITIGATE TRANSMISSION SYSTEM
4 NEEDS WITH THE POTENTIAL TO ACHIEVE THE FOLLOWING, AS APPLICABLE:

5 (A) AN INCREASE IN TRANSMISSION SYSTEM CAPACITY,
6 COST-EFFECTIVENESS, RELIABILITY, OR RESILIENCY;

7 (B) A REDUCTION OF TRANSMISSION SYSTEM CONGESTION;

8 (C) A REDUCTION IN THE TIMELINE TO CONNECT NEW GENERATION
9 OR LOAD TO THE GRID;

10 (D) A REDUCTION OF THE RISK OF IGNITING WILDFIRES;

11 (E) AN INCREASE IN CAPACITY TO CONNECT NEW RENEWABLE
12 ENERGY AND CLEAN ENERGY RESOURCES REFLECTING THE UTILITY'S
13 GENERATION AND LOAD PLANNING FORECASTS FROM THE UTILITY'S MOST
14 RECENT ELECTRIC RESOURCE PLAN; OR

15 (F) AN INCREASE IN THE TRANSFER CAPABILITY OF ELECTRICITY
16 BETWEEN COLORADO AND NEIGHBORING STATES;

17 (IV) A DESCRIPTION OF ANY ADDITIONAL POTENTIAL BENEFITS OF
18 DEPLOYING ADVANCED TRANSMISSION TECHNOLOGIES, WHICH BENEFITS
19 MAY INCLUDE:

20 (A) THE ABILITY TO MEET SHORT-TERM TRANSMISSION NEEDS
21 WHILE NEW TRANSMISSION IS BEING SITED, PERMITTED, OR CONSTRUCTED;
22 AND

23 (B) A REDUCTION IN IMPACTS TO HIGH-PRIORITY HABITATS,
24 WILDLIFE MOVEMENT CORRIDORS AND CROSSINGS, AND SPECIES OF
25 GREATEST CONSERVATION NEED, AS IDENTIFIED BY THE DIVISION OF PARKS
26 AND WILDLIFE CREATED IN SECTION 33-9-104; AND

27 (V) IF ADVANCED TRANSMISSION TECHNOLOGIES ARE FOUND TO

1 OFFER A MORE COST-EFFECTIVE STRATEGY TO ACHIEVE THE GOALS LISTED
2 IN SUBSECTION (6)(d)(III) OF THIS SECTION, WHETHER IN COMBINATION
3 WITH OR INSTEAD OF OTHER CAPITAL INVESTMENTS, BUT ARE NOT
4 INCORPORATED INTO THE UTILITY'S TEN-YEAR TRANSMISSION PLAN, A
5 DETAILED EXPLANATION, INCLUDING RELEVANT ANALYSES, EXPLAINING
6 WHY ADVANCED TRANSMISSION TECHNOLOGIES SHOULD NOT BE
7 DEPLOYED TO MEET A SPECIFIC NEED OR IN LIEU OF ANOTHER PROJECT.

8 (7) AN IDENTIFICATION OF A WILDFIRE-RELATED BENEFIT AS
9 DESCRIBED IN SUBSECTION (6)(d)(III)(D) OF THIS SECTION IN AN
10 ASSESSMENT OF ADVANCED TRANSMISSION TECHNOLOGIES CONDUCTED
11 BY A UTILITY PURSUANT TO SUBSECTION (6)(d)(III) OF THIS SECTION DOES
12 NOT TRIGGER A SEPARATE COMMISSION APPROVAL PROCESS. THE
13 COMMISSION MAY CONSIDER THE IDENTIFIED WILDFIRE-RELATED BENEFIT
14 DURING THE COMMISSION'S REVIEW OF THE UTILITY'S NEXT WILDFIRE
15 MITIGATION PLAN FILING OR A FUTURE CERTIFICATE OF PUBLIC
16 CONVENIENCE AND NECESSITY FILED BY THE UTILITY.

17 **SECTION 5.** In Colorado Revised Statutes, 40-42-104, **add** (10)
18 as follows:

19 **40-42-104. General and specific powers and duties of the**
20 **authority.**

21 (10) IN CONDUCTING ITS DUTIES IN ACCORDANCE WITH THIS
22 ARTICLE 42, THE AUTHORITY SHALL, TO THE EXTENT PRACTICABLE,
23 ENGAGE AND COORDINATE WITH FORMAL SUBREGIONAL TRANSMISSION
24 PLANNING ORGANIZATIONS.

25 **SECTION 6.** In Colorado Revised Statutes, **amend** 40-42-108 as
26 follows:

27 **40-42-108. Report to general assembly.**

1 Commencing in 2022, the authority shall submit a report of its
2 activities to the energy and environment committee of the house of
3 representatives and the transportation and energy committee of the senate,
4 or any successor committees, not later than ~~December~~ + JANUARY 31 of
5 each year. The report shall set forth a complete operating and financial
6 statement covering the operations of the authority for the previous state
7 fiscal year AND A DESCRIPTION OF THE ACTIVITIES AND ACCOMPLISHMENTS
8 OF THE AUTHORITY DURING THE PREVIOUS CALENDAR YEAR.
9 Notwithstanding section 24-1-136 (11)(a)(I), the requirement to submit
10 the report continues indefinitely.

11 **SECTION 7.** In Colorado Revised Statutes, 40-42-103, **amend**
12 (2)(a) as follows:

13 **40-42-103. Authority - creation - board - open meetings and**
14 **open records.**

15 (2) (a) The powers of the authority are vested in a board of
16 directors, which consists of the following ~~nine~~ TEN members:

17 (I) Two members appointed by the governor with the consent of
18 the senate;

19 (II) The director of the Colorado energy office created in section
20 24-38.5-101 or the director's designee;

21 (III) Three members appointed by the speaker of the house of
22 representatives; ~~and~~

23 (IV) Three members appointed by the president of the senate; AND

24 (V) THE DIRECTOR OF THE COMMISSION OR THE DIRECTOR'S
25 DESIGNEE, WHO IS A NONVOTING EX OFFICIO MEMBER.

26 **SECTION 8. Act subject to petition - effective date.** This act
27 takes effect at 12:01 a.m. on the day following the expiration of the

1 ninety-day period after final adjournment of the general assembly (August
2 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
3 referendum petition is filed pursuant to section 1 (3) of article V of the
4 state constitution against this act or an item, section, or part of this act
5 within such period, then the act, item, section, or part will not take effect
6 unless approved by the people at the general election to be held in
7 November 2026 and, in such case, will take effect on the date of the
8 official declaration of the vote thereon by the governor.