



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1337: FACILITATING NUCLEAR ENERGY DEVELOPMENT

Prime Sponsors:

Rep. Valdez; Winter T.

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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 creates the Advanced Nuclear Energy and Technical Assistance Office in the Colorado Energy Office as the state's permitting coordinator for nuclear energy projects and requires the state's largest utility to take steps towards developing a nuclear energy project.

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

- State Revenue
- State Expenditures
- Local Government

Appropriations. No appropriation is required, as the Advanced Nuclear Energy Development Fund is continuously appropriated to the Colorado Energy Office; however, for FY 2026-27, the bill requires a reappropriation of \$39,750 to the Department of Law.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
State Revenue	\$250,000	\$300,000	\$445,000
State Expenditures	\$249,527	\$293,222	\$441,168
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$250,000	\$300,000	Not estimated
Change in State FTE	1.2 FTE	1.2 FTE	2.2 FTE

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

**Table 1A
 State Revenue**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$0	\$0	\$0
Cash Funds	\$250,000	\$300,000	\$445,000
Total Revenue	\$250,000	\$300,000	\$445,000

**Table 1B
 State Expenditures**

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$0	\$0	\$0
Cash Funds	\$221,745	\$258,494	\$381,853
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$27,782	\$34,727	\$59,315
Total Expenditures	\$249,527	\$293,221	\$441,168
Total FTE	1.0 FTE	1.2 FTE	2.2 FTE

Summary of Legislation

The bill creates the Advanced Nuclear Energy and Technical Assistance Office (office) in the Colorado Energy Office (CEO) as the state’s permitting coordinator for nuclear energy projects. The director of the CEO will appoint the director of the office. The office will be the single point of contact throughout the permitting process for developers, stakeholders, and permitting agencies. A developer is defined as a person that seeks to own or operate a nuclear energy project. The office is required to build administrative and coordination capacity to prepare for federal funding opportunities, applications and award management.

By December 1, 2027, the office will collaborate with rate-regulated utilities and relevant stakeholders to make recommendations to the Public Utilities Commission (PUC) in the Department of Regulatory Agencies for decision-making on a nuclear energy or other clean firm resource acquisition and cost recovery mechanisms for the development of a nuclear energy project.

By August 1, 2027, the bill requires an investor-owned electric utility that serves more than 500,000 customers to solicit a request for information from:

- local governments interested in hosting a nuclear energy project; and
- potential developers with experience developing, constructing, operating, or servicing nuclear energy projects.

The utility may identify potential siting opportunities for a nuclear energy project. The PUC is required to allow for expedited up-front cost recovery for the utility up to \$20 million to finance studies related to the development of nuclear energy projects. The PUC may also approve a cost-recovery mechanism recommended by the CEO for a nuclear energy project. PUC approval of an application confers a rebuttable presumption of prudence for actions consistent with the PUC-approved application.

The bill creates the continuously appropriated Advanced Nuclear Energy Development Fund for the office to provide technical assistance to an investor-owned utility developing a nuclear energy project and expert staff capacity on advanced nuclear technology, siting and permitting. The utility developing a project is subject to an annual fee of up to \$1,150,000 as determined by the director of the office. The utility earns a weighted average of capital return on any deferred expenditures and may recover any annual fee paid to the office in the same manner as the studies noted above.

Background

[House Bill 25-1040](#) added nuclear energy to the statutory definitions of “clean energy” for the state’s renewable energy standard. Colorado currently has no operating nuclear power plants. The Fort St. Vrain nuclear plant, with an output of 330 megawatts, opened in 1979 and was decommissioned between 1989 and 1992. Today, Fort St. Vrain is a combined-cycle natural gas plant with total output to the grid of just under 1,000 megawatts.

State Revenue

Fee Impact on Investor-Owned Utilities

Legislative Council Staff is required to estimate the fee impact of bills that create or increase any fee collected by a state agency. These fee amounts are estimates only, actual fees will be set administratively by the CEO based on cash fund balance, program costs, and the number of investor-owned utilities subject to the fee. The table below identifies the fee impact of this bill. The bill allows a fee up to \$1,150,000 annually, but is expected to be lower in the short-term, based on CEO’s expenditures.

Table 2
Fee Impact on Investor-Owned Utilities

Fiscal Year	Type of Fee	Estimated Fee	Number Affected	Total Fee Impact
FY 2026-27	Annual Fee	\$250,000	1	\$250,000
FY 2027-28	Annual Fee	\$300,000	1	\$300,000
FY 2028-29	Annual Fee	\$445,000	1	\$445,000

State Expenditures

The bill increases state expenditures by about \$250,000 in FY 2026-27, \$293,000 in FY 2027-28, and about \$441,000 in FY 2028-29 and thereafter. These costs will be incurred in the CEO as shown in Table 3 and described in the section below. Costs for the CEO are paid from the Advanced Nuclear Energy Development Fund. The bill also increases workload in the PUC.

**Table 3
 State Expenditures
 Colorado Energy Office**

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$173,971	\$217,464	\$325,918
Operating Expenses	\$1,024	\$1,280	\$2,560
Capital Outlay Costs	\$7,000	\$0	\$7,000
Legal Services	\$39,750	\$39,750	\$46,375
Centrally Appropriated Costs	\$27,782	\$34,727	\$59,315
FTE – Personal Services	0.8 FTE	1.0 FTE	2.0 FTE
FTE – Legal Services	0.2 FTE	0.2 FTE	0.2 FTE
Total Costs	\$249,527	\$293,221	\$441,168
Total FTE	1.0 FTE	1.2 FTE	2.2 FTE

Colorado Energy Office

The bill requires the Advanced Nuclear Energy and Technical Assistance Office to be the single point of contact for nuclear power development which requires staff, legal services, capital outlay and operating costs beginning in FY 2026-27.

Staff

Beginning in September 2026, the office will add 1.0 FTE nuclear engineer to work directly with developers of nuclear energy projects, stakeholders, and state and local permitting agencies throughout the permitting process and assist developers in navigating local, state, and federal regulations. Beginning in FY 2028-29, 1.0 FTE project manager will solicit the required requests for information and build the administrative and coordination capacity to prepare for federal funding opportunities. Standard operating and capital outlay costs are included.

Legal Services

The office requires legal services from the Department of Law for general counsel and legal support for filings with the PUC related to the provisions in the bill. This is estimated at 300 hours and 0.2 FTE in FY 2026-27 and FY 2027-28, and 350 hours in FY 2028-29 and 0.2 FTE.

Public Utilities Commission

The PUC will have an increase in workload to consider petitions for cost recovery mechanisms from an eligible utility to finance studies and applications for the acquisition of nuclear power projects. The number of petitions and applications are assumed to be minimal and the PUC can address any workload increase within its current appropriations. The PUC may require additional legal services when considering proposed nuclear project proposals, but the fiscal note assumes that no such proposals will be presented in the near term.

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 include employee insurance and supplemental employee retirement payments, are shown in Table 3 above.

TABOR Refunds

The bill is expected to increase the amount of state revenue required to be refunded to taxpayers by about \$250,000 in FY 2026-27 and \$300,000 in FY 2027-28. This estimate assumes the March 2026 LCS revenue forecast. A forecast of state revenue subject to TABOR is not available beyond FY 2027-28. 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 in FY 2026-27, FY 2027-28, and any future years when the state is over its revenue limit.

Local Government

Local governments that seek to site a nuclear power project in their jurisdiction will have an increase in expenditures to pursue such an investment and for permitting the project. This may require public investment and an increase in staffing to manage the project development and conduct community engagement.

Effective Date

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

State Appropriations

The Department of Law requires \$39,750 in reappropriated funds from the Advanced Nuclear Energy Development Fund, and 0.2 FTE.

State and Local Government Contacts

Colorado Energy Office

Local Affairs

Labor and Employment

Municipal Utilities

Law

Regulatory Agencies