



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 fiscal note reflects the introduced bill.

Summary Information

Overview. The bill establishes 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 Expenditures
- Local Government

Appropriations. For FY 2026-27, the bill requires an appropriation of \$1,074,998 to the Colorado Energy Office.

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	\$0	\$0	\$0
State Expenditures	\$1,137,295	\$456,655	\$435,885
Transferred Funds	\$0	\$0	\$0
Change in TABOR Refunds	\$0	\$0	\$0
Change in State FTE	2.6 FTE	3.2 FTE	3.1 FTE

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

Table 1A
State Expenditures

Fund Source	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
General Fund	\$1,074,998	\$381,858	\$361,088
Cash Funds	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0
Centrally Appropriated	\$62,297	\$74,797	\$74,797
Total Expenditures	\$1,137,295	\$456,655	\$435,885
Total FTE	2.6 FTE	3.2 FTE	3.1 FTE

Summary of Legislation

The bill establishes the Colorado Energy Office (CEO) as the state’s permitting coordinator for nuclear energy projects. The CEO will be the single point of contact throughout the permitting process for developers, stakeholders, and permitting agencies. 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 CEO 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:

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

The utility is also required to 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.

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 Expenditures

The bill increases state expenditures by about \$1,100,000 in FY 2026-27, \$457,000 in FY 2026-27, and \$436,000 in FY 2028-29 and thereafter. These costs will be incurred in the CEO as shown in Table 2 and described in the section below. Costs for the CEO are paid from the General Fund. The bill also increases workload in the PUC.

Table 2
State Expenditures
Colorado Energy Office

Cost Component	Budget Year FY 2026-27	Out Year FY 2027-28	Out Year FY 2028-29
Personal Services	\$280,027	\$336,477	\$336,477
Operating Expenses	\$3,200	\$3,840	\$3,840
Capital Outlay Costs	\$21,000	\$0	\$0
Legal Services	\$20,771	\$41,541	\$20,771
Contractor Services	\$750,000	\$0	\$0
Centrally Appropriated Costs	\$62,297	\$74,797	\$74,797
FTE – Personal Services	2.5 FTE	3.0 FTE	3.0 FTE
FTE – Legal Services	0.1 FTE	0.2 FTE	0.1 FTE
Total Costs	\$1,137,295	\$456,655	\$435,885
Total FTE	2.6 FTE	3.2 FTE	3.1 FTE

Colorado Energy Office

The bill requires the CEO to be the single-point-of contract for nuclear power development which requires staff, legal services, and contractor costs beginning in FY 2026-27.

Staff

Beginning in September 2026, the CEO will add 1.0 FTE policy advisor and 2.0 FTE project managers. The policy advisor will 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. The project managers will solicit the required requests for information and build the administrative and coordination capacity to prepare for federal funding opportunities. The project managers will oversee the contractors discussed below and will facilitate the permitting for nuclear projects. Standard operating and capital outlay costs are included.

Legal Services

The CEO requires legal services from the Department of Law for general counsel on all levels of governmental permitting requirements. This is estimated at 150 hours and 0.1 FTE in FY 2026-27 and FY 2028-29. In FY 2027-28, the CEO requires 300 hours of legal support for filings with the PUC related to the provisions in the bill and 0.2 FTE.

Contractors

CEO requires the services of two contractors in the nuclear energy field in FY 2026-27. One contractor or contractor team will assist in identifying potential sites for a nuclear energy project and designate nuclear energy project sites. This contract work is estimated at \$500,000. A second contractor will conduct siting and engineering studies for an estimated \$250,000. Actual costs will be determined through the procurement process.

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 2 above.

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.

Effective Date

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

State Appropriations

For FY 2026-27, the bill requires a General Fund appropriation of \$1,074,998 to the Colorado Energy Office and 2.5 FTE. Of this, the Department of Law requires \$20,771 in reappropriated funds and an additional 0.1 FTE.

State and Local Government Contacts

Colorado Energy Office

Municipal Utilities

Law

Regulatory Agencies

Local Affairs

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).