

Summary of Legislation

2026



Energy and Natural Resources

Samantha Falco | samantha.falco@coleg.gov

During the 2026 legislative session, the General Assembly considered several measures related to energy and natural resources; including regulating utilities, improving electricity transmission, and promoting renewable energy.

Renewable Energy

Colorado has a uniquely diverse landscape. From the eastern plains to the western slopes of the Rocky Mountains, the state's energy profile includes oil, natural gas, coal, wind, solar, and geothermal. [Colorado's Climate Action Plan](#), created in 2019 by [House Bill 19-1261](#) and amended by [Senate Bill 23-016](#), compels the state to reduce greenhouse gas emissions by 50 percent by 2030, 75 percent by 2040, and net-zero by 2050.

In an effort to better monitor emissions and improve reporting requirements, the legislature passed [House Bill 26-1226](#). The bill requires coal-fired power plants that continue to operate to install pollution control devices and meet the emission limits adopted by the Air Quality Control Commission.

Geothermal Energy

Colorado has been actively expanding its development and use of [geothermal energy](#). [Senate Bill 26-142](#) adjusts state laws regarding thermal energy resources and the recovery of thermal energy. Specifically, the bill updates the following:

- authorizes the sale of thermal energy by industrial or commercial facilities that recover thermal energy as a byproduct;
- allows local governments to enter an agreement with entities for the purpose of providing the local government service from a thermal energy network;
- allows local governments to finance thermal energy network infrastructure and interconnections;
- requires data collection on the geological resources of the state and recommendations provided for the development of geothermal resources;
- increases the net electric generating capacity of a community geothermal garden; and
- requires investor-owned utilities to identify small- and large-scale geothermal projects.

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Solar Energy

Although the anecdote that Colorado gets 300 days of sunshine is not entirely true, there is great potential for solar energy in Colorado. [House Bill 26-1007](#) prohibits energy providers from imposing certain restrictions on the installation or use of portable-scale solar generation devices and meter collar adapters. These 'plug-in solar' devices provide energy to a home by plugging directly into a wall outlet.

A community solar garden is a solar electric generation facility connected to the electrical grid that distributes solar energy for subscribers who may be unable to install solar panels on their home or property. Subscribers to a garden receive credits on their electric bills for the solar energy they use. [House Bill 26-1225](#) adjusts how bill credits may be applied for subscribers to community solar gardens, and creates additional requirements for certain public utilities concerning community solar gardens.

Utility Regulation

As energy demand continues to increase and as the state works to meet its emissions reduction goals, energy affordability, transmission system improvements, and large energy consumers such as data centers have become key topics. Two data center bills were introduced, both postponed indefinitely, but started a discussion on how the state will regulate and mitigate the impact of data centers.

[Senate Bill 26-002](#) requires Colorado's two investor-owned electric utility companies,

Xcel Energy and Black Hills Energy, to establish a percentage-of-income payment plan. Utility bills for income-qualified residential customers enrolled in the program cannot exceed a specific percentage of their income.

[House Bill 26-1081](#) requires electric utilities evaluate the use of advanced transmission technologies in their ten-year transmission plans to increase capacity, efficiency, reliability, or resilience, and identify strategies to reduce the costs of construction.

Both pieces of legislation require the [Public Utilities Commission](#) (PUC) to enforce these changes. The PUC is tasked with the oversight of energy, telecommunication, transportation, pipeline safety, and rail and transit with the goal of providing Coloradans safe, reliable, and reasonably-priced services. The legislature reviewed a 2025 PUC [Sunset Review](#) to consider the necessity of the commission and make adjustments to its operations based on the [recommendations](#) by the Department of Regulatory Authorities.

[House Bill 26-1326](#) extends the PUC for seven years and makes several updates, including the following:

- modernizing the Renewable Energy Standard;
- standardizing implementation and access to income-qualified energy assistance programs;
- and expanding regulations for penalties rideshare drivers and non-taxi common carriers; and reducing the timeline for the PUC to act on a filed application from 120 to 90 days.