**Colorado Revised Statutes 202**

TITLE 40

UTILITIES

**Cross references:** For excavation requirements for underground utility facilities, see article 1.5 of title 9; for requests for criminal activity information from public utilities, see article 15.5 of title 16; for authority and procedure for the valuation and assessment of public utilities, see article 4 of title 39; for organization and operation of special districts, see title 32.

**PUBLIC UTILITIES**

**General and Administrative**

**ARTICLE 1**

Definitions

**Editor's note:** Pursuant to §§ 40-1.1-101 and 40-1.1-104, people service transportation regulated by article 1.1 of this title is not subject to the laws and regulations of the public utilities commission.

**40-1-101. Short title - public utilities law.** Articles 1 to 7 of this title shall be known and may be cited as the "Public Utilities Law" and shall apply to the public utilities and public services described in said articles 1 to 7 and to the commission referred to in article 2 of this title.

**Source:** **L. 13:** p. 464, § 1. **C.L.** § 2911. **CSA:** C. 137, § 1. **CRS 53:** § 115-1-1. **C.R.S. 1963:** § 115-1-1.

**40-1-102. Definitions.** As used in articles 1 to 7 of this title 40, unless the context otherwise requires:

(1) "Alternative fuel vehicle" means any automobile, truck, motor bus, boat, airplane, train, tractor, or other type of motorized off-highway equipment or other self-propelled device or vessel that is capable of moving itself or being moved from place to place utilizing, in whole or in part, liquefied petroleum gas, natural gas, electricity, or a combination of natural gas and electricity as transportation fuel, whether or not the vehicle is used in agricultural, commercial, domestic, or industrial operations.

(1.1) "Behind-the-meter thermal renewable source" means a technology through which a utility customer accesses a renewable heating or cooling source to serve the customer's electric or heating needs for one or more end uses, including water heating, space heating or cooling, or industrial processes.

(1.2) (a) "Beneficial electrification" means converting the energy source of a customer's end use from a nonelectric fuel source to a high-efficiency electric source, or avoiding the use of nonelectric fuel sources in new construction or industrial applications, if the result of the conversion or avoidance is to:

(I) Reduce net greenhouse gas emissions over the lifetime of the conversion or avoidance; and

(II) Reduce societal costs or provide for more efficient utilization of grid resources.

(b) "Beneficial electrification" does not include:

(I) Retail distributed generation, as defined in section 40-2-124 (1)(a)(VIII); or

(II) An energy storage system, as defined in section 40-2-130 (2)(a).

(1.3) "Certificate of completion" means an attestation that an interconnection customer submits to a public utility to confirm that a retail distributed generation resource has been properly inspected or otherwise certified to meet the safe operation requirements of a local government's building code enforcement authority.

(1.4) "Charge" includes any consideration, however denominated, paid or provided by a retail cooperative electric association to a wholesale electric cooperative in connection with an agreement by which the retail cooperative electric association terminates a wholesale electric service contract with the wholesale electric cooperative.

(1.5) "Commission" means the public utilities commission of the state of Colorado.

(2) "Commissioner" means one of the members of the commission.

(3) (a) "Common carrier" means:

(I) Every person directly or indirectly affording a means of transportation, or any service or facility in connection therewith, within this state by motor vehicle or other vehicle whatever by indiscriminately accepting and carrying passengers for compensation; and

(II) Every person affording a means of transportation within this state by railroad by indiscriminately accepting and carrying for compensation passengers or property.

(b) "Common carrier" does not include a motor carrier that provides transportation not subject to regulation pursuant to section 40-10.1-105, a motor carrier that is subject to part 3, 4, 5, or 7 of article 10.1 of this title 40, a transportation network company, as defined in section 40-10.1-602 (3), or a transportation network company driver, as defined in section 40-10.1-602 (4).

(4) "Compensation" means any money, property, service, or thing of value charged or received, or to be charged or received, whether directly or indirectly.

(5) (a) "Cost-effective", with reference to a natural gas or electric demand-side management program, a beneficial electrification program, or any measure related to either a demand-side management or beneficial electrification program, means having a benefit-cost ratio greater than one.

(b) In calculating the benefit-cost ratio, the benefits must include, in a base case, the following, as applicable:

(I) The utility's avoided generation, transmission, distribution, capacity, and energy costs;

(II) The valuation of avoided greenhouse gas emissions, calculated as the social cost of carbon dioxide in accordance with sections 40-3.2-106 and 40-3.2-107 and the social cost of methane in accordance with section 40-3.2-107, as separate items in the cost-benefit calculation; and

(III) Other costs or benefits as determined by the commission.

(c) In calculating the benefit-cost ratio, the costs must include utility and participant expenditures for the following, as applicable:

(I) Program design, administration, evaluation, advertising, and promotion;

(II) Customer education;

(III) Incentives and discounts;

(IV) Capital costs; and

(V) Operation and maintenance expenses.

(d) In addition to the base case analysis of cost-effectiveness described in subsection (5)(b) of this section, a utility may provide a case that does not include the social costs of methane and carbon dioxide.

(6) "Demand-side management programs" or "DSM programs" means any of the following programs or combination of programs:

(a) Energy efficiency, including weatherization and insulation;

(b) Conservation;

(c) Load management;

(d) Beneficial electrification, as defined in subsection (1.2) of this section; and

(e) Demand response programs.

(6.5) "Disproportionately impacted community" has the meaning set forth in section 24-4-109 (2)(b)(II).

(7) "Education program" means a program, including, but not limited to, an energy audit, that contributes indirectly to a cost-effective demand-side management program. Education programs shall not be subject to independent cost-effectiveness requirements.

(8) "Full service customer" means a residential or commercial customer that purchases natural gas or electric supply from an investor-owned utility.

(8.2) "Interconnection agreement" means an agreement between a public utility and an interconnection customer to interconnect a retail distributed generation resource to the utility system.

(8.3) (a) "Interconnection customer" means an entity that proposes to interconnect a retail distributed generation resource on the distribution system of a public utility.

(b) "Interconnection customer" includes an affiliate or a subsidiary of a public utility that proposes to interconnect a retail distributed generation resource to the public utility's system.

(8.5) "Meter collar adapter" means a device that is installed between the electric meter and the meter socket box on a utility customer's premises and that has electrical connection points both electrically upstream and electrically downstream of the meter.

(9) "Net present value of revenue requirements" means the current worth of the expected stream of future revenue requirements associated with a particular resource portfolio, expressed in dollars in the year the plan is filed. To determine the current worth of the expected stream of future revenue requirements, a discount rate at the utility's weighted average cost of capital shall be applied to the expected stream of future revenue requirements.

(10) "Person" means any individual, firm, partnership, corporation, company, association, joint stock association, and other legal entity.

(11) "Renewable energy" means useful electrical, thermal, or mechanical energy converted directly or indirectly from resources of continuous energy flow or that are perpetually replenished and whose utilization is sustainable indefinitely. The term includes, without limitation, sunlight, the wind, geothermal energy, hydrodynamic forces, and organic matter available on a renewable basis such as forest residues, agricultural crops and wastes, wood and wood wastes, animal wastes, livestock operation residue, aquatic plants, and municipal wastes.

(12) "Technical support document" means the 2016 technical support document of the federal interagency working group on social cost of greenhouse gases, entitled "Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866".

**Source:** **L. 13:** p. 464, § 2. **L. 15:** p. 393, § 1. **C.L.** § 2912. **CSA:** C. 137, § 2. **CRS 53:** § 115-1-2. **C.R.S. 1963:** § 115-1-2. **L. 69:** p. 927, § 1. **L. 79:** (3) amended, p. 1561, § 28, effective June 20. **L. 80:** (3) amended, p. 742, § 1, effective June 30. **L. 84:** (3) amended, p. 1051, § 2, effective April 12. **L. 85:** (3) amended, p. 1307, § 2, effective May 29. **L. 94:** (6) added, p. 611, § 2, effective April 8. **L. 95:** (3) amended, p. 1209, § 21, effective May 31. **L. 96:** (3) amended, p. 143, § 1, effective April 8. **L. 2004:** (3)(b) amended, p. 905, § 31, effective May 21. **L. 2007:** (5) and (6) amended and (7) to (11) added, p. 982, § 1, effective May 22. **L. 2011:** (3)(a)(I) and (3)(b) amended, (HB 11-1198), ch. 127, p. 418, § 11, effective August 10. **L. 2012:** (1) amended and (1.5) added, (HB 12-1258), ch. 147, p. 529, § 1, effective August 8. **L. 2014:** (3)(b) amended, (SB 14-125), ch. 323, p. 1408, § 1, effective June 5. **L. 2018:** IP and (3)(b) amended, (HB 18-1320), ch. 363, p. 2164, § 1, effective August 8. **L. 2020:** (1.3) added, (HB 20-1225), ch. 94, p. 372, § 2, effective March 27. **L. 2021:** (8.5) added, (SB 21-261), ch. 280, p. 1617, § 2, effective June 21; (1.1) added and (5) and (6) amended, (HB 21-1238), ch. 330, p. 2131, § 2, effective September 7; (1.2) and (12) added and (5)(a) amended, (SB 21-246), ch. 283, p. 1676, § 3, effective September 7. **L. 2023:** (6.5) added, (HB 23-1233), ch. 245, p. 1333, § 19, effective May 23; (1.3) amended and (1.4), (8.2), and (8.3) added, (SB 23-016), ch. 165, p. 743, § 15, effective August 7.

**Editor's note:** Amendments to subsection (5) by HB 21-1238 and SB 21-246 were harmonized.

**Cross references:** (1) For further definition of common carriers, see § 40-9-102.

(2) For the legislative declaration contained in the 1994 act amending this section, see section 1 of chapter 102, Session Laws of Colorado 1994. For the legislative declaration in HB 20-1225, see section 1 of chapter 94, Session Laws of Colorado 2020. For the legislative declaration in SB 21-261, see section 1 of chapter 280, Session Laws of Colorado 2021. For the legislative declaration in HB 21-1238, see section 1 of chapter 330, Session Laws of Colorado 2021. For the legislative declaration in SB 21-246, see section 1 of chapter 283, Session Laws of Colorado 2021. For the legislative declaration in HB 23-1233, see section 1 of chapter 245, Session Laws of Colorado 2023.

**40-1-103. Public utility defined.** (1) (a) (I) The term "public utility", when used in articles 1 to 7 of this title, includes every common carrier, pipeline corporation, gas corporation, electrical corporation, telephone corporation, water corporation, person, or municipality operating for the purpose of supplying the public for domestic, mechanical, or public uses and every corporation, or person declared by law to be affected with a public interest, and each of the preceding is hereby declared to be a public utility and to be subject to the jurisdiction, control, and regulation of the commission and to the provisions of articles 1 to 7 of this title.

(II) As used in this paragraph (a), "water corporation" includes a combined water and sewer corporation, whether as a single entity or as different entities under common ownership.

(b) Nothing in articles 1 to 7 of this title 40 apply to:

(I) Irrigation systems, the chief or principal business of which is to supply water for the purpose of irrigation;

(II) Exemptions provided for in the constitution of the state of Colorado relating to municipal utilities;

(III) Hotels, motels, or other lodging-type entities that resell intrastate toll services to their lodging patrons and not to the general public;

(IV) Any consumer who owns pay telephone terminal equipment and who resells local exchange and toll service paid for by coin deposit, credit card, or otherwise by using the tariff services and facilities of regulated telephone utilities;

(V) The provision or resale to the general public of communications services over a cellular radio system. For purposes of this subparagraph (V), a "cellular radio" means a mobile communications system in which the radio frequency spectrum is divided into discrete channels which are assigned in groups to geographic cells within a service area and which are capable of being reused in different cells within that service area.

(VI) Repealed.

(2) (a) Every cooperative electric association, or nonprofit electric corporation or association, and every other supplier of electric energy, whether supplying electric energy for the use of the public or for the use of its own members, is hereby declared to be affected with a public interest and to be a public utility and to be subject to the jurisdiction, control, and regulation of the commission and to the provisions of articles 1 to 7 of this title.

(b) (I) Paragraph (a) of this subsection (2) requiring regulation by the commission shall not be applicable to a cooperative electric association which has voted to exempt itself from regulation pursuant to the provisions of section 40-9.5-103. Regulation of such cooperative electric associations shall be in the manner provided in part 1 of article 9.5 of this title.

(II) Repealed.

(c) The supply of electricity or heat to a consumer of the electricity or heat from renewable energy generation facilities owned or operated by an entity other than the consumer, including a master meter operator, as described in section 40-1-103.5, does not subject the owner or operator of the renewable energy generation facilities to regulation as a public utility by the commission if the renewable energy generation facilities are located on property owned or leased by either:

(I) The consumer; or

(II) A master meter operator or another consumer served by the master meter operator.

(3) For the purposes of articles 1 to 7 of this title 40, a motor carrier that provides transportation not subject to regulation pursuant to section 40-10.1-105 or that is subject to part 3, 4, 5, or 7 of article 10.1 of this title 40 is not a public utility.

(4) Repealed.

**Source:** **L. 13:** p. 465, § 3. **C.L.** § 2913. **CSA:** C. 137, § 3. **CRS 53:** § 115-1-3. **L. 61:** p. 627, § 1. **C.R.S. 1963:** § 115-1-3. **L. 80:** (3) added, p. 742, § 2, effective June 30. **L. 83:** (1) amended, p. 1547, § 1, effective May 25; (2) amended, p. 1572, § 2, effective July 1. **L. 84:** (1) amended, p. 1032, § 1, effective April 2; (3) amended, p. 1051, § 3, effective April 12. **L. 85:** (2)(b)(I) amended and (2)(b)(II) repealed, pp. 1301, 1303, §§ 1, 6, effective April 5; (1)(b)(IV) and (1)(b)(V) added, pp. 1293, 1294, §§ 1, 1, effective April 30; (3) amended, p. 1308, § 3, effective May 29. **L. 86:** (2)(b)(I) amended, p. 1161, § 2, effective May 27. **L. 90:** (4) added, p. 1811, § 2, effective June 7. **L. 91:** (3) amended, p. 1758, § 1, effective March 12. **L. 95:** (3) amended, p. 1209, § 22, effective May 31. **L. 98:** (1)(b)(III) amended, p. 845, § 4, effective May 26. **L. 2003:** (1)(b)(VI) added, p. 2592, § 3, effective June 5. **L. 2008:** (1)(a) amended, p. 1792, § 4, effective July 1. **L. 2009:** (2)(c) added, (SB 09-051), ch. 157, p. 678, § 10, effective September 1. **L. 2011:** (3) amended, (HB 11-1198), ch. 127, p. 418, § 12, effective August 10. **L. 2012:** (4) repealed, (HB 12-1258), ch. 147, p. 529, § 2, effective August 8. **L. 2018:** (3) amended, (HB 18-1320), ch. 363, p. 2164, § 2, effective August 8. **L. 2021:** (2)(c) amended, (SB 21-261), ch. 280, p. 1618, § 3, effective June 21; IP(1)(b) amended and (1)(b)(VI) repealed, (HB 21-1201), ch. 389, p. 2598, § 2, effective June 30.

**Cross references:** (1) For constitutional provisions relating to exemption of municipally owned utilities, see article XXV of the Colorado Constitution; for the regulation of rates and charges by municipal utilities, see article 3.5 of this title.

(2) For the legislative declaration in SB 21-261, see section 1 of chapter 280, Session Laws of Colorado 2021.

**40-1-103.3. Alternative fuel vehicles - definition.** (1) As used in this section, "property or premises", with respect to an electric, natural gas, or liquefied petroleum gas extension or connection of service, includes alternative fuel vehicle charging and fueling facilities in addition to buildings and other improvements.

(2) For the purposes of articles 1 to 7 of this title 40, persons generating electricity for use in alternative fuel vehicle charging or fueling facilities as authorized by subsection (4) of this section, persons reselling electricity supplied by a public utility, or persons reselling compressed or liquefied natural gas, liquefied petroleum gas, or any component parts or by-products to governmental entities or to the public for use as fuel in alternative fuel vehicles or buying electricity stored in such vehicles for resale are not subject to regulation as a public utility. Electric public utilities may provide the services described in this subsection (2) as unregulated or regulated services. Natural gas public utilities may provide these services as unregulated services.

(3) Owners or operators of property or premises containing an alternative fuel vehicle charging or fueling facility, or the owners or operators of the facility, shall purchase the electricity required for the facility from a public utility with the right to sell electricity to the property, premises, or facility except when the owners or operators of the property, premises, or facility generate electricity on the property or premises for use in alternative fuel vehicles as authorized by subsection (4) of this section.

(4) The owner or operator of a facility that generates electricity for use in alternative fuel vehicle charging or fueling facilities is not subject to regulation as a public utility, if:

(a) The electricity is generated on the property or premises where the charging or fueling facilities are located; and

(b) The electricity is generated from a renewable resource that:

(I) Qualifies as "retail distributed generation" as defined in section 40-2-124 (1)(a)(VIII), if located on the system of an entity subject to the requirements of section 40-2-124. The electric power requirements for the property pursuant to section 40-2-124 (1) include the demand for existing or proposed alternative fuel vehicle charging or fueling facilities in addition to buildings and other improvements.

(II) Complies with section 40-9.5-118, if located on the system of a cooperative electric association; or

(III) Complies with section 40-2-124 (7), if located on the system of a municipally owned utility.

(5) Sale of electricity or natural gas by a public utility to the owner or operator of an alternative fuel vehicle charging or fueling facility is a retail transaction.

(6) An electric public utility may recover the costs of distribution system investments to accommodate alternative fuel vehicle charging, subject to evaluation and cost recovery provisions that are comparable to other regulated investments in the distribution grid; except that distribution system investments that are a component of a transportation electrification plan submitted in accordance with section 40-5-107 are subject to sections 40-3-116 and 40-5-107. The commission shall consider revenues from electric vehicles in the utility's service territory in evaluating the retail rate impact. The retail rate impact from the development of electric vehicle infrastructure must not exceed one-half of one percent of the total annual revenue requirements of the utility.

**Source:** **L. 2012:** Entire section added, (HB 12-1258), ch. 147, p. 530, § 3, effective August 8. **L. 2014:** (4)(b)(I) amended, (HB 14-1363), ch. 302, p. 1275, § 45, effective May 31. **L. 2019:** (2) and (6) amended, (SB 19-077), ch. 383, p. 3434, § 2, effective May 31.

**Cross references:** For the legislative declaration in SB 19-077, see section 1 of chapter 383, Session Laws of Colorado 2019.

**40-1-103.5. Limited exemption of master meter operators - conditions - rules.** (1) Upon its own motion or upon application by any person who purchases gas or electric service from a regulated public utility for the purpose of delivery of such service to end users whose aggregate usage is to be measured by a master meter or other composite measurement device, the commission may exempt such person from regulation of rates under the "Public Utilities Law", articles 1 to 7 of this title 40, as the commission deems appropriate, so long as all of the following conditions are met:

(a) Such person, referred to in this section as a "master meter operator" or "MMO", does not charge the end users, as part of its billing for utility service, for any costs in addition to the actual cost billed to the MMO by the serving utility, including without limitation costs of construction, maintenance, financing, administration, metering, or billing for the utility distribution system owned by the MMO; except that this subsection (1)(a) does not apply to refunds, rebates, rate reductions, net metering credits, or similar adjustments attributable to the use of electricity generated from retail distributed generation that is located on property owned or leased by the MMO or by a customer served by the MMO;

(b) If the MMO bills the end users separately for service, the sum of such billings does not exceed the amount billed to the MMO by the serving utility;

(c) If the MMO bills the end users separately for service, the MMO passes on to the end users any refunds, rebates, rate reductions, or similar adjustments it receives from the serving utility;

(d) Any other conditions deemed necessary by the commission.

(2) In passing on refunds, rebates, rate reductions, or similar adjustments to end users, the MMO shall notify its current end users, either by first-class mail with a certificate of mailing or by inclusion in any monthly or more frequent regular written communication, of the adjustments and inform the end users that they may claim the adjustments within ninety days after receipt of the notice. The MMO may retain any portion of the adjustments that rightfully belongs to the MMO. Upon the expiration of the ninety-day claims period, the MMO shall identify any such adjustments that are unclaimed and, if the aggregate amount unclaimed exceeds one hundred dollars, the MMO shall contribute the unclaimed amount to the fund established by the legislative commission on low-income energy and water assistance pursuant to section 40-8.5-104.

(3) (a) The commission shall adopt such rules as it deems necessary to implement this section.

(b) No later than December 31, 2022, the commission shall adopt new or amended rules that would enable landlords of multiunit buildings and tenants in multiunit buildings to share in the production from a net metered retail distributed generation installation. In adopting rules, the commission shall consider Colorado's greenhouse gas emission reduction goals and the need to electrify buildings, transportation, and other commercial and industrial sectors to meet those goals. The commission shall also consider rules that would encourage landlords to bear the attendant costs and to retain at least a portion of the resulting benefits in addition to any other incentives the commission finds appropriate.

**Source:** **L. 93:** Entire section added, p. 291, § 1, effective April 7. **L. 2021:** IP(1), (1)(a), and (3) amended, (SB 21-261), ch. 280, p. 1618, § 4, effective June 21; (2) amended, (HB 21-1105), ch. 488, p. 3507, § 16, effective September 7.

**Cross references:** For the legislative declaration in SB 21-261, see section 1 of chapter 280, Session Laws of Colorado 2021.

**40-1-104. Securities - issuance.** (1) (a) The term "securities", when used in articles 1 to 7 of this title, includes stocks, bonds, notes, and other evidences of indebtedness.

(b) The requirements of this section apply only to public utilities providing electricity or gas service.

(2) The power of every gas corporation and of every electrical corporation operating as a public utility as defined in section 40-1-103 that derives more than five percent of its consolidated gross revenues in the state of Colorado as a public utility, or derives a lesser percentage if said revenues are realized by supplying an amount of energy which equals five percent or more of this state's consumption, to issue or assume securities and to create liens on its property situated within this state is a special privilege, hereby subjected to the supervision and control of the commission. Such public utility, when authorized by order of the commission and not otherwise, may issue or assume securities with a maturity date of more than twelve months after the date of issuance for the following purposes: The acquisition of property; the construction, completion, extension, or improvement of its facilities; the improvement or maintenance of its service; the discharge or lawful refunding of its obligations; the reimbursement of moneys actually expended for said purposes from income or from any other moneys in the treasury not secured by or obtained from the issue of securities within five years next prior to the filing of an application with the commission for the required authorization; or any of such purposes or any other lawful purpose authorized by the commission.

(3) Such public utility, by written petition filed with the commission setting forth the pertinent facts involved, shall make application to the commission for an order authorizing the proposed issue or assumption of securities and the application of the proceeds therefrom to the purpose specified. The commission, with or without a hearing and upon such notice as the commission may prescribe, shall enter its written order approving the petition and authorizing the proposed securities transactions unless the commission finds that such transactions are inconsistent with the public interest or that the purpose thereof is not permitted or is inconsistent with the provisions of this section.

(4) Such public utility may issue or renew, extend, or assume liability on securities, other than stocks, with a maturity date of not more than twelve months after the date of issuance and secured or unsecured, without application to or order of the commission; but no such securities so issued shall in whole or in part be refunded by any issue of securities having a maturity of more than twelve months except on application to and approval of the commission.

(5) All applications for the issuance or assumption of securities shall be placed at the head of the commission's docket and shall be disposed of promptly, within thirty days after the petition is filed with the commission unless it is necessary for good cause to continue the same for a longer period. Whenever such application is continued beyond thirty days after the time it is filed, the commission shall enter an order making such continuance and stating fully the facts necessitating the continuance.

(6) No provision of this section nor any act or deed performed in connection therewith shall be construed to obligate the state of Colorado to pay or guarantee in any manner whatsoever any security authorized, issued, or assumed under the provisions of this section.

(7) All securities issued or assumed without application to and approval of the commission, except the securities mentioned in subsection (4) of this section, shall be void.

(8) The commission shall provide for a serial number or other device to be placed on the face of any such securities for the proper and easy identification thereof.

(9) Notwithstanding any provision of law to the contrary, the commission may approve a petition from a public utility proposing an investment in any of the following if the commission determines that such investment is not otherwise inconsistent with the public interest or that such investment is not otherwise inconsistent with this section:

(a) Any public-private initiative with the department of transportation, as defined in section 43-1-1201 (3), C.R.S.;

(b) Bonds issued for turnpikes in accordance with part 2 of article 3 of title 43, C.R.S.; or

(c) Repealed.

(d) Any other public-private initiative program for transportation system projects in Colorado authorized by law.

**Source:** **L. 13:** p. 465, § 3. **C.L.** § 2913. **CSA:** C. 137, § 3. **L. 47:** p. 701, § 1. **CRS 53:** § 115-1-4. **C.R.S. 1963:** § 115-1-4. **L. 81:** (2) amended, p. 1905, § 1, effective March 27; (3) amended, p. 1922, § 1, effective July 1. **L. 98:** (9) added, p. 446, § 7, effective August 5. **L. 2000:** (2), (3), (5), (6), and (7) amended, p. 131, § 1, effective August 2. **L. 2005:** (9)(c) repealed, p. 289, § 40, effective August 8. **L. 2016:** (1) amended, (HB 16-1035), ch. 129, p. 369, § 1, effective April 21.

**Cross references:** For the legislative declaration contained in the 1998 act amending this section, see section 1 of chapter 154, Session Laws of Colorado 1998.

**ARTICLE 1.1**

People Service Transportation

**40-1.1-101. Legislative declaration.** In order to promote improved transportation for the elderly, for persons with disabilities, and for the residents of rural areas and small towns through an expanded and coordinated transportation network, the general assembly hereby declares it to be the policy of the state to legally define and to recognize people service transportation and volunteer transportation as separate but contributing components of the transportation system. Therefore, it is the policy of the state to remove barriers to low-cost people service transportation and volunteer transportation. For this purpose, transportation systems meeting the criteria prescribed in this article will not be classified as public utilities or as any form of carrier subject to regulation by the commission but as people service transportation and volunteer transportation subject to appropriate regulation and administration.

**Source:** **L. 81:** Entire article added, p. 1907, § 1, effective July 1. **L. 93:** Entire section amended, p. 1671, § 89, effective July 1.

**40-1.1-102. Definitions.** As used in this article, unless the context otherwise requires:

(1) "Charitable organization" means any charitable unit primarily supported by private donation and not for profit, including but not limited to churches, civic groups, clubs, scout troops, or the American red cross.

(2) "Nonprofit" as applied to people service transportation or volunteer transportation means motor vehicle transportation provided for purposes other than for pecuniary gain, whether or not compensation is paid in connection with such transportation.

(3) "People service agency" means any people service unit primarily supported by public funds and not for profit, such as clinics, day care centers, job programs, congregate meal centers, senior citizen programs, and other government funded bodies.

(4) "People service organization" means a people service agency or a charitable organization.

(5) "People service transportation" means motor vehicle transportation provided on a nonprofit basis by a people service organization generally for the purpose of transporting clients or program beneficiaries in connection with people service programs sponsored by the organization, or by another people service organization. The motor vehicle may be owned, leased, borrowed, or contracted for use by the people service organization.

(6) "Volunteer transportation" means motor vehicle transportation provided on a nonprofit basis by an individual, company, firm, partnership, agency, or corporation under the direction, sponsorship, or supervision of a people service organization. The volunteers may receive an allowance to defray the expected cost of operating the vehicle but may not receive compensation for their time.

**Source:** **L. 81:** Entire article added, p. 1907, § 1, effective July 1.

**40-1.1-103. Classification of transportation.** People service transportation and volunteer transportation, as defined in section 40-1.1-102, shall be classified as such for purposes of regulation, insurance, and general administration.

**Source:** **L. 81:** Entire article added, p. 1908, § 1, effective July 1.

**40-1.1-104. Inapplicable laws and regulations.** (1) People service transportation and volunteer transportation shall not be considered transportation for compensation, commercial transportation, or any form of carrier. Thus, the following laws and regulations do not apply to motor vehicles while being used for the purpose of people service transportation or volunteer transportation:

(a) Articles 1 and 2 to 9 of this title, concerning public utilities and common carriers;

(b) Article 10.1 of this title, concerning motor carriers; and

(c) and (d) (Deleted by amendment, L. 2011, (HB 11-1198), ch. 127, p. 419, § 13, effective August 10, 2011.)

(e) Articles 20 to 33 of this title, concerning railroads.

**Source:** **L. 81:** Entire article added, p. 1908, § 1, effective July 1. **L. 2011:** IP(1), (1)(b), (1)(c), and (1)(d) amended, (HB 11-1198), ch. 127, p. 419, § 13, effective August 10.

**40-1.1-105. Insurance for volunteers.** People service agencies of the state or any political subdivision thereof are authorized to purchase insurance to cover volunteers when they provide volunteer transportation.

**Source:** **L. 81:** Entire article added, p. 1908, § 1, effective July 1.

**40-1.1-106. Safety and insurance regulation.** (1) The provisions of parts 2, 3, and 5 of article 4 of title 42, C.R.S., shall be applicable to motor vehicles used in people service transportation or volunteer transportation.

(2) Before a motor vehicle designed to transport more than sixteen passengers and used in people service transportation or volunteer transportation is operated or permitted to operate on any public highway of this state, the owner of such vehicle shall file with the department of revenue a certificate, in a form as approved by said department, evidencing a motor vehicle liability insurance policy issued by an insurance carrier or insurer authorized to do business in the state of Colorado or a surety bond issued by a company authorized to do a surety business in the state of Colorado with a minimum sum of fifty thousand dollars for damages to property of others, a minimum sum of one hundred thousand dollars for damages for or on account of bodily injury or death of one person as a result of any one accident, and, subject to such limit as to one person, a minimum sum of three hundred thousand dollars for or on account of bodily injury to or death of all persons as a result of any one accident.

(3) Any state agency which provides public funds to a people service agency may establish insurance and safety requirements which are in addition to and consistent with any other applicable insurance and safety requirements and which shall apply to people service transportation or volunteer transportation which it funds.

**Source:** **L. 81:** Entire article added, p. 1908, § 1, effective July 1. **L. 94:** (1) amended, p. 2570, § 92, effective January 1, 1995.

**ARTICLE 2**

Public Utilities Commission -

Renewable Energy Standard

PART 1

GENERAL AND ADMINISTRATIVE PROVISIONS

**40-2-101. Creation - appointment - term - subject to termination - repeal of part.** (1) (a) A public utilities commission is created in the department of regulatory agencies, which is known as the public utilities commission of the state of Colorado. The public utilities commission is a **type 1** entity, as defined in section 24-1-105.

(b) The public utilities commission consists of three members appointed by the governor with the consent of the senate. Persons holding office on July 1, 1993, shall continue to serve in such office, but the term of one of these persons shall expire on the Monday preceding the second Tuesday of January, 1995, of another, the Monday preceding the second Tuesday of January, 1996, and of the third, the Monday preceding the second Tuesday of January, 1997, all as the governor shall designate; except that such designation shall not result in the extension of the term of any member to more than four years' duration. Thereafter, appointments shall be made for terms of four years.

(2) No more than two members of the public utilities commission shall be affiliated with the same political party, and any appointment to fill a vacancy shall be for the unexpired term. Each commissioner shall be a qualified elector of this state. The governor shall designate one member of the commission as chair of the commission. The commissioners shall devote their entire time to the duties of their office to the exclusion of any other employment and shall receive such compensation as is designated by law. A majority of the commission shall constitute a quorum for the transaction of its business.

(3) (a) The provisions of section 24-34-104, C.R.S., concerning the termination schedule for regulatory bodies of the state unless extended as provided in that section, are applicable to the public utilities commission created by this section.

(b) (I) This part 1 is repealed, effective September 1, 2026.

(II) Before the repeal, the public utilities commission is scheduled for review in accordance with section 24-34-104.

**Source:** **L. 13:** p. 465, § 4. **C.L.** § 2915. **CSA:** C. 137, § 5. **CRS 53:** § 115-2-1. **C.R.S. 1963:** § 115-2-1. **L. 69:** p. 928, § 2. **L. 76:** (3) added, p. 627, § 40, effective July 1. **L. 87:** (1) amended, p. 914, § 31, effective June 15. **L. 91:** (3) amended, p. 691, § 71, effective April 20. **L. 93:** (1) and (3)(b) amended, p. 2057, § 4, effective July 1. **L. 98:** (3)(b) amended, p. 404, § 1, effective July 1. **L. 2003:** (3)(b) amended, p. 731, § 3, effective March 20; (2) amended, p. 1698, § 1, effective May 14. **L. 2008:** (3)(b)(I) amended, p. 1791, § 1, effective July 1. **L. 2018:** (3)(b)(I) amended, (HB 18-1270), ch. 360, p. 2153, § 3, effective August 8. **L. 2019:** (3)(b) amended, (SB 19-236), ch. 359, p. 3290, § 1, effective May 30. **L. 2022:** (1) amended, (SB 22-162), ch. 469, p. 3398, § 141, effective August 10.

**Cross references:** (1) For salaries of commissioners, see § 24-9-102; for the powers and duties of the public utilities commission in regard to motor vehicle carriers, see article 10.1 of this title.

(2) For the short title ("Energy Storage Procurement Act") in HB 18-1270, see section 1 of chapter 360, Session Laws of Colorado 2018. For the short title (the "Debbie Haskins 'Administrative Organization Act of 1968' Modernization Act") in SB 22-162, see section 1 of chapter 469, Session Laws of Colorado 2022.

**40-2-102. Oath - qualifications.** Each commissioner, before entering upon the duties of his office, shall take the constitutional oath of office. No person in the employ of or holding any official relation to any corporation or person, which said corporation or person is subject in whole or in part to regulation by the commission, and no person owning stocks or bonds of any such corporation or who is in any manner pecuniarily interested therein shall be appointed to or hold the office of commissioner or be appointed or employed by the commission; but if any such person becomes the owner of such stocks or bonds or becomes pecuniarily interested in such corporation otherwise than voluntarily, he shall divest himself of such ownership or interest within six months; failing to do so, his office or employment shall become vacant.

**Source:** **L. 13:** p. 466, § 5. **C.L.** § 2916. **CSA:** C. 137, § 6. **CRS 53:** § 115-2-2. **C.R.S. 1963:** § 115-2-2. **L. 69:** p. 928, § 3.

**Cross references:** For the oath of office, see § 8 of article XII of the Colorado Constitution.

**40-2-103. Director - duties.** (1) The executive director of the department of regulatory agencies, pursuant to section 13 of article XII of the state constitution, and with the approval of the commission, shall appoint a director of the commission. The director shall manage the operations of the agency in order to carry out the public utilities law, to carry out and implement policies, procedures, and decisions made by the commission, and to meet the requirements of the commission concerning any matters within the authority of a **type 1** entity, as defined in section 24-1-105, and which requirements are under the jurisdiction of the commission. The director has all the powers and responsibilities of the division director for this purpose, including the power to issue all necessary process, writs, warrants, and notices. The director has the requisite power to serve warrants and other process in any county or city and county of this state and to delegate such actions to duly authorized employees or agents of the agency as appropriate.

(2) Repealed.

**Source:** **L. 13:** p. 466, § 6. **C.L.** § 2917. **CSA:** C. 137, § 7. **CRS 53:** § 115-2-3. **C.R.S. 1963:** § 115-2-3. **L. 69:** p. 928, § 4. **L. 89:** Entire section amended, p. 1524, § 2, effective April 12. **L. 93:** Entire section amended, p. 2057, § 5, effective July 1. **L. 2013:** Entire section amended, (HB 13-1027), ch. 83, p. 267, § 1, effective August 7. **L. 2017:** (2) repealed, (SB 17-044), ch. 4, p. 7, § 5, effective August 9. **L. 2022:** (1) amended, (SB 22-162), ch. 469, p. 3399, § 142, effective August 10.

**Cross references:** For the short title (the "Debbie Haskins 'Administrative Organization Act of 1968' Modernization Act") in SB 22-162, see section 1 of chapter 469, Session Laws of Colorado 2022.

**40-2-104. Assistants and employees - utilization of independent experts.** (1) The director of the commission may appoint such experts, engineers, statisticians, accountants, investigative personnel, clerks, and other employees as are necessary to carry out the provisions of this title or to perform the duties and exercise the powers conferred by law upon the commission.

(2) (Deleted by amendment, L. 93, p. 2058, § 6, effective July 1, 1993.)

(3) The director of the commission shall hire and designate employees of the commission as administrative law judges who shall have the power to administer oaths, examine witnesses, receive evidence, and conduct hearings, investigations, and other proceedings on behalf of the commission.

(4) (a) Of the money that the commission receives from the public utilities commission fixed utility fund pursuant to section 40-2-114 (1)(b)(II), up to two hundred fifty thousand dollars per year may be allocated to personal services contracts with outside consultants and experts that meet criteria specified by the commission.

(b) The amount allocated for outside consultants and experts pursuant to subsection (4)(a) of this section shall be adjusted annually in accordance with changes in the United States department of labor's bureau of labor statistics consumer price index for Denver-Aurora-Lakewood for all items and all urban consumers, or its successor index.

**Source:** **L. 13:** p. 466, § 7. **C.L.** § 2918. **CSA:** C. 137, § 8. **CRS 53:** § 115-2-4. **C.R.S. 1963:** § 115-2-4. **L. 69:** p. 928, § 5. **L. 89:** (1) and (3) amended, p. 1524, § 3, effective April 12. **L. 93:** Entire section amended, p. 2058, § 6, effective July 1. **L. 2021:** (4) added, (SB 21-272), ch. 220, p. 1156, § 1, effective June 10.

**40-2-104.5. Financial disclosures by intervenors.** (1) An intervenor in any matter before the commission shall disclose any of the following relationships that exist or, within the immediately preceding twenty-four months, existed between the intervenor and the regulated utility in the matter:

(a) Any corporate affiliation with the regulated utility;

(b) The receipt of any funding from the regulated utility; or

(c) Any other financial relationship between the intervenor and the regulated utility.

(2) The commission shall publish on its website all disclosures made pursuant to this section.

**Source:** **L. 2021:** Entire section added, (SB 21-272), ch. 220, p. 1156, § 2, effective June 10.

**40-2-105. Office - sessions - seal - supplies.** (1) The office of the commission shall be in the city and county of Denver. The office shall be open every day, legal holidays, Saturdays, and Sundays excepted. Hearings under this title may be held in such places within this state as shall be determined by the commission. It is the duty of the office of state planning and budgeting to provide suitable quarters for the commission and its employees.

(2) The commission shall have a seal bearing the following inscription: "The public utilities commission of the state of Colorado". The seal shall be affixed to all writs and authentications of copies of records and to such other instruments as the commission shall direct. All courts shall take judicial notice of said seal.

(3) Necessary expenses of the commission shall be paid from appropriations made by the general assembly to the commission.

**Source:** **L. 13:** p. 467, § 8. **C.L.** § 2919. **CSA:** C. 137, § 9. **CRS 53:** § 115-2-5. **C.R.S. 1963:** § 115-2-5. **L. 69:** p. 929, § 6. **L. 75:** (1) amended, p. 821, § 18, effective July 18. **L. 89:** (1) amended, p. 1525, § 4, effective April 12.

**Cross references:** For legal holidays, see article 11 of title 24; for payment of expenses, see § 40-2-107.

**40-2-106. Reports and decisions of the commission.** Whenever an investigation is made, a hearing is held, or a decision is entered by the commission, it is the duty of the commission to make a report or decision in writing in respect thereto which shall state its findings of fact and conclusions thereon, together with its decision or requirement in the premises. All such reports and decisions shall be entered of record and a copy thereof shall be furnished to all parties to the proceedings and to such other persons as the commission may deem advisable.

**Source:** **L. 13:** p. 467, § 9. **C.L.** § 2920. **CSA:** C. 137, § 10. **L. 45:** p. 525, § 1. **CRS 53:** § 115-2-6. **C.R.S. 1963:** § 115-2-6. **L. 69:** p. 929, § 7.

**40-2-107. Compensation and expenses of employees.** (1) All employees of the commission shall receive such compensation as may be fixed pursuant to law.

(2) Repealed.

(3) All expenses incurred by the commission pursuant to the provisions of this title, including the actual and necessary traveling expenses and other expenses and disbursements of the commissioners, their officers, and employees shall be paid by the controller from the funds appropriated for the use of the commission upon vouchers of the commission therefor.

**Source:** **L. 13:** p. 468, § 10. **C.L.** § 2921. **CSA:** C. 137, § 11. **CRS 53:** § 115-2-7. **C.R.S. 1963:** § 115-2-7. **L. 69:** p. 930, § 8. **L. 89:** (3) amended, p. 1525, § 5, effective April 12. **L. 93:** (2) repealed, p. 2058, § 7, effective July 1.

**Cross references:** For appropriations, see part 1 of article 75 of title 24.

**40-2-108. Rules - legislative declaration.** (1) The commission shall promulgate such rules as are necessary for the proper administration and enforcement of this title and shall furnish, without charge, copies of the appropriate rules to each public utility under its jurisdiction and, upon request, to any public officer, agency, political subdivision, association of officers, agencies, or political subdivisions and to any representative of twenty-five or more consumers. The commission shall be governed by the provisions of article 4 of title 24, C.R.S., for the promulgation and adoption of rules; except that, notwithstanding any provision of the said article 4 of title 24, C.R.S., to the contrary, the commission shall issue a decision whenever it adopts rules in accordance with this section.

(2) Notwithstanding section 24-4-103 (6), C.R.S., any temporary or emergency rule adopted by the commission shall be effective until a permanent rule that replaces the temporary or emergency rule is effective but not for more than two hundred ten days after the date of adoption.

(3) (a) The general assembly finds, determines, and declares that:

(I) Certain communities, both in Colorado and internationally, have historically been forced to bear a disproportionate burden of adverse human health or environmental effects, as documented in numerous studies, including the "Toxic Wastes and Race at Twenty, 1987-2007" report by the United Church of Christ Justice & Witness Ministries; the federal environmental protection agency's annual environmental justice progress reports; and a 2021 report from the "Mapping for Environmental Justice" project at the Berkeley Public Policy/The Goldman School that shows how the pollution burden is distributed in Colorado, while also facing systemic exclusion from environmental decision-making processes and enjoying fewer environmental benefits; and

(II) The purpose of this subsection (3) is to ensure that the commission, in exercising its regulatory authority, will take account of and, where possible, help to correct these historical inequities.

(b) The commission shall promulgate rules requiring that the commission, in all of its work including its review of all filings and its determination of all adjudications, consider how best to provide equity, minimize impacts, and prioritize benefits to disproportionately impacted communities and address historical inequalities.

(c) (I) In promulgating rules pursuant to this subsection (3), the commission shall identify disproportionately impacted communities. In identifying the communities, the commission shall consider minority, low-income, tribal, or indigenous populations in the state that experience disproportionate environmental harm and risks resulting from such factors as increased vulnerability to environmental degradation, lack of opportunity for public participation, or other factors. Increased vulnerability may be attributable to an accumulation of negative or a lack of positive environmental, health, economic, or social conditions within these populations.

(II) When making decisions relating to retail customer programs, the commission shall host informational meetings, workshops, and hearings that invite input from disproportionately impacted communities and shall ensure, to the extent reasonably possible, that such programs, including any associated incentives and other relevant investments, include floor expenditures, set aside as equity budgets, to ensure that low-income customers and disproportionately impacted communities will have at least proportionate access to the benefits of such programs, incentives, and investments.

(d) Repealed.

**Source:** **L. 13:** p. 468, § 12. **C.L.** § 2923. **CSA:** C. 137, § 13. **CRS 53:** § 115-2-9. **C.R.S. 1963:** § 115-2-9. **L. 64:** p. 166, § 124. **L. 69:** p. 930, § 9. **L. 89:** Entire section amended, p. 1525, § 6, effective April 12. **L. 93:** Entire section amended, p. 2058, § 8, effective July 1. **L. 95:** Entire section amended, p. 232, § 1, effective April 17. **L. 2021:** (3) added, (SB 21-272), ch. 220, p. 1157, § 3, effective June 10. **L. 2023:** (3)(d) repealed, (HB 23-1233), ch. 245, p. 1333, § 20, effective May 23.

**Cross references:** For the legislative declaration in HB 23-1233, see section 1 of chapter 245, Session Laws of Colorado 2023.

**40-2-109. Report to executive director of the department of revenue.**

(1) Repealed.

(2) (a) On March 1 of each year, the public utilities commission shall furnish the executive director of the department of revenue with a list of those public utilities subject to its jurisdiction, supervision, and regulation on January 1 of each year. The provisions of this subsection (2) shall not apply to:

(I) Motor carriers subject to the passenger-mile tax imposed by sections 42-3-304 and 42-3-306, so long as the cost of regulation of such motor carriers is defrayed from the proceeds of such passenger-mile tax; and

(II) Rail fixed guideway systems that are regulated by the public utilities commission pursuant to part 1 of article 18 of this title.

(III) On and after July 1, 2027, railroads identified in section 40-20-311 (3) for inspection, investigation, and enforcement activities pursuant to part 3 of article 20 of this title 40.

(b) The director of the public utilities commission shall provide written notice to the revisor of statutes once the federal grant money made available under the "Moving Ahead for Progress in the 21st Century Act", 49 U.S.C. sec. 5329, have been awarded to the state. This subsection (2) takes effect upon the receipt by the revisor of statutes of such written notice.

**Source:** **L. 55:** p. 695, § 1. **CRS 53:** § 115-2-10. **C.R.S. 1963:** § 115-2-10. **L. 89:** Entire section amended, p. 1597, § 14, effective January 1, 1990. **L. 94:** Entire section amended, p. 2570, § 93, effective January 1, 1995. **L. 2005:** Entire section amended, p. 1184, § 37, effective August 8. **L. 2011:** Entire section amended, (HB 11-1198), ch. 127, p. 419, § 14, effective August 10. **L. 2013:** Entire section amended, (HB 13-1103), ch. 96, p. 309, § 1, effective August 7. **L. 2018:** (2)(a)(I) amended, (HB 18-1375), ch. 274, p. 1723, § 85, effective May 29. **L. 2025:** (2)(a)(III) added, (SB 25-162), ch. 420, p. 2379, § 10, effective June 4.

**Editor's note:** (1) The revisor of statutes received the notice referred to in subsection (1)(b) resulting in the repeal of subsection (1), effective May 1, 2017. (See L. 2013, p. 309.)

(2) The revisor of statutes received the notice referred to in subsection (2)(b) resulting in subsection (2) becoming effective May 1, 2017.

**Cross references:** For the legislative declaration in SB 25-162, see section 1 of chapter 420, Session Laws of Colorado 2025.

**40-2-109.5. Incentives for distributed generation - definition.** (1) The commission shall develop a policy to establish incentives for consumers who produce distributed generation, including, but not limited to, small wind turbines, thermal biomass, electric biomass, and solar thermal energy. The commission shall consider whether a credit program similar to the renewable energy standard set forth in section 40-2-124 would work for consumers who produce distributed generation. The commission shall present the policy and findings regarding a credit program to the house of representatives transportation and energy committee and the senate agriculture, natural resources, and energy committee, or their successor committees.

(2) As used in this section, "distributed generation" means a system by which a consumer generates heat or electricity using renewable energy resources for his or her own needs and may also send surplus electrical power back into the power grid.

(3) Effective January 1, 2012, all photovoltaic installations funded wholly or partially through financial incentives under this section shall be subject to the requirements set forth in section 40-2-128.

**Source:** **L. 2007:** Entire section added, p. 1761, § 7, effective June 1. **L. 2010:** (3) added, (HB 10-1001), ch. 37, p. 154, § 7, effective August 11.

**40-2-110. Appropriation and fees.** (1) At each regular session, the general assembly shall determine the amounts to be expended by the public utilities commission for its administrative expenses in supervising and regulating the public utilities which are under its jurisdiction, a list of which the commission is required by section 40-2-109 to furnish to the department of revenue, and shall appropriate to the public utilities commission from the public utilities commission fixed utility fund, established in section 40-2-114, the full amount so determined, and such amount shall be defrayed out of the fees to be paid by such public utilities, as provided in section 40-2-112.

(2) (a) (I) At each regular session, the general assembly shall determine the amounts to be expended by the public utilities commission for its administrative expenses in the supervision and regulation of motor carriers as provided by law and shall appropriate such amounts from the public utilities commission motor carrier fund established in section 40-2-110.5 as are necessary to be expended by the commission to accomplish said purposes.

(II) Repealed.

(b) Repealed.

**Source:** **L. 55:** p. 695, § 1. **CRS 53:** § 115-2-11. **L. 57:** p. 599, § 1. **C.R.S. 1963:** § 115-2-11. **L. 69:** p. 930, § 10. **L. 82:** (2) amended, p. 584, § 1, effective July 1. **L. 85:** (2)(a)(II) and (2)(b)(II) amended, p. 1295, § 1, effective July 1. **L. 88:** (2)(a)(I) amended and (2)(a)(II) and (2)(b) repealed, pp. 1351, 1352, §§ 1, 3, effective July 1.

**40-2-110.5. Annual fees - public utilities commission motor carrier fund - created.**

(1) (Deleted by amendment, L. 2011, (HB 11-1198), ch. 127, p. 419, § 15, effective August 10, 2011.)

(2) (a) (Deleted by amendment, L. 2003, p. 2380, § 2, effective August 6, 2003.)

(b) to (e) (Deleted by amendment, L. 93, p. 2059, § 9, effective July 1, 1993.)

(2.5) (Deleted by amendment, L. 2005, p. 31, § 1, effective August 8, 2005.)

(3) Repealed.

(4) and (5) (Deleted by amendment, L. 2011, (HB 11-1198), ch. 127, p. 419, § 15, effective August 10, 2011.)

(6) The public utilities commission motor carrier fund is hereby created in the state treasurer's office. The moneys in the fund shall be subject to annual appropriation by the general assembly for the purposes specified in section 40-2-110 (2)(a)(I). Any unexpended balance remaining in said fund at the end of any fiscal year shall remain in the fund.

(6.5) and (7) Repealed.

(8) Notwithstanding the amount specified for any fee in section 40-10.1-111, the commission by rule or as otherwise provided by law may reduce the amount of one or more of the fees if necessary pursuant to section 24-75-402 (3), C.R.S., to reduce the uncommitted reserves of the fund to which all or any portion of one or more of the fees is credited. After the uncommitted reserves of the fund are sufficiently reduced, the commission by rule or as otherwise provided by law may increase the amount of one or more of the fees as provided in section 24-75-402 (4), C.R.S.

(9) (a) For the 2013-14 fiscal year and for each fiscal year thereafter, if the amount of uncommitted reserves in the motor carrier fund at the conclusion of any given fiscal year exceeds ten percent of the fund's expenditures during that fiscal year, the amount of the excess that is attributable to revenues received from any motor carrier, motor private carrier, broker, freight forwarder, leasing company, or any other person required to register with the United States department of transportation under the unified carrier registration system as authorized by federal law and as provided for in section 40-10.5-102 shall be transferred to the motor carrier safety fund created in section 42-4-235 (6), C.R.S.

(b) The distribution required by paragraph (a) of this subsection (9) is in lieu of, and shall supersede, any provision to the contrary in section 24-75-402, C.R.S.

**Source:** **L. 82:** Entire section added, p. 585, § 2, effective July 1. **L. 83:** (1) and (2) amended and (2.5) added, p. 1548, § 1, effective June 1; (2.5) amended, p. 2056, § 38, effective October 14. **L. 84:** (2) amended, p. 1034, § 1, effective April 2; (1) and (2) amended, p. 1051, § 4, effective April 12. **L. 85:** (1) amended, p. 1308, § 4, effective May 29; (7) amended, p. 1295, § 2, effective July 1. **L. 88:** (3) and (6) amended and (7) repealed, pp. 1351, 1352, §§ 2, 3, effective July 1; (3) repealed, p. 1351, § 2, effective July 1, 1989. **L. 93:** (2) and (4) amended, p. 2059, § 9, effective July 1. **L. 95:** (1) amended, p. 1211, § 27, effective May 31. **L. 98:** (8) added, p. 1348, § 86, effective June 1. **L. 2003:** (6.5) added, p. 458, § 20, effective March 5; (1) and (2)(a) amended, p. 2380, § 2, effective August 6. **L. 2005:** (1) and (2.5) amended, p. 31, § 1, effective August 8. **L. 2006:** (6.5) repealed and (9) added, pp. 1102, 1094, §§ 24, 4, effective August 7. **L. 2008:** (1) amended, p. 1792, § 5, effective July 1. **L. 2009:** (1) and (4) amended, (SB 09-292), ch. 369, p. 1981, § 119, effective August 5. **L. 2011:** (1), (4), (5), and (8) amended, (HB 11-1198), ch. 127, p. 419, § 15, effective August 10. **L. 2014:** (9)(a) amended, (HB 14-1081), ch. 8, p. 90, § 1, effective February 27.

**Editor's note:** Amendments to subsection (2) by Senate Bill 84-85 and House Bill 84-1252 were harmonized.

**40-2-111. Report of utilities to department of revenue.** Each public utility required to pay such fees shall, on or before May 15 of each year, file a return with the department of revenue on such forms as shall be prescribed by the executive director of the department of revenue and the public utilities commission setting forth the gross operating revenues of such public utility from intrastate utility business only transacted in the state of Colorado during the preceding calendar year. Such return shall be executed and verified by two of the executive officers of the utility making the return and shall contain or be verified by a written declaration that it is made under the penalties of perjury in the second degree, and any officer who knowingly and willfully makes and signs a false return is guilty of perjury in the second degree.

**Source:** **L. 55:** p. 166, § 1. **CRS 53:** § 115-2-12. **C.R.S. 1963:** § 115-2-12. **L. 69:** p. 964, § 75. **L. 72:** p. 565, § 39.

**Cross references:** For perjury in the second degree, see § 18-8-503.

**40-2-112. Computation of fees.** (1) (a) On or before June 1 of each year, the executive director of the department of revenue shall ascertain the aggregate amount of gross operating revenues of telephone corporations and all other public utilities filing returns as provided in section 40-2-111. Based on appropriations made by the general assembly, the executive director of the department of regulatory agencies shall specify, for the telecommunications utility fund, created in section 40-2-114 (1)(b)(I), and the public utilities commission fixed utility fund, created in section 40-2-114 (1)(b)(II), the revenue needed to provide for the direct and indirect costs of the supervision and regulation of telephone corporations and all other public utilities under the jurisdiction of the department of regulatory agencies, excluding the amount of money provided as administrative support from the various telecommunications programs administered by the commission, including the high cost support mechanism, established in section 40-15-208; the 911 surcharge, established in section 29-11-102.3; the 988 surcharge, established in section 40-17.5-102; and the telephone disability access surcharge, established in section 40-17-102.

(b) (I) For each telephone corporation, the executive director of the department of regulatory agencies shall compute the percentage which the amount of revenue needed for the direct and indirect costs of the supervision and regulation of telephone corporations is of the aggregate amount of gross operating revenues of the telephone corporation derived from intrastate utility business transacted during the preceding calendar year, and that percentage shall be the basis upon which fees due from telephone corporations for the ensuing year shall be fixed.

(II) For each public utility other than a telephone corporation, the executive director of the department of regulatory agencies shall compute the percentage which the amount of revenue needed for the direct and indirect costs of the supervision and regulation of public utilities other than telephone corporations is of the aggregate amount of gross operating revenues of such public utilities derived from intrastate utility business transacted during the preceding calendar year, and that percentage shall be the basis upon which fees due from the public utilities for the ensuing year shall be fixed.

(2) In recognition of the fact that nonprofit generation and transmission electric corporations or associations may be subject to less regulation and to no rate regulation by the commission, the executive director of the department of revenue shall disregard any revenues reported by such entities in making the computations required under subsection (1) of this section. In addition, the executive director of the department of revenue shall, in consultation with the director of the commission, enter into an agreement with each nonprofit generation and transmission electric corporation or association whereby such entity agrees to pay an amount equal to the administrative expenses reasonably anticipated to be incurred by the commission for the regulation of such entity. Said agreement shall be made by May 1 of the year in which it is to become effective and shall remain effective for not less than two and not more than five years. In the event that the anticipated amount set forth in the agreement proves to be substantially higher or lower than the commission's actual expenses incurred, the agreement for the next following year or years shall be adjusted so as to take such fact into account. If no such agreement is made as provided in this subsection (2), the commission, on its own motion or upon application by the executive director of the department of revenue or by such entity, shall set the matter for hearing and determine the amount to be paid by the entity. Amounts paid under agreements as contemplated by this subsection (2) or by order of the commission shall be used to reduce amounts paid by other utilities under subsection (1) of this section.

**Source:** **L. 55:** p. 696, § 1. **CRS 53:** § 115-2-13. **L. 57:** p. 599, § 1. **C.R.S. 1963:** § 115-2-13. **L. 93:** Entire section amended, p. 2060, § 10, effective July 1. **L. 2024:** (1) amended, (HB 24-1234), ch. 266, p. 1745, § 3, effective August 7. **L. 2025:** (1)(a) amended, (HB 25-1154), ch. 230, p. 1087, § 30, effective May 22.

**40-2-113. Collection of fees - limitation.** (1) On or before June 15 of each year, the department of revenue shall notify each public utility subject to this article 2 of the amount of its fee for the ensuing fiscal year beginning July 1, computed by multiplying its gross intrastate utility operating revenues for the preceding calendar year, as set forth in its return filed for that purpose, by the percentage determined in accordance with section 40-2-112; except that the department of revenue shall not require a public utility that is a telephone corporation to pay a fee in excess of two-fifths of one percent of its gross intrastate utility operating revenues for the preceding calendar year and shall not require any other public utility to pay a fee in excess of forty-five one-hundredths of one percent of its gross intrastate utility operating revenues for the preceding calendar year.

(2) Each public utility, including penal communications service providers, as defined in section 17-42-103 (2), shall pay the fee assessed against it to the department of revenue in equal quarterly installments on or before July 15, October 15, January 15, and April 15 in each fiscal year. If a public utility does not make a payment by one of the quarterly deadlines, the department of revenue shall charge the public utility a penalty of ten percent of the installment due, together with interest at the rate of one percent per month on the amount of the unpaid installment until the full amount of the installment, penalty, and interest has been paid. Upon failure, refusal, or neglect of any public utility to pay the fee, or any penalty or interest, the attorney general shall bring suit in the name of the state to collect the amount due.

(3) The commission shall allow a public utility that is not a telephone corporation full recovery of fees assessed and remitted to the department of revenue pursuant to this section. The recovery mechanism must include the ability of the utility, at its option, to use a deferred account to track changes in fees between rate proceedings.

**Source:** **L. 55:** p. 696, § 1. **CRS 53:** § 115-2-14. **C.R.S. 1963:** § 115-2-14. **L. 2015:** Entire section amended, (HB 15-1372), ch. 247, p. 906, § 1, effective May 29. **L. 2021:** Entire section amended, (SB 21-272), ch. 220, p. 1158, § 4, effective June 10; entire section amended, (HB 21-1201), ch. 389, p. 2599, § 3, effective June 30.

**Editor's note:** Amendments to this section by SB 21-272 and HB 21-1201 were harmonized.

**40-2-114. Disposition of fees collected - telecommunications utility fund - fixed utility fund - appropriation.** (1) (a) Three percent of the fees collected under section 40-2-113 by the department of revenue shall be remitted to the state treasurer and credited by the state treasurer as follows:

(I) Notwithstanding any other provision of this paragraph (a), for the 2016-17 fiscal year and for any fiscal year thereafter in which a grant match is required for the receipt of federal money under the federal "Moving Ahead for Progress in the 21st Century Act", Pub.L. 112-141, 126 Stat. 405, for rail fixed guideway system safety oversight responsibilities under article 18 of this title, the lesser of all of the fees or up to one hundred fifty thousand dollars of the fees, or as much thereof as the commission deems necessary, to the public utilities commission fixed utility fund created in paragraph (b) of this subsection (1);

(II) For the 2017-18 fiscal year and for each fiscal year thereafter, the lesser of all of the fees remaining after fees are credited as required by subparagraph (I) of this paragraph (a) or an amount of the fees equal to two hundred forty thousand dollars plus a cumulative inflation adjustment of two percent for each fiscal year beginning with the 2017-18 fiscal year to the highway-rail crossing signalization fund created in section 40-29-116 (1); and

(III) Any remaining fees to the general fund.

(b) For the remaining ninety-seven percent of the fees collected, the state treasurer shall credit:

(I) Fees paid by public utilities that are telephone corporations to the telecommunications utility fund, which fund is hereby created; and

(II) Fees paid by other public utilities to the public utilities commission fixed utility fund, which fund is hereby created.

(2) (a) Money in the funds created in subsection (1) of this section shall be expended only to defray the full amount determined by the general assembly for:

(I) The administrative expenses of the commission for the supervision and regulation of the public utilities paying the fees;

(II) The financing of the office of the utility consumer advocate created in article 6.5 of this title 40; and

(III) With regard only to expenditures from the public utilities commission fixed utility fund created in subsection (1)(b) of this section, the administrative expenses, not to exceed five hundred thousand dollars annually, incurred by the Colorado electric transmission authority in carrying out its duties under article 42 of this title 40. The Colorado electric transmission authority shall remit to the public utilities commission fixed utility fund any amounts it receives in excess of its actual administrative expenses plus a fifty percent reserve margin.

(b) The state treasurer shall retain any unexpended balance remaining in either fund at the end of any fiscal year to defray the administrative expenses of the commission during subsequent fiscal years, and the executive director of the department of revenue shall take any such unexpended balance into account when computing the percentage upon which fees for the ensuing fiscal year will be based.

**Source:** **L. 55:** p. 697, § 1. **CRS 53:** § 115-2-15. **L. 57:** p. 600, § 1. **C.R.S. 1963:** § 115-2-15. **L. 64:** p. 654, § 10. **L. 69:** p. 930, § 11. **L. 84:** Entire section amended, p. 1047, § 4, effective July 1. **L. 2015:** Entire section amended, (HB 15-1372), ch. 247, p. 907, § 2, effective May 29. **L. 2016:** (1) amended, (HB 16-1186), ch. 212, p. 820, § 1, effective June 6; (1)(a) amended, (SB 16-087), ch. 217, p. 831, § 1, effective June 6. **L. 2021:** (2) amended, (SB 21-072), ch. 329, p. 2128, § 10, effective June 24; (2) amended, (SB 21-103), ch. 477, p. 3413, § 11, effective September 1. **L. 2023:** (2)(a)(III) amended, (SB 23-016), ch. 165, p. 744, § 17, effective August 7.

**Editor's note:** Amendments to subsection (2) by SB 21-072 and SB 21-103 were harmonized.

**40-2-115. Cooperation with other states and with the United States - natural gas pipeline safety and repair - customer-owned service line maintenance and repairs notice of responsibility - rules - definitions.** (1) (a) The commission may confer with or hold joint hearings with the authorities of any state or any agency of the United States in connection with any matter arising in proceedings under this title 40, under the laws of any state, or under the laws of the United States; avail itself of the cooperation, services, records, and facilities of authorities of this state, any other state, or any agency of the United States as may be practicable in the enforcement or administration of the provisions of this title 40; and enter into cooperative agreements with the various states and with any agency of the United States to enforce the economic and safety laws and rules of this state and of the United States.

(b) The commission may provide for the exchange of information concerning the enforcement of the economic and safety laws and rules of this state, any other state, and the United States relating to public utilities or to safety of transportation of gas by any person, including a municipality. In particular, the commission may submit a certification to, or enter into an agreement with, the United States secretary of transportation under 49 U.S.C. sec. 60105 or 60106, respectively, so that the commission may enforce the rules of the United States department of transportation concerning pipeline safety promulgated under 49 U.S.C. sec. 60101 et seq. The commission shall adopt such rules as are necessary and proper to comply with federal requirements.

(c) The commission's rules adopted pursuant to this section must apply to all persons and entities constituting the intrastate pipeline system to the maximum extent permissible under federal law and the Colorado constitution, including all:

(I) Public utilities and municipal or quasi-municipal corporations transporting gas or providing gas service;

(II) Operators of natural gas master metered systems;

(III) Operators of liquid petroleum gas distribution systems;

(IV) Operators of pipelines transporting gas in intrastate commerce; and

(V) Operators of intrastate liquefied natural gas facilities.

(d) (I) The commission shall adopt pipeline safety rules that incorporate the most current federal requirements under 49 CFR 191, 192, 193, and 199, as applicable, to maintain minimum standards for gas pipeline safety.

(II) The commission's gas pipeline safety rules must address, and may be more stringent than required by federal standards with regard to:

(A) Qualifications and verifiable credentials for personnel engaged in pipeline construction, inspection, and repair activities;

(B) Reduction of the risks posed by abandoned gas pipelines;

(C) Mapping of all pipelines within the commission's jurisdiction. For this purpose, the commission may incorporate information from any existing flowline maps or other maps prepared by the energy and carbon management commission created in section 34-60-104.3 (1) and showing pipelines subject to the jurisdiction of that agency. The public utilities commission's mapping requirements for pipelines within its jurisdiction must incorporate the same standards for confidentiality, security, and public access and limitations on the scale of publicly available images as adopted by the energy and carbon management commission in 2 CCR 404-1, rule 1101.e.

(D) Increased frequency of inspections of all pipelines within the commission's jurisdiction;

(E) Use of advanced leak detection technology to meet the need for pipeline safety and protection of the environment;

(F) Expansion of annual reporting requirements for pipeline operators;

(G) Requirements for commission investigation of specific types of pipeline damage and pursuit of appropriate civil remedies for such damage;

(H) On or before March 1, 2024, requirements for the installation or reinstallation of service regulators by the owner or operator so that any vents associated with the service regulators are at least twelve inches above ground level and located in an area that is protected from external blockage; and

(I) On or before March 1, 2024, requirements for the visual inspection of gas meters and service regulators by a qualified individual no less frequently than every five calendar years with intervals not to exceed sixty-three months and record documentation of each inspection and for the owner or operator of the gas meter or service regulator to retain the documentation for the lifetime of the gas meter or service regulator.

(e) In addition to all other powers and duties conferred on the commission by this title 40, the commission may issue orders requiring any person to comply with, or to cease and desist from any violation of, the rules adopted under this section.

(f) Notwithstanding any provision of this section to the contrary, the commission shall not adopt any rules that regulate underground natural gas storage facilities.

(g) On or before November 1, 2025, the commission shall adopt rules related to pipeline safety and repair and the use of advanced leak detection technology in accordance with subsection (1)(d)(II)(E) of this section.

(1.5) (a) On or before March 1, 2024, the commission shall promulgate rules to establish a process for determining whether an owner or operator or a customer has responsibility for the maintenance and repairs of a customer-owned service line installed on or after August 14, 1995, and before March 1, 2024.

(b) On or before March 1, 2024, the commission shall promulgate rules requiring an owner or operator that distributes natural gas to a customer-owned service line installed by the owner or operator on or after March 1, 2024, to provide written notice to the customer within ninety days after installation that, at a minimum, informs the customer whether the customer or the owner or operator is responsible for maintaining and repairing the customer-owned service line.

(c) The commission's rules pursuant to subsection (1.5)(b) of this section must include specific circumstances for when a customer may be responsible for maintaining and repairing the customer-owned service line and a requirement that:

(I) The owner or operator use best efforts to obtain a copy of the written notice described in subsection (1.5)(b) of this section with the customer's signature from the customer within ninety days after installation of the customer-owned service line;

(II) With respect to the copy of the written notice described in subsection (1.5)(b) of this section that includes the customer's signature in accordance with subsection (1.5)(c)(I) of this section, the owner or operator:

(A) Provide a copy to the customer for the customer's records;

(B) Maintain a copy for the owner's or operator's records for the duration of the lifetime of the customer-owned service line;

(C) Provide a copy to an inspector upon request; and

(D) If the property on which the customer-owned service line is located changes ownership, use best efforts to obtain a new copy of the written notice described in subsection (1.5)(b) of this section with the new property owner's signature from the new property owner within ninety days after the change of ownership if the owner or operator is aware of the change; and

(III) If the owner or operator fails to obtain a copy of the written notice described in subsection (1.5)(b) of this section with the customer's signature from the customer in accordance with subsection (1.5)(c)(I) of this section, the owner or operator either maintain proof of efforts to obtain the customer's signature or document the customer's refusal to provide a signature.

(d) Notwithstanding any other provision of this section to the contrary, an owner or operator is responsible for all maintenance and repairs of the portion of a service line that is upstream from the gas meter.

(e) Notwithstanding any other provision of this section to the contrary, the commission's gas pipeline safety rules pursuant to this section must permit any activity that is within the best practices and standards for the industry given continuous improvement and changes to technology.

(2) As used in this section, unless the context otherwise requires, or as otherwise defined in commission rules:

(a) "Customer-owned service line" means the portion of the service line that extends downstream from the gas meter to the customer's primary residential or commercial structure that is serviced with natural gas.

(b) (I) "Distribution system" means the piping and associated facilities used to deliver natural gas to customers.

(II) "Distribution system" does not include the facilities that an owner or operator owns that are classified as production, storage, gathering, or transmission facilities.

(c) "Gas" means natural gas, flammable gas, and any gas that is toxic or corrosive.

(d) "Gas meter" means the meter that measures the transfer of gas from an owner or operator of a customer-owned service line to a customer.

(e) "Main line" means the portion of a distribution system that serves, or is designed to serve, as a common source of gas supply for more than one service line.

(f) "Owner or operator" means an owner or operator of a distribution system or an investor-owned natural gas utility.

(g) "Qualified" has the meaning set forth in 49 CFR 192.803.

(h) "Service line" has the meaning set forth in 49 CFR 192.3.

(i) "Service regulator" means the device on a service line that controls the pressure of gas delivered from a higher pressure to the pressure provided to the customer. A service regulator may serve one customer or multiple customers through a meter header or manifold.

(j) "Transportation of gas" or "transporting gas" means the gathering, transmission, or distribution of gas by pipeline, as defined in 49 CFR 192.3.

(k) "Underground natural gas storage facility" has the meaning set forth in section 34-64-102 (3.5).

**Source:** **L. 55:** p. 697, § 1. **CRS 53:** § 115-2-16. **L. 57:** p. 600, § 1. **C.R.S. 1963:** § 115-2-16. **L. 69:** p. 931, § 12. **L. 71:** p. 1098, § 1. **L. 89:** (1) amended, p. 1526, § 7, effective April 12. **L. 93:** Entire section amended, p. 2061, § 11, effective July 1. **L. 2000:** (1) and (1.5) amended, p. 1868, § 95, effective August 2. **L. 2003:** (1), (1.5), and (2)(a) amended, p. 1699, § 5, effective May 14. **L. 2021:** Entire section amended, (SB 21-108), ch. 465, p. 3353, § 2, effective July 6. **L. 2023:** (1)(d)(II)(F) and (2) amended and (1)(d)(II)(H), (1)(d)(II)(I), and (1.5) added, (HB 23-1216), ch. 431, p. 2533, § 1, effective June 7; (1)(d)(II)(C) and (2)(b) amended and (1)(f) and (2)(k) added, (SB 23-285), ch. 235, p. 1246, § 14, effective July 1. **L. 2025:** (1)(g) added, (HB 25-1280), ch. 157, p. 633, § 1, effective April 30.

**Editor's note:** Amendments to subsection (2)(b) by SB 23-285 and HB 23-1216 were harmonized, resulting in the renumbering of subsection (2)(b) in SB 23-285 to subsection (2)(j).

**Cross references:** For the legislative declaration in SB 21-108, see section 1 of chapter 465, Session Laws of Colorado 2021.

**40-2-116. Motor carriers - motor vehicle carriers exempt from regulation as public utilities - safety regulations. (Repealed)**

**Source:** **L. 69:** p. 931, § 13. **C.R.S. 1963:** § 115-2-17. **L. 78:** Entire section amended, p. 518, § 1, effective July 1. **L. 85:** Entire section amended, p. 1308, § 5, effective May 29. **L. 96:** Entire section amended, p. 1546, § 2, effective July 1. **L. 2003:** (1) amended, p. 2381, § 5, effective August 6. **L. 2010:** (1) amended, (HB 10-1167), ch. 125, p. 415, § 1, effective April 15. **L. 2011:** Entire section repealed, (HB 11-1198), ch. 127, p. 416, § 3, effective August 10.

**40-2-117. Legislative declaration - commission to conduct review of rate structures. (Repealed)**

**Source:** **L. 77:** Entire section added, p. 1856, § 1, effective July 1.

**Editor's note:** Subsection (7) provided for the repeal of this section, effective July 1, 1979. (See L. 77, p. 1856.)

**40-2-118. Comprehensive energy report. (Repealed)**

**Source:** **L. 79:** Entire section added, p. 1510, § 1, effective June 22.

**Editor's note:** Subsection (6) provided for the repeal of this section, effective March 1, 1984. (See L. 79, p. 1510.)

**40-2-119. Exemption of rail carrier transportation.** (1) The commission shall by rule or regulation establish standards and procedures to be used in determining whether certain transportation provided by a rail carrier in this state should be exempted, in whole or in part, from one or more provisions of this title. Such rules and regulations shall provide for such exemption when the commission finds that:

(a) Jurisdiction, regulation, and control by the commission are not necessary to carry out the transportation policy of this title; and

(b) Either the transaction or service is of limited scope or the application of a provision of this title is not needed to protect shippers from the abuse of market power.

**Source:** **L. 84:** Entire section added, p. 1036, § 1, effective July 1.

**40-2-120. Rail transportation policy.** In regulating rail carriers, the state of Colorado hereby adopts the rail transportation policy of 49 U.S.C. sec. 10101; except that the references therein to the United States government and its agencies shall refer to the state of Colorado and its agencies.

**Source:** **L. 84:** Entire section added, p. 1036, § 1, effective July 1. **L. 2001:** Entire section amended, p. 1281, § 59, effective June 5.

**40-2-121. Transportation of natural gas report - legislative declaration. (Repealed)**

**Source:** **L. 96:** Entire section added, p. 985, § 1, effective May 23.

**Editor's note:** Subsection (3) provided for the repeal of this section, effective July 1, 1998. (See L. 96, p. 985.)

**40-2-122. Natural gas - deregulation of supply - voluntary separation of service offerings - consumer protection - legislative declaration - definition - rules.** (1) The general assembly finds, determines, and declares that natural gas service is essential to the health and well-being of all Colorado natural gas customers. The general assembly further finds, determines, and declares that natural gas is traded in competitive markets at the wellhead and in downstream markets for sale to utilities, industrial customers, and large commercial customers and there may be the potential for natural gas also to be traded competitively for sale to all other classes of consumers. As a result, it may be predicted that competition in the natural gas supply market may increase the choices available to consumers and reduce the price of such service. Accordingly, it is the policy of the state of Colorado to encourage competition after a reasonable transition period during which consumers are educated about choices in natural gas supply that are now available or will be available in the future. The commission is authorized to approve voluntary plans consistent with this section that separate the sale of natural gas to retail customers into natural gas delivery and natural gas supply and, after a transition period, deregulate the charge for natural gas supply where the commission finds that the plan provides customers with adequate choices, ensures the provision of reliable natural gas supply on a fallback basis on terms and conditions that are just and reasonable to all customers, promotes the development of a competitive market for gas supply, limits the unreasonable exercise of market power, and retains and enhances programs to support low-income consumers.

(2) (a) Natural gas public utilities shall continue to be regulated with respect to their delivery functions and shall be required to continue to offer nondiscriminatory natural gas delivery services over their pipeline systems so that Colorado natural gas consumers, both individually and on an aggregated basis, shall have ready access to natural gas supply from among competing sources.

(b) Any natural gas public utility providing for individual consumer choice between competing suppliers shall implement a separately stated distribution charge, applicable to all customers regardless of the identity of the natural gas supplier and denoted as a "public benefits charge", to help defray the costs associated with funding low-income energy assistance programs such as bill assistance and weatherization for residential energy consumers in Colorado, subject to the following conditions:

(I) The total amount collected annually through such public benefits charge shall be at least three-quarters of one percent of the real dollar equivalent of each utility's 1998 nominal-dollar regulated gas revenues received for the geographic area or group of customers that is subject to the plan. Additionally, within one year following the implementation of the first natural gas supplier choice program by a natural gas utility that affects a significant number of low-income households, the public benefits charges for all natural gas public utilities that have implemented a voluntary plan shall be set at a level sufficient to raise a total additional sum of one hundred fifty thousand dollars to fund the study provided for in subsection (12) of this section.

(II) The public benefits charge shall be separately stated on each customer's bill for natural gas delivery service in the same manner and with the same prominence as is the charge to defray the utility's transition costs; and

(III) The public benefits charge shall be imposed on all natural gas delivered by the utility in a manner that is competitively neutral and nonbypassable.

(c) The governing body of each municipal utility providing natural gas service shall have the authority to consider and approve or reject a voluntary plan submitted by the natural gas municipal utility, for all or a portion of its service territory, that provides for:

(I) The separation of natural gas service into natural gas supply service and natural gas delivery service; and

(II) The deregulation of municipal natural gas supply service. In making a determination to approve or reject the voluntary plan submitted, the governing body shall apply the criteria set forth in paragraph (c) of subsection (3) of this section, but only to the extent applicable to municipal utility operations.

(d) (I) If the governing body of a municipality approves a plan for the voluntary separation of natural gas service offerings and the deregulation of natural gas supply, the municipal utility may request authority from the governing body of the municipality to treat any proposed contracts or agreements for natural gas supply service being negotiated by the municipal utility as confidential information until such contracts or agreements are formally executed. Upon such request, the governing body of the municipality shall hold a hearing to determine whether confidential treatment of such contracts is warranted in order to allow the municipal utility to compete effectively as a provider of natural gas supply service.

(II) If, after a hearing pursuant to subparagraph (I) of this paragraph (d), the governing body determines that confidential treatment of the contracts is warranted, then:

(A) Such contracts shall not be subject to public disclosure under section 24-72-203, C.R.S., until formally executed by the parties; and

(B) Discussion by the governing body of such contracts or the contents thereof prior to execution may properly be the subject of an executive session, as the term is used in section 24-6-402, C.R.S. This paragraph (d) shall not be construed to limit or condition the governing body's authority to meet in executive session for any other reason enumerated in section 24-6-402, C.R.S.

(e) The commission or other governing body shall retain the authority to establish guidelines regarding gas transportation service. Such guidelines may include, but are not limited to, provisions concerning the establishment of rates, terms, and conditions for the provisioning of gas transportation services by a natural gas public utility, regardless of whether the utility has an approved voluntary plan.

(3) (a) The commission is hereby granted the authority to consider and approve, reject, or approve with modifications a voluntary plan submitted by a natural gas public utility, for all or a portion of its service territory, that:

(I) Provides for the separation of natural gas service into natural gas supply service and natural gas delivery service; and

(II) Allows for competition in natural gas supply service.

(b) The commission may also consider and approve, reject, or approve with modifications as a part of any plan submitted in accordance with paragraph (a) of this subsection (3), the proposal of a natural gas public utility to participate as a competing supplier of natural gas. If the commission finds that a utility's plan meets the criteria set forth in paragraph (c) of this subsection (3) and is in the public interest, the commission shall approve the plan. If the plan is approved or approved with modifications, the commission shall determine the requirements or conditions under which the natural gas public utility shall be permitted to offer supply service. The commission may, without limitation, determine that the natural gas public utility shall be permitted to compete as a supplier of natural gas on an unregulated basis or determine that the natural gas public utility shall be permitted to compete as a supplier of natural gas on an unregulated basis only through an affiliate. Alternatively, the commission may establish such requirements or conditions as are in the public interest considering the market position of the natural gas public utility. After the plan is approved, all natural gas supply service, other than fallback service, established under the plan as a competitive service shall thereafter be sold on an unregulated basis without an obligation to serve.

(c) The commission shall not approve a plan submitted pursuant to subsection (3)(a) of this section unless the price charged for natural gas delivery services does not subsidize natural gas supply service under the plan and, in addition, the plan:

(I) Provides for nondiscriminatory natural gas delivery service over the public utility's pipelines so that all natural gas consumers covered by the plan, including those who are currently transportation customers of the natural gas public utility, shall have ready access to natural gas supply service from competing sources;

(II) Does not present any unnecessary barriers that prevent or reduce ready access to natural gas supply service for all classes of consumers, including ensuring nondiscriminatory access to upstream capacity and storage services by all competitors;

(III) Establishes safeguards to eliminate the unreasonable exercise of market power by any person to the detriment of consumers or competitors;

(IV) Provides for consumer protection deemed necessary by the commission to assure reliable natural gas supply service, taking into consideration the needs of consumers. Such protections may include, but shall not be limited to, backup gas supply availability, excess peak day supply margins, standards of conduct, and full-rate recovery of any prudent costs incurred by a natural gas public utility related to any reasonable efforts the utility may undertake to avoid gas supply interruptions to consumers served by its delivery system.

(V) Further provides for those consumer protections deemed necessary by the commission to assure that fallback retail natural gas supply service, on a firm basis with adequate backup, is available to customers under reasonable terms and conditions. Such fallback retail natural gas supply service protection may or may not be provided by the incumbent natural gas public utility. These protections shall include, but are not limited to, the development of a commission-approved standard offer gas supply service or the use of a commission-approved competitive bidding process to assure that natural gas supply is available at fair and reasonable prices for those customers who do not receive supply offers, who do not select a competitive natural gas provider, who are refused service by a supplier, whose service is canceled by a supplier, who need service while moving or during other transitions, or whose supplier fails to supply service. If a utility provides regulated fallback service, the utility shall be allowed to recover all prudently incurred costs related to the provision of fallback supplies through regulated standard offer gas supply service.

(VI) Provides for consumer education concerning the natural gas public utility's restructuring of its rates and the choices that will be made available to consumers in the competitive supply market;

(VII) Does not degrade the integrity or reliability of natural gas delivery service or of any upstream third-party pipeline and storage services that are necessary to maintain such reliability and that may be held by the public utility as part of the plan; except that this subparagraph (VII) shall not preclude the necessary upstream third-party pipeline and storage services from being held by competitive natural gas providers unless the commission finds that such condition results in a degradation of the integrity or reliability of natural gas distribution service;

(VIII) Provides for funding of low-income energy assistance programs such as bill assistance and weatherization through the assessment of a separately stated distribution charge, denoted a "public benefits charge", consistent with the authority of the utility to collect the public benefits charge as established in this section. The moneys received through the implementation of the public benefits charge shall be administered by the Colorado energy assistance foundation, which is the entity created under section 40-8.5-104, or its successor, to be used for the purposes of low-income energy assistance payments and programs, low-income weatherization assistance and programs, low-income energy education, and energy conservation. The Colorado energy assistance foundation shall file a report with the commission annually showing amounts of money collected under the public benefits charge and demonstrating that the moneys were used to fund low-income energy assistance programs as established herein.

(IX) Contains all terms and conditions that the commission deems necessary to protect the public interest and to foster competition in the supply of natural gas, including, without limitation, terms and conditions that address the following issues:

(A) The manner in which price and terms and conditions should be disclosed;

(B) The extent to which natural gas utilities and suppliers are obligated to serve all customers;

(C) Appropriate credit and collection practices;

(D) The terms under which service may be discontinued;

(E) How partial payments are allocated;

(F) Protecting customer privacy;

(G) Prohibiting unfair and deceptive marketing practices; and

(H) The degree of access to customer information needed by suppliers to promote competition;

(X) Provides that, as an aspect of implementing the plan, no consumer's natural gas supplier may be changed without the consumer's prior express consent except as ordered by the commission. Either through rule-making or through consideration of methodology proposed in the plan, the commission shall establish allowable express consent verification methods which may include written confirmation, third-party oral confirmation, or other appropriate procedures. The commission shall also establish and determine the extent to which a supplier who causes consumers to be changed without their consent is liable to those consumers and their chosen providers.

(XI) Provides for funding of the commission and the office of the utility consumer advocate based upon a charge to end-use customers, as determined by the commission, as a part of the natural gas delivery function, regardless of the identity of the natural gas supplier. Such new funding method must be competitively neutral and shall be designed to generate annual revenues equivalent to the average annual revenues generated under sections 40-2-109 to 40-2-114 during calendar years 1994 to 1998 associated with the sale of natural gas service from the geographic area or group of customers affected by the plan. Whenever such new funding method is instituted for any specific geographic area or group of customers, the natural gas public utilities serving the area or group shall no longer pay the fees that would otherwise have been required under the sections.

(XII) (A) Maintains regulated, cost-based rates for gas supply service from the public utility until such time as, in the aggregate, no less than thirty-three and one-third percent of the customers covered by a plan are served by competitive natural gas providers, which may include affiliates of the public utility; there are a minimum of five competitive natural gas providers not affiliated with the public utility unless the commission determines that, in geographic areas covered by the plan, less than five competitive natural gas suppliers provide effective competition; and the competitive natural gas suppliers not affiliated with the public utility serve no less than eighteen percent of the customers covered by a plan. When these conditions are met, the public utility supply service to the geographic area or to customers covered by a plan may be deregulated and the fallback supply provision of the plan shall become effective.

(B) For purposes of this subparagraph (XII), the number of customers served by competitive natural gas suppliers shall be determined based on the number of natural gas meters served by competitive natural gas suppliers in the geographic area covered by the plan, other than those meters served under the natural gas utility's gas transportation tariffs at the time the plan is implemented, whether directly or through a marketer or broker, compared to the total number of natural gas meters in the geographic area covered by the plan.

(4) If the commission approves a natural gas public utility's voluntary plan with modifications, the utility shall have the option to reject the modified plan and continue to be regulated as before. However, if a natural gas public utility exercises this option, it may not file another voluntary plan for a minimum of two years unless otherwise permitted by the commission and it may not recover in rates the costs and administrative charges incurred associated with the design and litigation of its voluntary plan proposal.

(5) The department of revenue is hereby authorized to collect funding for the commission and the office of the utility consumer advocate in accordance with subsection (3)(c)(XI) of this section.

(6) The commission shall establish, by rule or by alternative filing by natural gas public utilities or gas supply companies, such certification requirements, terms and conditions for gas supply service, reporting requirements, and compliance procedures for competitive suppliers, aggregators other than municipalities or counties operating as aggregators within their jurisdictional boundaries, or brokers as the commission deems necessary to provide Colorado retail consumers with reliable natural gas supply service. Such requirements may include, without limitation, complaint procedures for enforcement of the commission's rules and procedures for the suspension or revocation of certification and operating authority of competitive suppliers, aggregators other than municipalities or counties operating as aggregators within their jurisdictional boundaries, or brokers for violation of commission rules as well as the assessment of fines and penalties for violations of commission rules and standards of conduct, in addition to other commission rules and enforcement mechanisms. In the certification requirements the commission shall require natural gas suppliers to operate a customer service location in the state and provide customers with a toll-free telephone number to reach the natural gas supplier.

(7) (a) The commission shall permit each natural gas public utility recovery, through its tariff rates for delivery of natural gas, of all or a portion of the utility's transition costs as may be just and reasonable if such recovery, for transition costs other than costs identified in sub-subparagraphs (G) and (H) of subparagraph (II) of paragraph (b) of this subsection (7), does not increase the annual charges for regulated gas delivery service in excess of one percent of the utility's jurisdictional gas revenues booked or recorded in calendar year 1998 unless the utility is thereby unable to recover such transition costs as may be approved by the commission pursuant to this subsection (7) within fifteen years. In such a case, the commission shall ensure that the recovery of the utility's transition costs, excluding those identified in sub-subparagraphs (G) and (H) of subparagraph (II) of paragraph (b) of this subsection (7), does not increase the annual charges for regulated gas delivery service in excess of two percent of the utility's jurisdictional gas revenues booked or recorded in calendar year 1998. To the extent the commission approves the recovery of transition costs identified in sub-subparagraphs (G) and (H) of subparagraph (II) of paragraph (b) of this subsection (7), those costs shall be recovered over a reasonable period of time, as determined by the commission.

(b) (I) As used in this subsection (7), "transition costs" means all costs determined by the commission to be legitimate, verifiable, and prudently incurred in the provision of natural gas service to customers in Colorado that arise from or are related to contracts, investments, or other obligations existing on or before the date of implementation of the voluntary plan and no longer recoverable under the plan, whether such costs are in the form of direct expenditures for capital assets, operating expenses, investments, long-term supply contracts or other future obligations, or any other form.

(II) Transition costs may include, but are not limited to, the following:

(A) Costs and administrative charges incurred by a natural gas public utility resulting from the design and implementation of its voluntary plan;

(B) Costs incurred before, on, or after the date of implementation of the voluntary plan and that are related to preexisting gas supply, transportation, or storage service contracts, including any contract buyout or buy-down costs, contract reformation or termination costs, contract litigation costs, fees, judgments, or settlements, other than those costs that have been the subject of litigation prior to January 1, 1999, as identified in sub-subparagraph (H) of this subparagraph (II);

(C) Investments in assets that are stranded by competition for natural gas supply service;

(D) Interstate or intrastate third-party pipeline costs;

(E) Balancing costs;

(F) Underground storage costs;

(G) Deferred or prior-period gas costs not yet recovered at the time of conversion to competition in the provision of natural gas supply service;

(H) Costs incurred before, on, or after the date of implementation of the voluntary plan and that are related to preexisting gas supply contracts that have been the subject of litigation prior to January 1, 1999, including any above market costs, contract buyout, buy-down, reformation, or termination costs, litigation costs, fees, judgments, or settlements; and

(I) Any other costs that the commission determines to be recoverable transition costs.

(III) Transition costs shall not include:

(A) Costs that are or could be included within the existing rates of the natural gas public utility and that would result in double recovery of such costs if they were so included; or

(B) Costs committed to or incurred after the implementation date of the voluntary plan unless the commission determines that allowing recovery of such costs is in the public interest or that the incurrence of such costs is reasonable and prudent for the purpose of resolving or mitigating other transition costs.

(IV) A natural gas public utility shall not be entitled to recover its transition costs unless the commission finds that the utility has made reasonable efforts to mitigate transition costs. The commission shall determine the appropriate method and amortization period for a utility's recovery of transition costs and may establish such other reasonable procedures and conditions for the recovery of transition costs as the commission may determine are consistent with this section and in the public interest.

(c) Except to the extent provided in plan provisions or rules adopted by the commission governing the relationship between the public utility and its affiliates, the commission shall not impose on a natural gas public utility or its affiliate, with respect to competitive natural gas supply services, any requirement that is not imposed upon competing, non-utility providers of natural gas supply services, unless the commission determines that the imposition of such requirement is necessary to protect the public interest.

(8) The public benefits charge and its funding method shall continue in effect until at least December 31, 2005, and shall remain in effect thereafter until and unless replaced with a different legislatively adopted funding mechanism for statewide low-income energy assistance programs that assures the availability of adequate resources and that is consistent with the recommendations of the 1998 governor's energy assistance reform task force for the purpose of defraying the costs of low-income energy assistance. On or before December 1, 2004, the Colorado energy assistance foundation, which is the entity created under section 40-8.5-104, or its successor, in conjunction with any interested natural gas utility or natural gas supplier, shall recommend such a different funding mechanism for low-income energy assistance programs to the general assembly for adoption.

(9) Repealed.

(10) The general assembly determines that a new funding formula should be devised to adequately fund the commission's and office of the utility consumer advocate's administrative expenses. On or before December 1, 2000, the commission and the office shall recommend to the general assembly those legislative changes needed to develop appropriate funding mechanisms for the public utilities commission and the office. This provision is intended to provide a comprehensive replacement for the funding method contained in the utility plan under subsection (3)(c)(XI) of this section.

(11) The commission is specifically authorized at its sole discretion to adopt all necessary rules in furtherance of this section, including, but not limited to, standards of conduct, unfair and deceptive marketing practices, and consumer protections.

(12) Repealed.

(13) In any area where competitive gas supply choices are afforded to customers, any municipality or county or combination thereof may serve as a competitive supplier or, without buying and selling gas, act as an aggregator of the loads of its residents and businesses and contract with a certified supplier for its gas supply needs and the gas supply needs of its residents or businesses or both such residents and businesses; except that nothing in this subsection (13) shall require either a resident or business to buy natural gas supply service from a municipality serving as a supplier or acting as an aggregator of the loads of its residents or businesses.

(14) Each provider of natural gas supply service and natural gas delivery service shall collect and remit all applicable sales and use taxes. In a transaction involving the sale or furnishing of natural gas service, the transaction shall be deemed to occur where the natural gas is used or consumed.

(15) The commission shall undertake an investigation into natural gas public utilities' supply acquisition practices. The investigation shall examine, among other items, how public utilities currently acquire supply and their ability to manage the risk of price spikes in natural gas markets. Based on the investigation's findings, the commission may provide recommendations as to how natural gas portfolios might be structured in the future so as to provide greater long-term natural gas price stability for consumers. Information from the investigation shall be made available to interested parties at the commission's office. Such portfolio shall include a comparison of costs of natural gas contracts to the cost of coal syngas contracts that may become available in the future.

**Source:** **L. 99:** Entire section added, p. 954, § 1, effective August 4. **L. 2001:** (15) added, p. 1523, § 2, effective August 8. **L. 2002:** (9) and (12) repealed, p. 260, § 1, effective August 7. **L. 2004:** (15) amended, p. 585, § 2, effective August 4. **L. 2021:** IP(3)(c), (3)(c)(XI), (5), and (10) amended, (SB 21-103), ch. 477, p. 3414, § 12, effective September 1.

**40-2-123. Energy technologies - consideration by commission - incentives - demonstration projects - definitions.** (1) (a) The commission shall give the fullest possible consideration to the cost-effective implementation of new clean energy and energy-efficient technologies in its consideration of generation acquisitions for electric utilities, bearing in mind the beneficial contributions such technologies make to Colorado's energy security, economic prosperity, insulation from fuel price increases, and environmental protection, including risk mitigation in areas of high wildfire risk as designated by the state forest service. The commission shall consider utility investments in energy efficiency to be an acceptable use of ratepayer money.

(b) (I) The commission may give consideration to the likelihood of new environmental regulation and the risk of higher future costs associated with the emission of greenhouse gases such as carbon dioxide and methane when it considers utility proposals to acquire resources or to implement DSM programs. The commission shall collaborate with the air quality control commission to ensure that any emissions reductions achieved through gas DSM programs are appropriately accounted for in meeting the state's greenhouse gas reduction goals.

(II) For purposes of evaluating a gas DSM program or measure that incorporates innovative technologies with the potential for significant impact, such as energy-saving technologies that go beyond what is achievable using energy efficiency measures alone, the commission may find the program or measure cost-effective, notwithstanding section 40-1-102 (5)(a), even if its initial benefit-cost ratio is not greater than one when calculated using currently available data and assumptions.

(c) The commission shall give the fullest possible consideration to proposals under the reenergize Colorado program, created in section 24-33-115, C.R.S., with particular attention to those projects offering the prospect of job creation and local economic growth.

(d) In its consideration of generation acquisitions for electric utilities, the commission shall consider the economic opportunities that may be provided through workforce transition and community assistance plans, as well as whether the acquisitions will create benefits for low-income customers and disproportionately impacted communities.

(2) Repealed.

(3) (a) (I) Energy is critically important to Colorado's welfare and development and its use has a profound impact on the economy and environment. In order to diversify Colorado's energy resources, attract new businesses and jobs, promote development of rural economies, minimize water use for electric generation, reduce the impact of volatile fuel prices, and improve the natural environment of the state, the general assembly finds it in the best interests of the citizens of Colorado to develop and utilize solar energy resources in increasing amounts.

(II) For purposes of this subsection (3), "utility-scale" means projects with nameplate ratings in excess of two megawatts.

(b) The commission may consider whether acquisition of utility-scale solar resources is in the public interest, taking into account the associated costs and benefits, and, if so, the appropriate amount of utility-scale solar resources that should be acquired. In making this determination, the commission may consider the following potential attributes of utility-scale solar electric generation:

(I) Whether the proposed generation could provide energy storage to match the times during which utility generation is generally higher cost;

(II) Whether the proposed generation, due to modularity, scalability, and rapid deployment, could result in reduction of performance and financial risk for the utility;

(III) Whether utility-scale solar electric generation could reduce the consumption of water for electric generation;

(IV) Whether future costs can be stabilized through mitigation of the impact of unpredictable fossil fuel prices; and

(V) Whether carbon-free generation reduces long-term costs and risks related to potential carbon regulation or taxation.

(3.2) In its consideration of generation acquisitions for electric utilities, the commission may give the fullest possible consideration, at a utility's request, to the cost-effective implementation of new energy technologies for the generation of electricity from:

(a) Geothermal energy;

(b) The combustion of biomass, biosolids derived from the treatment of wastewater, and municipal solid waste. For purposes of this paragraph (b), "biomass" has the meaning established in section 40-2-124 (1)(a), as clarified by the commission.

(c) Hydroelectricity and pumped hydroelectricity, taking into account the associated costs and benefits. For purposes of this paragraph (c):

(I) "Hydroelectricity" means the generation and delivery to the interconnection meter of any source of electrical or mechanical energy by harnessing the kinetic energy of water that is:

(A) A new facility that is an addition to water infrastructure such as a reservoir, ditch, or pipeline that existed before January 1, 2011, and does not result in any change in the quantity or timing of diversions or releases for purposes of peak power generation; or

(B) A new facility that is placed into production as part of new water infrastructure such as a reservoir, ditch, or pipeline constructed on or after January 1, 2011, and operated for primary beneficial uses of water other than solely for production of electricity.

(II) "Pumped hydroelectricity" means electricity that is generated during periods of high electrical demand from water that has been pumped during periods of low electrical demand from a lower-elevation reservoir to a higher-elevation reservoir taking into account the potential benefits or impacts of the proposed facility on fishery health.

(3.3) In its consideration of generation acquisitions for electric utilities, the commission may give the fullest possible consideration to the cost-effective implementation of new energy technologies for the generation of electricity from methane produced biogenically in geologic strata as a result of human intervention.

(3.5) Repealed.

(4) This section does not expand or contract the commission's jurisdiction over cooperative electric associations under this title.

(5) Any project approved pursuant to this section that is an energy sector public works project, as defined in section 24-92-303 (5), must comply with the applicable requirements of the "Colorado Energy Sector Public Works Project Craft Labor Requirements Act", part 3 of article 92 of title 24.

**Source:** **L. 2001:** Entire section added, p. 1524, § 4, effective August 8. **L. 2006:** Entire section amended, p. 1413, § 2, effective June 1. **L. 2008:** (2)(j) amended, p. 75, § 16, effective March 18; (1) amended and (3) and (4) added, p. 1686, § 1, effective June 2. **L. 2009:** (3.5) added, (SB 09-297), ch. 285, p. 1297, § 3, effective May 20. **L. 2010:** (1)(c) added, (HB 10-1349), ch. 387, p. 1816, § 4, effective June 8; (3.2) added, (SB 10-174), ch. 189, p. 815, § 11, effective August 11; (3.2) added, (SB 10-177), ch. 392, p. 1864, § 6, effective August 11; (3.3) added, ch. 389, p. 1825, § 1, effective August 11. **L. 2011:** (3.2)(c) added, (HB 11-1083), ch. 68, p. 179, § 1, effective August 10. **L. 2012:** (2)(j) amended, (HB 12-1315), ch. 224, p. 980, § 48, effective July 1. **L. 2013:** (1)(a) amended, (SB 13-273), ch. 406, p. 2375, § 6, effective June 5. **L. 2017:** (2)(k) repealed, (SB 17-294), ch. 264, p. 1415, § 110, effective May 25. **L. 2019:** (2) repealed, (SB 19-236), ch. 359, p. 3291, § 3, effective May 30. **L. 2021:** (1)(d) added, (SB 21-272), ch. 220, p. 1159, § 5, effective June 10; (1)(b) amended, (HB 21-1238), ch. 330, p. 2132, § 3, effective September 7; (2) RC&RE, (HB 21-1324), ch. 441, p. 2918, § 2, effective September 7. **L. 2023:** IP(2)(d)(I) amended, (SB 23-051), ch. 37, p. 149, § 31, effective March 23; (5) added, (SB 23-292), ch. 247, p. 1360, § 4, effective January 1, 2024.

**Editor's note:** (1) Amendments to subsection (3.2) by Senate Bill 10-174 and Senate Bill 10-177 were harmonized.

(2) Subsection (3.5)(e) provided for the repeal of subsection (3.5), effective July 1, 2013. (See L. 2009, p. 1297.)

(3) Subsection (2)(f) provided for the repeal of subsection (2), effective December 31, 2024. (See L. 2021, p. 2918).

**Cross references:** For the legislative declaration contained in the 2006 act amending this section, see section 1 of chapter 300, Session Laws of Colorado 2006. For the legislative declaration in HB 21-1238, see section 1 of chapter 330, Session Laws of Colorado 2021. For the legislative declaration in HB 21-1324, see section 1 of chapter 441, Session Laws of Colorado 2021.

**40-2-124. Renewable energy standards - qualifying retail and wholesale utilities - definitions - net metering - legislative declaration - rules.** (1) Each provider of retail electric service in the state of Colorado, other than municipally owned utilities that serve forty thousand customers or fewer, is a qualifying retail utility. Each qualifying retail utility, with the exception of cooperative electric associations that have voted to exempt themselves from commission jurisdiction pursuant to section 40-9.5-104 and municipally owned utilities, is subject to the rules established under this article 2 by the commission. No additional regulatory authority is provided to the commission other than that specifically contained in this section. In accordance with article 4 of title 24, the commission shall revise or clarify existing rules to establish the following:

(a) Definitions of eligible energy resources that can be used to meet the standards. "Eligible energy resources" means recycled energy, renewable energy resources, and renewable energy storage. In addition, resources using coal mine methane and synthetic gas produced by pyrolysis of waste materials are eligible energy resources if the commission determines that the electricity generated by those resources is greenhouse gas neutral. The commission shall determine, following an evidentiary hearing, the extent to which such electric generation technologies utilized in an optional pricing program may be used to comply with this standard. A fuel cell using hydrogen derived from an eligible energy resource is also an eligible electric generation technology. Fossil and nuclear fuels and their derivatives are not eligible energy resources. As used in this section:

(I) "Biomass" means:

(A) Nontoxic plant matter consisting of agricultural crops or their by-products, urban wood waste, mill residue, slash, or brush;

(B) Animal wastes and products of animal wastes; or

(C) Methane produced at landfills or as a by-product of the treatment of wastewater residuals.

(II) "Coal mine methane" means methane captured from active and inactive coal mines where the methane is escaping to the atmosphere. In the case of methane escaping from active mines, only methane vented in the normal course of mine operations that is naturally escaping to the atmosphere is coal mine methane for purposes of eligibility under this section.

(III) "Distributed renewable electric generation" or "distributed generation" means:

(A) Retail distributed generation; and

(B) Wholesale distributed generation.

(IV) "Greenhouse gas neutral", with respect to electricity generated using biomass or by a coal mine methane or synthetic gas facility, means that the greenhouse gases emitted into the atmosphere as a result of the process of converting the fuel source to electricity do not exceed the greenhouse gases that would have been emitted into the atmosphere over the next five years, beginning with the commencement of the process or initial date of operation of the facility, if the fuel source had not been converted to electricity, where greenhouse gases are measured in terms of carbon dioxide equivalent.

(IV.5) "Off-site" means located on noncontiguous property owned or leased by a customer of a qualifying retail utility.

(V) "Pyrolysis" means the thermochemical decomposition of material at elevated temperatures without the participation of oxygen.

(VI) (A) "Recycled energy" means energy produced by a generation unit with a nameplate capacity of not more than fifteen megawatts that either converts the otherwise lost energy from the heat from exhaust stacks or pipes to electricity and does not combust additional fossil fuel or is pumped hydroelectricity generation that does not combust fossil fuel to pump water; is not located on a natural waterway; includes measures to prevent fish mortality in the facility; does not impact any decreed instream flow; and does not cause any violation of state water quality standards when operated.

(B) Subject to subsection (1)(a)(VI)(A) of this section, "recycled energy" does not include energy produced by any system that uses energy, lost or otherwise, from a process whose primary purpose is the generation of electricity, including, without limitation, any process involving engine-driven generation.

(VII) "Renewable energy resources" means solar, wind, geothermal, biomass that is greenhouse gas neutral, new hydroelectricity with a nameplate rating of ten megawatts or less, and hydroelectricity in existence on January 1, 2005, with a nameplate rating of thirty megawatts or less and that does not require the construction of any new dams or reservoirs. Notwithstanding any other provision of this subsection (1)(a)(VII), a biomass electric generation facility that was in existence on or before January 1, 2021, or that has a nameplate rating of ten megawatts or less, shall be considered a renewable energy resource.

(VII.5) "Renewable energy storage" means an energy storage system, as defined in section 40-2-130 (2)(a), that stores energy produced only by renewable energy resources.

(VIII) Except as provided in subsection (1)(c)(II)(D) of this section with respect to cooperative electric associations, "retail distributed generation" means a renewable energy resource or renewable energy storage that is located on any property owned or leased by the customer within the service territory of the qualifying retail utility and is interconnected on the customer's side of the utility meter. In addition, retail distributed generation shall provide electric energy primarily to serve the customer's loads and shall be sized to supply no more than two hundred percent of the reasonably expected average annual total consumption of electricity at all properties owned or leased by the customer within the utility's service territory.

(IX) "Wholesale distributed generation" means a renewable energy resource with a nameplate rating of thirty megawatts or less and that does not qualify as retail distributed generation.

(b) Standards for the design, placement, and management of electric generation technologies that use eligible energy resources to ensure that the environmental impacts of such facilities are minimized.

(c) Electric resource standards:

(I) Except as provided in subparagraph (V) of this paragraph (c), the electric resource standards shall require each qualifying retail utility to generate, or cause to be generated, electricity from eligible energy resources in the following minimum amounts:

(A) Three percent of its retail electricity sales in Colorado for the year 2007;

(B) Five percent of its retail electricity sales in Colorado for the years 2008 through 2010;

(C) Twelve percent of its retail electricity sales in Colorado for the years 2011 through 2014, with distributed generation equaling at least one percent of its retail electricity sales in 2011 and 2012 and one and one-fourth percent of its retail electricity sales in 2013 and 2014;

(D) Twenty percent of its retail electricity sales in Colorado for the years 2015 through 2019, with distributed generation equaling at least one and three-fourths percent of its retail electricity sales in 2015 and 2016 and two percent of its retail electricity sales in 2017, 2018, and 2019; and

(E) Thirty percent of its retail electricity sales in Colorado for the years 2020 and thereafter, with distributed generation equaling at least three percent of its retail electricity sales.

(II) (A) Of the amounts of distributed generation in sub-subparagraphs (C), (D), and (E) of subparagraph (I), sub-subparagraph (D) of subparagraph (V), and subparagraph (V.5) of this paragraph (c), at least one-half must be derived from retail distributed generation; except that this sub-subparagraph (A) does not apply to a qualifying retail utility that is a municipal utility.

(A.5) Notwithstanding sub-subparagraph (A) of this subparagraph (II), a qualifying retail utility that is a cooperative electric association may subtract industrial retail sales from total retail sales in calculating its minimum retail distributed generation requirement.

(B) A qualifying retail utility that is investor-owned shall not limit the sizing of on-site retail distributed generation capacity based solely on past consumption. Cooperative electric associations are not subject to this subsection (1)(c)(II)(B).

(C) Distributed generation amounts in the electric resource standard for the years 2015 and thereafter may be changed by the commission for the period after December 31, 2014, if the commission finds, upon application by a qualifying retail utility, that these percentage requirements are no longer in the public interest. If such a finding is made, the commission may set the lower distributed generation requirements, if any, that shall apply after December 31, 2014. If the commission finds that the public interest requires an increase in the distributed generation requirements, the commission shall report its findings to the general assembly.

(D) For purposes of a cooperative electric association's compliance with the retail distributed generation requirement set forth in sub-subparagraph (A) of this subparagraph (II), an electric generation facility constitutes retail distributed generation if it uses only renewable energy resources; has a nameplate rating of two megawatts or less; is located within the service territory of a cooperative electric association; generates electricity for the beneficial use of subscribers who are members of the cooperative electric association in the service territory in which the facility is located; and has at least four subscribers if the facility has a nameplate rating of fifty kilowatts or less and at least ten subscribers if the facility has a nameplate rating of more than fifty kilowatts. A subscriber's share of the production from the facility may not exceed one hundred twenty percent of the subscriber's average annual consumption. Each cooperative electric association may establish, in the manner it deems appropriate, the: Subscriber; subscription; pricing, including consideration of low-income members; metering; accounting; renewable energy credit ownership; and other requirements and terms associated with electric generation facilities described in this sub-subparagraph (D).

(III) Each kilowatt-hour of electricity generated from eligible energy resources, other than retail distributed generation and other than eligible energy resources beginning operation on or after January 1, 2015, counts as one and one-fourth kilowatt-hours for the purposes of compliance with this standard.

(IV) To the extent that the ability of a qualifying retail utility to acquire eligible energy resources is limited by a requirements contract with a wholesale electric supplier, the qualifying retail utility shall acquire the maximum amount allowed by the contract. For any shortfalls to the amounts established by the commission pursuant to subparagraph (I) of this paragraph (c), the qualifying retail utility shall acquire an equivalent amount of either renewable energy credits; documented and verified energy savings through energy efficiency and conservation programs; or a combination of both. Any contract entered into by a qualifying retail utility after December 1, 2004, shall not conflict with this section.

(V) Notwithstanding any other provision of law but subject to subsection (4) of this section, the electric resource standards must require each cooperative electric association that is a qualifying retail utility and that provides service to fewer than one hundred thousand meters, and each municipally owned utility that is a qualifying retail utility, to generate, or cause to be generated, electricity from eligible energy resources in the following minimum amounts:

(A) One percent of its retail electricity sales in Colorado for the years 2008 through 2010;

(B) Three percent of retail electricity sales in Colorado for the years 2011 through 2014;

(C) Six percent of retail electricity sales in Colorado for the years 2015 through 2019; and

(D) Ten percent of retail electricity sales in Colorado for the years 2020 and thereafter.

(V.5) Notwithstanding any other provision of law, each cooperative electric association that provides electricity at retail to its customers and serves one hundred thousand or more meters shall generate or cause to be generated at least twenty percent of the energy it provides to its customers from eligible energy resources in the years 2020 and thereafter.

(VI) Each kilowatt-hour of electricity generated from eligible energy resources at a community-based project must be counted as one and one-half kilowatt-hours. For purposes of this subparagraph (VI), "community-based project" means a project:

(A) That is owned by individual residents of a community, by an organization or cooperative that is controlled by individual residents of the community, or by a local government entity or tribal council;

(B) The generating capacity of which does not exceed thirty megawatts; and

(C) For which there is a resolution of support adopted by the local governing body of each local jurisdiction in which the project is to be located.

(VII) (A) For purposes of compliance with the standards set forth in subparagraphs (V) and (V.5) of this paragraph (c), each kilowatt-hour of renewable electricity generated from solar electric generation technologies shall be counted as three kilowatt-hours.

(B) For each qualifying retail utility that is a cooperative electric association, sub-subparagraph (A) of this subparagraph (VII) applies only to solar electric technologies that begin producing electricity prior to July 1, 2015, and for solar electric technologies that begin producing electricity on or after July 1, 2015, each kilowatt-hour of renewable electricity shall be counted as one kilowatt-hour for purposes of compliance with the renewable energy standard.

(C) For each qualifying retail utility that is a municipally owned utility, sub-subparagraph (A) of this subparagraph (VII) applies only to solar electric technologies that are under contract for development prior to August 1, 2015, and begin producing electricity prior to December 31, 2016, and for solar electric technologies that are not under contract for development prior to August 1, 2015, and begin producing electricity on or after December 31, 2016, each kilowatt-hour of renewable electricity shall be counted as one kilowatt-hour for purposes of compliance with the renewable energy standard.

(VIII) Electricity from eligible energy resources shall be subject to only one of the methods for counting kilowatt-hours set forth in subparagraphs (III), (VI), and (VII) of this paragraph (c).

(IX) For purposes of stimulating rural economic development and for projects up to thirty megawatts of nameplate capacity that have a point of interconnection rated at sixty-nine kilovolts or less, each kilowatt hour of electricity generated from renewable energy resources that interconnects to electric transmission or distribution facilities owned by a cooperative electric association or municipally owned utility may be counted for the life of the project as two kilowatt hours for compliance with the requirements of this paragraph (c) by qualifying retail utilities. This multiplier shall not be claimed for interconnections that first occur after December 31, 2014, and shall not be used in conjunction with another compliance multiplier. For qualifying retail utilities other than investor-owned utilities, the benefits described in this subparagraph (IX) apply only to the aggregate first one hundred megawatts of nameplate capacity of projects statewide that report having achieved commercial operations to the commission pursuant to the procedure described in this subparagraph (IX). To the extent that a qualifying retail utility claims the benefit described in this subparagraph (IX), those kilowatt-hours of electricity do not qualify for satisfaction of the distributed generation requirement of subparagraph (I) of this paragraph (c). The commission shall analyze the implementation of this subparagraph (IX) and submit a report to the senate local government and energy committee and the house of representatives committee on transportation and energy, or their successor committees, by December 31, 2011, regarding implementation of this subparagraph (IX), including how many megawatts of electricity have been installed or are subject to a power purchase agreement pursuant to this subparagraph (IX) and whether the commission recommends that the multiplier established by this subparagraph (IX) should be changed either in magnitude or expiration date. Any entity that owns or develops a project that will take advantage of the benefits of this subparagraph (IX) shall notify the commission within thirty days after signing a power purchase agreement and within thirty days after beginning commercial operations of an applicable project.

(X) Of the minimum amounts of electricity required to be generated or caused to be generated by qualifying retail utilities in accordance with subparagraph (V.5) and sub-subparagraph (D) of subparagraph (V) of this paragraph (c), one-tenth, or one percent of total retail electricity sales, must be from distributed generation; except that:

(A) For a cooperative electric association that is a qualifying retail utility and that provides service to fewer than ten thousand meters, the distributed generation component may be three-quarters of one percent of total retail electricity sales; and

(B) This subparagraph (X) does not apply to a qualifying retail utility that is a municipal utility.

(d) (I) (A) Subject to rules promulgated pursuant to subsection (1)(d)(II) of this section, a system of tradable renewable energy credits that a qualifying retail utility may use to comply with this standard. The commission shall also analyze the effectiveness of utilizing any regional system of renewable energy credits in existence at the time of its rule-making process and determine whether the system is governed by rules that are consistent with the rules established for this article 2.

(B) The commission shall not restrict the qualifying retail utility's ownership or purchase of renewable energy if: The qualifying retail utility complies with the electric resource standard of subsection (1)(c) of this section and the conditions of any rate recovery mechanism adopted pursuant to subsection (1)(f)(IV) of this section; the qualifying retail utility uses definitions of eligible energy resources that are limited to those identified in subsection (1)(a) of this section, as clarified by the commission, and does not exceed the retail rate impact established by subsection (1)(g) of this section; and the commission finds that the resources are prudently acquired at a reasonable cost and rate impact.

(C) Once a qualifying retail utility either receives a permit pursuant to article 7 or 8 of title 25 for a generation facility that relies on or is affected by the definitions of eligible energy resources or enters into a contract that relies on or is affected by the definitions of eligible energy resources, the definitions apply to the contract or facility notwithstanding any subsequent alteration of the definitions, whether by statute or rule.

(D) For purposes of compliance with the renewable energy standard, if a generation system uses a combination of fossil fuel and eligible renewable energy resources to generate electricity, a qualifying retail utility that is not an investor-owned utility may count as eligible renewable energy only the proportion of the total electric output of the generation system that results from the use of eligible renewable energy resources.

(II) The system of tradable renewable energy credits must include requirements for the retirement of renewable energy credits to ensure that compliance with the renewable energy standard:

(A) Is effectuated in a manner that benefits Colorado's cities, counties, and businesses;

(B) Enables a utility's customers to account for the environmental benefits of the renewable energy generated to serve those customers and purchased for those customers; and

(C) Is consistent with timely attainment of the state's clean energy and climate goals.

(e) A requirement that each qualifying retail utility, except for cooperative electric associations and municipally owned utilities, make available to their customers a standard rebate offer and net metering service, under which:

(I) (A) Customers are offered a specified amount per watt for the installation of eligible solar electric generation on the customers' premises, up to a maximum of one hundred kilowatts per installation.

(A.5) A qualifying retail utility's interconnection standards for distributed energy resources must allow for customer ownership and use of a meter collar adapter to permit the interconnection of distributed energy resources and for electrical isolation of the customer's site for energy backup purposes. The qualifying retail utility shall, within one hundred eighty days after June 21, 2021, adopt a transparent process for approving customer-owned meter collar adapters that meet minimum safety requirements. The commission shall resolve any disputes concerning the substance or procedures involved in the approval process or its application in any specific case. The approval process must take no more than sixty days after the date of submission for approval of a specific meter collar adapter by the proposing party. Approved meter collar adapters must be UL listed and must be suitable per the adapter's UL listing documentation for use in meter sockets of up to two hundred amperes. The qualifying retail utility shall define and publish in its tariffs a process to request and install a meter collar adapter, which process is timely and not unduly burdensome to the customer. The qualifying retail utility shall post on its website its list of approved meter collar adapters, which list must be updated at least annually.

(B) The qualifying retail utility's net metering service must allow the customer's retail electricity consumption to be offset by the electricity generated by customer-sited renewable energy generation facilities. To the extent that the electricity thus generated exceeds the customer's consumption during a billing month, the qualifying retail utility shall carry forward the value of the excess electricity as a credit to the customer's consumption in the following month. The monthly carry-forward continues from month to month indefinitely until the customer terminates service with the qualifying retail utility at all service addresses within the service territory of the qualifying retail utility, at which time the qualifying retail utility is not required to pay the customer for any remaining excess electricity supplied by the customer; except that, to the extent that solar electricity generation exceeds the customer's consumption during a calendar year, the customer may elect, in writing, to be reimbursed by the qualifying retail utility at the end of each calendar year at the qualifying retail utility's average hourly incremental cost of electricity supply over that calendar year. The customer, at the end of the calendar year, and the qualifying retail utility, upon termination of service to the customer, shall be permitted to donate any of the customer's remaining excess billing credits to a third-party administrator that is qualified and approved by the qualifying retail utility or the commission for the purpose of providing low-income energy assistance and bill reductions within the qualifying retail utility's service territory. The qualifying retail utility shall not apply unreasonably burdensome requirements to interconnection, reimbursement, or donation options in connection with the qualifying retail utility's net metering service. Electricity generated under this program is eligible for purposes of the qualifying retail utility's compliance with this article 2 so long as the qualifying retail utility purchases the associated renewable energy credits. The commission shall not permit a qualifying retail utility to place a customer in a different rate class, other than the customer's default rate class, solely as a result of the customer's participation in a rebate offer or net metering service.

(C) For retail distributed generation that is used to meet loads of a noncontiguous property owned or leased by the customer, a qualifying retail utility's net metering program must provide the customer a net metering credit minus a reasonable charge, as determined by the commission, to cover the utility's costs of delivering to the customer's premises the electricity generated by the retail distributed generation and of administering the off-site net metering credits. The reasonable charge shall be fixed for the term of the interconnection agreement pertaining to the retail distributed generation facilities and shall be determined by a utility tariff filing, which may be updated once annually. The commission shall ensure that this charge does not reflect costs that are already recovered by the utility from the customer through other charges. If, and to the extent that, a customer's net metering credit exceeds the customer's electric bill in any billing period, the net metering credit shall be carried forward and applied against future bills.

(D) The commission may permit a qualifying retail utility to limit the total amount carried forward on behalf of a customer pursuant to subsection (1)(e)(I)(B) of this section so long as the limit is not less than one hundred percent of the customer's reasonably expected average annual consumption. Any excess electricity above the limit shall be reimbursed at the qualifying retail utility's average hourly incremental cost of electricity supply over the immediately preceding twelve-month period.

(E) For the 2022 and 2023 compliance years, each qualifying retail utility shall issue one or more standard offers to interconnect and net meter off-site, customer-owned distributed generation and shall reserve, for this purpose, capacity equal to one-quarter of one percent of the utility's annual retail sales from the immediately preceding year. Thereafter, the commission may set limits, based on market demand, on annual minimum and maximum available capacity for newly installed off-site distributed generation that the qualifying retail utility shall plan to interconnect and net meter. The customer may choose to retain or sell to the qualifying retail utility the customer's renewable energy credits.

(I.5) The amount of the standard rebate offer shall be two dollars per watt; except that the commission may set the rebate at a lower amount if the commission determines, based upon a qualifying retail utility's renewable resource plan or application, that market changes support the change.

(II) The owner or operator of solar electric generation facilities located on any property owned or leased by the consumer, which property is within the service territory of the qualifying retail utility, may sell electricity to the consumer. If a solar electric generation facility is not owned by the consumer, then the commission shall not require the qualifying retail utility to pay for the renewable energy credits generated by the facility on any basis other than a metered basis. The owner or operator of the solar electric generation facility shall pay the cost of installing the production meter.

(III) The qualifying retail utility may establish one or more standard offers to purchase renewable energy credits generated from eligible energy resources on the customer's premises so long as the generation is one megawatt or less in size. When establishing the standard offers, the qualifying retail utility should set the prices for renewable energy credits at levels sufficient to encourage increased distributed generation and renewable energy storage in the size ranges covered by each standard offer, but at levels that will still allow the qualifying retail utility to comply with the electric resource standards set forth in subsection (1)(c) of this section without exceeding the retail rate impact limit in subsection (1)(g) of this section.

(IV) The commission shall encourage qualifying retail utilities to design rebate offers and other incentive programs that allow consumers of all income levels, particularly those in low-income and disproportionately impacted communities, to obtain the benefits offered by distributed generation and energy storage, and shall encourage programs that are designed to extend participation to customers in these and other market segments that have previously been underrepresented in the standard offer program.

(f) Policies for the recovery of costs incurred with respect to these standards for qualifying retail utilities that are subject to rate regulation by the commission. These policies must provide incentives to qualifying retail utilities to invest in eligible energy resources and must include:

(I) Repealed.

(II) Allowing qualifying retail utilities to earn an extra profit on their investment in eligible energy resource technologies if these investments provide net economic benefits to customers as determined by the commission. The allowable extra profit in any year shall be the qualifying retail utility's most recent commission authorized rate of return plus a bonus limited to fifty percent of the net economic benefit.

(III) Allowing qualifying retail utilities to earn their most recent commission authorized rate of return, but no bonus, on investments in eligible energy resource technologies if these investments do not provide a net economic benefit to customers.

(IV) Considering, when the qualifying retail utility applies for a certificate of public convenience and necessity under section 40-5-101, rate recovery mechanisms that provide for earlier and timely recovery of costs prudently and reasonably incurred by the qualifying retail utility in developing, constructing, and operating the eligible energy resource, including:

(A) Rate adjustment clauses until the costs of the eligible energy resource can be included in the utility's base rates; and

(B) A current return on the utility's capital expenditures during construction at the utility's weighted average cost of capital, including its most recently authorized rate of return on equity, during the construction, startup, and operation phases of the eligible energy resource.

(V) If the commission approves the terms and conditions of an eligible energy resource contract between the qualifying retail utility and another party, the contract and its terms and conditions shall be deemed to be a prudent investment, and the commission shall approve retail rates sufficient to recover all just and reasonable costs associated with the contract. All contracts for acquisition of eligible energy resources shall have a minimum term of twenty years; except that the contract term may be shortened at the sole discretion of the seller. All contracts for the acquisition of renewable energy credits from solar electric technologies located on site at customer facilities shall also have a minimum term of twenty years; except that such contracts for systems of between one hundred kilowatts and one megawatt may have a different term if mutually agreed to by the parties.

(VI) A requirement that qualifying retail utilities consider proposals offered by third parties for the sale of renewable energy or renewable energy credits. The commission may develop standard terms for the submission of such proposals.

(VII) A requirement that all distributed renewable electric generation facilities with a nameplate rating of one megawatt or more be registered with a renewable energy generation information tracking system designated by the commission.

(g) Retail rate impact rule:

(I) (A) Except as otherwise provided in subparagraph (IV) of this paragraph (g), for each qualifying utility, the commission shall establish a maximum retail rate impact for this section for compliance with the electric resource standards of two percent of the total electric bill annually for each customer. The retail rate impact shall be determined net of new alternative sources of electricity supply from noneligible energy resources that are reasonably available at the time of the determination.

(B) If the retail rate impact does not exceed the maximum impact permitted by this paragraph (g), the qualifying utility may acquire more than the minimum amount of eligible energy resources and renewable energy credits required by this section. At the request of the qualifying retail utility and upon the commission's approval, the qualifying retail utility may advance funds from year to year to augment the amounts collected from retail customers under this paragraph (g) for the acquisition of more eligible energy resources. Such funds shall be repaid from future retail rate collections, with interest calculated at the qualifying retail utility's after-tax weighted average cost of capital, so long as the retail rate impact does not exceed two percent of the total annual electric bill for each customer.

(C) As between residential and nonresidential retail distributed generation, the commission shall direct the utility to allocate its expenditures according to the proportion of the utility's revenue derived from each of these customer groups; except that the utility may acquire retail distributed generation at levels that differ from these group allocations based upon market response to the utility's programs.

(D) To address historical equity issues concerning access by low-income customers to renewable energy and retail distributed generation programs and prioritize investment and direct benefits for disproportionately impacted communities, the commission shall require qualifying retail utilities to plan their expenditures so that, before reaching the limits imposed by this subsection (1)(g), they will prioritize renewable energy investment and programs for low-income customers and disproportionately impacted communities. Beginning on January 1, 2022, and continuing through at least December 31, 2028, not less than forty percent of such expenditures, not including any funds set aside to recover the cost of clean energy resources and directly related interconnection facilities pursuant to section 40-2-125.5 (4)(a)(VIII), shall be directed to programs, incentives, or other direct investments benefitting low-income customers and disproportionately impacted communities.

(II) Each wholesale energy provider shall offer to its wholesale customers that are cooperative electric associations the opportunity to purchase their load ratio share of the wholesale energy provider's electricity from eligible energy resources. If a wholesale customer agrees to pay the full costs associated with the acquisition of eligible energy resources and associated renewable energy credits by its wholesale provider by providing notice of its intent to pay the full costs within sixty days after the wholesale provider extends the offer, the wholesale customer shall be entitled to receive the appropriate credit toward the renewable energy standard as well as any associated renewable energy credits. To the extent that the full costs are not recovered from wholesale customers, a qualifying retail utility shall be entitled to recover those costs from retail customers.

(III) Subject to the maximum retail rate impact permitted by this paragraph (g), the qualifying retail utility shall have the discretion to determine, in a nondiscriminatory manner, the price it will pay for renewable energy credits from on-site customer facilities that are no larger than five hundred kilowatts.

(IV) (A) For cooperative electric associations, the maximum retail rate impact for this section is two percent of the total electric bill annually for each customer.

(B) Notwithstanding subparagraph (I) of this paragraph (g), the commission may ensure that customers who install distributed generation continue to contribute, in a nondiscriminatory fashion, their fair share to their utility's renewable energy program fund or equivalent renewable energy support mechanism even if such contribution results in a charge that exceeds two percent of such customers' annual electric bills.

(h) **Annual reports.** Each qualifying retail utility shall submit to the commission an annual report that provides information relating to the actions taken to comply with this article including the costs and benefits of expenditures for renewable energy. The report shall be within the time prescribed and in a format approved by the commission.

(i) Rules necessary for the administration of this article including enforcement mechanisms necessary to ensure that each qualifying retail utility complies with this standard, and provisions governing the imposition of administrative penalties assessed after a hearing held by the commission pursuant to section 40-6-109. The commission shall exempt a qualifying retail utility from administrative penalties for an individual compliance year if the utility demonstrates that the retail rate impact cap described in paragraph (g) of this subsection (1) has been reached and the utility has not achieved full compliance with paragraph (c) of this subsection (1). The qualifying retail utility's actions under an approved compliance plan shall carry a rebuttable presumption of prudence. Under no circumstances shall the costs of administrative penalties be recovered from Colorado retail customers.

(j) Rules to accommodate aggregation and interconnection of retail distributed generation, including:

(I) Allowing electricity generated from a single renewable retail distributed generation resource on a multiunit property to be allocated as net metering credits to either common areas of the property or to individually metered accounts without requiring the resource to be physically interconnected with each owner's or lessee's meter;

(II) Allowing a utility customer with retail distributed generation interconnected with a master meter to allocate excess net metering credits to any meter on property owned or leased by the customer in accordance with a customer-defined system share for each additional meter, with excess net metering credits applied to the additional meter;

(III) Where retail distributed generation is being used to offset the load of multiple, separately metered properties that are not on the same rate schedule, allowing allocation of the bill credits that may be applied to any of the metered accounts;

(IV) Requiring qualifying retail utilities to apply the same installation standards and list of approved meter collar adapters developed pursuant to subsection (1)(e)(I)(A.5) of this section to all customers desiring to use retail distributed generation to offset their individual energy loads;

(V) Requiring qualifying retail utilities to develop optional programs and tariffs to support the adoption and use of dispatchable renewable distributed generation and storage resources to provide grid benefits, such as enhancing the efficiency, capacity, and resilience of the electric grid, and to reduce greenhouse gas emissions. As used in this subsection (1)(j)(V), "dispatchable" means that the power output supplied to the electric grid by a customer-sited renewable energy generation or storage facility can be turned on and off or otherwise adjusted on demand.

(VI) Requiring qualifying retail utilities to adopt procedures designed to ensure that, for all renewable distributed generation or storage facilities included in their net metering service:

(A) The size of any off-site, single-meter installation does not exceed five hundred kilowatts;

(B) The size of any off-site, multi-meter installation does not exceed three hundred kilowatts per meter; and

(C) For any off-site facility exceeding three hundred kilowatts, the installation and any necessary repair or maintenance work is performed by a licensed master electrician, licensed journeyman electrician, or licensed residential wireman or by properly supervised apprentices, in addition to complying with all applicable interconnection rules.

(1.5) Notwithstanding any provision of law to the contrary, subsections (1)(e) and (1)(j) of this section do not apply to a municipally owned utility or to a cooperative electric association.

(2) (Deleted by amendment, L. 2007, p. 257, § 1, effective March 27, 2007.)

(3) Each municipally owned electric utility that is a qualifying retail utility shall implement a renewable energy standard substantially similar to this section. The municipally owned utility shall submit a statement to the commission that demonstrates such municipal utility has a substantially similar renewable energy standard. The statement submitted by the municipally owned utility is for informational purposes and is not subject to approval by the commission. Upon filing of the certification statement, the municipally owned utility shall have no further obligations under subsection (1) of this section. The renewable energy standard of a municipally owned utility shall, at a minimum, meet the following criteria:

(a) The eligible energy resources shall be limited to those identified in paragraph (a) of subsection (1) of this section;

(b) The percentage requirements shall be equal to or greater in the same years than those identified in subparagraph (V) of paragraph (c) of subsection (1) of this section, counted in the manner allowed by said paragraph (c); and

(c) The utility must have an optional pricing program in effect that allows retail customers the option to support through utility rates emerging renewable energy technologies.

(4) For municipal utilities that become qualifying retail utilities after December 31, 2006, the percentage requirements identified in subparagraph (V) of paragraph (c) of subsection (1) of this section shall begin in the first calendar year following qualification as follows:

(a) Years one through three: One percent of retail electricity sales;

(b) Years four through seven: Three percent of retail electricity sales;

(c) Years eight through twelve: Six percent of retail electricity sales; and

(d) Years thirteen and thereafter: Ten percent of retail electricity sales.

(5) **Procedure for exemption and inclusion - election.**

(a) (Deleted by amendment, L. 2007, p. 257, § 1, effective March 27, 2007.)

(b) The board of directors of each municipally owned electric utility not subject to this section may, at its option, submit the question of its inclusion in this section to its consumers on a one meter equals one vote basis. Approval by a majority of those voting in the election shall be required for such inclusion, providing that a minimum of twenty-five percent of eligible consumers participates in the election.

(5.5) Each cooperative electric association that is a qualifying retail utility shall submit an annual compliance report to the commission no later than June 1 of each year in which the cooperative electric association is subject to the renewable energy standard requirements established in this section. The annual compliance report shall describe the steps taken by the cooperative electric association to comply with the renewable energy standards and shall include the same information set forth in the rules of the commission for jurisdictional utilities. Cooperative electric associations shall not be subject to any part of the compliance report review process as provided in the rules for jurisdictional utilities. Cooperative electric associations shall not be required to obtain commission approval of annual compliance reports, and no additional regulatory authority of the commission other than that specifically contained in this subsection (5.5) is created or implied by this subsection (5.5).

(6) (Deleted by amendment, L. 2007, p. 257, § 1, effective March 27, 2007.)

(7) (a) **Definitions.** For purposes of this subsection (7), unless the context otherwise requires:

(I) "Customer-generator" means an end-use electricity customer that generates electricity on the customer's side of the meter using eligible energy resources.

(II) "Municipally owned utility" means a municipally owned utility that serves five thousand customers or more.

(b) Each municipally owned utility shall allow a customer-generator's retail electricity consumption to be offset by the electricity generated from eligible energy resources on the customer-generator's side of the meter that are interconnected with the facilities of the municipally owned utility, subject to the following:

(I) **Monthly excess generation.** If a customer-generator generates electricity in excess of the customer-generator's monthly consumption, all such excess energy, expressed in kilowatt-hours, shall be carried forward from month to month and credited at a ratio of one to one against the customer-generator's energy consumption, expressed in kilowatt-hours, in subsequent months.

(II) **Annual excess generation.** Within sixty days after the end of each annual period, or within sixty days after the customer-generator terminates its retail service, the municipally owned utility shall account for any excess energy generation, expressed in kilowatt-hours, accrued by the customer-generator and shall credit such excess generation to the customer-generator in a manner deemed appropriate by the municipally owned utility.

(III) **Nondiscriminatory rates.** A municipally owned utility shall provide net metering service at nondiscriminatory rates.

(IV) **Interconnection standards.** Each municipally owned utility shall adopt and post small generation interconnection standards and insurance requirements that are functionally similar to those established in the rules promulgated by the public utilities commission pursuant to this section; except that the municipally owned utility may reduce or waive any of the insurance requirements. If any customer-generator subject to the size specifications specified in subparagraph (V) of this paragraph (b) is denied interconnection by the municipally owned utility, the utility shall provide a written technical or economic explanation of such denial to the customer.

(V) **Size specifications.** Each municipally owned utility may allow customer-generators to generate electricity subject to net metering in amounts in excess of those specified in this subparagraph (V), and shall allow:

(A) Residential customer-generators to generate electricity subject to net metering up to ten kilowatts; and

(B) Commercial or industrial customer-generators to generate electricity subject to net metering up to twenty-five kilowatts.

(8) **Qualifying wholesale utilities - definition - electric resource standard - tradable credits - reports.** (a) **Definition.** Each generation and transmission cooperative electric association that provides wholesale electric service directly to Colorado electric associations that are its members is a qualifying wholesale utility. Commission rules adopted under subsections (1) to (7) of this section do not apply directly to qualifying wholesale utilities, and this subsection (8) does not provide the commission with additional regulatory authority over qualifying wholesale utilities.

(b) **Electric resource standard.** Notwithstanding any other provision of law, each qualifying wholesale utility shall generate, or cause to be generated, at least twenty percent of the energy it provides to its Colorado members at wholesale from eligible energy resources in the year 2020 and thereafter. If, and to the extent that, the purchase of energy generated from eligible energy resources by a Colorado member from a qualifying wholesale utility would cause an increase in rates for the Colorado member that exceeds the retail rate impact limitation in sub-subparagraph (A) of subparagraph (IV) of paragraph (g) of subsection (1) of this section, the obligation imposed on the qualifying wholesale utility is reduced by the amount of such energy necessary to enable the Colorado member to comply with the rate impact limitation.

(c) A qualifying wholesale utility may count the energy generated or caused to be generated from eligible energy resources by its Colorado members or by the qualifying wholesale utility on behalf of its Colorado members pursuant to subparagraph (V) of paragraph (c) of subsection (1) of this section toward compliance with the energy resource standard established in this subsection (8).

(d) Preferences for certain eligible energy resources and the limit on their applicability established in subparagraph (VIII) of paragraph (c) of subsection (1) of this section may be used by a qualifying wholesale utility in meeting the energy resource standard established in this subsection (8).

(e) **Tradable renewable energy credits.** A qualifying wholesale utility shall use a system of tradable renewable energy credits to comply with the electric resource standard established in this subsection (8); except that a renewable energy credit acquired under this subsection (8) expires at the end of the fifth calendar year following the calendar year in which it was generated.

(f) In implementing the electric resource standard established in this subsection (8), a qualifying wholesale utility shall assure that the costs, both direct and indirect, attributable to compliance with the standard are recovered from its Colorado members. The qualifying wholesale utility shall employ such cost allocation methods as are required to assure that any direct or indirect costs attributable to compliance with the standard established in this subsection (8) do not affect the cost or price of the qualifying wholesale utility's sales to customers outside of Colorado.

(g) **Reports.** Each qualifying wholesale utility shall submit an annual report to the commission no later than June 1, 2014, and June 1 of each year thereafter. In addition, the qualifying wholesale utility shall post an electronic copy of each report on its website and shall provide the commission with an electronic copy of the report. In each report, the qualifying wholesale utility shall:

(I) Describe the steps it took during the immediately preceding twelve months to comply with the electric resource standard established in this subsection (8);

(II) In the years before 2020, describe whether it is making sufficient progress toward meeting the standard in 2020 or is likely to meet the 2020 standard early. If it is not making sufficient progress toward meeting the standard in 2020, it shall explain why and shall indicate the steps it intends to take to increase the pace of progress; and

(III) In 2020 and thereafter, describe whether it has achieved compliance with the electric resource standard established in this subsection (8) and whether it anticipates continuing to do so. If it has not achieved such compliance or does not anticipate continuing to do so, it shall explain why and shall indicate the steps it intends to take to meet the standard and by what date.

(h) Nothing in this subsection (8) amends or waives any provision of subsections (1) to (7) of this section.

**Source: Initiated 2004:** Entire section added, see L. 2005, p. 2337, effective December 1, 2004, proclamation of the Governor issued December 1, 2004. **L. 2005:** Entire section amended, p. 234, § 1, effective August 8; (6) added by revision, see L. 2005, p. 2340, § 3. **L. 2007:** Entire section amended, p. 257, § 1, effective March 27. **L. 2008:** (7) added, p. 190, § 3, effective August 5. **L. 2009:** (1)(c)(II), (1)(e), and (1)(f)(V) amended and (1.5) added, (SB 09-051), ch. 157, p. 678, § 11, effective September 1. **L. 2010:** IP(1), (1)(a), (1)(c)(I), (1)(c)(II), (1)(c)(III), (1)(c)(IV), (1)(c)(VIII), (1)(e)(I), (1)(f)(IV), (1)(g)(I), (1)(g)(III), (1)(g)(IV), and (1)(i) amended and (1)(e)(I.5) and (1)(f)(VII) added, (HB 10-1001), ch. 37, pp. 144, 147, 148, §§ 1, 2, 3, effective August 11; (1)(c)(VI)(A) amended and (1)(c)(IX) added, (HB 10-1418), ch. 406, p. 2007, § 1, effective August 11; (1)(d) amended, (SB 10-177), ch. 392, p. 1864, § 7, effective August 11. **L. 2013:** IP(1), (1)(a), (1)(c)(II)(A), (1)(c)(III), IP(1)(c)(V), IP(1)(c)(VI), (1)(c)(VII)(A), IP(1)(f), (1)(g)(I)(A), and (1)(g)(IV)(A) amended and (1)(c)(V.5), (1)(c)(X), and (8) added, (SB 13-252), ch. 414, p. 2452, § 1, effective July 1. **L. 2015:** (1)(c)(VII) amended, (SB 15-254), ch. 257, p. 934, § 1, effective May 29; (1)(c)(II)(A.5) added, (SB 15-046), ch. 142, p. 433, § 1, effective August 5; (1)(c)(II)(D) added, (HB 15-1377), ch. 200, p. 691, § 1, effective August 5. **L. 2019:** IP(1) amended and (1)(f)(I) repealed, (SB 19-236), ch. 359, p. 3291, § 4, effective May 30. **L. 2021:** (1)(d) amended and (1)(g)(I)(D) added, (SB 21-272), ch. 220, p. 1159, § 6, effective June 10; IP(1)(a), (1)(a)(IV), (1)(a)(VII), (1)(a)(VIII), (1)(c)(II)(B), IP(1)(e), (1)(e)(I), (1)(e)(II), (1)(e)(III), and (1.5) amended and (1)(a)(IV.5), (1)(a)(VII.5), (1)(e)(IV), and (1)(j) added, (SB 21-261), ch. 280, p. 1619, § 5, effective June 21; IP(1)(a) and (1)(a)(VI) amended, (HB 21-1052), ch. 52, p. 220, § 1, effective September 7.

**Editor's note:** (1) A declaration of intent was contained in the initiated measure, Amendment 37, and is reproduced below:

**SECTION 1. Legislative declaration of intent:**

Energy is critically important to Colorado's welfare and development, and its use has a profound impact on the economy and environment. Growth of the state's population and economic base will continue to create a need for new energy resources, and Colorado's renewable energy resources are currently underutilized.

Therefore, in order to save consumers and businesses money, attract new businesses and jobs, promote development of rural economies, minimize water use for electricity generation, diversify Colorado's energy resources, reduce the impact of volatile fuel prices, and improve the natural environment of the state, it is in the best interests of the citizens of Colorado to develop and utilize renewable energy resources to the maximum practicable extent.

(2) This initiated measure was approved by a vote of the registered electors of the state of Colorado on November 2, 2004. The vote count for the measure was as follows:

FOR: 1,066,023

AGAINST: 922,577

(3) Amendments to subsection IP(1)(a) by SB 21-261 and HB 21-1052 were harmonized.

**Cross references:** For the legislative declaration in SB 21-261, see section 1 of chapter 280, Session Laws of Colorado 2021.

**40-2-125. Eminent domain restrictions.** (1) A qualifying retail utility shall not have the authority to condemn or exercise the power of eminent domain over any real estate, right-of-way, easement, or other right pursuant to section 38-2-101, C.R.S., to site the generation facilities of a renewable energy system used in whole or in part to meet the electric resource standards set forth in section 40-2-124. This section shall not be construed to limit the authority of a home rule municipality under article XX of the Colorado constitution.

(2) Section 3 of this initiated measure provides that this section and section 40-2-124 shall be effective December 1, 2004.

**Source: Initiated 2004:** Entire section added, see L. 2005, p. 2337, effective December 1, 2004, proclamation of the Governor issued December 1, 2004. **L. 2005:** Entire section amended, p. 238, § 2, effective August 8; (2) added by revision, see L. 2005, p. 2340, § 3.

**Editor's note:** (1) A declaration of intent was contained in the initiated measure, Amendment 37, and is reproduced below:

**SECTION 1. Legislative declaration of intent:**

Energy is critically important to Colorado's welfare and development, and its use has a profound impact on the economy and environment. Growth of the state's population and economic base will continue to create a need for new energy resources, and Colorado's renewable energy resources are currently underutilized.

Therefore, in order to save consumers and businesses money, attract new businesses and jobs, promote development of rural economies, minimize water use for electricity generation, diversify Colorado's energy resources, reduce the impact of volatile fuel prices, and improve the natural environment of the state, it is in the best interests of the citizens of Colorado to develop and utilize renewable energy resources to the maximum practicable extent.

(2) This initiated measure was approved by a vote of the registered electors of the state of Colorado on November 2, 2004. The vote count for the measure was as follows:

FOR: 1,066,023

AGAINST: 922,577

**40-2-125.5. Carbon dioxide emission reductions - goal to eliminate by 2050 - legislative declaration - interim targets - submission and approval of plans - definitions - cost recovery - reports - rules.** (1) **Legislative declaration.** The general assembly finds and declares that:

(a) It is a matter of statewide importance to promote the development of cost-effective clean energy and new technologies and reduce the carbon dioxide emissions from the Colorado electric generating system;

(b) The creation of a low-cost, reliable, and clean electricity system is critical to achieving the level of greenhouse gas emissions necessary to avoid the worst impacts of climate change and advancing a robust and efficient low-carbon economy for the state of Colorado and the nation;

(c) Technology advancement has already allowed Colorado to achieve reductions in carbon dioxide emissions from the electric utility sector, and continued technology development is key to extend progress toward a reliable, low-cost, clean energy future;

(d) Alternative financing mechanisms may result in lower costs to electric utility customers; therefore, it is helpful to provide alternative financing mechanisms that utilities may use to reduce the total amount of costs being included in customer rates resulting from accelerating the retirement of electric generating facilities; and

(e) A bold clean energy policy will support this progress and allow Coloradans to enjoy the benefits of reliable clean energy at an affordable cost.

(2) **Definitions.** As used in this section, unless the context otherwise requires:

(a) "Clean energy plan" means a plan filed by a qualifying retail utility as part of its electric resource plan to reduce the qualifying retail utility's carbon dioxide emissions associated with electricity sales to the qualifying retail utility's electricity customers by eighty percent from 2005 levels by 2030, and that seeks to achieve providing its customers with energy generated from one-hundred-percent clean energy resources by 2050.

(b) (I) "Clean energy resource" means any electricity-generating technology that generates or stores electricity without emitting carbon dioxide into the atmosphere.

(II) "Clean energy resource" includes, without limitation:

(A) Eligible energy resources as defined in section 40-2-124 (1)(a); and

(B) Nuclear energy, including nuclear energy projects awarded funding through the United States department of energy's advanced nuclear reactor programs.

(c) (I) "Qualifying retail utility" means a retail utility providing electric service to more than five hundred thousand customers in this state or any other electric utility that opts in pursuant to subsection (3)(b) of this section.

(II) "Qualifying retail utility" does not include a municipally owned utility.

(3) **Clean energy targets.** (a) In addition to the other requirements of this section, a qualifying retail utility shall meet the following clean energy targets:

(I) By 2030, the qualifying retail utility shall reduce the carbon dioxide emissions associated with electricity sales to the qualifying retail utility's electricity customers by eighty percent from 2005 levels.

(II) For the years 2050 and thereafter, or sooner if practicable, the qualifying retail utility shall seek to achieve the goal of providing its customers with energy generated from one-hundred-percent clean energy resources so long as doing so is technically and economically feasible, in the public interest, and consistent with the requirements of this section.

(III) The qualifying retail utility shall retire renewable energy credits established under section 40-2-124 (1)(d), in the year generated, by any eligible energy resources used to comply with the requirements of this section.

(b) Any other electric public utility may opt into the full terms of this entire section upon notification to the commission.

(4) **Submission and approval of plans.** (a) The first electric resource plan that a qualifying retail utility files with the commission after January 1, 2020, must include a clean energy plan that will achieve the clean energy target set forth in subsection (3)(a)(I) of this section and make progress toward the one-hundred-percent clean energy goal set forth in subsection (3)(a)(II) of this section in accordance with the following:

(I) The electric resource plan containing the clean energy plan must utilize a resource acquisition period that extends through 2030.

(II) The clean energy plan submitted to the commission must set forth a plan of actions and investments by the qualifying retail utility projected to achieve compliance with the clean energy targets in subsections (3)(a)(I) and (3)(a)(II) of this section and that result in an affordable, reliable, and clean electric system.

(III) In the electric resource plan that includes the clean energy plan, the qualifying retail utility shall clearly distinguish between the set of resources necessary to meet customer demands in the resource acquisition period and the additional clean energy plan activities that may be undertaken to meet the clean energy target in subsection (3)(a)(I) of this section, which may create an additional resource need for the clean energy plan. These activities may include retirement of existing generating facilities, changes in system operation, or any other necessary actions.

(IV) After conducting any procurement process pursuant to subsection (5)(b) of this section or otherwise, the qualifying retail utility shall set forth the actions and investments required to fill the additional resource need identified for the clean energy plan to satisfy the clean energy target in subsection (3)(a)(I) of this section. These actions and investments may include development of new clean energy resources, development of new transmission and other supporting infrastructure, and clean energy resource acquisitions. Any new transmission development is subject to existing commission and stakeholder transmission planning processes, as applicable.

(V) The clean energy plan must describe the effect of the actions and investments included in the clean energy plan on the safety, reliability, renewable energy integration, and resilience of electric service in the state of Colorado.

(VI) The clean energy plan must set forth the projected cost of its implementation and anticipated reductions in carbon dioxide and other emissions.

(VII) If the clean energy plan includes accelerated retirement of any existing generating facilities, the clean energy plan must include workforce transition and community assistance plans for utility workers impacted by any clean energy plan and a plan to pay community assistance to any local government or school district, the voters of which have approved projects the costs of which are expected to be paid for from property taxes that are directly impacted by the accelerated retirement of the electric generating facility in an amount equal to the costs of the voter-approved projects that were expected to be paid from the revenue sources directly impacted by the accelerated retirement of the projects, including but not limited to the payment of bonds, notes, or other multiple-fiscal year obligations or financed purchase of an asset or certificate of participation agreements that have been issued or entered into to pay the costs of such projects. Any payment of community assistance shall be reduced on an equivalent basis to the extent that property tax is derived from new electric infrastructure developed in the same impacted community. The qualifying retail utility may propose a cost-recovery mechanism to recover the prudently incurred costs of any workforce transition and community assistance plans, while giving due consideration to the impact on low-income customers. The qualifying retail utility will not earn its authorized rate of return on any noncapital costs incurred as part of any workforce transition plan. The workforce transition and community assistance plans must include, to the extent feasible, estimates of:

(A) The number of workers employed by the utility or a contractor of the utility at the electric generating facility;

(B) The total number of existing workers with jobs that will be retained and the total number of existing workers with jobs that will be eliminated due to the retirement of the electric generating facility;

(C) With respect to the existing workers with jobs that will be eliminated due to the retirement of the electric generating facility, the total number and number by job classification of workers for whom: Employment will end without being offered other employment by the utility; the workers will retire as planned, be offered early retirement, or leave voluntarily; the workers will be retained by being transferred to other electric generating facilities or offered other employment by the utility; and the workers will be retrained to continue to work for the utility in a new job classification;

(D) If the utility is replacing the electric generating facility being retired with a new electric generating facility: The number of workers from the retired electric generating facility that will be offered employment at the new electric generating facility and the number of jobs at the new electric generating facility that will be outsourced to subcontractors. The utility shall develop a training or apprenticeship program, under the terms of an applicable collective bargaining agreement, if any, for the maintenance and operation of any new combination generation and storage facility owned by the utility that does not emit carbon dioxide, to which facility displaced workers may transfer as appropriate.

(VIII) If the minimum amounts of electricity from eligible energy resources set forth in section 40-2-124 (1)(c) are satisfied, a qualifying retail utility may propose to use up to one-half of the funds collected annually under section 40-2-124 (1)(g), as well as any accrued funds, to recover the incremental cost of clean energy resources and their directly related interconnection facilities. The utility may account for these funds in calculating the cost of the plan.

(b) The division of administration in the department of public health and environment shall participate in any proceeding seeking approval of a clean energy plan developed by a qualifying retail utility pursuant to this section. The division shall describe the methods of measuring carbon dioxide emissions and shall verify the projected carbon dioxide emission reductions as a result of the clean energy plan.

(c) (I) After consulting with the air quality control commission, the division of administration shall determine whether a clean energy plan as filed under this section will result in an eighty percent reduction, relative to 2005 levels, in carbon dioxide emissions from the qualifying retail utility's Colorado electricity sales by 2030 and is otherwise consistent with any greenhouse gas emission reduction goals established by the state of Colorado. The division shall publish, and shall report to the public utilities commission, the division's calculation of carbon dioxide emission reductions attributable to any approved clean energy plan. Nothing in the division's engagement in this process shall be construed to diminish or override the commission's authority under this title 40.

(II) Notwithstanding anything in this section to the contrary, the division shall comply with section 25-7-105 (1)(e)(VIII.2) in making any calculation or determination pursuant to subsection (4)(c)(I) of this section.

(d) The commission shall approve the clean energy plan if the commission finds it to be in the public interest and consistent with the clean energy target in subsection (3)(a)(I) of this section, and the commission may modify the plan if the modification is necessary to ensure that the plan is in the public interest. In evaluating whether a clean energy plan submitted to the commission is in the public interest, the commission shall consider the following factors, among other relevant factors as defined by the commission:

(I) Reductions in carbon dioxide and other emissions that will be achieved through the clean energy plan and the environmental and health benefits of those reductions;

(II) The feasibility of the clean energy plan and the clean energy plan's impact on the reliability and resilience of the electric system. The commission shall not approve any plan that does not protect system reliability.

(III) Whether the clean energy plan will result in a reasonable cost to customers, as evaluated on a net present value basis. In evaluating the cost impacts of the clean energy plan, the commission shall consider the effect on customers of the projected costs associated with the plan as set forth in subsection (4)(a)(VI) of this section as well as any projected savings associated with the plan, including projected avoided fuel costs.

(e) If the commission finds that approval of the clean energy plan is not in the public interest, or if the commission modifies the plan, the utility may choose to submit an amended plan to the commission for approval in lieu of having no plan or implementing the modified plan. No clean energy plan is effective without commission approval.

(5) **Regulatory matters.** (a) **Ensuring retail rate stability.** (I) The commission shall establish a maximum electric retail rate impact of one and one-half percent of the total electric bill annually for each customer for implementation of the approved additional clean energy plan activities, consistent with this subsection (5). Nothing in this subsection (5)(a) supersedes subsection (3)(a)(I) of this section.

(II) A qualifying retail utility shall collect revenues for the additional clean energy plan activities through a clean energy plan revenue rider assessed on a percentage basis on all retail customer bills, as deemed prudent by the commission. The revenue rider may be established as early as the year following approval of a clean energy plan by the commission, and the qualifying retail utility may propose a commencement date and level no greater than the maximum electric retail rate impact. The revenue rider shall afford the qualifying retail utility cost-recovery treatment up to the maximum electric retail rate impact until the first rate case following the final implementation of the clean energy plan, at which time the remaining costs and savings associated with the clean energy plan will be incorporated into base rates. The qualifying retail utility may propose to adjust the level of the retail rate rider over time so long as it does not exceed the maximum retail rate impact and as deemed prudent by the commission. Nothing in this subsection (5) affects the commission's authority to evaluate the prudence of costs associated with approved clean energy plan activities.

(III) The clean energy plan revenue rider will be utilized for costs of a qualifying retail utility's clean energy plan capital investments and operating and related expenses, exclusive of:

(A) Fuel and transmission costs;

(B) Costs associated with the capital investments and operating and related expenses within the overall approved resource portfolio necessary to fully satisfy the resource need identified for the electric resource plan without the clean energy plan;

(C) The incremental costs of eligible energy resources recovered with funds collected under section 40-2-124 (1)(g); and

(D) The incremental costs of any clean energy resources and their directly related interconnection facilities that, subject to commission approval, are recovered with funds collected under section 40-2-124 (1)(g) in accordance with subsection (4)(a)(VIII) of this section. Savings associated with the plan will return to customers through existing rate riders and base rate adjustments.

(IV) The clean energy plan revenue rider shall afford customers certainty on the maximum rate impact of the approved additional clean energy plan activities through at least calendar year 2030. Annually, the qualifying retail utility shall file a report with the commission indicating, at a minimum:

(A) The amount of rider collections;

(B) The revenue requirement associated with the approved additional clean energy plan activities to be paid for from the rider collections;

(C) Any positive or negative rider account balance;

(D) Interest expense associated with the revenue rider balance; and

(E) Any other information required by the commission.

(V) In the first rate case following the final implementation of the clean energy plan, the commission shall conduct a final reconciliation of the clean energy plan revenue rider and determine how to account for any positive or negative rider balance. In the manner determined by the commission, any remaining positive balance shall be returned to customers or used to reduce customer rates and any negative balance shall be incorporated into the qualifying retail utility's rates.

(b) The qualifying retail utility shall utilize a competitive bidding process, as defined by the commission in rules, to procure any energy resources to fill the cumulative resource need derived from the electric resource plan and the clean energy plan in subsection (4)(a)(III) of this section. The commission shall allow the qualifying retail utility, inclusive of any ownership by its affiliates, to own a target of fifty percent of the energy and capacity associated with the clean energy resources and any other energy resources developed or acquired to meet the resource need, as well as all associated infrastructure, if the commission finds the cost of utility or affiliate ownership of the generation assets comes at a reasonable cost and rate impact. Utility ownership may come from utility or affiliate self-builds, build-transfers from independent power producers, or sales of existing assets from independent power producers or similar commercial arrangements. Nothing in this subsection (5)(b) alters the commission's authority under subsection (4)(d) of this section.

(c) Any actions, including transmission development, taken by the qualifying retail utility shall be presumed prudent to the extent those actions are a part of an approved clean energy plan.

(d) For the purposes of this section, the clean energy target evaluation will be based upon the qualifying retail utility's electricity sales within its electric service territory as it existed on January 1, 2019. In the event of a significant acquisition, the qualifying retail utility may file within one year after the acquisition an additional clean energy plan to address that acquisition, and the commission shall consider the additional clean energy plan consistent with the goals of this section.

(e) The commission may, on its own motion or upon application by a qualifying retail utility, amend an approved clean energy plan if amendment is necessary to ensure the reliability and resilience of the electric system. The commission may require the qualifying retail utility to provide such periodic reports on the reliability and resiliency of the electric system as it may deem appropriate to ensure the clean energy plan does not adversely impact reliability or resiliency.

(f) The commission shall consider affected communities within the filing qualifying retail utility's service territory with a tangible and pecuniary interest, and organizations representing those communities shall be presumed to have standing in a proceeding seeking approval of any clean energy plan filed pursuant to this section.

(g) (I) A clean energy plan voluntarily filed by a municipal utility or a cooperative electric association that has voted to exempt itself from regulation by the commission pursuant to article 9.5 of this title 40 shall be deemed approved by the commission as filed if:

(A) The division of administration, in consultation with the commission, verifies that the plan demonstrates that, by 2030, the municipal utility or cooperative electric association will achieve at least an eighty-percent reduction in greenhouse gas emissions caused by the entity's Colorado electricity sales relative to 2005 levels; and

(B) The clean energy plan has previously been approved by a vote of the entity's governing body.

(II) Voluntary submission of a clean energy plan by a municipal utility or a cooperative electric association does not alter the entity's regulatory status with respect to the commission, including under article 9.5 of this title 40.

(h) Nothing in this subsection (5) precludes the use of bonds as a mechanism for recovering utility capital in a retired electric generating facility.

(6) **Reports.** One year after approval of any electric resource plan that incorporates a clean energy plan, the qualifying retail utility shall prepare a report to the governor, the general assembly, the public utilities commission, and the air quality control commission outlining progress toward the clean energy targets set forth in this section. The report must set forth the clean energy resources developed under any clean energy plan, the cost and customer impact of those clean energy resources, the effect of any approved clean energy plan on system reliability, and any other relevant information. The report must also identify the need for new or additional technology development necessary to achieve the clean energy targets of this section.

(7) **Future electric resource plans.** Any electric resource plan submitted to the commission after approval of the clean energy plan must include an update on the progress made toward the approved clean energy plan, as well as actions and investments by the qualifying retail utility projected to achieve compliance with the emission reduction target identified in subsection (3)(a)(I) of this section and make progress toward the one-hundred-percent clean energy goal set forth in subsection (3)(a)(II) of this section. The commission may solicit input from the division of administration for assistance in evaluating the emission reductions associated with any future electric resource plan and consistent with the clean energy targets of this section. The commission shall review the qualifying retail utility's actions and investments in accordance with the standards set forth in subsection (4)(d) of this section.

**Source:** **L. 2019:** Entire section added, (SB 19-236), ch. 359, p. 3291, § 5, effective May 30. **L. 2021:** IP(4)(a)(VII) amended, (HB 21-1316), ch. 325, p. 2062, § 78, effective July 1. **L. 2023:** (4)(c) amended, (SB 23-198), ch. 352, p. 2118, § 3, effective June 5. **L. 2025:** (2)(b) amended, (HB 25-1040), ch. 45, p. 209, § 3, effective August 6.

**Cross references:** For the legislative declaration in SB 23-198, see section 1 of chapter 352, Session Laws of Colorado 2023. For the legislative declaration in HB 25-1040, see section 1 of chapter 45, Session Laws of Colorado 2025.

**40-2-126. Transmission facilities - biennial review - energy resource zones - definitions - plans - approval - cost recovery - powerline trail consideration.** (1) As used in this section, unless the context otherwise requires:

(a) "Energy resource zone" means a geographic area in which transmission constraints hinder the delivery of electricity to Colorado consumers, the development of new electric generation facilities to serve Colorado consumers, or both.

(b) "Local government" has the meaning set forth in section 33-45-102 (3).

(c) "Powerline trail" has the meaning set forth in section 33-45-102 (5).

(2) Biennially, on or before a date determined by the commission, commencing in 2016, each Colorado electric utility subject to rate regulation by the commission shall:

(a) Designate energy resource zones;

(b) Develop plans for the construction or expansion of transmission facilities necessary to deliver electric power consistent with the timing of the development of beneficial energy resources located in or near such zones;

(c) Consider how transmission can be provided to encourage local ownership of renewable energy facilities, whether through renewable energy cooperatives as provided in section 7-56-210, C.R.S., or otherwise; and

(d) Submit proposed plans, designations, and applications for certificates of public convenience and necessity to the commission for review pursuant to subsection (3) of this section.

(2.5) In reviewing a plan that an electric utility submits pursuant to subsection (2)(d) of this section, the commission shall consider the need for expanded transmission capacity in the state, including the ability to expand capacity through the construction of new transmission lines, improvements to existing transmission lines, and connections to organized wholesale markets, as defined in section 40-5-108 (1)(a).

(3) The commission may, consistent with its authority, approve a utility's application for a certificate of public convenience and necessity for the cost-effective construction or expansion of transmission facilities pursuant to subsection (2)(b) of this section if the commission finds that:

(a) The construction or expansion:

(I) Is required to:

(A) Ensure the reliable delivery of electricity to Colorado consumers, either alone or in combination with the consumers of other states served by an organized wholesale market as defined in section 40-5-108 (1)(a); or

(B) Enable the utility to meet the renewable energy standards set forth in section 40-2-124 or achieve emission reductions under section 25-7-102 or 40-2-125.5;

(II) Can reasonably accommodate future expansion, through the addition of more lines or greater capacity, as may be required to support the utility's participation in an organized wholesale market as defined in section 40-5-108 (1)(a); and

(b) The present or future public convenience and necessity require such construction or expansion.

(4) Notwithstanding any other provision of law, in response to any application for a certificate of public convenience and necessity for the construction or expansion of transmission facilities that is submitted to the commission pursuant to subsection (2)(d) of this section, the commission shall issue a final order within two hundred forty days after the application is deemed complete and public notice of the application is given; except that the applicant may waive this two-hundred-forty-day deadline. Absent such waiver, if the commission does not issue a final order within that period, the application is deemed approved.

(5) In any construction or expansion approved pursuant to this section, the utility shall use its own employees or qualified contractors, or both, but shall not use a contractor unless the contractor's employees have access to an apprenticeship program registered with the United States department of labor's office of apprenticeship or by a state apprenticeship agency recognized by that office; except that this apprenticeship requirement does not apply to:

(a) The design, planning, or engineering of the transmission facilities;

(b) Management functions to operate the transmission facilities; or

(c) Any work performed in response to a warranty claim.

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

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

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

**Source:** **L. 2007:** Entire section added, p. 266, § 2, effective March 27. **L. 2016:** IP(2) and (2)(d) amended and (4) repealed, (HB 16-1091), ch. 48, p. 114, § 1, effective August 10. **L. 2021:** IP(3) and (3)(a) amended, (4) RC&RE, and (5) added, (SB 21-072), ch. 329, p. 2110, § 1, effective June 24. **L. 2022:** (1) amended and (6) added, (HB 22-1104), ch. 97, p. 466, § 5, effective April 13. **L. 2023:** IP(5) amended, (SB 23-051), ch. 37, p. 149, § 32, effective March 23; (2.5) added, (SB 23-016), ch. 165, p. 744, § 16, effective August 7.

**Cross references:** For the legislative declaration contained in the 2007 act enacting this section, see section 1 of chapter 61, Session Laws of Colorado 2007. For the legislative declaration in HB 22-1104, see section 1 of chapter 97, Session Laws of Colorado 2022.

**40-2-127. Community energy funds - community solar gardens - definitions - rules - legislative declaration - applicability - repeal.** (1) **Legislative declaration.** The general assembly hereby finds and declares that:

(a) Local communities can benefit from the further development of renewable energy, energy efficiency, conservation, and environmental improvement projects, and the general assembly hereby encourages electric utilities to establish community energy funds for the development of such projects;

(b) It is in the public interest that broader participation in solar electric generation by Colorado residents and commercial entities be encouraged by the development and deployment of distributed solar electric generating facilities known as community solar gardens, in order to:

(I) Provide Colorado residents and commercial entities with the opportunity to participate in solar generation in addition to the opportunities available for rooftop solar generation on homes and businesses;

(II) Allow renters, low-income utility customers, and agricultural producers to own interests in solar generation facilities;

(III) Allow interests in solar generation facilities to be portable and transferrable; and

(IV) Leverage Colorado's solar generating capacity through economies of scale.

(2) **Definitions.** As used in this section, unless the context otherwise requires:

(a) The definitions in section 40-2-124 apply; and

(b) In addition:

(I) (A) "Community solar garden" means a solar electric generation facility with a nameplate rating within the range specified under subsection (2)(b)(I)(D) of this section that is located in or near a community served by a qualifying retail utility where the beneficial use of the electricity generated by the facility belongs to the subscribers to the community solar garden. There shall be at least ten subscribers. The owner of the community solar garden may be the qualifying retail utility or any other for-profit or nonprofit entity or organization, including a subscriber organization organized under this section, that contracts to sell the output from the community solar garden to the qualifying retail utility. A community solar garden shall be deemed to be "located on the site of customer facilities".

(B) A community solar garden shall constitute "retail distributed generation" within the meaning of section 40-2-124, as amended by House Bill 10-1001, enacted in 2010.

(C) Notwithstanding any provision of this section or section 40-2-124 to the contrary, a community solar garden constitutes retail distributed generation for purposes of a cooperative electric association's compliance with the applicable renewable energy standard under section 40-2-124.

(D) A community solar garden must have a nameplate rating of five megawatts or less; except that the commission may, in rules adopted pursuant to subsection (3)(b) of this section, approve the formation of a community solar garden with a nameplate rating of up to ten megawatts on or after July 1, 2023.

(II) "Subscriber" means a retail customer of a qualifying retail utility who owns a subscription and who has identified one or more physical locations to which the subscription is attributed. Such physical locations must be within the service territory of the same qualifying retail utility as the community solar garden. The subscriber may change from time to time the premises to which the community solar garden electricity generation shall be attributed, so long as the premises are within the same service territory.

(III) "Subscription" means a proportional interest in solar electric generation facilities installed at a community solar garden, together with the renewable energy credits associated with or attributable to such facilities under section 40-2-124. Each subscription shall be sized to represent at least one kilowatt of the community solar garden's generating capacity and to supply no more than one hundred twenty percent of the average annual consumption of electricity by each subscriber at the premises to which the subscription is attributed, with a deduction for the amount of any existing solar facilities at such premises. Subscriptions in a community solar garden may be transferred or assigned to a subscriber organization or to any person or entity who qualifies to be a subscriber under this section.

(3) **Subscriber organization - subscriber qualifications - transferability of subscriptions.** (a) The community solar garden may be owned by a subscriber organization, whose sole purpose shall be beneficially owning and operating a community solar garden. The subscriber organization may be any for-profit or nonprofit entity permitted by Colorado law. The community solar garden may also be built, owned, and operated by a third party under contract with the subscriber organization.

(b) The commission shall adopt rules as necessary to implement this section, including rules to facilitate the financing of subscriber-owned community solar gardens. The rules must include:

(I) Minimum capitalization;

(II) The share of a community solar garden's eligible solar electric generation facilities that a subscriber organization may at any time own in its own name; and

(III) Authorizing subscriber organizations to enter into leases, sale-and-leaseback transactions, operating agreements, and other ownership arrangements with third parties.

(c) If a subscriber ceases to be a customer at the premises on which the subscription is based but, within a reasonable period as determined by the commission, becomes a customer at another premises in the service territory of the qualifying retail utility and within the geographic area served by the community solar garden, the subscription shall continue in effect but the bill credit and other features of the subscription shall be adjusted as necessary to reflect any differences between the new and previous premises' customer classification and average annual consumption of electricity.

(3.5) **Standards for construction and operation.** The following requirements apply to any community solar garden exceeding two megawatts:

(a) The initial installation of any photovoltaic module or associated electrical equipment is subject to final inspection and approval in accordance with section 12-115-120.

(b) Following the development or acquisition by a qualifying retail utility of a community solar garden in which the qualifying retail utility retains ownership, the qualifying retail utility shall either use its own employees to operate and maintain the community solar garden or contract for operation and maintenance of the community solar garden by a contractor whose employees have access to an apprenticeship program registered with the United States department of labor's office of apprenticeship or with a state apprenticeship agency recognized by that office; except that this apprenticeship requirement does not apply to:

(I) The design, planning, or engineering of the infrastructure;

(II) Management functions to operate the infrastructure; or

(III) Any work included in a warranty.

(3.7) **Energy sector public works projects.** If the development of a community solar garden is an energy sector public works project, as defined in section 24-92-303 (5), then the project must comply with the applicable requirements of the "Colorado Energy Sector Public Works Project Craft Labor Requirements Act", part 3 of article 92 of title 24.

(4) **Community solar gardens not subject to regulation.** Neither the owners of nor the subscribers to a community solar garden shall be considered public utilities subject to regulation by the commission solely as a result of their interest in the community solar garden. Prices paid for subscriptions in community solar gardens shall not be subject to regulation by the commission.

(5) **Purchases of the output from community solar gardens.** (a) (I) Each qualifying retail utility shall set forth in its plan for acquisition of renewable resources a plan to purchase the electricity and renewable energy credits generated from one or more community solar gardens over the period covered by the plan.

(II) For the first three compliance years commencing with the 2011 compliance year, each qualifying retail utility shall issue one or more standard offers to purchase the output from community solar gardens of five hundred kilowatts or less at prices that are comparable to the prices offered by the qualifying retail utility under standard offers issued for on-site solar generation. During these three compliance years, the qualifying retail utility shall acquire, through these standard offers, one-half of the solar garden generation it plans to acquire, to the extent the qualifying retail utility receives responses to its standard offers. Notwithstanding any provision of this subparagraph (II) to the contrary, renewable energy credits generated from solar gardens shall not be used to achieve more than twenty percent of the retail distributed generation standard in years 2011 through 2013.

(III) For the first three compliance years commencing with the 2011 compliance year, a qualifying retail utility shall not be obligated to purchase the output from more than six megawatts of newly installed community solar garden generation.

(III.5) Subsections (5)(a)(II) and (5)(a)(III) of this section and this subsection (5)(a)(III.5) are repealed, effective July 1, 2043.

(IV) For each qualifying retail utility's compliance years commencing in 2014 through 2025, the commission shall determine the minimum and maximum purchases of electrical output from newly installed community solar gardens of different output capacity that the qualifying retail utility shall plan to acquire, without regard to the six-megawatt ceiling of the first three compliance years. In addition, as necessary, the commission shall formulate and implement policies consistent with this section that simultaneously encourage:

(A) The ownership by customers of subscriptions in community solar gardens and of other forms of distributed generation, to the extent the commission finds there to be customer demand for such ownership;

(B) Ownership in community solar gardens by residential retail customers and agricultural producers, including low-income customers, to the extent the commission finds there to be demand for such ownership;

(C) The development of community solar gardens with attributes that the commission finds result in lower overall total costs for the qualifying retail utility's customers;

(D) Successful financing and operation of community solar gardens owned by subscriber organizations; and

(E) The achievement of the goals and objectives of section 40-2-124.

(b) (I) (A) The output from a community solar garden shall be sold only to the qualifying retail utility serving the geographic area where the community solar garden is located.

(B) Once a community solar garden is part of a qualifying retail utility's plan for acquisition of renewable resources, as approved by the commission, the commission shall, by January 30, 2020, initiate a proceeding, or consider in an active proceeding, to determine whether the qualifying retail utility shall purchase all of the electricity and renewable energy credits generated by the community solar garden or whether a subscriber may, upon becoming a subscriber, choose to retain or sell to the qualifying retail utility the subscriber's renewable energy credits.

(C) The amount of electricity and renewable energy credits generated by each community solar garden shall be determined by a production meter installed by the qualifying retail utility or third-party system owner and paid for by the owner of the community solar garden.

(II) (A) The purchase of the output of a community solar garden by a qualifying retail utility must take the form of a net metering credit against the qualifying retail utility's electric bill to each community solar garden subscriber at the premises set forth in the subscriber's subscription.

(B) For a subscriber organization that directs the qualifying retail utility to provide the subscriber organization's subscribers with a bill credit that changes annually, the net metering credit is calculated by multiplying the subscriber's share of the electricity production from the community solar garden by the qualifying retail utility's total aggregate retail rate as charged to the subscriber, minus a reasonable charge as determined by the commission. The charge will be used to cover the utility's costs of delivering to the subscriber's premises the electricity generated by the community solar garden, integrating the solar generation with the utility's system, and administering the community solar garden's contracts and net metering credits.

(C) For a subscriber organization that directs the qualifying retail utility to provide the subscriber organization's subscribers with a fixed bill credit, the net metering credit is calculated by multiplying the subscriber's share of the electricity production from the community solar garden by the qualifying retail utility's total aggregate retail rate as charged to the subscriber at the time the subscriber organization applies for or bids capacity into a utility community solar garden program, minus a reasonable charge, as determined by the commission at the time the subscriber organization applies for or bids capacity into a utility community solar garden program. The charge will be used to cover the utility's costs related to: Delivering to the subscriber's premises the electricity generated by the community solar garden, integrating the solar generation with the utility's system, and administering contracts and net metering credits for the community solar garden.

(D) For community solar gardens eligible for a fixed bill credit, and solely for the purpose of applying the bill credit to a subscriber's bill, the bill credit shall not be applied toward the following rate rider charges, unless the rate rider charges are included in the reasonable charge: Rate rider charges that promote clean energy technologies, including beneficial electrification; rate rider charges that provide low-income bill assistance; or rate rider charges that provide other public benefits as determined by the commission.

(E) By June 30, 2024, the commission shall adopt rules to implement the fixed bill credit. The rules must consider the change of value to community solar garden customers of the fixed bill credit over time through rate adjustments or other mechanisms.

(F) The commission shall allow a qualifying retail utility to recover the costs incurred in implementing and maintaining billing systems for the various bill credit processes required pursuant to this subsection (5)(b)(II).

(G) The commission shall ensure that the reasonable charge that the commission determines pursuant to subsections (5)(b)(II)(B) and (5)(b)(II)(C) of this section does not reflect costs that are already recovered by the utility from the subscriber through other charges.

(H) If, and to the extent that, a subscriber's net metering credit exceeds the subscriber's electric bill in any billing period, the net metering credit shall be carried forward and applied against future bills.

(I) The qualifying retail utility and the owner of the community solar garden must agree on whether the purchase of the renewable energy credits from subscribers will be accomplished through a credit on each subscriber's electricity bill or by a payment to the owner of the community solar garden.

(c) The owner of the community solar garden shall provide real-time production data to the qualifying retail utility to facilitate incorporation of the community solar garden into the utility's operation of its electric system and to facilitate the provision of net metering credits.

(d) The owner of the community solar garden shall be responsible for providing to the qualifying retail utility, on a monthly basis and within reasonable periods set by the qualifying retail utility, the percentage shares that should be used to determine the net metering credit to each subscriber. If the electricity output of the community solar garden is not fully subscribed, the qualifying retail utility shall purchase the unsubscribed renewable energy and the renewable energy credits at a rate equal to the qualifying retail utility's average hourly incremental cost of electricity supply over the immediately preceding calendar year.

(e) Each qualifying retail utility shall set forth in its plan for acquisition of renewable resources a proposal for including low-income customers as subscribers to a community solar garden. The utility may give preference to community solar gardens that have low-income subscribers.

(f) Qualifying retail utilities shall be eligible for the incentives and subject to the ownership limitations set forth in section 40-2-124 (1)(f) for utility investments in community solar gardens and may recover through rates a margin, in an amount determined by the commission, on all energy and renewable energy credits purchased from community solar gardens. Such incentive payments shall be excluded from the cost analysis required by section 40-2-124 (1)(g).

(6) Nothing in this section shall be construed to waive or supersede the retail rate impact limitations in section 40-2-124 (1)(g). Utility expenditures for unsubscribed energy and renewable energy credits generated by community solar gardens shall be included in the calculations of retail rate impact required by that section.

(7) **Applicability to cooperative electric associations and municipally owned utilities.** This section shall not apply to cooperative electric associations or to municipally owned utilities.

(8) **Applicability.** (a) This section applies to community solar capacity that is allocated on or before December 31, 2025.

(b) Community solar capacity that is allocated on or after January 1, 2026, is allocated pursuant to section 40-2-127.2.

**Source:** **L. 2007:** Entire section added, p. 265, § 2, effective March 27. **L. 2010:** Entire section amended, (HB 10-1342), ch. 344, p. 1592, § 1, effective June 5. **L. 2015:** (2)(b)(II) amended, (HB 15-1248), ch. 170, p. 519, § 1, effective May 8; (2)(b)(I)(C) added, (SB 15-046), ch. 142, p. 434, § 2, effective August 5. **L. 2019:** IP(3)(b) amended and (5)(a)(III.5) added, (SB 19-236), ch. 359, p. 3299, § 6, effective May 30; (2)(b)(I)(A), (2)(b)(II), and (5)(b)(I) amended and (2)(b)(I)(D) and (3.5) added, (HB 19-1003), ch. 360, p. 3336, § 2, effective August 2. **L. 2020:** IP(3.5)(b) amended, (HB 20-1402), ch. 216, p. 1058, § 70, effective June 30. **L. 2023:** IP(3.5)(b) amended, (SB 23-051), ch. 37, p. 149, § 33, effective March 23; (5)(b)(II) amended, (HB 23-1137), ch. 85, p. 296, § 1, effective August 7; (3.7) added, (SB 23-292), ch. 247, p. 1360, § 5, effective January 1, 2024. **L. 2024:** IP(5)(a)(IV) amended and (8) added, (SB 24-207), ch. 231, p. 1423, § 2, effective May 22.

**Cross references:** For the legislative declaration in SB 24-207, see section 1 of chapter 231, Session Laws of Colorado 2024.

**40-2-127.2. Inclusive community solar development - definitions - subscription requirements - program capacity - energy bill credits - administration - rules - reports - applicability.** (1) **Definitions - rules.** As used in this section, unless the context otherwise requires:

(a) "Agrivoltaics" has the meaning set forth in section 35-1-114 (4)(a).

(b) (I) "Community solar bill credit" means the credit value of the electricity generated by a community solar facility and allocated to a subscriber to offset the subscriber's utility bill.

(II) A "community solar bill credit" is calculated pursuant to the net metering credit methodology established in section 40-2-127 (5)(b)(II)(A) to (5)(b)(II)(H).

(c) "Community solar facility", "community solar project", or "facility" means a facility:

(I) Owned by a subscriber organization that generates electricity by means of a solar photovoltaic device;

(II) Through which a subscriber to the facility receives a community solar bill credit for the electricity generated in proportion to the subscriber's share of the facility's kilowatt-hour output;

(III) That constitutes "retail distributed generation" as described in section 40-2-124; and

(IV) That is allocated inclusive community solar capacity on or after January 1, 2026.

(d) "Consolidated billing" means the inclusion of the community solar bill credit and the subscription charges on a customer's monthly electric utility bill.

(e) "Inclusive community solar" means the capacity, interconnection, and subscription requirements set forth in this section with which an investor-owned electric utility, subscriber organization, and subscription coordinator must comply with regard to community solar facilities that are allocated capacity on or after January 1, 2026.

(f) "Income-qualified subscriber" means a residential utility customer who:

(I) Has a household income at or below two hundred percent of the current federal poverty line, as defined in 42 U.S.C. sec. 9902 (2);

(II) Has a household income at or below eighty percent of the area median income, as determined by the United States department of housing and urban development;

(III) Meets income eligibility requirements as determined by the Colorado department of human services by rule pursuant to section 40-8.5-105; or

(IV) Demonstrates participation in one or more of the income-qualified programs that are listed in subsection (5)(c)(III) of this section or that the commission determines pursuant to subsection (5)(c)(III)(G) of this section qualifies a prospective subscriber for eligibility as an income-qualified subscriber.

(g) "Investor-owned electric utility" or "utility" means a retail electric utility in the state that is not a cooperative electric association or a municipally owned electric utility.

(h) "Preferred location" means location on a rooftop; a parking lot; another impervious surface; a brownfield site, as defined in 42 U.S.C. sec. 9601 (39), as amended; a body of water; a municipal property; a state property; or another previously disturbed location as established by the commission as part of a distribution system plan pursuant to section 40-2-132 or other appropriate proceeding.

(i) "Subscriber" means a retail customer of an investor-owned electric utility that has one or more subscriptions with a community solar facility that is interconnected with the utility.

(j) "Subscriber organization" means a person that develops, owns, or operates a community solar facility and may include a municipality, a county, a for-profit organization, or a nonprofit organization but does not include an investor-owned electric utility.

(k) "Subscription" means a contract between a subscriber and a subscriber organization or a subscription coordinator for a portion of the output of a community solar facility.

(l) "Subscription coordinator" means a person that:

(I) Markets community solar facilities or otherwise provides services related to community solar facilities;

(II) Performs any administrative action to allocate subscriptions for a community solar facility, connect a subscriber to a community solar facility, or enroll a customer in a community solar facility; and

(III) Manages interactions between a subscriber organization and an investor-owned electric utility.

(2) **Community solar facility and subscription requirements - rules.** (a) A community solar facility must:

(I) Have a nameplate capacity rating of five megawatts or less, as measured in alternating current;

(II) Interconnect to the electric distribution system of an investor-owned electric utility;

(III) Comply with all applicable requirements of the "Colorado Energy Sector Public Works Project Craft Labor Requirements Act", part 3 of article 92 of title 24, if the community solar facility qualifies as an "energy sector public works project" as defined in section 24-92-303 (5);

(IV) Reserve at least fifty-one percent of the community solar facility capacity for subscribers who are income-qualified subscribers; and

(V) Not allocate to a single subscriber more than forty percent of the generating capacity of the facility.

(b) A subscription to a community solar facility must:

(I) Supply no more than one hundred twenty percent of the subscriber's reasonably expected average annual total consumption of electricity; except that no more than two hundred percent of a subscriber's reasonably expected average annual total consumption of electricity may be supplied to a subscriber who is a direct bill, income-qualified subscriber; and

(II) Be portable and transferable within the service territory of the investor-owned electric utility in which the community solar facility is interconnected to the utility's electric grid.

(c) Community solar facilities that are owned by the same subscriber organization or by persons affiliated with the subscriber organization must not exceed five megawatt capacity measured in alternating current on a single parcel of land in an annual capacity allocation cycle.

(d) A community solar facility that is sited on a preferred location or that utilizes agrivoltaics may have an aggregate capacity of up to ten megawatts measured in alternating current.

(3) **Inclusive community solar capacity - allocation - interconnection application - rules.** (a) (I) On or after January 1, 2026, but before February 1, 2026, an investor-owned electric utility with more than five hundred thousand customers shall make available an annual capacity allocation of at least fifty megawatts of inclusive community solar capacity, and make available any unclaimed community solar capacity as determined in the utility's most recent commission-approved renewable energy plan, in accordance with this section.

(II) On or before February 1, 2027, an investor-owned electric utility with more than five hundred thousand customers shall make available an annual capacity allocation of at least fifty megawatts of inclusive community solar capacity, and make available any unclaimed inclusive community solar capacity from the previous allocation cycle, in accordance with this section.

(b) (I) On or after January 1, 2026, but before February 1, 2026, an investor-owned electric utility with five hundred thousand or fewer customers shall make available an annual capacity allocation of three and one-half megawatts of inclusive community solar capacity in accordance with this section.

(II) On or before February 1, 2027, an investor-owned electric utility with five hundred thousand or fewer customers shall make available an annual capacity allocation of three and one-half megawatts of inclusive community solar capacity available in accordance with this section.

(c) On or before February 1, 2028, and periodically thereafter, the commission shall determine, by rule or by order, the amount of inclusive community solar capacity that investor-owned electric utilities are required to make available and may adjust any requirements related to inclusive community solar specified in this section.

(d) (I) All inclusive community solar capacity made available pursuant to this section must be allocated to a subscriber organization that demonstrates site control, has received all applicable nonministerial permits, and has an executed interconnection agreement with the relevant utility.

(II) Except as provided in subsection (8)(b)(II) of this section, inclusive community solar capacity must be allocated on a first-come, first-served basis based on the day the application is received.

(e) In order to facilitate equitable access to clean energy, an investor-owned electric utility shall allow all interconnection applicants for retail distributed generation projects as described in section 40-2-124, including community solar facilities, to begin the interconnection process no later than sixty days after May 22, 2024.

(4) **Community solar bill credits, unsubscribed electricity, and renewable energy credits - rules.** (a) Beginning January 1, 2026, an investor-owned electric utility shall:

(I) Acquire the entire electrical output of a community solar facility that is connected to the utility's distribution system;

(II) Apply community solar bill credits to subscribers' monthly bills as soon as practicable but no later than sixty days after the month during which the community solar facility generated the electricity;

(III) Provide community solar bill credits to a community solar facility's subscribers for a term of twenty years after the date the facility begins generating bill credits or until the community solar facility is decommissioned or the subscriber organization ceases operations of a community solar facility, whichever occurs first;

(IV) Carry over any amount of a community solar bill credit that exceeds the subscriber's monthly bill and apply it to the subscriber's next monthly bill until the subscriber cancels service with the utility, at which point the utility shall donate any remaining community solar bill credits to a third-party administrator that is qualified and approved by the utility for the purpose of providing energy assistance and bill reductions to income-qualified subscribers within the utility's service territory;

(V) On a monthly basis, provide to a subscriber organization or subscription coordinator a report indicating the total value of community solar bill credits generated by the community solar facility in the prior month and the amount of the community solar bill credits applied to each subscriber; and

(VI) Provide, if an investor-owned electric utility has more than five hundred thousand customers, at the request of a subscriber organization or subscription coordinator, consolidated billing by:

(A) Including the subscriber organization's or subscription coordinator's monthly subscription charge on the customer's monthly bill for electric service and supply from the utility; and

(B) Remitting the customer's payment of the subscriber organization's or subscription coordinator's monthly subscription charge to the subscriber organization or subscription coordinator.

(b) A subscriber organization shall, on a monthly basis and in an electronic format, provide the investor-owned electric utility a subscriber list indicating the kilowatts of a community solar facility's nameplate capacity attributable to each subscriber. A subscriber organization shall update subscriber lists monthly to reflect any new subscribers, subscribers that have canceled their subscription, or subscribers that have adjusted subscription capacity.

(c) (I) An investor-owned electric utility's purchase of the output of a community solar facility must take the form of a community solar bill credit on the subscriber's monthly bill.

(II) An investor-owned electric utility shall calculate the community solar bill credit on a subscriber's monthly bill pursuant to the methodology established for community solar gardens in section 40-2-127 (5)(b)(II)(A) to (5)(b)(II)(H).

(d) If a community solar facility is not fully subscribed in a given month, the unsubscribed electricity generated by the facility may be rolled forward on the community solar facility account for up to one year after the month of generation and allocated by the subscriber organization or subscription coordinator to subscribers at any time during that year. At the end of the one-year period in which the unsubscribed electricity was rolled forward, any undistributed community solar bill credits are removed, and the investor-owned electric utility with which the community solar facility is interconnected shall purchase the unsubscribed energy at the utility's average hourly incremental cost of electricity supply over the immediately preceding calendar year.

(e) A subscriber organization, subscription coordinator, or subscriber may elect to donate banked community solar bill credits to a third-party administrator that is qualified and approved by the utility for the purpose of providing energy assistance and bill reductions to income-qualified subscribers within the utility's service territory.

(f) The subscriber organization shall retire any renewable energy credits for electricity generated by a community solar facility on behalf of the subscriber in the year the electricity is generated. The subscriber organization shall transfer any renewable energy credits for unsubscribed energy to the utility, which shall retire the credits on behalf of the utility's customers in the year the credits are generated in accordance with section 25-7-105 (1)(e)(VIII)(H).

(5) **Subscriber enrollment, verification, and protections.** (a) Subscriber organizations, subscription coordinators, and representatives of such persons are prohibited from:

(I) Using credit scores, utility customer scores, or any utility deposit requirements to approve or deny a prospective residential subscriber's participation in a community solar facility;

(II) Charging a sign-up fee or termination fee to a residential subscriber;

(III) Engaging in misleading or deceptive conduct; and

(IV) Making false or misleading representations.

(b) (I) A subscriber organization shall provide an income-qualified subscriber who is a subscriber a discount of at least twenty-five percent of the value of the subscriber's community solar bill credit by limiting the subscriber's subscription charge to no more than seventy-five percent of the value of the subscriber's community solar bill credit.

(II) For a community solar facility that receives federal tax incentives created by the federal "Inflation Reduction Act of 2022", Pub.L. 117-169, for the specific purpose of being located in an energy community, the subscriber organization shall provide an income-qualified subscriber who is a subscriber a discount of at least thirty percent of the value of the subscriber's community solar bill credit by limiting the subscriber's subscription charge to no more than seventy percent of the value of the subscriber's community solar bill credit.

(III) For a community solar facility that receives federal tax incentives created by the federal "Inflation Reduction Act of 2022", Pub.L. 117-169, to provide utility bill savings to income-qualified households pursuant to federal eligibility requirements, the subscriber organization shall provide an income-qualified subscriber who is a subscriber a discount of at least fifty percent of the value of the subscriber's community solar bill credit by limiting the subscriber's subscription charge to no more than fifty percent of the value of the subscriber's community solar bill credit.

(IV) For a community solar facility that receives both of the federal tax incentives described in subsections (5)(b)(II) and (5)(b)(III) of this section, the subscriber organization shall provide an income-qualified subscriber who is a subscriber a discount of at least fifty-five percent of the value of the subscriber's community solar bill credit by limiting the subscriber's subscription charge to no more than forty-five percent of the value of the subscriber's community solar bill credit.

(V) A subscriber organization or subscription coordinator shall provide, at the request of the commission, details regarding the guaranteed discounts described in subsections (5)(b)(I), (5)(b)(II), (5)(b)(III), and (5)(b)(IV) of this section granted to income-qualified subscribers in a form that is specified by the commission.

(VI) In the event that there is unclaimed inclusive community solar capacity, stakeholders may petition the commission to, or the commission may through an appropriate proceeding, consider altering the guaranteed discounts described in subsections (5)(b)(I), (5)(b)(II), (5)(b)(III), and (5)(b)(IV) of this section for income-qualified subscribers.

(c) A subscriber organization or subscription coordinator shall use any one or more of the following methods to verify the income of a prospective subscriber, or a member of the household for which the subscription is attributed, for eligibility as an income-qualified subscriber:

(I) Self-attestation;

(II) Proof of residence in an affordable housing community; or

(III) Evidence of eligibility for or enrollment in at least one of the following programs:

(A) The weatherization assistance program in the Colorado energy office, as described in section 24-38.5-102 (1)(g);

(B) The supplemental nutrition assistance program in the department of human services, established in part 3 of article 2 of title 26;

(C) Medicaid, as defined in section 10-16-1203 (8);

(D) The head start program in the department of early childhood, as defined in section 26.5-4-103 (6);

(E) Free and reduced-price school meals pursuant to the federal "Richard B. Russell National School Lunch Act", 42 U.S.C. sec. 1751 et seq., or a similar free or reduced-price school meals program;

(F) The federal low-income home energy assistance program administered by the United States department of health and human services' administration for children and families pursuant to 42 U.S.C. sec. 8621 et seq., as amended; or

(G) Any other governmental or local assistance program that the commission determines qualifies a prospective subscriber for eligibility as an income-qualified subscriber.

(d) The commission shall adopt a uniform disclosure form that identifies the information that a subscriber organization or subscription coordinator shall provide to a potential subscriber. The disclosure form must:

(I) Disclose future costs and benefits of subscriptions;

(II) Disclose key contract terms;

(III) Provide grievance, enforcement, and cancellation procedures;

(IV) Provide other relevant information pertaining to the subscriptions; and

(V) Be offered in both English and Spanish languages and, when appropriate, Native American or Indigenous languages.

(e) Subscriber organizations are encouraged to conduct targeted outreach to tribal customers by partnering with Colorado-based nonprofit organizations that have a primary mission of improving the socioeconomic conditions of and providing energy assistance for tribal customers who are not located on a reservation.

(6) **Cost recovery.** An investor-owned electric utility shall be allowed to recover prudently incurred costs, including energy purchases and administrative and information technology expenses, in a manner approved by the commission by rule or other appropriate mechanism.

(7) **Interconnection - reports.** (a) An investor-owned electric utility shall share all results from any interconnection study conducted pursuant to commission rules with the interconnection applicant pursuant to utility confidentiality requirements.

(b) On or before January 31, 2025, an investor-owned electric utility with more than five hundred thousand customers shall file with the commission updates to appropriate tariffs that are necessary to implement pro rata interconnection cost-sharing mechanisms for system upgrades whereby a community solar facility only pays the facility's proportional share of newly created hosting capacity associated with the facility.

(c) When an investor-owned electric utility with more than five hundred thousand customers files a distribution system plan with the commission pursuant to section 40-2-132, the investor-owned electric utility shall:

(I) Provide information when interconnection costs for a community solar facility exceed twenty cents per watt, measured in alternating current, and propose to the commission potential solutions to facilitate future interconnections in that same geographic area that may include:

(A) Cost-sharing mechanisms among subscriber organizations or between an interconnection applicant and the utility;

(B) Distribution grid upgrades, such as distributed energy storage, which may be funded by the utility, interconnection applicant, or some combination of the utility and interconnection applicant; or

(C) Flexible interconnection practices; and

(II) Include the following information in a report to the commission as part of the distribution system plan, which is filed with the commission pursuant to section 40-2-132:

(A) The amount of inclusive community solar capacity awarded pursuant to this section;

(B) The amount of operational community solar capacity developed pursuant to this section and section 40-2-127; and

(C) A narrative detailing the utility's progress toward facilitating cost-effective interconnection of community solar facilities with the utility's distribution system.

(8) **Program administration.** (a) The commission shall:

(I) Adopt and enforce all rules required under this section;

(II) Require investor-owned electric utilities to file the tariffs, the agreements, or other forms necessary for the implementation of this section;

(III) Establish a deadline by which an investor-owned electric utility with more than five hundred thousand customers shall implement a consolidated billing program and direct the utility to track all costs associated with implementing and operating the consolidated billing program so that the commission may establish a fee to be paid to the investor-owned electric utility by subscriber organizations that elect to utilize a consolidated billing program in order to offset the costs of implementing and operating the consolidated billing program;

(IV) Coordinate with the Colorado energy office created in section 24-38.5-101 (1) to ensure alignment with any federal grant funding received by the state for the purpose of supporting low-income community solar projects;

(V) Clarify that subscriber organizations, subscription coordinators, or subscribers are not considered public utilities subject to regulation by the commission solely as a result of their participation in inclusive community solar;

(VI) Consider the integration of community solar subscriptions for income-qualified subscribers with other programs designed to reduce customer utility bills and deliver energy-related services, including programs related to demand-side management, beneficial electrification, and transportation electrification; and

(VII) Conduct multilingual and culturally relevant outreach to engage, educate, and solicit input from representatives from disproportionately impacted communities, in accordance with section 40-2-108, and consider additional strategies as necessary to ensure robust participation by members of disproportionately impacted communities in any rule-making related to inclusive community solar. The commission shall consider a process to compensate individuals who participate in the outreach for their participation, at a level determined appropriate by the commission.

(b) On or before November 1, 2025, an investor-owned electric utility shall file an application with the commission, either as a standalone application or as part of another application that is being filed with the commission, that:

(I) Enables the allocation of inclusive community solar capacity that is required to be made available by the investor-owned electric utility pursuant to this section; and

(II) Establishes a process for the investor-owned electric utility to prioritize community solar facilities located on preferred locations over community solar facilities not located on preferred locations, which process must only be used to prioritize between facilities applying for inclusive community solar capacity on the day that qualified community solar facility applications exceed the remaining available capacity in an annual capacity allocation cycle; however, the investor-owned electric utility shall not create a waiting list that carries over into the next year.

(c) On or before January 1, 2029, the commission shall report to the house of representatives energy and environment committee and the senate transportation and energy committee, or their successor committees, on the community solar facilities developed pursuant to this section. The report must include:

(I) The percentage of awarded inclusive community solar capacity that was successfully interconnected to investor-owned electric utility distribution systems;

(II) The total number of income-qualified subscribers who are subscribers served by a community solar facility and any impacts that the subscriptions have on the average annual bill cost of those income-qualified subscribers;

(III) The total number of income-qualified subscribers who participated in inclusive community solar in conjunction with other programs designed to reduce customer utility bills, support beneficial electrification, and advance energy efficiency; and

(IV) Any other information related to community solar facilities developed pursuant to this section that the commission deems necessary.

(9) **Applicability.** (a) This section applies to inclusive community solar capacity that is allocated on or after January 1, 2026.

(b) Community solar capacity that is allocated on or before December 31, 2025, is allocated pursuant to section 40-2-127.

**Source:** **L. 2024:** Entire section added, (SB 24-207), ch. 231, p. 1424, § 3, effective May 22.

**Cross references:** For the legislative declaration in SB 24-207, see section 1 of chapter 231, Session Laws of Colorado 2024.

**40-2-127.5. Community energy funds - community geothermal gardens - rules - legislative declaration - definitions - repeal.** (1) **Legislative declaration.** The general assembly hereby finds and declares that:

(a) Local communities can benefit from the further development of renewable energy, energy efficiency, conservation, and environmental improvement projects, and the general assembly hereby encourages electric utilities to establish community energy funds for the development of such projects;

(b) It is in the public interest that broader participation in geothermal electric generation by Colorado residents and commercial entities be encouraged by the development and deployment of distributed geothermal electric generating facilities known as community geothermal gardens in order to:

(I) Provide Colorado residents and commercial entities with the opportunity to participate in geothermal electricity generation;

(II) Allow renters, low-income utility customers, and agricultural producers to own interests in such geothermal generation facilities;

(III) Allow interests in such geothermal generation facilities to be portable and transferrable; and

(IV) Leverage Colorado's geothermal electricity generating capacity through economies of scale.

(2) **Definitions.** As used in this section, unless the context otherwise requires, the definitions in section 40-2-124 apply, and:

(a) (I) "Community geothermal garden" means a geothermal facility that produces electricity from the earth's heat with a nameplate rating within the range specified under subsection (2)(a)(IV) of this section that is located in or near a community served by a qualifying retail utility where the beneficial use of the electricity generated by the facility belongs to the subscribers to the community geothermal garden. There must be at least ten subscribers. The owner of the community geothermal garden may be the qualifying retail utility or any other for-profit or nonprofit entity or organization, including a subscriber organization organized under this section, that contracts to sell the output from the community geothermal garden to the qualifying retail utility. A community geothermal garden is deemed to be "located on the site of customer facilities".

(II) A community geothermal garden constitutes "retail distributed generation" within the meaning of section 40-2-124.

(III) Notwithstanding any provision of this section or section 40-2-124 to the contrary, a community geothermal garden constitutes retail distributed generation for purposes of a cooperative electric association's compliance with the applicable renewable energy standard under section 40-2-124.

(IV) A community geothermal garden must have a nameplate rating of five megawatts or less; except that the commission may, in rules adopted pursuant to subsection (3)(b) of this section, approve the formation of a community geothermal garden with a nameplate rating of up to ten megawatts.

(b) "Subscriber" means a retail customer of a qualifying retail utility who owns a subscription and who has identified one or more physical locations to which the subscription is attributed. Such physical locations must be within the service territory of the same qualifying retail utility as the community geothermal garden. The subscriber may change from time to time the premises to which the community geothermal garden electricity generation is attributed, so long as the premises are within the same service territory.

(c) "Subscription" means a proportional interest in geothermal electric generation facilities installed at a community geothermal garden, together with the renewable energy credits associated with or attributable to such facilities under section 40-2-124. Each subscription must be sized to represent at least one kilowatt of the community geothermal garden's generating capacity and to supply no more than one hundred twenty percent of the average annual consumption of electricity by each subscriber at the premises to which the subscription is attributed, with a deduction for the amount of any existing geothermal facilities at such premises. Subscriptions in a community geothermal garden may be transferred or assigned to a subscriber organization or to any person or entity who qualifies to be a subscriber under this section.

(3) **Subscriber organization - subscriber qualifications - transferability of subscriptions.** (a) The community geothermal garden may be owned by a subscriber organization whose sole purpose is beneficially owning and operating a community geothermal garden. The subscriber organization may be any for-profit or nonprofit entity permitted by Colorado law. The community geothermal garden may also be built, owned, and operated by a third party under contract with the subscriber organization.

(b) The commission shall adopt rules as necessary to implement this section, including rules to facilitate the financing of subscriber-owned community geothermal gardens. The rules must include:

(I) Minimum capitalization;

(II) The share of a community geothermal garden's geothermal electric generation facilities that a subscriber organization may at any time own in its own name; and

(III) Authorizing subscriber organizations to enter into leases, sale-and-leaseback transactions, operating agreements, and other ownership arrangements with third parties.

(c) If a subscriber ceases to be a customer at the premises on which the subscription is based but, within a reasonable period as determined by the commission, becomes a customer at another premises in the service territory of the qualifying retail utility and within the geographic area served by the community geothermal garden, the subscription continues in effect but the bill credit and other features of the subscription are adjusted as necessary to reflect any differences between the new and previous premises' customer classification and average annual consumption of electricity.

(4) **Standards for construction and operation.** The following requirements apply to any community geothermal garden exceeding two megawatts:

(a) The initial installation of any electrical equipment associated with the community geothermal garden is subject to final inspection and approval in accordance with section 12-115-120.

(b) Following the development or acquisition by a qualifying retail utility of a community geothermal garden in which the qualifying retail utility retains ownership, the qualifying retail utility shall either use its own employees to operate and maintain the community geothermal garden or contract for operation and maintenance of the community geothermal garden by a contractor whose employees have access to an apprenticeship program registered with the United States department of labor's office of apprenticeship or with a state apprenticeship agency recognized by that office; except that this apprenticeship requirement does not apply to:

(I) The design, planning, or engineering of the infrastructure;

(II) Management functions to operate the infrastructure; or

(III) Any work included in a warranty.

(5) **Community geothermal gardens not subject to regulation.** Neither the owners of nor the subscribers to a community geothermal garden are considered public utilities subject to regulation by the commission solely as a result of their interest in the community geothermal garden. Prices paid for subscriptions in community geothermal gardens shall not be subject to regulation by the commission.

(6) **Purchases of the output from community geothermal gardens.** (a) (I) Each qualifying retail utility may set forth in its plan for acquisition of renewable resources a plan to purchase the electricity and renewable energy credits generated from one or more community geothermal gardens over the period covered by the plan.

(II) For each qualifying retail utility's compliance years commencing in 2026 and thereafter, the commission shall determine the minimum and maximum purchases of electrical output from newly installed community geothermal gardens of different output capacity that the qualifying retail utility may plan to acquire. In addition, as necessary and appropriate, the commission shall formulate and implement policies consistent with this section that simultaneously encourage:

(A) The ownership by customers of subscriptions in community geothermal gardens and of other forms of distributed generation, to the extent the commission finds there to be customer demand for such ownership;

(B) Ownership in community geothermal gardens by residential retail customers and agricultural producers, including low-income customers, to the extent the commission finds there to be demand for such ownership;

(C) The development of community geothermal gardens with attributes that the commission finds result in lower overall total costs for the qualifying retail utility's customers;

(D) Successful financing and operation of community geothermal gardens owned by subscriber organizations; and

(E) The achievement of the goals and objectives of section 40-2-124.

(b) (I) (A) The output from a community geothermal garden must be sold only to the qualifying retail utility serving the geographic area where the community geothermal garden is located.

(B) Once a community geothermal garden is part of a qualifying retail utility's plan for acquisition of renewable resources, as approved by the commission, the commission shall initiate a proceeding, or consider in an active proceeding, to determine whether the qualifying retail utility must purchase all of the electricity and renewable energy credits generated by the community geothermal garden or whether a subscriber may, upon becoming a subscriber, choose to retain or sell to the qualifying retail utility the subscriber's renewable energy credits.

(C) The amount of electricity and renewable energy credits generated by each community geothermal garden is determined by a production meter installed by the qualifying retail utility or third-party system owner and paid for by the owner of the community geothermal garden.

(II) The purchase of the output of a community geothermal garden by a qualifying retail utility takes the form of a net metering credit against the qualifying retail utility's electric bill to each community geothermal garden subscriber at the premises set forth in the subscriber's subscription. The net metering credit is calculated by multiplying the subscriber's share of the electricity production from the community geothermal garden by the qualifying retail utility's total aggregate retail rate as charged to the subscriber, minus a reasonable charge as determined by the commission to cover the utility's costs of delivering to the subscriber's premises the electricity generated by the community geothermal garden, integrating the geothermal generation with the utility's system, and administering the community geothermal garden's contracts and net metering credits. The commission shall ensure that this charge does not reflect costs that are already recovered by the utility from the subscriber through other charges. If, and to the extent that, a subscriber's net metering credit exceeds the subscriber's electric bill in any billing period, the net metering credit is carried forward and applied against future bills. The qualifying retail utility and the owner of the community geothermal garden must agree on whether the purchase of the renewable energy credits from subscribers will be accomplished through a credit on each subscriber's electricity bill or by a payment to the owner of the community geothermal garden.

(c) The owner of the community geothermal garden must provide real-time production data to the qualifying retail utility to facilitate incorporation of the community geothermal garden into the utility's operation of its electric system and to facilitate the provision of net metering credits.

(d) The owner of the community geothermal garden is responsible for providing to the qualifying retail utility, on a monthly basis and within reasonable periods set by the qualifying retail utility, the percentage shares that should be used to determine the net metering credit to each subscriber. If the electricity output of the community geothermal garden is not fully subscribed, the qualifying retail utility shall purchase the unsubscribed renewable energy and the renewable energy credits at a rate equal to the qualifying retail utility's average hourly incremental cost of electricity supply over the immediately preceding calendar year.

(e) If a qualifying retail utility includes a plan to purchase the electricity and renewable energy credits generated by one or more community geothermal gardens, then the qualifying retail utility shall set forth in its plan for acquisition of renewable resources a proposal for including low-income customers as subscribers to a community geothermal garden, if possible. The utility may give preference to community geothermal gardens that have low-income subscribers.

(f) Qualifying retail utilities are eligible for the incentives and subject to the ownership limitations set forth in section 40-2-124 (1)(f) for utility investments in community geothermal gardens and may recover through rates a margin, in an amount determined by the commission, on all energy and renewable energy credits purchased from community geothermal gardens. Such incentive payments are excluded from the cost analysis required by section 40-2-124 (1)(g).

(7) Nothing in this section waives or supersedes the retail rate impact limitations in section 40-2-124 (1)(g). Utility expenditures for unsubscribed energy and renewable energy credits generated by community geothermal gardens must be included in the calculations of retail rate impact required by that section.

(8) **Applicability to cooperative electric associations and municipally owned utilities.** This section shall not apply to cooperative electric associations or to municipally owned utilities.

**Source: L. 2022:** Entire section added, (SB 22-118), ch. 335, p. 2373, § 11, effective August 10. **L. 2023:** IP(4)(b) amended, (SB 23-051), ch. 37, p. 150, § 34, effective March 23.

**40-2-128. Solar photovoltaic installations - supervision - qualifications of electrical contractors - definitions.** (1) For all photovoltaic installations allowed under section 40-2-124 with a direct current design capacity of less than three hundred kilowatts:

(a) (I) (A) The performance of all photovoltaic electrical work, the installation of photovoltaic modules, and the installation of photovoltaic module mounting equipment is subject to on-site supervision by a certified photovoltaic energy practitioner, as designated by the North American Board of Certified Energy Practitioners (NABCEP) and that is working for a photovoltaic installer, or a licensed master electrician, licensed journeyman electrician, or licensed residential wireman, as those terms are defined in section 12-115-103.

(B) In the case of building-integrated photovoltaic technology, if the type of building-integrated photovoltaic technology installed or the scope of the building-integrated photovoltaic installation involved does not require a licensed master electrician, licensed journeyman electrician, or licensed residential wireman to perform the installation work and the installation work concerns the installation of roofing materials, the on-site supervision may be performed by a certified solar energy installer, as designated by NABCEP or Roof Integrated Solar Energy (RISE).

(C) For a building-integrated photovoltaic installation, a licensed master electrician, licensed journeyman electrician, or licensed residential wireman must perform the installation work for any stage of the installation after the installation materials penetrate the roof, a structural wall, or another part of the building, or any stage of the installation in which the building-integrated photovoltaic materials transition to a surface-mounted junction box and utilize types of conduit and building wire that are approved by the national electrical code, as defined in section 12-115-103 (8).

(D) By submitting an initial application for funding or an initial contract proposal, the applicant assumes responsibility for employing or contracting with one or more certified energy practitioners or licensed master electricians, licensed journeyman electricians, or licensed residential wiremen to supervise the installation and as necessary to maintain the three-to-one ratio required by subsection (1)(b) of this section, including during any off-site, preinstallation assembly. Payment of any incentives for the work shall not be approved until the applicant supplies the name and certification number of each certified energy practitioner or the license number of each master electrician, journeyman electrician, or residential wireman who actually provided on-site supervision or was present to maintain the three-to-one ratio required by subsection (1)(d) of this section.

(II) Neither the commission nor the utility shall have responsibility for monitoring or enforcing compliance with this section. It shall be the responsibility of the applicant to obtain the information required by subparagraph (I) of this paragraph (a), and it shall be the responsibility of the qualifying retail utility to obtain from the applicant and retain, for at least one year after completion of the installation, copies of all documentation submitted by the applicant in connection with the installation.

(b) All work performed on the alternating-current side of the inverter will be performed by an electrical contractor who employs a licensed journeyman electrician or a licensed residential wireman who will perform the work. All electrical work that pertains to article 115 of title 12 will be performed by an electrical apprentice registered with the appropriate state regulatory agency, a licensed journeyman electrician, or a licensed residential wireman. The appropriate ratio of no less than one journeyman or residential wireman for every three electrical apprentices will be maintained.

(c) Repealed.

(d) On a system with a direct current design capacity of less than three hundred kilowatts:

(I) The ratio of the number of persons who are assisting with the work and who are neither licensed electricians nor registered electrical apprentices to the number of persons who are certified as provided in paragraph (a) of this subsection (1) shall never exceed three to one, and a person who is both licensed and certified shall not count double for purposes of measuring this ratio, during the following stages:

(A) The installation of photovoltaic modules;

(B) The installation of photovoltaic module mounting equipment; and

(C) Any photovoltaic electrical work; and

(II) There shall be, at all times, at least one on-site supervisor who is certified as provided in paragraph (a) of this subsection (1).

(2) As used in this section, unless the context otherwise requires:

(a) (I) "Photovoltaic electrical work" means electrical work performed on a photovoltaic system that is covered electrical work in accordance with the national electrical code, including articles 90.2 (1), 90.2 (3), 100, and 690 of the national electrical code.

(II) "Photovoltaic electrical work" includes the preinstallation assembly of photovoltaic modules to photovoltaic module mounting equipment for installation on-site.

(III) "Photovoltaic electrical work" does not include site preparation, trenching or excavating, hauling, or other work that is not specifically described in subparagraph (I) or (II) of this paragraph (a).

(a.5) "Photovoltaic installer" means a contractor that:

(I) Is not a registered electrical contractor, as defined in section 12-115-103 (4);

(II) Is registered with the state electrical board as a photovoltaic installer pursuant to section 12-115-110 (7) no later than December 31, 2026;

(III) Is a business in good standing with the state and registered with the secretary of state;

(IV) Is performing photovoltaic electrical work as of September 1, 2025; and

(V) Employs a NABCEP PV installation professional, as defined in section 12-115-103 (7.7).

(b) "Photovoltaic module" means the module or panel that generates electricity through a photovoltaic process.

(c) "Photovoltaic module mounting equipment" means the racking, mounting, apparatus, equipment, or structure that physically supports and secures one or more photovoltaic modules in place or to a roof, wall, foundation, or pedestal.

(3) This section does not affect the state electrical board's regulation of photovoltaic electrical work performed on photovoltaic installations with a current design capacity of at least three hundred kilowatts pursuant to section 12-115-107 (2)(f).

**Source:** **L. 2010:** Entire section added, (HB 10-1001), ch. 37, p. 150, § 4, effective August 11. **L. 2013:** IP(1) and (1)(a)(I) amended, (SB 13-186), ch. 159, p. 513, § 2, effective May 3. **L. 2019:** IP(1), (1)(a)(I)(D), and IP(1)(d) amended and (1)(c) repealed, (HB 19-1003), ch. 360, p. 3338, § 3, effective August 2; (1)(a)(I)(A), (1)(a)(I)(C), and (1)(b) amended, (HB 19-1172), ch. 136, p. 1732, § 258, effective October 1. **L. 2025:** (1)(a)(I)(A) and (2)(a)(I) amended and (2)(a.5) and (3) added, (SB 25-165), ch. 370, p. 1999, § 4, effective August 6.

**40-2-129. New resource acquisitions - factors in determination - local employment - "best value" employment metrics - rules - report.** (1) (a) (I) When evaluating electric resource acquisitions and requests for a certificate of convenience and necessity for construction or expansion of generating facilities, including but not limited to pollution control or fuel conversion upgrades and conversion of existing coal-fired plants to natural gas plants, the commission shall consider, in all decisions involved in electric resource acquisition processes, best value regarding employment of Colorado labor, as defined in section 8-17-100.3 (1), and positive impacts on the long-term economic viability of Colorado communities. To this end, the commission shall require utilities to obtain and provide to the commission the following information regarding "best value" employment metrics:

(A) The availability of training programs, including training through apprenticeship programs registered with the United States department of labor's office of apprenticeship or by state apprenticeship agencies recognized by that office for all apprenticeable trades required to effectively deliver the project to completion;

(B) Employment of Colorado labor as compared to importation of out-of-state workers;

(C) The ability of the project to employ workers from traditionally underserved communities or disproportionately impacted communities as defined in section 24-4-109 (2)(b)(II);

(D) How the project supports domestic manufacturing through the utilization of Colorado and domestically produced materials, including consideration of the potential for domestically manufactured materials being unavailable in the marketplace;

(E) Long-term career opportunities; and

(F) Industry-standard wages, health care, and pension benefits.

(II) When a utility proposes to construct new facilities of its own, the utility shall supply similar information to the commission.

(b) Any electric resource acquisition decision must be based in part on review of the "best value" employment metrics criteria set forth in any solicitation document. The commission shall not approve any electric resource plan, acquisition, or power purchase agreement that fails to either:

(I) Provide the "best value" employment metrics documentation specified in the solicitation document; or

(II) In the alternative, certify compliance with objective "best value" employment metrics performance standards set forth in the solicitation document.

(c) The commission may waive the requirements of this section if a utility agrees to use a project labor agreement for construction or expansion of a generating facility.

(2) Following development or acquisition of a generating facility by a utility, for all generating facilities owned by the utility that do not emit carbon dioxide, the utility shall use utility employees or qualified contractors if the contractors' employees have access to an apprenticeship program registered with the United States department of labor's office of apprenticeship or by a state apprenticeship agency recognized by that office; except that this apprenticeship requirement does not apply to:

(a) The design, planning, or engineering of the infrastructure;

(b) Management functions to operate the infrastructure; or

(c) Any work included in a warranty.

(3) The provisions of this section regarding "best value" employment metrics do not apply to projects involving retail distributed generation, as defined in section 40-2-124 (1)(a)(VIII), 40-2-127 (2)(b)(I)(B), or 40-2-127.5 (2)(a)(II).

(4) Repealed.

(5) The commission shall promulgate rules requiring utilities, when submitting annual progress reports for an electric resource acquisition, to collect and provide to the commission information concerning the implementation of "best value" employment metrics, as described in subsection (1)(a) of this section, which metrics were approved by the commission during the acquisition planning process and which acquisitions are under construction by either the utility or by others.

(6) (a) On or before December 31, 2024, and on or before December 31 of each year thereafter, the commission shall submit a report to the energy and environment committee of the house of representatives and the transportation and energy committee of the senate, or any successor committees. The report must summarize the information concerning "best value" employment metrics that is reported to the commission by utilities pursuant to subsections (1)(a) and (5) of this section and indicate the manner in which the commission considered the information.

(b) Notwithstanding the limitation described in section 24-1-136 (11)(a)(I), the reporting requirement described in subsection (6)(a) of this section continues in perpetuity.

**Source:** **L. 2010:** Entire section added, (HB 10-1001), ch. 37, p. 150, § 4, effective August 11. **L. 2013:** Entire section amended, (HB 13-1292), ch. 266, p. 1406, § 16, effective May 24. **L. 2019:** Entire section amended, (SB 19-236), ch. 359, p. 3300, § 7, effective May 30. **L. 2020:** (1)(a) and IP(2) amended, (HB 20-1402), ch. 216, p. 1058, § 71, effective June 30. **L. 2021:** (4) added, (HB 21-1266), ch. 411, p. 2751, § 22, effective July 2. **L. 2022:** (3) amended, (SB 22-118), ch. 335, p. 2380, § 15, effective August 10. **L. 2023:** (1)(a) and IP(2) amended, (SB 23-051), ch. 37, p. 150, § 35, effective March 23; (1)(a) amended, (4) repealed, and (5) and (6) added, (SB 23-292), ch. 247, p. 1360, § 6, effective January 1, 2024. **L. 2025:** IP(1)(a)(I) amended, (SB 25-275), ch. 377, p. 2034, § 29, effective August 6.

**Editor's note:** Amendments to subsection (1)(a) by SB 23-051 and SB 23-292 were harmonized, effective January 1, 2024.

**Cross references:** (1) For the short title ("Keep Jobs In Colorado Act of 2013") in HB 13-1292, see section 1 of chapter 266, Session Laws of Colorado 2013.

(2) For the short title ("Environmental Justice Act") and the legislative declaration in HB 21-1266, see sections 1 and 2 of chapter 411, Session Laws of Colorado 2021.

**40-2-130. Distributed resources - energy storage systems - definitions - legislative declaration - rules.** (1) **Legislative declaration.** (a) The general assembly finds and determines that:

(I) Colorado's economy, as well as the health and safety of its residents, depends on a reliable and efficient supply of electricity; and

(II) The threat of interruptions in electric supply due to weather, malicious interference, or malfunctions in centralized generation and transmission facilities makes distributed resources, including energy storage systems paired with other distributed resources, an effective way for residents to provide their own reliable and efficient supply of electricity.

(b) Therefore, the general assembly declares that:

(I) It is in the public interest to limit barriers to the installation, interconnection, and use of customer-sited energy storage facilities in Colorado; and

(II) Colorado's consumers of electricity have a right to install, interconnect, and use energy storage systems on their property without the burden of unnecessary restrictions or regulations and without unfair or discriminatory rates or fees.

(2) **Definitions.** As used in this section, unless the context otherwise requires:

(a) "Energy storage system" means any commercially available, customer-sited system, including batteries and the batteries paired with on-site generation, that is capable of retaining, storing, and delivering energy by chemical, thermal, mechanical, or other means.

(b) "Utility" or "electric utility" means a qualifying retail utility, as described in section 40-2-124 (1); except that the term does not include a municipally owned utility or a cooperative electric association.

(3) **Authority of commission - rules.** The commission shall adopt rules allowing the installation, interconnection, and use of energy storage systems by customers of utilities. The commission shall incorporate the following principles into the rules:

(a) It is in the public interest to limit barriers to the installation, interconnection, and use of customer-sited energy storage systems in Colorado;

(b) Colorado's consumers of electricity have a right to install, interconnect, and use energy storage systems on their property without the burden of unnecessary restrictions or regulations and without discriminatory rates or fees;

(c) Utility approval processes and any required interconnection reviews of energy storage systems shall be simple, streamlined, and affordable for customers; and

(d) Utilities shall not require the installation of customer-sited meters in addition to a single net energy meter for the purposes of monitoring energy storage systems; except that the commission may authorize the requirement of metering for certain large energy storage systems, as determined by the commission.

(4) Nothing in this section alters or supersedes either:

(a) The principles of net metering as described in section 40-2-124; or

(b) Any existing electrical permit requirements or any licensing or certification requirements for installers, manufacturers, or equipment.

**Source: L. 2018:** Entire section added, (SB 18-009), ch. 45, p. 476, § 1, effective August 8.

**40-2-130.5. Dispatchable distributed generation - energy storage - definitions - program capacity - program administration - rules.** (1) **Definitions.** As used in this section, unless the context otherwise requires:

(a) "Dispatchable distributed generation" means distributed generation paired with a co-located energy storage system that is:

(I) Directly interconnected to an investor-owned electric utility's distribution system and is not behind a customer meter; and

(II) Measured by the capacity of the distributed generation in alternating current.

(b) "Distributed generation" means a renewable energy resource as defined in section 40-2-124 (1)(a)(VII) that interconnects to a utility's distribution system.

(c) "Energy storage system" has the same meaning as set forth in section 40-2-130 (2)(a).

(d) "Investor-owned electric utility" or "utility" means a retail electric utility in the state that is not a cooperative electric association or a municipally owned electric utility.

(2) **Program capacity.** (a) On or before June 1, 2026, an investor-owned electric utility with more than five hundred thousand customers shall acquire at least fifty megawatts of dispatchable distributed generation.

(b) On or after January 1, 2027, but before June 1, 2027, an investor-owned electric utility with more than five hundred thousand customers shall acquire at least fifty megawatts of dispatchable distributed generation.

(c) To ensure that an investor-owned electric utility with more than five hundred thousand customers acquires dispatchable distributed generation in accordance with subsections (2)(a) and (2)(b) of this section, the commission shall:

(I) Determine the procedures for a utility to acquire dispatchable distributed generation;

(II) Establish a methodology that ascribes value to dispatchable distributed generation located in specific areas of the electric grid in order to direct the development of dispatchable distributed generation resources in optimal locations; and

(III) Adopt any other program- or project-specific requirements the commission deems necessary to facilitate the acquisition of dispatchable distributed generation, including all applicable requirements of the "Colorado Energy Sector Public Works Project Craft Labor Requirements Act", part 3 of article 92 of title 24, for dispatchable distributed generation projects that qualify as an "energy sector public works project" as defined in section 24-92-303 (5).

(d) On or before June 1, 2028, and periodically thereafter, the commission shall determine the procedure and capacity amounts for future acquisitions of dispatchable distributed generation by an investor-owned electric utility.

(3) **Program administration.** The commission shall:

(a) Adopt and enforce all rules required under this section;

(b) Require all applicable investor-owned electric utilities to file the tariffs, agreements, or other forms and documents necessary for the implementation of this section; and

(c) Consult with the Colorado electric transmission authority, created in section 40-42-103, as necessary to plan for and optimize the use of dispatchable distributed generation that is acquired and developed in accordance with this section.

**Source:** **L. 2024:** Entire section added, (SB 24-207), ch. 231, p. 1434, § 4, effective May 22.

**Cross references:** For the legislative declaration in SB 24-207, see section 1 of chapter 231, Session Laws of Colorado 2024.

**40-2-131. State of 911 report.** (1) Notwithstanding section 24-1-136 (11)(a)(I), on or before September 15, 2018, and on or before September 15 of each year thereafter, the commission shall publish a "state of 911" report and submit the report to the members of the general assembly. The report must provide an overall understanding of the state of 911 service in Colorado and must address, at a minimum, the following:

(a) The commission's actions related to 911 service in the state during the previous year as well as planned implementation actions related to 911 service for the upcoming year;

(b) The current statewide structure, technology, and general operations of 911 service in Colorado;

(c) 911 network reliability and resiliency;

(d) Identified gaps, vulnerabilities, and needs related to 911 service in the state;

(e) The impact on and involvement of the state in federal activities and national trends affecting 911 service in Colorado;

(f) The state's planning for, transition to, and implementation of next generation 911 and other or future standards-based improvements to 911, including a projected timeline for full statewide implementation;

(g) A discussion of 911 funding and fiscal outlook, including current funding sources and whether they are adequate for 911 service in the state, and potential funding mechanisms for the transition to and implementation of next generation 911 and other or future standards-based improvements to 911; and

(h) The activity of the 911 services enterprise created in section 29-11-108, including use of the revenue of the 911 services enterprise.

(2) In developing the report each year, the commission shall consult with public safety answering points as defined in section 29-11-101 (23), 911 governing bodies as defined in section 29-11-101 (16), and statewide organizations that represent public safety agencies.

(3) On or before February 1, 2019, and on or before February 1 of each year thereafter, the commission shall present the report to the senate committee on business, labor, and technology, or its successor committee, and the house of representatives committee on business affairs and labor or its successor committee.

(4) Nothing in this section shall be interpreted to grant the commission the authority to regulate any providers or services exempt from jurisdiction under section 40-15-401.

**Source: L. 2018:** Entire section added, (HB 18-1184), ch. 308, p. 1862, § 1, effective May 29. **L. 2020:** (2) amended, (HB 20-1293), ch. 267, p. 1298, § 16, effective July 10. **L. 2024:** (1)(f) and (1)(g) amended and (1)(h) added, (SB 24-139), ch. 302, p. 2057, § 4, effective August 7.

**40-2-132. Distribution system planning - definition - rules.** (1) The commission shall promulgate rules establishing the filing of a distribution system plan. The commission's rules must:

(a) Define the following terms:

(I) Distributed energy resources that include:

(A) Distributed renewable electric generation;

(B) Energy storage systems connected to the distribution grid;

(C) Microgrids;

(D) Energy efficiency measures; and

(E) Demand response measures; and

(II) Non-wires alternatives;

(b) Develop a methodology for evaluating the costs and net benefits of using distributed energy resources as non-wires alternatives;

(c) Determine a threshold for the size of a new distribution project, whether in dollars, meters, or another factor, as determined by the commission, for when a qualifying retail utility must consider implementation or use of non-wires alternatives, potentially including energy efficiency measures under utility programs for new electric service to any planned new neighborhoods or housing developments;

(d) Direct each qualifying retail utility to file a distribution system plan;

(e) Determine what shall be included in a distribution system plan, which at a minimum must include the following:

(I) Information regarding:

(A) System and substation historical data;

(B) Peak demand;

(C) Adoption of distributed energy resources; and

(D) Distribution system investments;

(II) To provide new electric service to any planned new neighborhoods or housing developments expected to include more than ten thousand new residences, a description of the qualifying retail utility's consideration of non-wires alternatives, potentially including energy efficiency measures under utility programs;

(III) An updated load forecast that includes any new load resulting from projected or forecasted growth from beneficial electrification programs;

(IV) A forecast of the growth of distributed energy resources for the years covered by the plan;

(V) A high-level summary of its planning process for addressing cyber and physical security risks. As part of the summary, the qualifying retail utility need not report any confidential, proprietary, or other information in the plan that could in any way compromise or decrease the qualifying retail utility's ability to prevent, mitigate, or recover from potential system disruptions caused by weather events, physical events, or cyber attacks.

(VI) A proposed cost-recovery method or mechanism for any non-wires alternative investments found to be outside the ordinary course of business;

(VII) A description of the qualifying retail utility's anticipated new distribution system expansion investments for the years covered by the plan;

(VIII) A process to evaluate the plan's feasibility and the economic impacts of using non-wires alternatives for certain projects;

(IX) An estimate of the year in which peak demand growth or distributed energy resource growth would merit analysis of new non-wires alternative projects; and

(X) Any other information that the commission deems relevant.

(2) The commission shall approve a qualifying retail utility's investment in non-wires alternatives if the commission finds the investment to be in the public interest.

(3) (a) The commission shall determine whether a qualifying retail utility's ratepayers would realize benefits from a non-wires alternative investment and whether the associated costs are just and reasonable.

(b) To evaluate the success of any non-wires alternative investment authorized pursuant to a qualifying retail utility's distribution system plan, the commission may adopt criteria, benchmarks, or accountability mechanisms with which the qualifying retail utility must comply.

(4) As used in this section, "qualifying retail utility" has the meaning described in section 40-2-124 (1); except that the term does not mean a municipally owned utility or a cooperative electric association.

**Source:** **L. 2019:** Entire section added, (SB 19-236), ch. 359, p. 3301, § 8, effective May 30.

**40-2-132.5. Distribution system planning - grant program - cash fund - requirements - study - staffing - labor - cost recovery - virtual power plant program - undergrounding of power lines - report - rules - legislative declaration - definitions - repeal.** (1) **Legislative declaration.** (a) The general assembly finds that:

(I) Distribution system planning requirements for investor-owned utilities were established by Senate Bill 19-236, enacted in 2019;

(II) The commission's distribution system planning rules and plans established pursuant to Senate Bill 19-236, enacted in 2019, have provided a forum for planning the distribution system in order to support state policy goals based on current information about utility systems and proactive planning, although considerable work remains and customers are increasingly challenged by distribution system constraints;

(III) Colorado has goals of cost-effectively and reliably reducing greenhouse gas emissions from transportation, electricity generation, building heating and cooling, water heating, and industrial fuel uses. To affordably and reliably reduce emissions from these uses as well as to meet federal, state, regional, and local air quality and decarbonization targets, standards, plans, and regulations, the state will need to rapidly shift customer end uses from fossil fuels to a cleaner electrical grid, which will drive a large increase in electricity demand.

(IV) Consumer demand for distributed energy resources, electric vehicles, and beneficial electrification measures is expected to increase dramatically given state incentives and new rebates and incentives in the federal "Inflation Reduction Act of 2022", Pub.L. 117-169;

(V) Customer demand for electric power may start exceeding qualifying retail utility capacity on the distribution system in certain locations;

(VI) To affordably and reliably meet federal, state, regional, and local air quality and decarbonization targets, standards, plans, and regulations, the state's electricity distribution systems must be substantially and strategically upgraded, new customers must be able to connect to the electrical distribution system, and existing customers must have their service levels promptly upgraded;

(VII) The state has an urgent need to increase its supply of affordable and infill housing, requiring both new electrical distribution capacity and the prompt connection of new affordable housing to the distribution system;

(VIII) Improved and proactive distribution system planning to reduce delays and meet building, affordable housing, and transportation electrification needs in an affordable and reliable manner is critical to protect Coloradans from the worst impacts of climate change, including extreme heat or cold, drought, and wildfires;

(IX) Electrifying transportation and buildings may put downward pressure on rates by spreading fixed costs over more kilowatt-hours of usage so long as demand and supply can be dynamically integrated in ways that encourage utility investment in an affordable and reliable system that optimizes the use of grid assets;

(X) Constraints in the capacity of the electrical distribution system can limit the ability of an individual customer to cost-effectively and reliably interconnect distributed energy resources and energize beneficial electrification and transportation electrification resources; and

(XI) Virtual power plants can offer the potential to cost-effectively and reliably increase the grid value of distributed energy resources, limit costs for incorporating distributed energy resources, and increase the operational efficiency of the distribution system.

(b) The general assembly further finds that:

(I) A modern electric distribution system should take into account the need for improved resilience and safety due to the increased occurrence of extreme weather events and climate-related wildfire risk;

(II) Undergrounding power lines can significantly help in avoiding the risk of wildfires and power outages due to strong winds, severe storms, and dry conditions; and

(III) It is in the public interest that all ratepayers of a qualifying retail utility, including those who do not live in a jurisdiction with a franchise agreement, have nondiscriminatory and equal access to the opportunity to benefit from investments in undergrounding power lines.

(c) The general assembly therefore determines and declares that:

(I) It is a matter of state urgency to ensure that there is sufficient capacity on the distribution system to affordably and reliably meet Colorado's decarbonization goals and support consumer demand for retail distributed generation and beneficial electrification measures consistent with their benefit to the electrical grid;

(II) When determining where to make undergrounding conversion expenditures, a qualifying retail utility should not, as a policy or course of business, discriminate against jurisdictions that do not have franchise agreements with the qualifying retail utility; and

(III) A qualifying retail utility should establish programs for nonfranchised areas to have the same benefit under the same or similar terms as offered to areas that have franchise agreements with the qualifying retail utility.

(2) **Definitions.** As used in this section, unless the context otherwise requires:

(a) "Affordable housing" means affordable housing that:

(I) Has received loans, grants, equity, bonds, or tax credits from any source to support the creation, preservation, or rehabilitation of affordable housing that, as a condition of funding, encumbers the property with a restricted use covenant or similar recorded agreement to ensure affordability; or has been income-restricted under a local inclusionary zoning ordinance or other regulation or program;

(II) Restricts or limits maximum rental or sale price for households of a given size at a given area median income, as established annually by the United States department of housing and urban development; and

(III) Ensures occupancy by low- to moderate-income households for a specified period detailed in a restrictive use covenant or similar recorded agreement.

(b) "Apprentice" has the meaning set forth in section 8-15.7-101 (1).

(c) "Automated distributed resource management system" means a category of technologies that manage distributed generation or load and that may be used to reduce or eliminate the need for system upgrades to the distribution system, customer service connection, or electrical infrastructure on the customer side of the service meter. These technologies include:

(I) Automated load management technologies;

(II) Certified power control systems; and

(III) Smart inverters.

(d) "Certified power control system" means software or hardware serving as the interface of an automated distributed resource management system that can curtail the import and export of electricity, that has electricity import and export control set points, and that has been certified by a nationally recognized testing laboratory.

(e) "Department" means the department of labor and employment.

(f) "DER aggregator" means a company or an organization that controls, monitors, and manages aggregated distributed energy resources to ensure performance of the aggregated distributed energy resources in a qualifying virtual power plant.

(g) "Distributed energy resources" or "DER" includes distributed generation, energy storage systems, electric vehicles, microgrids, fuel cells, and demand-side management measures, including energy efficiency, demand response, and demand flexibility that are deployed at the distribution grid level on either the customer or utility side of the meter.

(h) "Distribution activities" means:

(I) Capital investment and operations and maintenance expenses associated with equipment upgrades, repair and replacement programs, conductor replacements, conductor installations, pole repair and replacement, overhead rebuilds, inspection, modeling, asset data gathering, defect corrections, and major line rebuilds; and

(II) Similar activities and investments, including information and operational technology investments, with the objective of enhancing the distribution system to meet state decarbonization goals and federal, state, regional, and local air quality and decarbonization targets, standards, plans, and regulations.

(i) (I) "Energization" or "energize" means connecting new customer load to the electrical grid or upgrading electrical capacity to provide upgraded service to an existing customer, including establishing adequate electrical capacity to provide for the required service.

(II) "Energization" or "energize" does not include activities related to interconnecting distributed generation.

(j) "Energization time period" means the elapsed time period beginning when the qualifying retail utility receives a substantially complete energization project application and ending when the electrical service is installed and energized.

(k) "Flexible interconnection or energization tariff" means a set of rules and requirements for expeditiously energizing new load or interconnecting a distributed energy resource to a qualifying retail utility's distribution system and includes an agreement for curtailing the import or export of electricity from and to the distribution system.

(l) "Fund" means the Colorado lineworker apprenticeship grant program cash fund created in subsection (3)(h)(I) of this section.

(m) "Grant program" means the grant program created pursuant to subsection (3)(a) of this section.

(n) "Hosting capacity" means the amount of distributed energy resources or transportation or beneficial electrification that can be interconnected or energized to the qualifying retail utility's distribution system at a given time and at a given location under existing electrical grid conditions and that can operate without adversely impacting safety, power quality, reliability, or other operational criteria and without requiring system upgrades. Hosting capacity may be expressed in terms of a load or generation profile.

(o) "Hybrid facility" means a facility that has more than one device of different technology types for the production, storage, or consumption of electricity that are located on the same site and have a single point of interconnection to the utility distribution system.

(p) "Infill housing" means the development of housing within existing development patterns, as delineated by census urban areas established by the most recent federal decennial census.

(q) "Non-wires alternatives" means the strategic deployment of distributed energy resources by a qualifying retail utility or a third party and associated control or aggregation of systems and technologies intended to cost-effectively defer or avoid the need for major distribution grid projects.

(r) "Office" means the Colorado energy office created in section 24-38.5-101 (1).

(s) "Office of future of work" means the office of future of work created in section 8-15.8-103.

(t) "Performance-based compensation" means a financial payment that is made to a qualified DER aggregator or passed through a DER aggregator to eligible customers participating in a VPP operated by that DER aggregator and that is provided based on the performance of a qualified virtual power plant during a qualified virtual power plant event.

(u) "Phased interconnection or energization agreement" means an agreement between a qualifying retail utility and a customer to provide certain levels of electrical service capacity on a guaranteed timeline in exchange for the customer participating in the qualifying retail utility's flexible interconnection or energization tariff while necessary grid upgrades are being completed.

(v) "Prosumer" means a customer of a qualifying retail utility that participates in a commission-approved virtual power plant program.

(w) "Qualified aggregator" means a DER aggregator that has control over prosumer resources and has the demonstrated technical capability to dispatch distributed energy resources at required capacity levels when called upon by a qualifying retail utility using available technology, such as metering, telemetry, control software measurement and verification, and financial settlements.

(x) "Qualifying distribution activity recovery" means distribution activities for which the commission approves recovery through the grid modernization adjustment clause.

(y) "Qualifying retail utility" means an investor-owned electric utility serving five hundred thousand customers or more.

(z) "State apprenticeship agency" has the meaning set forth in section 8-15.7-101 (16).

(aa) "System upgrades" means the additions, modifications, and system upgrades to a qualifying retail utility's distribution or commission-jurisdictional transmission system, including customer-driven upgrades necessary to interconnect distributed energy resources, energize or service-connect transportation and beneficial electrification measures, or facilitate service connections to affordable housing or infill housing.

(bb) "Virtual power plant" or "VPP" means a commission-approved program that achieves the collective management of dispatchable demand or distributed energy resources connected to the utility distribution grid.

(3) **Grant program - report - cash fund - repeal.** (a) The office of future of work, in coordination with the office, shall create a grant program for lineworker apprenticeship programs to expand apprenticeship programs registered with the United States department of labor's office of apprenticeship or the state apprenticeship agency.

(b) The office of future of work shall create a competitive application process through which the office of future of work selects eligible registered apprenticeship programs as grant recipients.

(c) A grant recipient must satisfy, at a minimum, the following criteria:

(I) The grant recipient must train apprentices as transmission or distribution lineworkers on construction projects and related installations; and

(II) The grant recipient must match the grant award with actual or in-kind resources.

(d) The office of future of work shall offer grants for the following purposes:

(I) Funding for training materials or software, apprenticeship tools and supplies, and hands-on training equipment or technology upgrades to expand registered apprenticeship programs that instruct transmission or distribution lineworkers; and

(II) Additional staffing to expand instruction capacity of registered apprenticeship programs to instruct transmission or distribution lineworkers.

(e) The office of future of work shall reserve at least fifty percent of the grant funding for grants that are directed toward programs that are organized as a multiemployer registered apprenticeship program organized through a joint apprenticeship training committee.

(f) The office of future of work shall encourage the primary applicant for a grant to include a diverse set of co-applicants, which may include trade associations, employers, labor union organizations, public utilities, accredited institutions of higher education, state-accredited community colleges, or other co-applicants that can advance the goals of allowing apprentices to reach full journeyworker status as a utility transmission or distribution lineworker.

(g) The office of future of work shall:

(I) Publish the grant application no later than January 1, 2025;

(II) Develop performance expectations for grant recipients, which may contemplate the termination of a grant recipient's participation in the grant program if the grant recipient fails to satisfy the performance expectations;

(III) Require grant recipients to annually report data to the office of future of work, which must include, at a minimum, a detailed statement of the grant recipient's allocation of grant money received pursuant to the grant program, including administration costs; and

(IV) Beginning in 2026, and in each year thereafter, submit a report compiling the data received pursuant to subsection (3)(g)(III) of this section to the business, labor, and technology committee of the senate and the business affairs and labor committee of the house of representatives, or any successor committees.

(h) (I) The Colorado lineworker apprenticeship grant program cash fund is created in the state treasury. The fund consists of gifts, grants, and donations and any money that the general assembly may appropriate or transfer to the fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund. Money in the fund is continuously appropriated to the department for allocation to the office of future of work for the purposes of administering the grant program pursuant to this subsection (3). The office of future of work may seek, accept, and expend gifts, grants, or donations from private or public sources for the purposes of administering the grant program pursuant to this subsection (3).

(II) (A) On July 1, 2024, the state treasurer shall transfer eight hundred thousand dollars from the general fund to the fund.

(B) This subsection (3)(h)(II) is repealed, effective July 1, 2026.

(i) This subsection (3) is repealed, effective July 1, 2028.

(4) **Near-term actions - interconnection and energization backlogs - identification of hosting capacity - cost recovery.** (a) Qualifying retail utilities shall upgrade the state's electrical distribution systems as needed and in time to affordably and reliably support the achievement of the state's beneficial and transportation electrification and decarbonization goals and support implementation of federal, state, regional, and local air quality and decarbonization targets, standards, plans, and regulations.

(b) To promptly, affordably, and reliably interconnect and energize new customers and comply with the obligation to serve without substantial delay, a qualifying retail utility shall:

(I) Commence a data collection process to inform future energization timelines. The commission may open or use an existing miscellaneous proceeding to accept information collected by the qualifying retail utility and from other stakeholders.

(II) Meet the interconnection deadlines specified in section 40-2-135 and commission rules;

(III) Adopt the following cost caps, which cost caps must remain in effect until the commission completes the rule-making described in subsection (6) of this section:

(A) For distributed generation systems that are twenty-five kilowatts or less, adopt a cap of no more than three hundred dollars for an individual customer's responsibility for interconnection costs for a customer-caused upgrade of the qualifying retail utility's distribution system, so long as the costs above the cap remain recoverable by the qualifying retail utility;

(B) For residential customers energizing transportation electrification or beneficial electrification, not require the customer to pay for the costs of associated distribution system upgrades, so long as the costs remain recoverable by the qualifying retail utility; and

(C) For affordable housing developments, cap the costs for interconnection or energization for a project-caused upgrade of the qualifying retail utility's distribution system at a level of three hundred dollars per residential unit of affordable housing, so long as costs above the cap remain recoverable by the qualifying retail utility;

(IV) Propose, and the commission shall authorize, modify, or deny in a manner consistent with the public interest, the use of an optional flexible interconnection or energization tariff or phased interconnection or energization agreement by a customer as an alternative to a system upgrade that would otherwise be required by the qualifying retail utility in response to the customer's request to interconnect or energize a distributed energy resource; and

(V) Establish a procedure for customers with a hybrid facility to complete the interconnection and energization processes through a single application.

(c) A qualifying retail utility shall identify interconnection and load hosting capacity for DERs, including beneficial electrification and transportation electrification, for disproportionately impacted communities within its service territory.

(d) (I) Prior to the establishment of the grid modernization adjustment clause, a qualifying retail utility shall recover the forecasted investments placed in service and expenses incurred for distribution activities during the period beginning on May 22, 2024, and ending on December 31, 2025, consistent with this section.

(II) Cost recovery must occur through the transmission cost adjustment clause or another existing adjustment clause, subject to:

(A) A one-half percent retail rate impact cap on an annualized basis for 2024; and

(B) A one and one-fourth percent retail rate impact cap on an annualized basis for 2025.

(III) Within thirty days after May 22, 2024, a qualifying retail utility shall file an advice letter with the commission identifying the distribution activities for recovery, including the revenue requirement for the distribution activities and a return at the qualifying retail utility's most recently approved weighted average cost of capital, for the period beginning on May 22, 2024, and ending on December 31, 2024, to be included in the transmission cost adjustment clause or an existing adjustment clause with an effective date within sixty days after May 22, 2024.

(IV) On or before November 1, 2024, a qualifying retail utility shall file an advice letter with the commission identifying the distribution activities for recovery, including the revenue requirement for the distribution activities and a return at the qualifying retail utility's most recently approved weighted average cost of capital, for the period beginning January 1, 2025, and ending December 31, 2025, to be included in the transmission cost adjustment clause or an existing adjustment clause with an effective date of January 1, 2025.

(V) The amounts recovered pursuant to this subsection (4)(d) are subject to a true-up with any positive or negative balance credited to customers or recovered by the qualifying retail utility in the subsequent year and with the financing cost for the transmission cost adjustment clause or the applicable existing adjustment clause applied to the positive or negative balances. All amounts recovered are subject to a prudence review by the commission through either a standalone prudence review proceeding or in a base rate proceeding.

(VI) In addition to the amounts recovered pursuant to this subsection (4)(d), a qualifying retail utility may spend and recover through the transmission cost adjustment clause or another existing adjustment clause the revenue requirement associated with up to an additional one hundred fifty million dollars in investment to order equipment to advance distribution activities, such as power transformers, service transformers, capacitor banks, switch cabinets, and feeder cables, as long as the investments are prudently incurred for the purposes of achieving economies of scale, addressing supply chain concerns, or other similar purposes.

(5) **Long-term actions - distribution system plan requirements - approval by commission - staffing requirements - labor requirements - report.** (a) A qualifying retail utility shall file distribution system plans pursuant to section 40-2-132, subject to review, approval, modification, or denial by the commission, to create sufficient hosting capacity across its electrical distribution system to affordably and reliably support the implementation of the following:

(I) Federal, state, regional, and local air quality and decarbonization targets, standards, plans, and regulations;

(II) The transportation, affordable housing, new infill housing, and building electrification policies of state and local law, including:

(A) The rules adopted by the air quality control commission related to greenhouse gas emission reductions from light-duty and heavy-duty motor vehicles; and

(B) The rules adopted by the air quality control commission pursuant to section 25-7-142 or local building performance standards;

(III) State agency, local agency, and local government plans and requirements related to housing, economic development, critical facilities, transportation, and building electrification;

(IV) Enforceable and funded federal, state, regional, and local policies, plans, goals, incentives, or requirements designed to increase access to distributed energy resources, electrified transportation, and building electrification in disproportionately impacted communities; and

(V) The qualifying retail utility's approved renewable energy standard plan, clean heat plan, beneficial electrification plan, demand-side management plan, gas infrastructure plan, and transportation electrification plan required by this title 40.

(b) In developing distribution system plans pursuant to section 40-2-132, consistent with state-level recognized best practices for community outreach, a qualifying retail utility shall consult with and provide opportunities for meaningful engagement and education through multilingual and culturally relevant outreach to disproportionately impacted communities.

(c) (I) As part of a distribution system plan proceeding, a qualifying retail utility shall present at least two future planning scenarios with corresponding investments to show different future states of the distribution system.

(II) In determining the distribution capacity necessary to meet projected load growth and distributed energy resource expansion, including to affordably and reliably support implementation of applicable targets, standards, plans, and regulations described in subsection (5)(a) of this section, a qualifying retail utility shall incorporate a scenario that incorporates load and managed generation flexibility that may increase system capacity utilization, reduce the need for system upgrades, and lower system costs.

(III) In determining to which portions of the distribution system to propose system upgrades to affordably and reliably support the implementation of the applicable targets, standards, plans, and regulations described in subsection (5)(a) of this section, a qualifying retail utility shall prioritize capacity investments in areas of its distribution system that are at or near their hosting capacity limits or that are projected to have energization loads that cannot be met without a system upgrade. A qualifying retail utility shall prioritize system upgrades targeted at improving infrastructure for income-qualified or disproportionately impacted communities with residential capacity constraints.

(IV) Specific to reliability investments, a qualifying retail utility shall prioritize investments for disproportionately impacted communities based on reliability information provided in the qualifying retail utility's quality of service plan.

(d) In evaluating a qualifying retail utility's distribution system plans, the commission shall evaluate whether the distribution system plan:

(I) Establishes a long-term distribution system plan, which must cover at least five years, that includes timelines and budgets to create sufficient hosting capacity across the qualifying retail utility's electrical distribution system to affordably and reliably support the implementation of the applicable targets, standards, plans, and regulations described in subsection (5)(a) of this section;

(II) Includes the identification of specific distribution investments needed to strategically support the applicable targets, standards, plans, and regulations described in subsection (5)(a) of this section over the planning period, which must cover at least five years, with increased specificity in the first two years of the planning period;

(III) Includes detailed mapping of distribution hosting capacity with appropriate safeguards to protect critical infrastructure, as determined by the commission;

(IV) Includes a process to identify and evaluate infill housing loads;

(V) Includes proposed, unless already informed or satisfied by commission rules, standardized, quantifiable, and transparent processes and timelines within the planning period for formal load and generation interconnection and energization requests, so long as the qualifying retail utility is not required to include energization timelines as part of its first distribution system plan filed after May 22, 2024;

(VI) Includes proposed actions to facilitate programs for:

(A) The competitive acquisition of cost-effective non-wires alternatives to defer or avoid identified system distribution infrastructure projects, subject to investment thresholds in commission rules;

(B) Load and generation flexibility, including interruptible programs, with due consideration given to programs proposed or approved in other commission proceedings; and

(C) Other alternatives to system upgrades, which may include automated distributed resource management systems;

(VII) Includes adequate reporting and system mapping to implement the proposed plan and programs, as well as:

(A) To the extent available at the time of the distribution system plan filing, the average, median, and standard deviation time between receiving a formal application for interconnection or energization and energizing the electrical service; constraints and obstacles to each type of interconnection or energization, such as funding limitations, qualified staffing availability, or equipment availability; and any other information required by the commission; and

(B) If the interconnection and energization time periods exceed any established, commission-approved average target energization time periods, as determined in a qualifying retail utility's distribution system plan proceeding, or if the qualifying retail utility has a substantial number of interconnection or energization applications that exceed any established commission-approved maximum target energization time periods, a strategy for meeting the target energization time periods in the future; and

(VIII) Includes documentation demonstrating progress toward implementation of previously approved distribution system plans.

(e) The distribution system plan must include a performance-based framework, which must consist of:

(I) Applicable interconnection timelines;

(II) Applicable energization timelines, so long as:

(A) The energization timelines are not applicable to the first distribution system plan filed after May 22, 2024;

(B) In the second distribution system plan filed after May 22, 2024, measurement of any energization timelines must commence upon submission by the customer of a formal load request, and any performance-based framework must only include the steps in the energization process that are the sole responsibility of the qualifying retail utility;

(C) Any energization timelines in a performance-based framework must account for extenuating circumstances, as demonstrated by the qualifying retail utility, that do not result in any finding of noncompliance by the commission for the qualifying retail utility;

(D) Any energization timelines and performance requirements do not include conceptual capacity checks or other informational evaluations that may precede a formal load request; and

(E) The qualifying retail utility must be required to track and collect data on steps and outcomes that may precede the formal energization process, and the commission may consider this data in updating any performance-based energization timeline requirements in the third distribution system plan filed after May 22, 2024; and

(III) Reasonable and cost-effective targets measured in megawatts for flexible load and demand management, so long as:

(A) A general target-setting framework must be evaluated in the first distribution system plan filed after May 22, 2024, and further developed through other planning processes, including subsequent distribution system plans, electric resource plans, and demand-side management plans; and

(B) The targets are applicable in the second distribution system plan filed after May 22, 2024, and subsequent distribution system plans.

(f) (I) A qualifying retail utility shall include in its distribution system plan a detailed analysis of its current qualified staffing level and future required qualified staffing level for each job classification needed to achieve the policies and requirements of this section. The analysis of workforce needs must include review of both the anticipated needs of future utility employees as well as the anticipated needs for workforce acquired through third-party utility and construction contractors. Adequate staffing includes engineering and programming staff necessary to oversee the timely interconnection of distributed energy resources, energization of electrified end uses, and energization of new service connections to the qualifying retail utility's distribution system.

(II) The commission shall review whether each qualifying retail utility has adequate qualified staffing needed to achieve the policies and requirements of this section. The analysis of adequate staffing must be considered in a qualifying retail utility's distribution system plan proceeding.

(g) A qualifying retail utility shall ensure that, in any construction, expansion, or maintenance of distribution projects undertaken as a part of the distribution system plan, all labor is performed either by the employees of the qualifying retail utility or by qualified contractors, or both, and that, except as otherwise provided in subsection (5)(i) of this section, a qualifying retail utility shall not use a contractor unless:

(I) The contractor is chosen from a list of qualified contractors prepared and updated at least annually by the department; and

(II) The contractor's employees have access to an apprenticeship program registered with the United States department of labor's office of apprenticeship or the state apprenticeship agency; except that this apprenticeship program requirement does not apply to:

(A) The design, planning, or engineering of the facilities;

(B) Management functions to operate the facilities; or

(C) Any work performed in response to a warranty claim.

(h) To qualify pursuant to subsection (5)(g)(I) of this section, an apprenticeship program must certify to the qualifying retail utility that:

(I) Its curriculum includes requirements for the completion of:

(A) At least seven thousand hours of on-the-job training to achieve journeyman lineman status, with at least six hundred fifty of those hours spent working on energized power lines at voltages of at least six hundred volts; and

(B) A class in electric transmission and distribution offered by the federal occupational safety and health administration known as the "OSHA ET&D ten-hour training" and comprising content substantially equivalent to that of the "OSHA 10" class offered during calendar year 2021; and

(II) Supervision of apprentices meets the following standards:

(A) Apprentices must work under the supervision of a journeyman-level worker at all times; and

(B) The ratio of apprentices to journeymen linemen does not exceed two to one when working on distribution projects for both energized and nonenergized work.

(i) The request for proposal for any contract work on facilities subject to this section must be submitted to the list of qualified contractors described in subsection (5)(g)(I) of this section for at least sixty days. If none of the contractors on the list submits a qualifying bid within sixty days, then the entity procuring the work may solicit bids from contractors that are not on the list but otherwise qualify under the terms of the request for proposal so long as those terms include compliance with all applicable laws and regulations related to safety.

(j) Notwithstanding section 24-1-136 (11)(a)(I), two years after the approval of any distribution system plan, and every two years thereafter, a qualifying retail utility shall prepare a report and submit the report to the general assembly and the commission outlining progress toward the objectives set forth in this section, including progress toward meeting the hosting capacity needs in disproportionately impacted communities identified pursuant to subsection (4)(c) of this section. The progress reports must be posted on the qualifying retail utility's website and the commission's website.

(6) **Longer-term requirements - rules.** (a) Following the adjudication and final commission decision on a qualifying retail utility's first distribution system plan filing after May 22, 2024, the commission shall open a rule-making, for a qualifying retail utility, to consider and establish:

(I) Target average and maximum energization timelines;

(II) Any necessary updates to existing interconnection rules;

(III) Rules for interconnection, energization, and electrification of end uses in new construction homes, particularly regarding time frames for responding to cost projection requests, the reliability of utility cost estimates, and reasonable construction schedules; and

(IV) Maximum individual customer cost caps or fees for interconnection or energization of resources of all sizes to help defray or eliminate the costs of interconnecting new distributed generation or energizing transportation or beneficial electrification load to the electrical grid. The rules, where appropriate, should specifically exempt income-qualified customers from payment of system upgrade fees.

(b) The rule-making described in subsection (6)(a) of this section may set different fees based on the inclusion of technologies or agreements to reduce system costs, including flexible interconnection or energization tariffs and automated distributed resource management systems.

(c) The commission's consideration of the rule-making proceeding described in subsections (6)(a) and (6)(b) of this section must conclude in a time that is sufficient to allow the qualifying retail utility to file its second distribution system plan after May 22, 2024.

(7) **Cost recovery - grid modernization adjustment clause.** (a) A qualifying retail utility shall recover, on an annual basis, projected distribution activities through a grid modernization adjustment clause established as part of the qualifying retail utility's first distribution system plan application after May 22, 2024, so long as the grid modernization adjustment clause continues in effect through subsequent distribution system plans.

(b) (I) Within the distribution system plan, a qualifying retail utility shall propose, and the commission shall evaluate, whether the projected distribution activities and corresponding budgets strategically benefit or advance the applicable targets, standards, plans, and regulations described in subsection (5)(a) of this section or state energy policy goals, including greenhouse gas emission reductions, beneficial electrification, increased reliability, and increased resiliency, and the commission shall allow grid modernization adjustment clause recovery for such approved distribution activities.

(II) If the commission finds that the projected distribution activities and corresponding budgets affordably and strategically benefit or advance the goals described in subsection (7)(b)(I) of this section, the distribution activities are qualifying distribution activity recovery and recovery must occur through the grid modernization adjustment clause in a manner consistent with this section.

(III) For projected distribution activities and corresponding budgets that the commission finds do not benefit or advance the goals described in subsection (7)(b)(I) of this section, recovery may occur through the grid modernization adjustment clause if the qualifying retail utility meets the criteria established in the performance-based framework approved by the commission pursuant to subsection (5)(e) of this section through the distribution system planning process.

(c) (I) The grid modernization adjustment clause is subject to annual adjustments, which are effective on January 1 of each year.

(II) A qualifying retail utility shall make a grid modernization adjustment clause advice letter filing with the commission annually, and no later than November 1 of each year, with an effective date of January 1 of the subsequent year, which must include the qualifying distribution activity recovery and other distribution activities approved pursuant to subsection (7)(b) of this section for the next twelve months, including a return at the qualifying retail utility's most recently approved weighted average cost of capital.

(III) The grid modernization adjustment clause must be reduced to the extent that any prudently incurred costs being recovered through the grid modernization adjustment clause have already been included in the qualifying retail utility's base rates as a result of the commission's final order in a rate case, and recovered qualifying distribution activity recovery is subject to a true-up with any positive or negative balance credited to customers or recovered by the qualifying retail utility in the subsequent year and an appropriate financing cost applied to the positive or negative balances.

(d) Recovery through the grid modernization adjustment clause must not apply to wholesale customers with rates under federal jurisdiction or customers that do not take distribution service from the qualifying retail utility.

(8) **Virtual power plant program.** (a) No later than February 1, 2025, a qualifying retail utility shall create and file with the commission an application to implement a virtual power plant program, including a tariff for performance-based compensation for a qualified virtual power plant.

(b) A virtual power plant program implemented pursuant to subsection (8)(a) of this section:

(I) Must define the goals of the virtual power plant program and consider the role that virtual power plants can play in modeling and meeting system needs in the resource planning process and eligibility requirements for DER aggregators and technologies;

(II) Must establish a requirement for a DER aggregator to participate in a virtual power plant as a qualified aggregator, including communication, dispatch, measurement and verification, and settlement of performance-based compensation;

(III) May set a cap for individual resource capacity and minimum aggregation capacity for participation in the virtual power plant program;

(IV) Must have provisions for the enrollment of prosumers by DER aggregators;

(V) Must have requirements for a DER aggregator to participate in a virtual power plant tariff, including requirements for the measurements of distributed energy resources associated with the virtual power plant;

(VI) Must have requirements for a standard tariff or tariffs to set performance requirements and performance-based compensation for the DER aggregator, which requirements must include:

(A) A requirement that otherwise eligible customers must participate in the tariff or tariffs through a DER aggregator, regardless of the customer's electricity service rate; and

(B) A requirement to explore the costs and benefits of setting the tariff requirements and compensation for a period of five years, after which DER aggregators may be required to transition to different tariff requirements and compensation;

(VII) Must have streamlined and reasonable data requirements for the participation of qualified aggregators, prosumers, or otherwise eligible customers in the virtual power plant program;

(VIII) Must provide that prosumers or otherwise eligible customers must not be disqualified from participation in a commission-approved virtual power plant program or performance-based compensation due to receipt of other incentives, including up-front incentives or performance payments for energy, capacity, or other grid services that are distinct from the virtual power plant;

(IX) Must provide that prosumers or otherwise eligible customers are not compensated for the provision of the same service more than once;

(X) Must require that DER aggregators adhere to all relevant interconnection rules, tariffs, and applicable qualifying retail utility procedures to ensure the safe operation of virtual power plants within the distribution system;

(XI) Must prescribe the method for setting performance-based compensation. The virtual power plant program may make use of tariff riders to reflect standard and additional values provided by certain resources, locations, times, or grid conditions. To the extent applicable, the performance-based compensation methodology must reflect the full value of services, which may include:

(A) Local and system peak demand reduction;

(B) Clean peak service;

(C) Voltage support and other ancillary services;

(D) The avoidance or deferral of electric or gas transmission or distribution upgrades or capacity expansion;

(E) Locational value as revealed by a grid needs assessment or participation in non-wires alternatives identified in the qualifying retail utility's distribution system plan;

(F) The use of telemetry for settlement; and

(G) Other functions that the commission determines are supportive of efficient planning and operation of the electrical grid; and

(XII) Must allow a qualifying retail utility to serve as a DER aggregator so long as the tariff or access to necessary data does not provide the utility a competitive advantage over third-party aggregators.

(c) As part of the tariff application, the commission shall consider whether it is appropriate to set different performance-based compensation and requirements for different technologies or services.

(d) Any tariff filed by a qualifying retail utility pursuant to subsection (8)(a) of this section must include, at a minimum, the following terms for the commission to approve, modify, or deny the tariff:

(I) Minimum and maximum numbers of grid events for which the qualifying retail utility may dispatch the virtual power plant;

(II) Months of the year that grid events can occur;

(III) Days of the week that grid events can occur;

(IV) Times of day that grid events can occur;

(V) The maximum duration of grid events; and

(VI) Minimum advance notification requirements of grid events.

(e) Nothing in this section affects a qualifying retail utility's net metering program required by section 40-2-124 for energy that is exported outside of a commission-approved virtual power plant program.

(f) A qualifying retail utility shall recover costs to facilitate a virtual power plant program, including foundational technology costs or investments, operations and maintenance expenses, operating technology costs or investments, and information technology costs or investments, through the grid modernization adjustment clause.

(g) (I) In order to participate in a virtual power plant program under this section, an individual energy storage project put out to bid by the project owner after June 30, 2024, with a usable energy capacity of one megawatt or higher is subject to the requirements of sections 24-92-304, 24-92-305, 24-92-306, and 24-92-307.

(II) The DER aggregator administering the VPP shall file an affidavit under penalty of perjury with the commission stating that all energy storage systems with a usable energy capacity of one megawatt or higher participating in the VPP are in compliance with this section.

(III) The commission may ask the qualifying retail utility to get additional information or documentation from the DER aggregator if the commission deems it necessary to ensure compliance with this section.

(IV) After the initial filing of the affidavit with the commission, if a DER aggregator adds an individual additional storage system capacity of one megawatt or higher, the DER aggregator shall file another affidavit with the commission.

(h) Unless implemented in another proceeding, the commission shall determine whether to direct a qualifying retail utility to propose a competitive solicitation for virtual power plants that may operate in conjunction with the tariff-based virtual power plant program in evaluating the approval of the tariff.

(9) **Underground conversion and community benefit programs - plans - definition.** (a) By January 1, 2025, a qualifying retail utility shall file with the commission a plan to implement community-directed underground conversion and community benefit programs for the undergrounding of utility distribution infrastructure and other community benefit investments in nonfranchised areas of the qualifying retail utility in the state using one percent of the area's gross electric revenues from the prior year.

(b) As part of a qualifying retail utility's distribution system plans, the qualifying retail utility shall consider the public benefit of undergrounding existing and new distribution system infrastructure and other community benefit investments. A qualifying retail utility shall include in its distribution system plans a description of how such public benefit has been considered in its distribution system planning.

(c) In order to account for the fact that undergrounding significant portions of utility distribution infrastructure may not be feasible or efficient in some areas, as used in this subsection (9), "community benefit investments" means community-directed projects such as microgrids, customer-sited energy storage, and other similar projects aimed at community energy resiliency.

**Source:** **L. 2024:** Entire section added, (SB 24-218), ch. 232, p. 1437, § 1, effective May 22.

**40-2-133. Workforce transition planning filing - definition.** (1) A qualifying retail utility regulated by the commission that submits a filing, including a resource plan or application, that includes a proposed accelerated retirement of an electric generating facility shall also include a workforce transition plan as part of its filing.

(2) To the extent practicable, a workforce transition plan must include estimates of:

(a) The number of workers employed by the qualifying retail utility or a contractor of the qualifying retail utility at the electric generating facility, which number must include all workers that directly deliver fuel to the electric generating facility;

(b) The total number of workers whose existing jobs, as a result of the retirement of the electric generating facility:

(I) Will be retained; and

(II) Will be eliminated;

(c) With respect to the workers whose existing jobs will be eliminated due to the retirement of the electric generating facility, the total number and the number by job classification of workers:

(I) Whose employment will end without them being offered other employment;

(II) Who will retire as planned, be offered early retirement, or leave on their own;

(III) Who will be retained by being transferred to other electric generating facilities or offered other employment by the qualifying retail utility; and

(IV) Who will be retained to continue to work for the qualifying retail utility in a new job classification; and

(d) If the qualifying retail utility is replacing the electric generating facility being retired with a new electric generating facility, the number of:

(I) Workers from the retired electric generating facility who will be employed at the new electric generating facility; and

(II) Jobs at the new electric generating facility that will be outsourced to contractors or subcontractors.

(3) As used in this section, "qualifying retail utility" has the meaning described in section 40-2-124 (1); except that the term does not mean a municipally owned utility or a cooperative electric association.

**Source:** **L. 2019:** Entire section added, (SB 19-236), ch. 359, p. 3303, § 8, effective May 30.

**40-2-134. Wholesale electric cooperatives - electric resource planning - definition - rules.** (1) (a) The commission shall promulgate rules that require each wholesale electric cooperative to submit to the commission an application for approval of an integrated or electric resource plan. The commission shall evaluate a wholesale electric cooperative plan using rules that the commission has adopted that are applicable to wholesale electric cooperatives.

(b) In developing rules for a wholesale electric cooperative, the commission must consider, among other factors determined by the commission, whether each wholesale electric cooperative:

(I) Serves a multistate operational jurisdiction;

(II) Has a not-for-profit ownership structure; and

(III) Has a resource plan that meets the energy policy goals of the state.

(2) As used in this section, "wholesale electric cooperative" means any generation and transmission cooperative electric association that provides wholesale electric service directly to cooperative electric associations.

**Source:** **L. 2019:** Entire section added, (SB 19-236), ch. 359, p. 3304, § 8, effective May 30.

**40-2-135. Retail distributed generation - customers' rights - rules - penalties.** (1) A retail electric utility customer is entitled to generate, consume, store, and export electricity produced from eligible energy resources to the electric grid through the use of customer-sited retail distributed generation, as defined in section 40-2-124 (1)(a)(VIII), subject to reliability standards, interconnection rules, and procedures, as determined by the commission.

(2) (a) A retail electric utility violates this section if the utility fails to provide reasonable, good faith, and timely service to an interconnection customer, and such violation may result in commission action, including the assessment of monetary fines against the retail electric utility. If a retail electric utility fails to provide timely service and adhere to timelines that the commission establishes as part of the commission's interconnection rules, the retail electric utility may be subject to penalties of up to two thousand dollars per day for each day that the violation occurred.

(b) The commission shall adopt rules to annually adjust the penalty amount set forth in subsection (2)(a) of this section based on the annual percentage change in the United States department of labor's bureau of labor statistics consumer price index for the Denver-Aurora-Lakewood area for all items paid by all urban consumers, or its successor index.

(c) (I) For a retail distributed generation resource that is twenty-five kilowatts or less, a public utility shall provide an interconnection customer an executed interconnection agreement no more than thirty business days after receiving payment of an interconnection fee from the interconnection customer.

(II) Following the construction of a retail distributed generation resource, a public utility must provide interconnection of the customer's retail distributed generation resource no more than thirty business days after the interconnection customer submits to the public utility a certificate of completion.

(III) If the sum of a public utility's compliance with the times set forth in this subsection (2)(c) exceeds sixty days, the public utility may be subject to penalties consistent with this subsection (2).

(d) A public utility is not subject to penalties under this subsection (2) if the public utility can demonstrate that:

(I) The interconnection customer failed to timely remedy any material defects in the completion of the interconnection customer's application for interconnection and the public utility identified the defects during its review of the application;

(II) The retail distributed generation resource cannot be safely interconnected to the public utility's system in a manner consistent with the commission's interconnection rules; or

(III) Other extenuating circumstances caused a delay in interconnection.

(3) (a) An interconnection customer may file a complaint with the commission in accordance with section 40-6-108 alleging that a public utility has violated subsection (2) of this section.

(b) In considering a complaint filed pursuant to this subsection (3), the commission may order the public utility to refund interconnection study fees charged to the interconnection customer. If a public utility is ordered to refund such interconnection study fees, such refund is not an expense that the public utility may recover from its ratepayers.

(4) The commission shall only assess the penalties set forth in subsection (2)(a) of this section against a public utility if:

(a) An interconnection customer or commission staff has filed, and the commission has adjudicated, a complaint pursuant to section 40-6-108; and

(b) The public utility has a tariff on file with the commission that provides incentives and penalties to provide interconnection service and the public utility has exceeded the timelines established in the tariff filing.

(5) In jurisdictions that allow interconnection without a public utility present, an interconnection customer may install all necessary metering equipment and energize the system following installation if:

(a) The interconnection customer has an interconnection agreement with a public utility and a certificate of completion from a local government's building code enforcement authority; and

(b) The installation and energizing work is overseen by a licensed master electrician.

(6) A public utility may recover its prudently incurred costs to facilitate a timely interconnection, which costs may include the cost of equipment that the public utility procures for future upgrades needed to interconnect retail distributed generation resources. A public utility may recover the costs of any such equipment inventory as capital work in progress if the inventory is projected to be used within five years of its procurement and with a return at the most recently authorized weighted average cost of capital.

**Source:** **L. 2019:** Entire section added, (SB 19-236), ch. 359, p. 3304, § 9, effective May 30. **L. 2023:** Entire section amended, (SB 23-016), ch. 165, p. 744, § 18, effective August 7.

**40-2-136. Energy storage systems - terms and conditions for installation, interconnection, and use by cooperatives - legislative declaration - definitions.** (1) (a) The general assembly finds and determines that:

(I) Cardinal principles of cooperative electric associations include democratic member control, autonomy, and independence; and

(II) Rapidly evolving technologies in generation, energy storage, and demand management offer cooperative electric associations a variety of options to meet the needs of their members reliably.

(b) Therefore, the general assembly declares that:

(I) It is in the public interest to limit barriers to the installation, interconnection, and use of energy storage systems by cooperative electric associations in Colorado; and

(II) Cooperative electric associations in Colorado should be able to install, interconnect, and use energy storage systems that are connected to the cooperative electric association's electrical system and will not, at any time, flow onto the transmission facilities of a wholesale electric cooperative or other third party without prior agreement as part of meeting their members' needs for reliable, affordable energy without unfair or discriminatory rates or fees.

(2) A wholesale electric cooperative shall not subject the installation, interconnection, or use of an energy storage system by a retail cooperative electric association to any unjust, unreasonable, discriminatory, or preferential charge, classification, contract, fare, fee, practice, rate, regulation, rule, schedule, service, or toll.

(3) As used in this section, unless the context otherwise requires:

(a) "Cooperative electric association" means a nonprofit electric corporation or association other than a wholesale electric cooperative.

(b) "Energy storage system" has the meaning set forth in section 40-2-202 (2).

(c) "Wholesale electric cooperative" means any generation and transmission cooperative electric association that provides wholesale electric service directly to cooperative electric associations.

**Source:** **L. 2020:** Entire section added, (HB 20-1225), ch. 94, p. 372, § 3, effective March 27.

**Cross references:** For the legislative declaration in HB 20-1225, see section 1 of chapter 94, Session Laws of Colorado 2020.

**40-2-137. Investor-owned utility electric resource planning - retirement of electric generating facility - commission to consider securitization as means of financing.** (1) For each investor-owned electric utility that submits for commission approval an electric resource plan that includes a portfolio in which an existing electric generating facility in the state would be retired, the commission shall require the investor-owned electric utility to present as part of the resource plan the net present value of revenue requirements for the portfolio based on:

(a) A projection in which the investor-owned electric utility issues CO-EI bonds, as defined in section 40-41-102 (5), to recover, finance, or refinance costs arising from the retirement of the electric generating facility pursuant to the "Colorado Energy Impact Bond Act", article 41 of this title 40; and

(b) A projection in which the investor-owned electric utility does not issue CO-EI bonds.

(2) The commission shall consider the two net present value of revenue requirement options presented by the investor-owned electric utility in its review of the investor-owned electric utility's electric resource plan.

**Source:** **L. 2021:** Entire section added, (SB 21-272), ch. 220, p. 1161, § 7, effective June 10.

**40-2-138. Projects for the production of clean hydrogen - proceeding - hydrogen hub projects - rules - reports - definitions.** (1) As used in this section, unless the context otherwise requires:

(a) "Clean hydrogen" means:

(I) Green hydrogen, as defined in section 40-3.2-108 (2)(j); or

(II) Hydrogen that is produced through a process that results in lifecycle greenhouse gas emissions rates that are within the lifecycle greenhouse gas emissions rate ranges set forth in 26 U.S.C. secs. 45V (b)(2)(C) and 45V (b)(2)(D), as amended.

(b) (I) "Clean hydrogen project" means a project that results in the production of clean hydrogen by an investor-owned utility.

(II) "Clean hydrogen project" may include pipelines, electrolyzers, environmental controls, monitoring equipment, dedicated renewable energy sources for electrolysis, the purchase of clean hydrogen from third parties, and an upgrade to a turbine at an electric generating station if that upgrade is part of a state or federal application for a regional clean hydrogen hub under 42 U.S.C. sec. 16161a.

(c) "Cumulative impacts" means the incremental effects of a clean hydrogen project on the environment, including effects on air quality, water quality, water resource availability, climate, and public health, that a clean hydrogen project has when added to the impacts from other past, present, and reasonably foreseeable future development of any type on the relevant area, including an airshed or watershed, as determined by rule by the commission, or on a disproportionately impacted community.

(d) "Disproportionately impacted community" has the meaning set forth in section 24-4-109 (2)(b)(II).

(e) (I) "Hard to decarbonize end use" means industrial uses that include:

(A) The generation of heat of at least one hundred fifty degrees Celsius for industrial purposes; and

(B) Addition as feedstock for industrial purposes, including manufacture of steel, ammonia, fertilizer, and chemicals.

(II) "Hard to decarbonize end use" does not include the direct use of hydrogen for residential or commercial heating.

(f) "Hydrogen hub project" means a project that is part of an application for federal funding by a partnership of regulated utilities, private partners, and companies and may include state or federal government agencies in collaboration with other states that is designed to utilize available federal funds and tax credits, which may include the production, transport, and use of clean hydrogen.

(g) "Lifecycle greenhouse gas emissions rate" means lifecycle greenhouse gas emissions, as defined in 26 U.S.C. sec. 45V (c)(1)(A), as amended, measured in accordance with any applicable federal internal revenue service regulations or guidance.

(h) "Office" means the Colorado energy office created in section 24-38.5-101.

(i) "Qualified use" means the use of clean hydrogen in the state for:

(I) Hard to decarbonize end uses;

(II) The operation of a heavy-duty motor vehicle, as defined in section 25-7.5-102 (11); and

(III) Aviation.

(2) The commission shall initiate an investigatory proceeding, no later than September 1, 2023, to consider:

(a) The potential for clean hydrogen projects operated by investor-owned utilities subject to regulation by the commission to contribute to meeting the greenhouse gas emission reduction goals described in section 25-7-102 (2)(g), including lifecycle greenhouse gas emissions rates, with a preference for qualified uses;

(b) The impact of clean hydrogen projects on the emission of air pollutants other than greenhouse gases and human health;

(c) Potential markets for clean hydrogen in Colorado;

(d) The impact of clean hydrogen production on water quality and quantity in Colorado;

(e) The potential impacts of pipeline leakage and best practices for mitigation;

(f) The potential for the development of clean hydrogen to help create or sustain jobs in Colorado, including utility jobs;

(g) The cost, capabilities, and market availability of clean hydrogen technologies, including pipeline investments;

(h) The appropriate roles for investor-owned utilities in the production, sale, or use of clean hydrogen, including considering whether costs may be recovered from ratepayers;

(i) The potential impact of investor-owned utility investments in a clean hydrogen project on ratepayers, including on bills, rates, and rate stability, and options for avoiding potential cross-subsidization and cost shifting across rate classes;

(j) Principles and requirements for any tariffs for the sale of clean hydrogen to third parties, including principles and requirements to ensure that costs arising from the development, production, transport, and delivery of the clean hydrogen under those tariffs are not borne by customers who do not take service from those tariffs;

(k) The process and data necessary and available to implement a requirement for the adoption of methods for:

(I) The measurement of lifecycle greenhouse gas emissions rates, including for hourly matching of electricity used;

(II) The tracking of the deployment of new renewable energy resources or use of curtailed renewable energy to meet electricity requirements for production of clean hydrogen in the same load balancing area; and

(III) The commission to determine when at least two hundred megawatts of electrolyzers are operational in the state;

(l) The process and data necessary for an investor-owned utility to conduct a cumulative impact analysis of a clean hydrogen project and any process necessary to avoid adverse cumulative impacts on disproportionately impacted communities, if any, which may include the commission considering:

(I) The time frame over which a cumulative impact analysis should be conducted;

(II) The geographical scope of a cumulative impact analysis; and

(III) Whether the cumulative impact analysis should be compared to alternative projects;

(m) Requirements for any application for a clean hydrogen project, in addition to the requirements described in subsection (3)(a)(VI) of this section and subject to subsections (4) and (5) of this section;

(n) Any data or information necessary or available to evaluate a clean hydrogen project against alternative projects, including how to measure, track, and report lifecycle greenhouse gas emissions rates, cumulative impacts, and the cumulative impacts and individual impacts on jobs, local economic benefits, and water use by clean hydrogen projects under the commission's jurisdiction;

(o) Opportunities to encourage non-utility production of clean hydrogen in Colorado, including opportunities for an investor-owned utility to propose a tariff for the sale of renewable energy that would otherwise be curtailed; and

(p) Any other relevant issues that the commission determines are necessary to consider.

(3) (a) No later than December 1, 2024, unless the office files a notice with the commission stating that the federal department of energy has extended or otherwise altered the deadline regarding funding for a hydrogen hub project, the commission shall adopt rules that:

(I) Unless the commission determines that investor-owned utilities should not develop clean hydrogen projects for cost recovery from ratepayers, establish requirements for the presentation of a clean hydrogen project to the commission for the commission's approval;

(II) Establish requirements for lifecycle greenhouse gas emissions rate accounting for clean hydrogen projects;

(III) Address the appropriate role of investor-owned utilities in the production, sale, and use of clean hydrogen, including whether and how costs may be recovered from ratepayers and appropriate treatment of revenues from clean hydrogen sales;

(IV) Address how investor-owned utilities may use competitive solicitations in a clean hydrogen project and any limitations for the use of competitive solicitations to develop the clean hydrogen project;

(V) Establish a requirement that any planned or potential use for the clean hydrogen in buildings or gas distribution systems of an investor-owned utility be proposed to and approved by the commission through a clean heat plan, as defined in section 40-3.2-108 (2)(b); and

(VI) Address what is required in an application by an investor-owned utility for a clean hydrogen project, subject to subsections (4) and (5) of this section, including:

(A) A comparison of a clean hydrogen project to alternative projects, including an analysis of the costs and benefits of the clean hydrogen project compared to alternative projects;

(B) A description of how the investor-owned utility will measure and track the annual and cumulative lifecycle greenhouse gas emissions rates and the emission of other air pollutants in accordance with the rules adopted pursuant to subsection (3)(a)(II) of this section;

(C) A description of how the investor-owned utility will: Minimize the lifecycle greenhouse gas emissions rates of the clean hydrogen project, conduct leak detection throughout the life of the clean hydrogen project, and conduct a cumulative impact analysis of the clean hydrogen project;

(D) An assessment of the annual water volume that will be used in the clean hydrogen project, including the source of water to be used;

(E) A description of any planned uses, including potential end uses by the investor-owned utility's customers, of the clean hydrogen produced through the clean hydrogen project, with a preference for qualified uses;

(F) A description of any planned sales of clean hydrogen to non-utility customers, with a preference for qualified uses;

(G) A description of the proposed method of cost recovery for the clean hydrogen project, including information regarding which rate classes will cover the costs of the clean hydrogen project;

(H) A description of the total revenue requirement for the clean hydrogen project;

(I) A description of the rate and bill impacts of the clean hydrogen project;

(J) A description of any tariffs for the sale of clean hydrogen produced by the clean hydrogen project;

(K) A proposal for the allocation of revenues received from the sale of clean hydrogen produced by the clean hydrogen project to non-utility customers among customers and the investor-owned utility, including which party bears the risk that the amount of revenue anticipated from the clean hydrogen project is not ultimately received;

(L) A cumulative impact analysis framework; and

(M) If the investor-owned utility plans to use a competitive solicitation process as part of the clean hydrogen project, a description of how the planned competitive solicitation process will be used and in what circumstances the process will be used.

(b) (I) The rules adopted by the commission pursuant to subsection (3)(a)(II) of this section must include requirements for:

(A) The matching of electrolyzer energy consumption with electricity production on an hourly basis, if the technology is available;

(B) Identifying the applicable energy source, if the investor-owned utility is reporting the energy source as resulting in zero emissions for clean hydrogen production and demonstrating that the electricity used to produce clean hydrogen comes from renewable energy that would otherwise have been curtailed or not delivered to load or from new zero carbon generation that began production no more than thirty-six months before the start of the operations of the electrolyzer; and

(C) The deliverability of renewable energy used by the electrolyzer into the same load balancing area as the electrolyzer.

(II) The commission shall make the rules adopted by the commission pursuant to subsection (3)(a)(II) of this section effective no later than January 1, 2028, or no later than one year after the deployment of hydrogen electrolyzers in the state exceeds two hundred megawatts, whichever is earlier.

(c) (I) In developing the rules pursuant to subsection (3)(a) of this section, the commission shall consider the potential for federal funding for clean hydrogen projects and that clean hydrogen projects implemented by investor-owned utilities may be necessary to secure federal funding.

(II) In developing the rules pursuant to subsection (3)(a)(II) of this section, the commission shall consider what information and market mechanisms are necessary and available for hydrogen producers to comply with the rules. If the federal internal revenue service issues guidance that meets or exceeds the rules, the commission shall adopt rules that comply with the guidance.

(d) If the office files the notice described in subsection (3)(a) of this section with the commission, the commission shall coordinate with the office to determine an appropriate date for the adoption of the rules described in subsection (3)(a) of this section.

(4) (a) The commission shall allow an investor-owned utility to present to the commission a stand-alone application for a clean hydrogen project for which an investor-owned utility has applied for federal funding as part of a hydrogen hub project at any time before June 1, 2024, unless the office files a notice with the commission stating that the federal department of energy has extended or otherwise altered the deadline regarding funding for a hydrogen hub project. The application may only address elements of a hydrogen hub project that are not located in the Denver metropolitan area.

(b) The application process described in subsection (4)(a) of this section must be consistent with the requirements of subsection (3) of this section. An investor-owned utility seeking approval of a clean hydrogen project pursuant to subsection (4)(a) of this section shall also demonstrate that a time-sensitive review of the investor-owned utility's application is necessary based on the timing requirements for obtaining necessary funding, not including tax credits, from, or a partnership with, a federal or state agency for the acquisition of necessary facilities and that the funding or partnership cannot be accomplished through any pending or future electric resource planning process.

(c) If the funding or partnership described in subsection (4)(b) of this section, including any associated contracts, awards, or timing requirements, allows for competitive solicitations as part of the development of the clean hydrogen project, the commission may direct the investor-owned utility to issue a solicitation to acquire the necessary projects or facilities for the clean hydrogen project. The commission shall review any approved competitive solicitation process and bids received prior to the investor-owned utility's acquisition of the necessary facilities for the clean hydrogen project. An investor-owned utility that filed the clean hydrogen project application pursuant to subsection (4)(a) of this section may submit a bid in response to a solicitation pursuant to this subsection (4)(c).

(5) (a) In reviewing, approving, denying, or amending an application pursuant to this section, the commission shall consider, at a minimum:

(I) Whether it is in the public interest for an investor-owned utility to invest in the elements of the clean hydrogen project as set forth in the application;

(II) The potential contribution of the clean hydrogen project in meeting the greenhouse gas emission reduction goals described in section 25-7-102 (2)(g), including lifecycle greenhouse gas emissions rates;

(III) The impacts of the clean hydrogen project compared to alternative projects, including:

(A) Rate and bill impacts;

(B) The impacts on rate stability; and

(C) Any other impacts identified by the commission pursuant to this subsection (5)(a);

(IV) The use of competitive solicitations, if any;

(V) If the clean hydrogen project contemplates the sale of clean hydrogen, the potential for cross-subsidization and cost shifting across rate classes;

(VI) The impacts of the clean hydrogen project on the utility workforce in the state, including the use of "best value" employment metrics pursuant to section 40-2-129;

(VII) The impacts of the clean hydrogen project on a community's tax base and revenues;

(VIII) The uses of the clean hydrogen produced by the clean hydrogen project, with a preference for qualified uses;

(IX) The public health and safety impacts of the clean hydrogen project; and

(X) The availability of federal funding for the clean hydrogen project.

(b) The commission shall review any clean hydrogen project application submitted pursuant to this section in accordance with any applicable electric resource planning rules.

(c) In reviewing, approving, denying, or amending an application pursuant to this section, if the clean hydrogen project is proposed to be sited in an area that would affect a disproportionately impacted community, the commission shall weigh the applicant's cumulative impacts analysis and determine whether, on balance, the clean hydrogen project will have a positive effect on the disproportionately impacted community. Any proposal that will have net negative cumulative impacts on any disproportionately impacted community must be denied. The commission's determination must include a plain language summary of its determination.

(6) Notwithstanding any provision of this section to the contrary, an investor-owned utility shall provide notice to the commission of any application for federal funding as part of a hydrogen hub project, including:

(a) Any hydrogen hub project milestones;

(b) A description of any deadlines for submission of materials to support the application, including whether any additional filings will be required; and

(c) To the extent known or consistent with any requirements or limitations of the federal department of energy or any related joint memorandums of understanding or other contracts entered into by the investor-owned utility and the state, information regarding when funding awards will be determined.

(7) (a) An investor-owned utility that operates a clean hydrogen project approved pursuant to this section shall submit to the commission an annual report that shows:

(I) The lifecycle greenhouse gas emissions rates from the clean hydrogen project;

(II) The greenhouse gas emissions from the clean hydrogen project;

(III) Any emission of other air pollutants from the clean hydrogen project;

(IV) The water use of the clean hydrogen project;

(V) Production volumes and sales of hydrogen, including types of customers and uses;

(VI) Project development and cost updates for projects with cost recovery from ratepayers; and

(VII) Net cumulative impact updates for projects located in disproportionately impacted communities.

(b) If the clean hydrogen project includes the production and the use or consumption of clean hydrogen by the investor-owned utility, the investor-owned utility shall report the lifecycle greenhouse gas emissions rates of the clean hydrogen project separately by each production facility and use.

(c) The annual report must include information that allows the office to make the verifications required pursuant to section 39-22-557 (4)(a)(II).

**Source:** **L. 2023:** Entire section added, (HB 23-1281), ch. 237, p. 1270, § 2, effective August 7.

**Cross references:** For the legislative declaration in HB 23-1281, see section 1 of chapter 237, Session Laws of Colorado 2023.

**40-2-139. Investor-owned utility electric resource planning - maximum discount rate authorized.** If the commission relies on the use of a discount rate when calculating net present value of future carbon-based fuel costs in an electric resource plan, the discount rate must not exceed the long-term rate of inflation, as determined by the commission. In determining the long-term rate of inflation, the commission shall determine an appropriate rate of inflation specifically for fuel costs.

**Source:** **L. 2023:** Entire section added, (SB 23-291), ch. 163, p. 710, § 1, effective August 7.

PART 2

ENERGY STORAGE SYSTEMS

**Cross references:** For the short title ("Energy Storage Procurement Act") in HB 18-1270, see section 1 of chapter 360, Session Laws of Colorado 2018.

**40-2-201. Legislative declaration.** (1) The general assembly finds, determines, and declares that:

(a) Energy storage systems provide potential opportunities to:

(I) Reduce system costs;

(II) Support diversification of energy resources; and

(III) Enhance grid safety and reliability;

(b) For these reasons, it is in the public interest to explore the use of energy storage systems in Colorado and to integrate into the planning process mechanisms for the procurement of energy storage systems by Colorado's electric utilities through evaluation and procurement methodologies.

**Source: L. 2018:** Entire part added, (HB 18-1270), ch. 360, p. 2151, § 2, effective August 8.

**40-2-202. Definitions.** As used in this part 2, unless the context otherwise requires:

(1) "Electric utility" means an investor-owned electric utility subject to regulation under articles 1 to 7 of this title 40.

(2) "Energy storage system" means commercially available technology that is capable of retaining energy, storing the energy for a period of time, and delivering the energy after storage by chemical, thermal, mechanical, or other means.

(3) "Procure" or "procurement" means to acquire by ownership or by a contractual right to use the energy from, or the capacity of, an energy storage system.

**Source: L. 2018:** Entire part added, (HB 18-1270), ch. 360, p. 2152, § 2, effective August 8.

**40-2-203. Procurement mechanisms - determination by commission - rules.** (1) On or before February 1, 2019, the commission shall establish, by rule, as part of the planning process, mechanisms for the procurement of energy storage systems by an electric utility; except that these mechanisms must not affect any ongoing resource acquisitions or competitive bidding processes that existed on February 1, 2018.

(2) In adopting the rules required by subsection (1) of this section, the commission shall use its best efforts to create conditions under which the procurement of energy storage systems by an electric utility will provide systemic benefits, including:

(a) Increased integration of energy into the grid of the electric utility;

(b) Improved reliability of the grid;

(c) A reduction in the need for the increased generation of electricity during periods of peak demand; and

(d) The avoidance, reduction, or deferral of investment by the electric utility.

(3) Pursuant to subsection (1) of this section, and in consideration of all known and measurable benefits and costs to an electric utility, the commission shall adopt rules:

(a) Establishing mechanisms for the inclusion of benefits and costs associated with energy storage systems into the planning conducted by electric utilities;

(b) Requiring electric utilities to provide to the commission, and allowing electric utilities to provide to third parties as approved by the commission, appropriate data and analysis of potential storage acquisitions in their planning processes, including potential interconnection points. The commission shall treat information provided to the commission or to approved third parties under this subsection (3)(b) as confidential and ensure that the commission and any approved third party manages the information in accordance with all commission rules and federal and state laws concerning customer data and personally identifiable information. If the commission finds that a third party has failed to comply with any applicable rules, laws, or conditions of approval under this subsection (3)(b), the commission may deem that party ineligible to bid or develop storage systems in the subsequent electric resource plan.

(c) Ensuring that any storage system project added to the electric grid will not compromise the security, safety, or reliability of the electric grid or any part of the electric grid;

(d) Establishing that an energy storage system may be owned by an electric utility or by any other person;

(e) (I) Establishing requirements for the filing by an electric utility of acquisition plans containing an analysis of the integration and use of electric storage systems.

(II) The requirements under this subsection (3)(e) must include the requirement that an electric utility provide in its acquisition plans:

(A) Modeling assumptions used to assess the costs and benefits of energy storage systems; and

(B) Model contracts for procurement of energy storage systems.

(f) Requiring the electric utility to include such other information as the commission may require in its documentation relating to planning.

(4) On or before May 1, 2019, electric utilities may file applications for rate-based projects, not to exceed fifteen megawatts of capacity, for energy storage systems. Nothing in this section is intended to prohibit or deter cost-effective storage deployment.

**Source: L. 2018:** Entire part added, (HB 18-1270), ch. 360, p. 2152, § 2, effective August 8.

**ARTICLE 2.1**

Transportation of Hazardous Materials

**40-2.1-101 to 40-2.1-106. (Repealed)**

**Source:** **L. 89:** Entire article repealed, p. 1640, § 6, effective July 1.

**Editor's note:** This article was added in 1979. For amendments to this article prior to its repeal in 1989, consult the Colorado statutory research explanatory note and the table itemizing the replacement volumes and supplements to the original volume of C.R.S. 1973 beginning on page vii in the front of this volume.

**Cross references:** For the "Hazardous Materials Transportation Act of 1987", see parts 1, 2, and 3 of article 20 of title 42.

**ARTICLE 2.2**

Transportation of Nuclear Materials

**40-2.2-101 to 40-2.2-213. (Repealed)**

**Source:** **L. 93:** Entire article repealed, p. 1612, § 14, effective June 6.

**Editor's note:** This article was added in 1986. For amendments to this article prior to its repeal in 1993, consult the Colorado statutory research explanatory note and the table itemizing the replacement volumes and supplements to the original volume of C.R.S. 1973 beginning on page vii in the front of this volume.

**Cross references:** For the "Hazardous Materials Transportation Act of 1987", see parts 1, 2, and 3 of article 20 of title 42.

**ARTICLE 2.3**

Colorado Transmission Coordination Act

**Editor's note:** (1) This article 2.3 was added in 2019. For amendments to this article prior to its repeal in 2022, consult the 2021 Colorado Revised Statutes and the Colorado statutory research explanatory note beginning on page vii in the front of this volume

(2) Section 40-2.3-103 provided for the repeal of this article, effective September 1, 2022.

**40-2.3-101 to 40-2.3-103. (Repealed)**

**Source:** **L. 2019:** Entire article repealed, p. 3309, § 12, effective September 1, 2022.

**ARTICLE 3**

Regulation of Rates and Charges

**Cross references:** For the regulation of rates and charges by municipal utilities, see article 3.5 of this title.

**40-3-101. Reasonable charges - adequate service.** (1) All charges made, demanded, or received by any public utility for any rate, fare, product, or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable. Every unjust or unreasonable charge made, demanded, or received for such rate, fare, product or commodity, or service is prohibited and declared unlawful. Rates and charges demanded or received by any public utility for gas transportation service furnished or to be furnished shall not be deemed to be unjust or unreasonable so long as said rate or charge is no greater than a maximum rate and no lower than a minimum rate determined by the commission (or, in the case of a municipal utility, by the governing body of the municipal utility in accordance with sections 40-3-102 and 40-3.5-102) to be just and reasonable, and the provision of such gas transportation service at such rates or charges shall not constitute per se unjust discrimination or the granting of a preference. Nothing in this subsection (1) shall limit or restrict the commission's authority to regulate rates and charges, correct abuses, or prevent unjust discrimination.

(2) Every public utility shall furnish, provide, and maintain such service, instrumentalities, equipment, and facilities as shall promote the safety, health, comfort, and convenience of its patrons, employees, and the public, and as shall in all respects be adequate, efficient, just, and reasonable.

(3) (a) If a retail cooperative electric association, in conjunction with the payment of an applicable charge, withdraws from membership in a wholesale electric cooperative, as defined in section 40-2-136 (3)(c), that withdrawal is deemed to be a matter of statewide concern, and, in relation to such withdrawal:

(I) The wholesale electric cooperative will act in accordance with the obligation of good faith and fair dealing in implementing the withdrawal and shall not require or impose commercially unreasonable contractual terms on the retail cooperative electric association in relation to the withdrawal; and

(II) The wholesale electric cooperative shall, upon request from the withdrawing retail cooperative electric association, facilitate the retail cooperative electric association's transition from native load to a firm service transmission customer without diminishing the withdrawing retail cooperative electric association's native electric load priority for accessing firm transmission capacity.

(b) The commission has the authority to adjudicate complaints about the terms on which a wholesale electric cooperative implements withdrawal pursuant to this subsection (3).

**Source:** **L. 13:** p. 468, § 13. **C.L.** § 2924. **CSA:** C. 137, § 14. **CRS 53:** § 115-3-1. **C.R.S. 1963:** § 115-3-1. **L. 91:** (1) amended, p. 1417, § 9, effective April 19. **L. 2020:** (3) added, (HB 20-1225), ch. 94, p. 373, § 4, effective March 27.

**Cross references:** (1) For hearings on rate schedules, see § 40-6-111; for reparation for excessive charges, see § 40-6-119.

(2) For the legislative declaration in HB 20-1225, see section 1 of chapter 94, Session Laws of Colorado 2020.

**40-3-102. Regulation of rates - correction of abuses.** The power and authority is hereby vested in the public utilities commission of the state of Colorado and it is hereby made its duty to adopt all necessary rates, charges, and regulations to govern and regulate all rates, charges, and tariffs of every public utility of this state to correct abuses; to prevent unjust discriminations and extortions in the rates, charges, and tariffs of such public utilities of this state; to generally supervise and regulate every public utility in this state; and to do all things, whether specifically designated in articles 1 to 7 of this title or in addition thereto, which are necessary or convenient in the exercise of such power, and to enforce the same by the penalties provided in said articles through proper courts having jurisdiction; except that nothing in this article shall apply to municipal natural gas or electric utilities for which an exemption is provided in the constitution of the state of Colorado, within the authorized service area of each such municipal utility except as specifically provided in section 40-3.5-102.

**Source:** **L. 13:** p. 469, § 14. **C.L.** § 2925. **CSA:** C. 137, § 15. **CRS 53:** § 115-3-2. **C.R.S. 1963:** § 115-3-2. **L. 83:** Entire section amended, p. 1552, § 1, effective June 17.

**Cross references:** For definition of a public utility, see § 40-1-103; for penalties for violation, see article 7 of this title.

**40-3-102.5. Limiting rate case expenses for investor-owned utilities - information included in rate case filings - gas cost or electric commodity adjustment filings - rules - definitions.** (1) **Limiting recovery of rate case expenses.** (a) The commission shall establish rules to limit the amount of rate case expenses that a utility may recover from ratepayers. In establishing the rules, the commission may consider:

(I) Implementing a symmetrical incentive to motivate the utility to limit expenses;

(II) Limiting the amount of expenses for outside experts, consultants, and legal resources that are recoverable;

(III) Setting an overall percentage of the utility's expenses in a rate case that are not recoverable;

(IV) Establishing discovery parameters and what information in a commission proceeding must be disclosed to interveners or to the commission to reduce time and costs associated with a lengthy discovery process, which information may include:

(A) A source model showing all rate adjustments;

(B) Executable spreadsheets, also referred to as work papers, with links and formulas intact;

(C) A test year based on a recently completed twelve-month period and for which actual costs and investments are analyzed; and

(D) Any other information or documentation, as determined by the commission; or

(V) Requiring a technical conference with intervening parties to address intervening parties' questions and to provide the ability for interveners to analyze the utility's assumptions and calculations supporting a rate case filing.

(b) Before the commission may determine that an investor-owned utility's application to modify base rates is complete, the commission shall certify that, for comparison of test years and other purposes, the filing includes sufficient information, including a comprehensive cost and revenue requirement analysis based on actual, auditable, historical data, which analysis must be accompanied by appropriate work papers and other supporting materials.

(c) Nothing in this section prohibits a utility from including multiple test years for analysis or consideration in a rate case filing, including inclusion of a future test year.

(d) As used in this subsection (1):

(I) "Base rate" means charges used to recover costs of utility infrastructure and operations, including a return on capital investment, not otherwise recovered through a utility rate rider or rate adjustment mechanism.

(II) "Test year" means a twelve-month period that is examined to determine a utility's costs of service in a rate case.

(III) "Utility" means an investor-owned electric or gas utility.

(2) **Requirements for filings to increase a rate, charge, fee, fare, toll, rental, or classification.** (a) At the time of filing a request to increase any rate, charge, fee, fare, toll, rental, or classification, the utility shall provide the commission a rate trend report for the previous ten years regarding any historical increases or decreases of the rate, charge, fee, fare, toll, rental, or classification, including:

(I) The amount of each approved increase or decrease;

(II) The incremental increase or decrease from the most recent approved change;

(III) The dates that each approved increase or decrease went into effect;

(IV) The proceeding number related to each approved increase or decrease;

(V) A chart, graph, or other visualization demonstrating the ten-year historical trend regarding each rate, charge, fee, fare, toll, rental, or classification, including all utility bill line items such as rates and rate riders; and

(VI) For each of the ten years, the annual total amount of the rate, charge, fee, fare, toll, rental, or classification.

(b) Each utility shall post and keep current on its website the rate trend report data, including the chart, graph, or other visualization demonstrating the ten-year historical trend submitted as part of the rate trend report. Any visualization must include all utility bill line items, including all rates and rate riders.

(3) **Gas cost or electric commodity adjustment filing requirements.** A utility that files a gas cost adjustment filing or an electric commodity adjustment filing shall provide copies of all confidential materials and all executable materials related to the filing to the commission's staff and the office of the utility consumer advocate created in section 40-6.5-102 (1).

**Source:** **L. 2023:** Entire section added, (SB 23-291), ch. 163, p. 710, § 2, effective August 7.

**40-3-103. Utilities to file rate schedules - rules.** (1) Under the rules prescribed by the commission, each public utility shall file with the commission, within the time and in the form designated by the commission, and shall print and keep open to public inspection, schedules showing all rates, tolls, rentals, charges, and classifications collected or enforced, or to be collected and enforced, together with all rules, regulations, contracts, privileges, and facilities that in any manner affect or relate to rates, tolls, rentals, classifications, or service.

(2) (a) On or after January 1, 2018, on a schedule determined by the commission, each investor-owned electric utility shall file for the commission's review a comprehensive billing format that the investor-owned electric utility has developed for its monthly billing of customers. The comprehensive billing format must include the following components of a customer's monthly bill:

(I) A line-item representation of all monthly charges and credits applied to the customer and an indication of whether the charges have changed from the prior month as a result of changes in fuel costs;

(II) For months in which tiered rates are applied, a breakdown of the tiered rates and the amount of usage to which each rate was applied for the month;

(III) The daily average cost for the current month compared to the same month in the previous calendar year;

(IV) A glossary of terms used by the utility in the monthly bill;

(V) A description of each of the monthly fees that the utility may charge the customer;

(VI) The usage for the current month and each of the previous twelve months, as shown in a bar graph or similar visual format; and

(VII) For customers to which demand rates apply, a listing of the applicable demand charge, the peak demand during the billing period, and, provided the utility can reasonably ascertain such data, the date and time at which the peak demand occurred.

(b) Each investor-owned electric utility shall provide its customers, on a biannual basis, with either an onsert or an insert that indicates, as a percentage, each fuel source used in power generation and purchased for that utility, including renewable energy sources, natural gas, and coal.

(c) (I) The commission shall review a filing submitted pursuant to subsection (2)(a) of this section within thirty days after the filing. If the commission determines that the filing does not meet the comprehensive billing format requirements set forth in subsection (2)(a) of this section, the commission may require the investor-owned electric utility to resubmit a comprehensive billing format in compliance with the requirements. The commission shall notify the investor-owned electric utility in writing of the reasons for the deficiency, and the investor-owned electric utility shall resubmit a comprehensive billing format in compliance with the requirements of subsection (2)(a) of this section within sixty days after the date of the commission's notice of deficiency; except that the commission may, upon request, extend the deadline.

(II) After the commission has approved a comprehensive billing format submitted by an investor-owned electric utility pursuant to subsection (2)(a) of this section, the investor-owned electric utility need not resubmit a comprehensive billing format unless the investor-owned electric utility makes changes to its comprehensive billing format.

**Source:** **L. 13:** p. 469, § 15. **C.L.** § 2926. **CSA:** C. 137, § 16. **CRS 53:** § 115-3-3. **C.R.S. 1963:** § 115-3-3. **L. 69:** p. 964, § 75. **L. 91:** Entire section amended, p. 2427, § 1, effective June 8. **L. 2006:** Entire section amended, p. 1103, § 26, effective August 7. **L. 2007:** Entire section amended, p. 1244, § 1, effective May 24. **L. 2017:** Entire section amended, (SB 17-105), ch. 224, p. 862, § 1, effective May 22.

**40-3-103.5. Medical exemption - tiered electricity rates - rules.** (1) Notwithstanding any provision of articles 1 to 7 of this title 40 to the contrary, the commission shall adopt rules to create an exemption from any tiered electricity rate plan based on a customer's medical condition. The commission's rules must provide a mechanism for the recovery of costs associated with implementing and providing the medical exemption.

(2) The commission may determine the definition of "medical condition"; except that the definition must include multiple sclerosis, epilepsy, quadriplegia, and paraplegia. The medical exemption is for individuals who have the verification of a physician licensed in Colorado of a heat-sensitive medical condition or the need for the use of an essential life support device.

(3) If the commission determines that a means test is necessary for the medical exemption, the commission shall use no less than four hundred percent of the federal poverty level for the customer's household as the maximum income to be eligible for the medical exemption.

(4) If the low-income energy assistance program is used to certify eligibility, the medical exemption under this section must be distinguishable from the heat assistance benefits offered under the low-income energy assistance program because these programs may have different eligibility requirements.

(5) On and after September 1, 2020, the commission shall require utilities periodically to report, pursuant to section 40-3-110, the number of their customers who receive the medical exemption under this section and to describe the efforts the utilities have made during each reporting period to facilitate the enrollment of qualified persons in their medical exemption programs.

**Source:** **L. 2011:** Entire section added, (SB 11-087), ch. 80, p. 218, § 1, effective March 29. **L. 2013:** Entire section amended, (SB 13-282), ch. 292, p. 1562, § 1, effective May 28. **L. 2020:** (1) and (3) amended and (5) added, (SB 20-030), ch. 148, p. 637, § 1, effective June 29.

**40-3-103.6. Disconnection due to nonpayment - connection and reconnection fees - deposits - standard practices - rules - definitions.** (1) The commission shall commence a rule-making proceeding to adopt standard practices for gas and electric utilities to use when disconnecting service due to nonpayment. The rules must address the following subjects:

(a) Resources to support customers in multiple languages, as appropriate to the geographic areas served;

(b) (I) Prohibiting shut-off times:

(A) On Fridays, Saturdays, Sundays, or state or federal holidays; or

(B) To the greatest extent practicable, after 11:59 a.m. on a Monday through Thursday that is not a holiday; or

(C) During an emergency or safety event or circumstance; and

(II) If, by making a payment or payment arrangement in accordance with the utility's policies, a customer makes a request for reconnection of service on a Monday through Friday that is not a holiday, requiring the utility to reconnect the customer's service on the same day as the customer requests reconnection of service if one of the circumstances set forth in subsection (1.5) of this section is met.

(c) Prescribed terms and conditions for payment plans to cure delinquency;

(d) Referral of delinquent customers to energy payment assistance resources such as Energy Outreach Colorado, charities, nonprofits, and state agencies that provide, or that administer federal funds for, low-income energy assistance;

(e) For each utility, standardized methodology to be used in determining reconnection fees and deposit requirements for reconnection;

(f) Protection policies for customers for whom electricity is medically necessary;

(g) Prohibitions on the disconnection of service during periods of extreme heat or cold, as appropriate to the geographic area served;

(h) A prohibition on the remote disconnection of service for nonpayment, through advanced metering infrastructure or otherwise, without a reasonable attempt to make contact with the customer of record by telephone or engaging in a personal, physical visit to the premises; and

(i) Reporting requirements, no less frequently than annually, to provide the commission with standardized information from all utilities about disconnections and delinquencies. For the purpose of trend analysis, utilities may disaggregate data by month or by quarter, as the commission deems appropriate. Reporting requirements must take into consideration existing utility reporting and must allow the utilities a reasonable ability to ascertain data.

(1.5) A utility shall reconnect a customer's service on the same day as the customer requests reconnection pursuant to subsection (1)(b)(II) of this section if:

(a) The customer is an electric utility customer with advanced metering infrastructure and has requested reconnection of service at least one hour before the close of business for the electric utility's customer service division; except that the electric utility may reconnect service on the day following a disconnection of service if there are internet connectivity, technical, or mechanical problems or emergency conditions that reasonably prevent the utility from remotely reconnecting the customer's service; or

(b) The customer is either an electric utility customer without advanced metering infrastructure or a gas utility customer and has requested reconnection of service on or before 12:59 p.m.; except that an electric utility or gas utility may reconnect the customer's service on the day following a disconnection if:

(I) Prior to disconnection of the customer's service, the utility has made a qualifying communication with the customer; or

(II) An emergency or safety event or circumstance arises after disconnection of service that renders the utility's staff temporarily unavailable to safely reconnect service. If next-day reconnection of service is not possible due to the continuation of the emergency or safety event or circumstance, the utility shall reconnect the customer's service as soon as possible.

(2) The commission shall publish on its website, or require utilities to publish on their websites:

(a) Information regarding the standard practices and fees specified in rules adopted pursuant to subsection (1) of this section; and

(b) The information periodically reported in accordance with subsection (1)(i) of this section.

(3) As used in this section, unless the context otherwise requires:

(a) "Advanced metering infrastructure" means an integrated system of smart electric utility meters and communication networks that enables two-way communication between an electric utility's data systems and the meter's internet protocol address and allows the electric utility to measure electricity usage or connect or disconnect service remotely.

(b) (I) "Emergency or safety event or circumstance" means a manmade or natural emergency event or safety circumstance:

(A) That prevents utility staff from being able to safely travel to or work at a customer's residence or place of business for purposes of reconnecting utility service; or

(B) For which a utility has dispatched utility staff members to help respond to the emergency or safety event or circumstance and, due to the timing or number of utility staff dispatched, the utility lacks sufficient trained staff to reconnect utility service at a customer's residence or place of business.

(II) "Emergency or safety event or circumstance" includes a severe weather event that one or more reputable weather forecasting sources forecasts to occur in the following twenty-four hours and that is more likely than not to result in dangerous travel or on-site outdoor or indoor work conditions for individuals in the path of the weather event.

(c) "Qualifying communication" means one of the following methods of communicating with a utility customer about a possible upcoming disconnection of service:

(I) A physical visit to the customer's premises during which a utility representative speaks with the customer and provides the customer utility assistance information or, if the customer is not available to speak, leaves utility assistance information for the customer's review; or

(II) A telephone call, text, or email to the customer in which:

(A) The utility representative provides the customer with utility assistance information; and

(B) The utility representative either speaks directly with the customer over the telephone or the customer receives the utility representative's text or email.

(d) "Utility assistance information" means information that a utility representative provides a customer informing the customer that the customer may contact 1-866-HEAT-HELP to determine if the customer qualifies for utility bill payment assistance.

**Source:** **L. 2020:** Entire section added, (SB 20-030), ch. 148, p. 638, § 2, effective June 29. **L. 2022:** IP(1) and (1)(b) amended and (1.5) and (3) added, (HB 22-1018), ch. 109, p. 497, § 2, effective April 21.

**40-3-104. Changes in rates - notice.** (1) (a) In the case of a public utility other than a rail carrier, subject to the provisions of paragraph (c) of this subsection (1), no change shall be made by any public utility in any rate, fare, toll, rental, charge, or classification or in any rule, regulation, or contract relating to or affecting any rate, fare, toll, rental, charge, classification, or service or in any privilege or facility, except after thirty days' notice to the commission and the public. Notwithstanding the provisions of this paragraph (a), changes in intrastate telecommunications services which have been determined by the commission to be competitive in nature, pursuant to the provisions of article 15 of this title, shall not be subject to any notice requirement, including, but not limited to, any requirement in this section whether or not denoted as a notice requirement.

(b) Repealed.

(c) (I) A public utility shall provide the notice required under subsection (1)(a) of this section by filing with the commission and keeping open for public inspection new schedules stating plainly the changes to be made in the schedules then in force and the time when the changes will go into effect. At the time of the public utility's filing with the commission, the public utility shall post the notice on its public website, including a reference to the docket numbers of relevant rules or adjudicatory matters, which posting must be conspicuously displayed on the website for at least thirty days. The commission may require transportation and water utilities to give additional notice in a manner set forth by order or rule. For public utilities other than transportation and water utilities, the commission shall require additional notice prior to an increase or other change in any rate, fare, toll, rental, charge, classification, or service, which additional notice may be made, at the option of the public utility, by any of the following methods:

(A) Publication of a notice in each newspaper of general circulation in each county in which the public utility provides service, which notice shall be four columns wide and eleven inches high stating plainly the changes and shall be published once each week for two successive weeks during the first twenty days of the thirty-day period prior to the effective date of the increase or change. If notice is given by publication, public utilities other than those providing intrastate telecommunications services pursuant to section 40-15-104 (1) shall also be required to include, with each regular billing statement mailed to affected customers during the first regular billing cycle following the filing of the application for an increase or other change, a bill insert containing the same information contained in the notice by newspaper publication.

(B) Mailing of a notice to each affected customer of the public utility during the first twenty days of the thirty-day period prior to the effective date of the increase or change;

(C) Inclusion of an insert in, or a clear and conspicuous statement on, the bill mailed to each affected customer of the public utility during a regular billing cycle not later than the twentieth day of the thirty-day period prior to the effective date of the increase or change;

(D) Subject to subsection (1)(c)(VII) of this section, not later than the twentieth day of the thirty-day period before the effective date of the increase or change, sending an email or text message to each affected customer of the public utility for whom the utility has an email address or a mobile telephone number; or

(E) At the request of the public utility, such other manner as the commission may prescribe.

(II) Such additional notice shall be sufficient if it states the total dollar amount sought to be raised by such increased rates or other changes and, if determinable at the time of filing, the average monthly increase, by dollar amount or percentage, to customers served under residential and small business tariffs; states the effective date or dates thereof; contains a general description of the types of services to be affected thereby; informs affected customers, other than residential and small business customers, where they may call to obtain information during the thirty-day period prior to the effective date of the proposed increases or changes concerning how such increases or changes will affect them; and includes the telephone number and address of the commission with instructions regarding the registration of a protest to the proposed increases or changes. Proof of additional notice shall be filed by the public utility with the commission.

(III) Increases in rates, fares, tolls, rentals, or charges associated with electric and gas utility adjustment clauses are subject only to the provisions of subsection (2) of this section.

(IV) For public utilities other than transportation and water utilities, where increases or changes in any rate, fare, toll, rental, charge, classification, or service result from requested increases in revenue requirements and rate restructuring and are contained in a single advice letter or application, the additional notice required under subparagraphs (I) and (II) of this paragraph (c) shall be deemed sufficient if a single notice is given even if more than one proceeding is established by the commission with respect to the increases or changes.

(V) In the case of a public utility that provides regulated intrastate telecommunications services:

(A) Notice of a decrease in a rate or charge for any regulated telecommunications service shall be given by filing with the commission and keeping open for public inspection for a period of fourteen days the new schedule stating plainly the decrease to be made and the time that the decrease will become effective. Such decreases shall not be subject to any additional notice requirements.

(B) Notice of changes in terms and conditions for any regulated telecommunications service shall be given by filing with the commission and keeping open for public inspection for a period of fourteen days the new schedule stating plainly the changes to be made in the terms and conditions and the time that the changes will become effective. Such changes in the terms and conditions shall not be subject to any additional notice requirements unless the commission determines that such additional notice is in the public interest. Any such additional notice shall be given in a manner specified by the commission.

(VI) A public utility that provides additional notice pursuant to subsection (1)(c)(I) of this section must include in the additional notice:

(A) The public utility's public website address; and

(B) A toll-free telephone number associated with the public utility that a customer may call for additional information or assistance. If a public utility sends additional notice by email or text message pursuant to subsection (1)(c)(I)(D) of this section, the email or text message need not include all information required by this subsection (1)(c)(VI); however, the email or text message must include a link to the portion of the public utility's public website where that information is posted.

(VII) A public utility may provide additional notice pursuant to subsection (1)(c)(I)(D) of this section only if the public utility provides its customers with a mechanism by which a customer may opt out of receiving email or text message notifications. For any customer that opts out, the public utility shall provide an alternate method of additional notice authorized under subsection (1)(c)(I) of this section.

(2) The commission, for good cause shown, may allow changes with less notice than is required by subsection (1) of this section by an order specifying the changes so to be made and the time when they shall take effect and the manner in which they shall be filed and published.

(3) When any change is proposed in any rate, fare, toll, rental, charge, or classification or in any form of contract or agreement or in any rule, regulation, or contract relating to or affecting any rate, fare, toll, rental, charge, classification, or service or in any privilege or facility, attention shall be directed to such change on the schedule filed with the commission immediately preceding or following the item.

(4) and (5) Repealed.

**Source:** **L. 13:** p. 470, § 16. **C.L.** § 2927. **CSA:** C. 137, § 17. **CRS 53:** § 115-3-4. **C.R.S. 1963:** § 115-3-4. **L. 84:** Entire section amended, p. 1036, § 2, effective July 1. **L. 85:** (1)(a) and (1)(c) amended, p. 1296, § 1, effective May 19. **L. 2000:** (1)(b), (4), and (5) repealed, p. 215, § 1, effective March 29. **L. 2002:** (1)(c)(V) added, p. 200, § 2, effective August 7. **L. 2015:** IP(1)(c)(I) and (1)(c)(I)(D) amended, (SB 15-261), ch. 291, p. 1188, § 1, effective August 5. **L. 2019:** IP(1)(c)(I), (1)(c)(I)(C), and (1)(c)(I)(D) amended and (1)(c)(I)(E), (1)(c)(VI), and (1)(c)(VII) added, (SB 19-236), ch. 359, p. 3304, § 10, effective May 30.

**Cross references:** For the legislative declaration contained in the 2002 act enacting subsection (1)(c)(V), see section 1 of chapter 74, Session Laws of Colorado 2002.

**40-3-104.3. Manner of regulation - competitive responses - economic development rate - definitions - repeal.** (1) (a) Upon application by any public utility providing electric, natural gas, or steam service, the commission shall authorize such public utility to provide utility services to a specific customer or potential customer by contract without reference to its tariffs on file with the commission if the commission finds that:

(I) For contracts with a specific customer or potential customer involving electric and steam service:

(A) The price of any such service is not below that service's variable cost;

(B) The customer, or potential customer, has expressed its intention to decline or discontinue, or partially discontinue, service, to provide its own service, or to pursue the purchase of alternate services from another provider;

(C) The approval of the application will not adversely affect the remaining customers of the public utility; and

(D) The approval of the application is in the public interest;

(II) For contracts with existing customers involving natural gas service:

(A) The customer has the ability to provide its own service or has competitive alternatives available from other providers of the same or substitutable service, except from another public utility providing or proposing to provide the same type of service;

(B) The customer will discontinue using the services of the public utility if the authorization is not granted;

(C) Approval of the application will not as adversely affect the remaining customers of the public utility as would the alternative;

(D) The price of any such service provided pursuant to this subparagraph (II) shall be justified and shall not be less than the marginal cost of the service to the public utility. If the price is less than marginal cost, this shall be deemed to be an illegal restraint of trade subject to the provisions of article 4 of title 6, C.R.S.; and

(E) The approval of the application is in the public interest.

(b) (I) Following a notice period of five days after the filing of an application under this section, the commission shall approve or deny the application within thirty days. All applications filed with the commission pursuant to this section shall be placed at the head of the commission's docket and shall be disposed of promptly within the time periods set forth in this subsection (1)(b)(I); except that, for good cause shown, the commission may extend the period in which it must act for an additional fifteen days, or, in extraordinary circumstances, including the existence of numerous pending applications under this section, the commission may extend the period in which it must act for an additional thirty days beyond the fifteen days provided for in this subsection (1)(b)(I).

(II) Whenever the application is continued as provided in subsection (1)(b)(I) of this section, the commission shall enter an order making the continuance and stating fully the facts necessitating the continuance. If the commission has not approved or denied an application within the time periods set forth in subsection (1)(b)(I) of this section, the application shall be deemed approved. If the commission denies an application for approval within the permitted period, the subject contract does not become effective.

(III) Any contract submitted pursuant to this section shall be filed under seal and treated as confidential by the commission; except that, at the time the applicant files an application or contract with the commission, the applicant shall also furnish a copy of the application to any public utility then providing electric, gas, or steam service in the state of Colorado to the customer, and also furnish a copy to the office of the utility consumer advocate, which office shall also treat the contract as confidential.

(c) An application filed by a public utility pursuant to this section shall contain the name of the customer, a description of the services proposed to be provided under contract, evidence that the requirements of paragraph (a) of this subsection (1) have been met, and any additional information required by the commission. The commission may dismiss an application if the applicant fails to provide information necessary to enable the commission to make the findings required by paragraph (a) of this subsection (1).

(d) (Deleted by amendment, L. 92, p. 2138, § 1, effective April 23, 1992.)

(e) Within ten days after the execution of the contract, the public utility shall file with the commission under seal and as a confidential document the final contract or other description of the price and terms of service, together with any additional information required by the commission. The applicant shall also furnish a copy of the information to the office of the utility consumer advocate, which office shall treat the information as confidential. The commission has no authority to disapprove the contract if the contract complies with the conditions contained in subsection (1)(a) of this section, but the commission may consider the contract for general regulatory purposes and to ensure compliance with the requirements of this section.

(2) (a) For contracts involving electric and steam service, at the time of any proceeding in which a utility's overall rate levels are determined, the commission shall specify a fully distributed cost methodology to be used to segregate rate base, expenses, and revenues associated with utility service provided by contract pursuant to this section from other regulated utility operations. For contracts involving electric and steam service, if revenues from a service provided pursuant to this section are less than the cost of service as determined by the fully distributed cost methodology specified by the commission, the rates of other regulated utility operations may not be increased to recover such difference between costs and revenues.

(b) For contracts involving natural gas service, the commission may require a public utility to segregate investments, expenses, and revenues associated with utility service provided pursuant to subparagraph (II) of paragraph (a) of subsection (1) of this section to ensure that such services are not subsidized by revenues from other utility operations. If the commission requires such segregation of such investment and expenses, it shall specify a fully distributed cost allocation methodology.

(3) (a) This section shall neither enlarge nor diminish the rights and obligations of a public utility operating under a certificate issued by the commission to serve customers within a territory pursuant to the provisions of article 3.5, 5, or 9.5 of this title.

(b) Nothing in this section shall be construed to permit any public utility to provide electric, natural gas, or steam service to a customer of another public utility located in or for use in the service territory of such other public utility providing or proposing to provide the same type of service.

(4) (a) The commission has the right to inspect the books and records of any affiliate of a public utility to the extent that the affiliate uses any plant, or incurs any cost, or provides any service or product which is joint and common to the provision of public utility services and products subject to the jurisdiction of the commission. Upon application and for good cause shown, the commission may enter an appropriate protective order which directs the manner in which proprietary information shall be treated.

(b) For purposes of this subsection (4), unless the context otherwise requires, "affiliate of a public utility" means a subsidiary of a public utility, a parent corporation of a public utility, a joint venture organized as a separate corporation or partnership to the extent of the individual public utility's involvement with the joint venture, or a subsidiary of a parent corporation of a public utility.

(5) Nothing in this section limits or restricts the commission's authority to regulate rates and charges, correct abuses, or prevent unjust discrimination except as specifically provided in this section.

(6) (a) Notwithstanding any other provision of this section, an investor-owned electric utility subject to rate regulation by the commission may offer economic development rates to a qualifying commercial or industrial customer.

(b) (I) (A) An economic development rate approved pursuant to this section must be in the public interest and must be lower than the rate or rates that the qualifying commercial or industrial customer would be or currently is subject to under the investor-owned electric utility's tariffs in effect at the time the qualifying commercial or industrial customer seeks to qualify for the economic development rate; except that an economic development rate must not be lower than the utility's marginal cost of providing service to the qualifying commercial or industrial customer. An economic development rate must not directly increase costs of electric service for other customers.

(B) An economic development rate approved pursuant to this section does not relieve an investor-owned electric utility of its obligation to achieve compliance with greenhouse gas emission reduction requirements.

(II) (A) The commission may approve investor-owned utility tariffs that provide for implementation of an economic development rate and set a minimum and maximum amount for the rate consistent with subsection (6)(b)(I) of this section.

(B) Notwithstanding subsection (6)(b)(II)(A) of this section, the investor-owned electric utility may negotiate and enter into agreements related to economic development rates with individual qualifying commercial or industrial customers without commission approval so long as the agreed-upon economic development rate complies with the commission-approved tariff and the addition or expansion of existing load at a single location is less than or equal to forty megawatts. In approving a utility's application for an economic development rate, for loads between twenty-one and forty megawatts, the commission may require the investor-owned electric utility to make additional demonstrations, including a marginal cost determination, an additional power flow analysis to demonstrate that the added load will be supported by adequate transmission capabilities and will not negatively impact reliability or resource adequacy, a demonstration that the additional infrastructure costs will not be borne by other customers, and a demonstration that projects above twenty-one megawatts will provide additional community benefits. Any addition or expansion of existing load at a single location that is greater than forty megawatts requires separate commission approval based upon a finding that the addition or expansion is consistent with this section and in the public interest.

(III) (A) An investor-owned electric utility may offer an economic development rate to a qualifying commercial or industrial customer for up to ten years.

(B) Notwithstanding subsection (6)(b)(III)(A) of this section, the investor-owned electric utility may propose, and the commission may consider approving, an economic development rate to a qualifying commercial or industrial customer for a period of greater than ten years, but no more than twenty-five years.

(C) In evaluating whether it is in the public interest for an investor-owned electric utility's proposal to allow a qualifying commercial or industrial customer to remain on an economic development rate for longer than ten years, the commission shall evaluate the proposed duration of the qualifying commercial or industrial customer's proposed project, community impacts, and impacts to rates of other customers of the utility.

(c) (I) An approval granted by the commission pursuant to this section must include such terms and conditions as the commission determines are necessary to ensure that the economic development rates or charges assessed to other customers do not subsidize the cost of providing service to qualifying commercial and industrial customers consistent with subsection (6)(b)(I) of this section and that there is no other subsidization of such service. In approving the terms and conditions of an economic development rate, the commission shall consider, among other things:

(A) The rates and charges assessed to the investor-owned electric utility's wholesale customers;

(B) The effects on other transmission system owners and users resulting from new transmission facilities constructed in connection with the utility's expansion of an existing voluntary clean energy program or service offering; and

(C) For all of the investor-owned electric utility's customer classes, the broader economic development benefits associated with the qualifying commercial or industrial customer based on a determination of the marginal cost and on a societal economic benefit test developed by the investor-owned electric utility.

(II) In a commission proceeding related to economic development rates authorized pursuant to subsection (6)(b) of this section, the utility bears the burden of proof to establish that:

(A) The rates or charges assessed to other customers do not subsidize the cost of providing economic development rates to qualifying commercial or industrial customers;

(B) The rates of other regulated utility operations do not increase; and

(C) Other customers on the utility's system do not experience a rate increase due to a rate or rates offered to a qualifying commercial or industrial customer pursuant to this section.

(III) The commission shall not impute to the utility revenues that would have been received from the qualifying commercial or industrial customer if the customer were being provided service under the corresponding rate for which it would have otherwise qualified under the utility's tariffs.

(IV) Following a notice period of fourteen business days after an investor-owned electric utility files an application for approval of economic development rates, and the addition or expansion of existing load at a single location that is forty-one or more megawatts, the commission shall approve or deny the application within one hundred twenty days after the expiration of the notice period.

(V) Following a notice period of fourteen business days after an investor-owned electric utility files an application for approval of economic development rates, and the addition or expansion of existing load at a single location that is more than one hundred fifty megawatts, the commission shall approve or deny the application within two hundred ten days after the expiration of the notice period.

(VI) (A) If an investor-owned electric utility does not have a commission-approved tariff pursuant to subsection (6)(b)(II)(A) of this section, the commission, following a notice period of fourteen business days after the investor-owned electric utility files an application for approval of economic development rates, shall approve or deny the application within one hundred twenty days after the expiration of the notice period.

(B) This subsection (6)(c)(VI) is repealed, effective June 1, 2026.

(d) (I) An investor-owned electric utility may seek commission approval to expand any voluntary clean energy program or service offering, except those covered by valid agreements to the contrary executed and approved by the commission as of January 1, 2019, through the acquisition of additional clean energy generation capacity and energy to meet the current and projected demand of:

(A) Any commercial or industrial customer making a capital investment of two hundred fifty million dollars or more;

(B) Any commercial or industrial customer that requires such expansion to remain as a customer of that utility; or

(C) Any qualifying commercial or industrial customer entering the service territory of the utility.

(II) The commission may approve, within one hundred twenty days, an expansion of an existing voluntary clean energy program or service offering upon a showing by the utility that:

(A) There is not sufficient capacity and energy in the existing voluntary clean energy program or service offering to satisfy the needs of the customer and the customer meets the requirements of subsection (6)(d)(I) of this section; and

(B) The availability of the program or service, either on its own or in combination with other incentives, is a substantial factor in the customer's decision to locate new or expand or retain existing business operations in Colorado.

(7) As used in subsection (6) of this section and this subsection (7), unless the context otherwise requires:

(a) "Marginal cost" means the incremental additional cost that an investor-owned electric utility incurs and charges to serve an electric customer over the contract period, which additional costs would not have been incurred if the customer did not take service on the utility's system, including, but not limited to:

(I) Fuel;

(II) Purchased power;

(III) Operating and maintenance costs;

(IV) Capital additions;

(V) Overhead;

(VI) Taxes; and

(VII) Fees.

(b) "Qualifying commercial or industrial customer":

(I) Means a utility customer that:

(A) Agrees to: Locate commercial or industrial operations in Colorado and add at least three megawatts of new load at a single location, or expand existing commercial or industrial operations in Colorado and add at least three megawatts of new load at a single location; and

(B) Demonstrates, to the satisfaction of the investor-owned electric utility, subject to review by the commission, that: The cost of electricity is a critical consideration in deciding where to locate new or expand existing operations, and the availability of economic development rates, either on their own or in combination with other economic development incentives, is a substantial factor in the customer's decision to locate new or expand existing business operations in Colorado; and

(II) Does not include a customer that agrees to relocate or otherwise transfer its existing load of at least three megawatts from the service territory of another public utility, as defined in section 40-1-103, into the service territory of the utility offering economic development rates.

(c) "Societal economic benefit test" means a test that includes but is not limited to:

(I) The economic benefits received by all customer classes served by the utility; and

(II) The economic development benefits, including:

(A) The total net local and state taxes to be paid by the qualifying commercial or industrial customer;

(B) The amount of full-time jobs created; and

(C) Other economic growth, benefits, or both brought to the surrounding community that result from serving a qualifying commercial or industrial customer with an economic development rate.

(d) "Voluntary clean energy program or service offering" means a program or other service offering approved by the commission that allows a qualifying commercial or industrial customer access to eligible energy resources, as that term is defined in section 40-2-124 (1)(a), on a voluntary basis, on terms and conditions deemed necessary by the commission. For a voluntary clean energy program or service offering to be expanded, it must have been approved by the commission prior to the expansion request of a qualifying commercial or industrial customer pursuant to subsection (6)(d)(I) of this section.

(8) Subsections (6) and (7) of this section and this subsection (8) are repealed, effective January 1, 2035.

**Source:** **L. 89:** Entire section added, p. 1535, § 1, effective July 1. **L. 92:** Entire section amended, p. 2138, § 1, effective April 23. **L. 2018:** (5) amended and (6) to (8) added, (HB 18-1271), ch. 362, p. 2159, § 2, effective January 1, 2019. **L. 2021:** (1)(b) and (1)(e) amended, (SB 21-103), ch. 477, p. 3414, § 13, effective September 1. **L. 2025:** (6)(b)(I), (6)(b)(II)(B), (6)(b)(III), (6)(c)(I), IP(6)(d)(I), IP(6)(d)(II), (6)(d)(II)(A), (7), and (8) amended and (6)(c)(IV), (6)(c)(V), and (6)(c)(VI) added, (HB 25-1177), ch. 209, p. 940, § 1, effective May 19.

**Editor's note:** Section 2 of chapter 209 (HB 25-1177), Session Laws of Colorado 2025, provides that the act changing this section applies to applications filed on or after May 19, 2025.

**Cross references:** For the legislative declaration in HB 18-1271, see section 1 of chapter 362, Session Laws of Colorado 2018.

**40-3-104.4. Simplified regulatory treatment for small or nonprofit water companies.** (1) The commission, with due consideration to public interest, quality of service, financial condition, and just and reasonable rates, shall grant regulatory treatment that is less comprehensive than otherwise provided for under this article 3 to small, privately owned water companies that serve fewer than one thousand five hundred customers. The commission, when considering policy statements and rules, shall balance reasonable regulatory oversight with the cost of regulation in relation to the benefit derived from the regulation.

(2) (a) Except as otherwise provided in subsection (2)(b) of this section, a water company registered as a nonprofit organization under section 501 (c) of the federal "Internal Revenue Code of 1986", as amended, 26 U.S.C. sec. 501 (c), is exempt from regulation under the "Public Utilities Law", articles 1 to 7 of this title 40.

(b) Notwithstanding subsection (2)(a) of this section, all rates, charges, and terms and conditions of service between a water company described in subsection (2)(a) of this section and its customers must be just and reasonable. The commission shall resolve any complaint alleging a violation of this subsection (2)(b) in accordance with articles 6 and 7 of this title 40 if the complaint is signed by:

(I) The mayor, the president of the board of trustees, or a majority of the council, commission, or other governing body of an affected city, county, city and county, or town;

(II) The chief executive officer of an affected public utility; or

(III) The lesser of:

(A) At least twenty-five customers or prospective customers of the water company complained of; or

(B) At least twenty-five percent of the current customers of the water company complained of.

**Source:** **L. 2001:** Entire section added, p. 1469, § 1, effective August 8. **L. 2018:** Entire section amended, (SB 18-134), ch. 91, p. 729, § 1, effective August 8.

**40-3-104.5. Special provisions for rail carrier rate increases.** Notwithstanding section 40-3-105 and any other provision of this title to the contrary, the commission shall not exercise any jurisdiction over rates with respect to intrastate rail carriers.

**Source:** **L. 84:** Entire section added, p. 1037, § 3, effective July 1. **L. 2000:** Entire section amended, p. 215, § 2, effective March 29.

**40-3-105. Free and reduced service or transportation prohibited - exceptions.** (1) No public utility shall, directly or indirectly, issue, give, or tender any free service, ticket, frank, free pass, or other gratuity of services or any free or reduced rate transportation for passengers or property between points within this state unless a tariff so providing is first filed with and approved by the commission.

(2) Except as otherwise provided in this section, no public utility shall charge, demand, collect, or receive a greater or lesser or different compensation for any product or commodity furnished or to be furnished, or for any service rendered or to be rendered, than the rates, tolls, rentals, and charges applicable to such product or commodity or service as specified in its schedules on file and in effect at the time, nor shall any such public utility refund or remit, directly or indirectly, in any manner or by any device, any portion of the rates, tolls, rentals, and charges so specified, nor extend to any corporation or person any form of contract or agreement or rule or regulation or any facility or privilege except those which are regularly and uniformly extended to all corporations and persons; but the commission may by rule or order establish such exceptions from the operation of this prohibition as it may consider just and reasonable as to each public utility.

(3) (a) Nothing in this article shall prohibit or restrict any public utility from furnishing its service, product, or commodity to, or the receiving of its service, product, or commodity by, its employees, pensioners, officers, directors, or board members at no charge or at charges less than those prescribed in the utility's published schedules or tariffs.

(b) No revenue shall accrue or be credited in the accounts of such utility with respect to such service, product, or commodity furnished at no charge nor with respect to any amounts by which charges for such service, product, or commodity are less than those prescribed in the utility's published schedules or tariffs.

**Source:** **L. 13:** p. 470, § 17. **C.L.** § 2928. **L. 27:** p. 249, § 1. **CSA:** C. 137, § 18. **L. 41:** p. 599, § 1. **CRS 53:** § 115-3-5. **C.R.S. 1963:** § 115-3-5. **L. 69:** p. 931, § 14. **L. 73:** p. 1143, § 1. **L. 84:** (2) amended, p. 1039, § 4, effective July 1. **L. 2002:** (2) amended, p. 1033, § 69, effective June 1.

**Cross references:** For penalties for violations, see article 7 of this title.

**40-3-106. Advantages prohibited - graduated schedules - consideration of household income and other factors - definitions.** (1) (a) Except when operating under paragraph (c) or (d) of this subsection (1), a public utility, as to rates, charges, service, or facilities, or in any other respect, shall not make or grant any preference or advantage to a corporation or person or subject a corporation or person to any prejudice or disadvantage. A public utility shall not establish or maintain any unreasonable difference as to rates, charges, service, facilities, or between localities or class of service. The commission may determine any question of fact arising under this section.

(b) Repealed.

(c) A local exchange provider, as defined in section 40-15-102 (18), may enter into a contract, when necessary, specifying non-cost-based rates and conditions particular to that contract with one or more purchasers of services for applications of interactive video technology for purposes of distance learning, video arraignment of defendants in criminal cases, or examination, diagnosis, or treatment of patients in the course of medical practice. When an application is subject to a bidding process by the end user of the service, the local exchange providers offering component elements of interactive video technology pursuant to this paragraph (c) shall offer the component elements relating to a specific application to a specific end user to all bidders, including themselves, if bidding, at the same rates, terms, and conditions. This exception shall not apply to any other regulated service. A provider other than a local exchange provider may offer such interactive video services if such services are provided under the same terms and conditions as specified in this paragraph (c). Each contract entered into under this paragraph (c) shall be filed with the commission for information only.

(d) (I) Notwithstanding any provision of articles 1 to 7 of this title 40 to the contrary, the commission may approve any rate, charge, service, classification, or facility of a gas or electric utility that makes or grants a reasonable preference or advantage to income-qualified utility customers, even if the reasonable preference or advantage applies on a year-round basis, and the implementation of such commission-approved rate, charge, service, classification, or facility by a public utility shall not be deemed to subject any individual or corporation to any prejudice, disadvantage, or undue discrimination.

(II) As used in this subsection (1)(d), an "income-qualified utility customer" means a utility customer who the department of human services, created in section 26-1-105; the organization defined in section 40-8.7-103 (4); or the Colorado energy office, created in section 24-38.5-101, has determined:

(A) Has a household income at or below two hundred percent of the current federal poverty line;

(B) Has a household income at or below eighty percent of the area median income, as published annually by the United States department of housing and urban development; or

(C) Otherwise meets the income eligibility criteria set forth in rules of the department of human services adopted pursuant to section 40-8.5-105.

(III) When considering whether to approve a rate that makes or grants a reasonable preference or advantage to income-qualified utility customers, the commission shall take into account the potential impact on, and cost-shifting to, utility customers other than income-qualified utility customers.

(IV) A commission-approved gas or electric utility rate, charge, service, classification, or facility that makes or grants a reasonable preference or advantage to income-qualified utility customers may apply to income-qualified utility customers on a year-round basis.

(2) Nothing in articles 1 to 7 of this title 40 prohibits a public utility engaged in the production, generation, transmission, or furnishing of heat, light, gas, water, power, or telephone service from establishing a graduated scale of charges subject to this title 40; except that, for rates resulting from a rate design change approved by the commission on or after September 1, 2020, the commission shall require utility revenue or billing adjustment mechanisms to ensure that a utility's change in rate design results in a revenue-neutral outcome. In adopting new rate designs for residential customers, the commission shall evaluate the potential for higher bills due to changes in rate design. Rate designs that disproportionately negatively impact low-income residential customers compared to other residential customers of the utility are presumed to be contrary to the public interest.

(3) Nothing in this section shall prevent the commission from revoking its approval at any time and fixing other rates and charges for the product or commodity or service as authorized by articles 1 to 7 of this title.

(4) The commission shall order a fixed public utility, except a municipally owned utility, to increase its rates only to its customers in a municipality by adding a surcharge to recover the amount such fixed public utility pays to that municipality as a cost of doing business within that municipality under a franchise or pursuant to a license or occupation tax levied by the municipality, so long as the increase in rates by such fixed public utility is pursuant to a method of surcharge approved by the commission. Occupation tax as used in this subsection (4) does not include the employer and employee tax imposed by a municipality for the privilege of employment within that municipality.

(5) Repealed.

**Source:** **L. 13:** p. 473, § 18. **C.L.** § 2929. **CSA:** C. 137, § 19. **CRS 53:** § 115-3-6. **C.R.S. 1963:** § 115-3-6. **L. 69:** p. 932, § 15. **L. 81:** (4) and (5) added, p. 1912, § 1, effective July 1. **L. 83:** (5) repealed, p. 1555, § 3, effective June 17. **L. 84:** (1) amended, p. 1039, § 5, effective July 1. **L. 86:** (1)(a) amended, p. 1155, § 2, effective September 1. **L. 89:** (2) amended, p. 1526, § 8, effective April 12. **L. 90:** (1)(a) amended, p. 1849, § 51, effective May 31. **L. 91:** (1)(a) amended, p. 1925, § 57, effective June 1. **L. 95:** (1)(a) amended and (1)(c) added, p. 245, § 1, effective April 17. **L. 2000:** (1)(b) repealed, p. 217, § 3, effective March 29. **L. 2002:** (1)(a) amended, p. 1033, § 70, effective June 1. **L. 2007:** (1)(a) amended and (1)(d) added, p. 319, § 1, effective April 2. **L. 2008:** (2) amended, p. 1792, § 6, effective July 1. **L. 2010:** (1)(d)(II)(A) amended, (HB 10-1422), ch. 419, p. 2124, § 181, effective August 11. **L. 2013:** (1)(a) amended, (SB 13-194), ch. 89, p. 289, § 2, effective April 1. **L. 2020:** (2) amended, (SB 20-030), ch. 148, p. 639, § 3, effective June 29. **L. 2021:** (1)(d)(II) amended, (HB 21-1105), ch. 488, p. 3496, § 3, effective September 7. **L. 2022:** (1)(d) amended, (HB 22-1018), ch. 109, p. 499, § 3, effective April 21.

**40-3-107. Transmission of business of other companies.** Every telephone public utility operating in this state shall receive, transmit, and deliver, without discrimination or delay, the conversations and messages of every other telephone public utility with whose line a physical connection may have been made.

**Source:** **L. 13:** p. 473, § 19. **C.L.** § 2930. **CSA:** C. 137, § 20. **CRS 53:** § 115-3-7. **C.R.S. 1963:** § 115-3-7. **L. 69:** p. 932, § 16. **L. 2008:** Entire section amended, p. 1792, § 7, effective July 1.

**Cross references:** For fixing of joint rates, see § 40-4-104.

**40-3-107.5. Interconnection with renewable energy cooperatives.** Electric utilities shall interconnect with renewable energy cooperatives organized pursuant to section 7-56-210, C.R.S. Every renewable energy cooperative that desires to interconnect its system with any facilities owned or operated by a public utility shall comply with applicable interconnection rules and with reasonable standards and policies related to the reliability of the public utility system. All such standards and policies, as well as all costs for the interconnection, shall be fair, reasonable, and nondiscriminatory to each renewable energy cooperative.

**Source:** **L. 2004:** Entire section added, p. 1123, § 4, effective May 27.

**40-3-108. Rates for long and short distances.** No telephone public utility subject to articles 1 to 7 of this title shall charge or receive any greater compensation in the aggregate for the transmission of any long distance message or conversation for a shorter than for a longer distance over the same line or route in the same direction within this state, the shorter being included within the longer distance, or charge any greater compensation for a through service than the aggregate of the intermediate rates or tolls subject to articles 1 to 7 of this title. Upon application to the commission, a telephone public utility may be authorized by the commission to charge less for a longer than a shorter distance service for the transmission of messages or conversations in special cases, after investigation; and the commission may from time to time prescribe the extent to which such telephone public utility may be relieved from the operation and requirements of this section.

**Source:** **L. 13:** p. 473, § 20. **C.L.** § 2931. **CSA:** C. 137, § 21. **CRS 53:** § 115-3-8. **C.R.S. 1963:** § 115-3-8. **L. 69:** p. 932, § 17. **L. 2008:** Entire section amended, p. 1793, § 8, effective July 1.

**40-3-109. Street transportation public utility - transfers.** Every street transportation public utility shall, upon such terms as the commission finds to be just and reasonable, furnish to its passengers transfers entitling them to one continuous trip in the same general direction over and upon the portions of its lines within the same city and county, city, or town not reached by the originating vehicle.

**Source:** **L. 13:** p. 474, § 21. **C.L.** § 2932. **CSA:** C. 137, § 22. **CRS 53:** § 115-3-9. **C.R.S. 1963:** § 115-3-9. **L. 69:** p. 933, § 18.

**40-3-110. Information furnished commission - reports.** (1) Every public utility shall furnish to the commission, at such time and in such form as the commission may require, one or more reports in which the utility shall specifically answer all questions propounded by the commission upon or concerning which the commission may desire information. All reports must be made under oath or affirmation.

(2) The commission may require a public utility to file monthly reports of earnings and expenses and to file periodic or special reports, or both periodic and special reports, concerning any matter about which the commission is authorized by articles 1 to 7 of this title 40 or in any other law to inquire or to keep itself informed or which it is required to enforce.

(3) The commission shall require every public utility that reports information on disconnections and delinquencies pursuant to section 40-3-103.6 (1)(i) to also file an annual narrative containing the utility's analysis of any trends or inconsistencies revealed by the data.

**Source:** **L. 13:** p. 474, § 22. **C.L.** § 2933. **CSA:** C. 137, § 23. **CRS 53:** § 115-3-10. **C.R.S. 1963:** § 115-3-10. **L. 2020:** Entire section amended, (SB 20-030), ch. 148, p. 639, § 4, effective June 29.

**Cross references:** For duty of common carriers to report accidents, see § 40-9-108.

**40-3-111. Rates determined after hearing.** (1) Whenever the commission, after a hearing upon its own motion or upon complaint, finds that the rates, tolls, fares, rentals, charges, or classifications demanded, observed, charged, or collected by any public utility for any service, product, or commodity, or in connection therewith, including the rates or fares for excursion or commutation tickets, or that the rules, regulations, practices, or contracts affecting such rates, fares, tolls, rentals, charges, or classifications are unjust, unreasonable, discriminatory, or preferential, or in any way violate any provision of law, or that such rates, fares, tolls, rentals, charges, or classifications are insufficient, the commission shall determine the just, reasonable, or sufficient rates, fares, tolls, rentals, charges, rules, regulations, practices, or contracts to be thereafter observed and in force and shall fix the same by order. In making such determination, the commission may consider current, future, or past test periods or any reasonable combination thereof and any other factors which may affect the sufficiency or insufficiency of such rates, fares, tolls, rentals, charges, or classifications during the period the same may be in effect, and may consider any factors which influence an adequate supply of energy, encourage energy conservation, or encourage renewable energy development.

(1.5) (a) If the commission considers environmental effects when comparing the costs and benefits of potential utility resources, it shall also make findings and give due consideration to the effect that acquiring such resources will have on the state's economy and employment, including, but not limited to, the effect on the mining, electric, natural gas, energy efficiency, and renewable resource industries.

(b) If the commission considers factors which encourage renewable energy development, it shall also make findings and give due consideration to the effect of such factors on the utility's ability to recover its capital and operating costs.

(2) (a) The commission has the power, after a hearing upon its own motion or upon complaint, to investigate a single rate, fare, toll, rental, charge, classification, rule, contract, or practice, or the entire schedule of rates, fares, tolls, rentals, charges, classifications, rules, contracts, and practices of any public utility; and to establish new rates, fares, tolls, rentals, charges, classifications, rules, contracts, practices, or schedules, in lieu thereof.

(b) As part of any inquiry or investigation into rate structures of regulated electric utilities undertaken on or before July 1, 2009, the commission shall consider whether to adopt retail rate structures that enable the use of solar or other renewable energy resources in agricultural applications, including, but not limited to, irrigation pumping.

**Source:** **L. 13:** p. 475, § 23. **C.L.** § 2934. **CSA:** C. 137, § 24. **CRS 53:** § 115-3-11. **C.R.S. 1963:** § 115-3-11. **L. 81:** (1) amended, p. 1914, § 1, effective July 1. **L. 93:** (1.5) added, p. 202, § 1, effective March 31. **L. 94:** (1) and (1.5) amended, p. 611, § 3, effective April 8. **L. 2008:** (2) amended, p. 1793, § 9, effective July 1.

**Cross references:** For the legislative declaration contained in the 1994 act amending subsections (1) and (1.5), see section 1 of chapter 102, Session Laws of Colorado 1994.

**40-3-112. Commission to provide local government with avoided cost information.** (1) The general assembly hereby finds that it is in the interest of the people of this state to promote the production of energy and the disposal of solid waste in a manner designed to protect the environment; therefore, the general assembly hereby declares that it is the policy of this state to promote the development of systems which generate energy through the burning of solid waste in a manner designed to ensure the maintenance of clean air standards.

(2) Prior to the construction of a solid waste-to-energy incineration facility, any unit of local government contemplating construction of such a facility may, by written request, require the commission to calculate the avoided cost to a specified electric utility for the purchase of energy and capacity by said utility from said contemplated facility. Pursuant to such request the utility shall provide the commission with all data necessary to calculate said cost.

(3) As used in this section, "solid waste-to-energy incineration facility" means a facility where flammable waste material is used as a primary fuel for the production of electrical power the total output of which exceeds one hundred kilowatts.

**Source:** **L. 83:** Entire section added, p. 1556, § 1, effective June 1.

**Cross references:** For the authority of counties and municipalities relating to solid waste-to-energy incineration systems, see part 9 of article 20 of title 30 and part 10 of article 15 of title 31.

**40-3-113. Rail rates for transportation of recyclable or recycled materials. (Repealed)**

**Source:** **L. 84:** Entire section added, p. 1040, § 6, effective July 1. **L. 2000:** Entire section repealed, p. 217, § 4, effective March 29.

**40-3-114. Cost recovery - prohibitions - reporting - penalties - definitions.** (1) The commission shall ensure that regulated electric and gas utilities do not use ratepayer funds to subsidize nonregulated activities.

(2) A utility shall not recover the following costs from its customers, whether as part of proposed base rate costs, a rider, or other charges:

(a) More than fifty percent of annual total compensation or of expense reimbursement for members of the board of directors of the utility;

(b) Tax penalties or fines issued against the utility;

(c) Investor-relation expenses;

(d) Advertising and public relations expenses that do not directly relate to a purpose or program that is required or authorized under statute or commission rule or order. Advertising and public relations expenses for which cost recovery is prohibited include:

(I) Communications to promote or improve the utility's brand;

(II) Expenses for the purpose of influencing public opinion about the utility; and

(III) Expenses intended to create good will toward the utility from the general public.

(e) Expenses for lobbying or other activities meant to influence the outcome of any local, state, or federal legislation, ordinance, resolution, or ballot measure;

(f) Charitable giving expenses, including contributions to organizations qualified under section 501 (c)(3) or 501 (c)(4) of the federal "Internal Revenue Code of 1986", 26 U.S.C. sec. 501, as amended;

(g) Organizational or membership dues, or other contributions, to any organization, association, institution, corporation, or other entity that engages in lobbying or other similar activities intended to influence the outcome of any local, state, or federal legislation, ordinance, resolution, rule, ballot measure, or other regulatory decision;

(h) Contributions to political candidates, campaign committees, issue committees, or independent expenditure committees or similar political expenses;

(i) Travel, lodging, food, and beverage expenses for the utility's board of directors and officers;

(j) Entertainment or gift expenses;

(k) Expenses related to any owned, leased, or chartered aircraft for the utility's board of directors and officers; or

(l) Expenses related to marketing and administration or customer service for unregulated products or services provided or sold by the utility or the utility's affiliates.

(3) Subsections (2)(g) and (2)(h) of this section shall not be construed to apply to a utility employee's or contract worker's activities resulting from any voluntary dues deductions that are processed through standard payroll processes.

(4) (a) Notwithstanding penalties set forth in article 7 of this title 40, if the commission determines that a utility improperly recovered costs pursuant to subsection (2) of this section, the commission may assess a nonrecoverable penalty against the utility.

(b) In addition to assessing a nonrecoverable penalty against a utility pursuant to subsection (4)(a) of this section, the commission shall order the utility to refund the amount improperly recovered pursuant to subsection (2) of this section, plus interest, to customers.

(5) The commission shall require a utility to file an annual report with the commission to ensure the utility's compliance with this section. The report must include the purpose, payee, and amount of any expenses associated with the costs and activities that are not permitted to be recovered from customers pursuant to this section.

(6) As used in this section, unless the context otherwise requires:

(a) (I) "Advertising" means the act of publishing, disseminating, soliciting, or circulating written, online, video, or audio communication intended to induce a person to patronize a product, service, business, or industry; promote a business's brand; otherwise emphasize desirable qualities about a product, service, business, or industry; or influence public opinion with respect to legislative, administrative, or electoral matters.

(II) "Advertising" does not include:

(A) Advertising required or authorized by law, regulation, or order;

(B) Advertising directly related to a purpose or program regarding income-based service, special rates, pilot programs, energy conservation, energy efficiency, beneficial electrification, renewable energy, transportation electrification, or other consumer education information;

(C) Advertising regarding service interruptions, safety measures, or emergency conditions; or

(D) Advertising concerning employment opportunities with the utility.

(b) "Aircraft" has the meaning set forth in section 41-2-101 (1).

(c) "Base rate" has the meaning set forth in section 40-3-102.5 (1)(d)(I).

(d) "Electric utility" means an investor-owned electric utility in the state.

(e) "Expenses" means any payment made in the form of compensation that a utility pays to an external firm, a corporate affiliate, or an employee of the utility.

(f) "Gas utility" means an investor-owned gas utility in the state.

(g) "Lobbying" means directly, or through the solicitation of others, communicating with a person that is in a position to make a policy decision in order to influence the outcome of local, state, or federal legislation.

(h) "Rate case" means a formal hearing of the commission to determine if the base rates of an electric utility or gas utility are just and reasonable pursuant to section 40-3-101.

(i) "Rider" means a charge added to a utility bill to recover a specific cost that is not part of the base rate.

(j) "Utility" means an investor-owned electric utility or gas utility in the state.

**Source:** **L. 93:** Entire section added, p. 2062, § 13, effective July 1. **L. 2023:** Entire section amended, (SB 23-291), ch. 163, p. 712, § 3, effective August 7. **L. 2025:** (4)(b) amended, (SB 25-300), ch. 428, p. 2458, § 64, effective August 6.

**40-3-115. Recovery of utility relocation costs.** (1) As used in this section, unless the context otherwise requires:

(a) "Political subdivision" means a county, city and county, city, town, home rule city, home rule town, service authority, school district, local improvement district, law enforcement authority, water, sanitation, fire protection, metropolitan, irrigation, drainage, or other special district, or any other kind of municipal, quasi-municipal, or public organization organized pursuant to law.

(b) "State" means the state government, any state agency, state department, state institution, or state-level authority.

(2) (a) Notwithstanding the provisions of section 40-15-502 (3)(b)(I) to (3)(b)(V), local exchange providers of basic local exchange service subject to regulation pursuant to part 2, part 3, or part 5 of article 15 of this title may request authorization from the commission to recover the actual costs incurred for the relocation of infrastructure or facilities requested by the state or a political subdivision. Actual costs are the nonfacility costs incurred in the relocation plus the undepreciated amount of the facilities being replaced. Recovery of actual costs incurred for relocation is intended for those state and political subdivision requests that are determined by the commission to be beyond the normal course of business.

(b) The commission shall verify the actual costs that may be recovered, determine the allocation of costs to various customers and services, and prescribe the method of such recovery. In no event shall the period of recovery of the relocation costs exceed three years.

(c) In determining the allocation of the costs to be recovered, the commission shall consider the jurisdiction requiring the relocation and the geographic area that most directly benefits from the required relocation to determine the customers or services that will bear the costs.

**Source:** **L. 2003:** Entire section added, p. 2640, § 1, effective August 6.

**40-3-116. Electric vehicle programs - rates.** (1) The rates and charges schedule for services provided by a program created under section 40-5-107 may allow:

(a) A return on any investment made under section 40-5-107 by an electric public utility at the electric public utility's weighted average cost of capital, including the most recent rate of return on equity, approved by the commission, including by allowing a utility to earn a rate of return on rebates provided to customers through a transportation electrification program;

(b) Rate recovery mechanisms that allow earlier, as determined by the commission, recovery of costs, including the use of rate adjustment clauses; and

(c) Performance-based incentive returns or similar investment incentives.

(2) By May 15, 2020, an electric public utility shall submit to the commission a proposal for a specific rate or rates for electricity supplied to commercial and industrial facilities used to charge electric vehicles that encourage vehicle charging and that support the operation of the electric grid.

**Source:** **L. 2019:** Entire section added, (SB 19-077), ch. 383, p. 3434, § 3, effective May 31.

**Cross references:** For the legislative declaration in SB 19-077, see section 1 of chapter 383, Session Laws of Colorado 2019.

**40-3-117. Performance-based rate-making - investigation - report - repeal. (Repealed)**

**Source:** **L. 2019:** Entire section added, (SB 19-236), ch. 359, p. 3306, § 11, effective May 30.

**Editor's note:** Subsection (3) provided for the repeal of this section, effective September 1, 2021. (See L. 2019, p. 3306.)

**40-3-118. Electric utility retail rates survey - nonadjudicatory proceeding - definition - report - repeal. (Repealed)**

**Source:** **L. 2019:** Entire section added, (SB 19-236), ch. 359, p. 3306, § 11, effective May 30.

**Editor's note:** Subsection (3) provided for the repeal of this section, effective September 1, 2021. (See L. 2019, p. 3306.)

**40-3-119. Measurement of use for billing - rules.** After January 1, 2023, an investor-owned gas utility, at its discretion, may apply to the commission for approval to measure the amount of use for billing purposes in either fuel commodity units or for energy services provided. Upon receipt of the utility's application, the commission shall approve, deny, or modify the utility's application for measurement of use for billing purposes pursuant to this section.

**Source: L. 2022:** Entire section added, (SB 22-051), ch. 333, p. 2359, § 5, effective August 10.

**40-3-120. Fuel cost sharing - gas utilities - electric utilities - rules.** (1) (a) On or before November 1, 2023, an investor-owned gas utility shall file with the commission a gas price risk management plan that includes proposals for leveling or reducing the volatility of fuel costs that are recovered pursuant to the utility's gas cost adjustment filings. Such plan must include a maximum per-month fuel cost that accounts for price fluctuations based on seasonality and can be automatically recovered through the gas cost adjustment mechanism. The plan may include other elements such as physical hedging, financial hedging, fuel storage, or long-term contracting.

(b) The commission shall allow any prudently incurred costs above the maximum monthly fuel cost included in an investor-owned gas utility's plan pursuant to subsection (1)(a) of this section to be recorded in a deferred balance that is recoverable and amortized over an appropriate timeline of no more than five years with financing costs, as determined by the commission.

(c) The commission shall approve, amend, or deny a plan submitted pursuant to this subsection (1) based on a determination of the best interests of a utility's ratepayers, insofar as the commission finds that the plan is in the public interest.

(2) (a) On or before January 1, 2025, the commission shall adopt rules to establish mechanisms to align the financial incentives of an investor-owned electric or gas utility with the interests of the utility's customers regarding incurred fuel costs.

(b) The mechanisms established by rule pursuant to subsection (2)(a) of this section must be designed to protect customers and to improve the utility's management of fuel costs. The commission shall tailor the mechanisms to apply to different utilities based on a utility's size or ability to implement the mechanisms.

(c) The commission may establish a symmetrical incentive for the utility to successfully implement the mechanisms.

(3) In adopting the rules pursuant to subsection (2)(a) of this section, the commission:

(a) Shall consider:

(I) Symmetrically allocating an amount of fuel price risk to the investor-owned electric or gas utility, subject to reasonable parameters, including:

(A) A range of outcomes within which no risk sharing occurs; and

(B) A cap on any incentive or cost share that results from the risk-mitigation mechanism; and

(II) Mechanisms to improve electricity production cost efficiency while minimizing fuel costs, such as symmetrically allocating a portion of improvements or degradations in electricity production per dollar of fuel or per dollar of acquisition costs incurred; and

(b) Shall consider, to the extent such information is relevant:

(I) The financial health of the utility and corresponding impacts on customer affordability; and

(II) The utility's ability to make investments to achieve the state's energy policy objectives in an affordable manner for customers.

(4) Nothing in this section:

(a) Shall be construed to automatically shift risk to the investor-owned electric or gas utility; or

(b) Warrants an automatic adjustment to the amount of allowable return on equity or any other rate-making metric.

**Source:** **L. 2023:** Entire section added, (SB 23-291), ch. 163, p. 715, § 4, effective August 7.

**40-3-121. Natural gas cost causation study - commission proceeding - reporting - repeal. (Repealed)**

**Source:** **L. 2023:** Entire section added, (SB 23-291), ch. 163, p. 716, § 4, effective August 7.

**Editor's note:** Subsection (3) provided for the repeal of this section, effective September 1, 2025. (See L. 2023, p. 716.)

**ARTICLE 3.2**

Air Quality Improvement Costs

PART 1

GENERAL PROVISIONS

**40-3.2-101. Legislative declaration.** The general assembly hereby finds, determines, and declares that cost-effective natural gas and electricity demand-side management programs will save money for consumers and utilities and protect Colorado's environment. The general assembly further finds, determines, and declares that providing funding mechanisms to encourage Colorado's public utilities to reduce emissions or air pollutants and to increase energy efficiency are matters of statewide concern and that the public interest is served by providing such funding mechanisms. Such efforts will result in an improvement in the quality of life and health of Colorado citizens and an increase in the attractiveness of Colorado as a place to live and conduct business.

**Source:** **L. 98:** Entire article added, p. 1050, § 3, effective July 1. **L. 2007:** Entire section amended, p. 984, § 2, effective May 22.

**40-3.2-101.5. Definitions.** As used in this article 3.2, unless the context otherwise requires:

(1) "Air quality improvement costs" means the incremental life-cycle costs including capital, operating, maintenance, fuel, and financing costs incurred or to be incurred by a public utility at electric generating facilities located in Colorado. To account for the timing differences between various costs and revenue recovery, life-cycle costs shall be calculated using net present value analysis.

**Source:** **L. 2025:** Entire section added with relocations, (SB 25-275), ch. 377, p. 2106, § 323, effective August 6.

**Editor's note:** This section is similar to § 40-3.2-102 (2) as it existed prior to 2025.

**40-3.2-102. Recovery of air quality improvement costs.** (1) A public utility shall be entitled to fully recover from its retail customers the air quality improvement costs that it prudently incurs as a result of a voluntary agreement entered into pursuant to part 12 of article 7 of title 25, C.R.S., after July 1, 1998, except as provided in subsection (7) of this section.

(2) Repealed.

(3) Upon application by a public utility for cost recovery, the commission shall determine an appropriate method of cost recovery that assures full cost recovery for the public utility. The air quality improvement costs recovered by the public utility shall not cause an average rate impact greater than the equivalent of one and one-half mills per kilowatt hour in any period, nor shall such costs exceed a total of two hundred eleven million dollars calculated using 1998 net present value dollars. The air quality improvement costs for a generating facility shall be recovered over a period of fifteen years or less.

(4) Any revenues a public utility receives from transferring, selling, banking, or otherwise using allowances established under Title IV of the federal "Clean Air Act" or under any other trading program of regional or national applicability shall be credited to the public utility's customers to offset air quality improvement costs if such revenues are a result of a voluntary agreement entered into under part 12 of article 7 of title 25, C.R.S.

(5) To the extent that a voluntary agreement entered into under part 12 of article 7 of title 25, C.R.S., does not increase the public utility's electric generating capacity, the voluntary agreement shall not be subject to any restrictions that arise from the commission's integrated resources planning rules.

(6) The commission shall assure that any future industry restructuring does not adversely affect the ability of the public utility to recover its air quality improvement costs. Nothing in this section shall prevent the commission from considering the appropriate value, including market value, of a public utility's generation assets in any future industry restructuring proceeding.

(7) (a) If a public utility's wholesale sales are subject to regulation by the federal energy regulatory commission and the public utility sells power on the wholesale market from generating facilities that are subject to a voluntary agreement under part 12 of article 7 of title 25, C.R.S., the public utilities commission shall determine whether to assign a portion of the air quality improvement costs to be recovered from the public utility's wholesale customers. The public utilities commission may assign a portion of the air quality improvement costs to the public utility's wholesale customers to the extent that such portion of such cost recovery does not conflict with the public utility's wholesale contracts entered into prior to April 1, 1998.

(b) If the public utilities commission assigns a portion of the public utility's air quality improvement costs to be recovered from the public utility's wholesale customers, the public utility may apply to the federal energy regulatory commission for recovery, effective on the date of filing, of the portion of costs assigned to the public utility's wholesale customers. The public utilities commission shall permit the public utility to recover the portion of costs assigned to the public utility's wholesale customers from its retail customers pending the federal energy regulatory commission's approval of recovery from the public utility's wholesale customers.

(c) Notwithstanding paragraph (b) of this subsection (7), if the public utility fails to apply to the federal energy regulatory commission within six months after the public utilities commission's final order assigning a portion of the air quality improvement costs to the public utility's wholesale customers or fails to make a diligent, good faith effort to persuade the federal energy regulatory commission to approve the cost recovery from the public utility's wholesale customers, the public utility shall not be entitled to recover said portion of the costs from its retail customers.

(d) All revenues that a public utility receives from its wholesale customers for air quality improvement costs shall be credited as an offset to the air quality improvement costs charged to the public utility's retail customers.

**Source:** **L. 98:** Entire article added, p. 1050, § 3, effective July 1. **L. 2025:** (2) repealed, (SB 25-275), ch. 377, p. 2109, § 336, effective August 6.

**Editor's note:** Subsection (2) was relocated to § 40-3.2-101.5 in 2025.

**40-3.2-103. Gas distribution utility demand-side management programs - recovery of costs - reports.** (1) Commencing in 2022 and no less frequently than every four years thereafter, each investor-owned gas distribution utility, also referred to in this section as a "gas utility", shall file an application to open a DSM strategic issues proceeding to develop energy savings targets to be achieved by the gas utility, taking into account its potential for cost-effective demand-side management as well as Colorado's greenhouse gas reduction goals. The commission shall, as part of approving a gas utility's gas DSM strategic issues application, also develop an estimated DSM budget commensurate with natural gas savings targets, funding and cost-recovery mechanisms, and a financial bonus structure for DSM programs implemented by a gas utility.

(2) As part of the development of targets, mechanisms, and a bonus structure required by subsection (1) of this section, the commission shall:

(a) Adopt an estimated budget for DSM program expenditures commensurate with the energy savings targets established by the commission;

(b) Establish DSM program energy savings targets that are consistent with achieving the greenhouse gas reduction targets in section 25-7-102 (2)(g), take into consideration new clean energy technologies as contemplated by section 40-2-123, and reflect the maximum cost-effective and achievable natural gas savings potential for the gas utility consistent with the needs of its full-service customers;

(c) (I) (A) Adopt procedures for allowing gas utilities to recover their prudently incurred costs of DSM programs without having to file a rate case. Such costs shall include, but are not limited to, facility investments; rebates; interest rate buy-downs; incremental labor costs, employee benefits, carrying costs, and employee-related administrative costs; and other administrative costs. All such costs shall be recovered through a cost adjustment mechanism that is set on an annual basis, or more frequently if deemed appropriate.

(B) Labor costs shall reflect, and the commission shall require, compliance with all applicable labor standards set forth in section 40-3.2-105.5.

(II) Cost adjustment procedures shall give gas utilities the option of obtaining cost recovery either through expensing DSM program expenditures or adding them to base rates, with an amortization period to be determined by the commission. In addition, such procedures shall provide that cost recovery for programs directed at residential customers are to be collected from residential customers only and that cost recovery for programs directed at nonresidential customers are to be collected from nonresidential customers only.

(d) Adopt a bonus structure to reward gas utilities for investments in cost-effective DSM programs. For each year of operation, the bonus shall be capped at twenty-five percent of the expenditures or twenty percent of the net economic benefits of the DSM programs, whichever amount is lower. The amount of the bonus awarded each year shall be determined based on the extent to which the gas utility has achieved the targets established by the commission in accordance with paragraphs (a) and (b) of this subsection (2). The bonus shall not count against a gas utility's authorized rate of return or be considered in rate proceedings.

(e) Consider the fact that implementing the new DSM programs may require a phase-in period before a gas utility is able to achieve the funding level determined by the commission pursuant to paragraph (a) of this subsection (2). A gas utility that implements a new DSM program in phases shall be eligible to receive a bonus under the bonus structure adopted pursuant to paragraph (d) of this subsection (2) during its phase-in period.

(f) Not adopt any measure authorizing a financial penalty against a gas utility that fails to meet the targets in any particular year.

(2.5) For gas utilities with fewer than two hundred fifty thousand full-service customers, the commission may establish energy savings targets, a budget for gas DSM program expenditures, funding and cost-recovery mechanisms, and a financial bonus structure in the same proceeding in which the utility's gas DSM program plan is submitted for approval.

(3) After the development of the targets, mechanisms, and bonus structure as described in subsection (1) of this section, each gas utility shall:

(a) (I) Develop gas DSM program plans designed to meet or exceed the energy savings targets established by the commission.

(II) Gas DSM program plans may be combined with electric DSM program plans, beneficial electrification plans, or other plans that reduce energy consumption or greenhouse gas emissions. Except as otherwise provided in subsections (3)(a)(III) and (3)(a)(IV) of this section, one or more of the gas DSM programs or measures, representing an aggregate total of at least twenty-five percent of overall residential gas DSM program expenditures, including expenditures serving income-qualified households, must be targeted to residential customers in income-qualified households.

(III) In the case of a gas utility with fewer than fifty thousand full-service customers, and except as otherwise provided in subsection (3)(a)(IV) of this section, one or more of the gas DSM programs or measures, representing an aggregate total of at least fifteen percent of overall residential gas DSM program expenditures, including expenditures serving income-qualified households, must be targeted to residential customers in income-qualified households.

(IV) On or after January 1, 2026, the commission may commence proceedings to adjust the percentage specified in subsection (3)(a)(II) or (3)(a)(III) of this section in light of changed circumstances, so long as the resulting percentages represent a significant portion of gas DSM program expenditures and continue to make progress toward achievement of Colorado's energy efficiency and greenhouse gas emission reduction goals.

(b) In implementing approved DSM programs, use reasonable efforts to maximize energy savings consistent with the annual energy efficiency budget.

(3.5) (a) To meet the energy savings targets established by the commission in accordance with this section, gas utilities shall consider including incentives for customers to utilize behind-the-meter thermal renewable sources. The commission shall not prohibit gas utilities from offering programs or incentives that encourage customers to replace gas-fueled appliances with efficient electric appliances.

(b) The commission shall not require the removal of gas-fueled appliances or equipment from an existing structure nor ban the installation of gas service lines to any new structure.

(4) In implementing DSM programs, gas utilities may spend a disproportionate share of total expenditures on one or more classes of customers.

(5) (a) The commission shall authorize each gas utility to recover money spent for education programs, impact and process evaluations, and program planning related to natural gas DSM programs offered by the gas utility without having to show that such expenditures, on an independent basis, are cost-effective. The commission may limit the amount spent for these activities.

(b) (I) Upon petition by a regulated gas utility, the commission shall remove disincentives to the implementation of effective gas DSM programs through the adoption of a rate adjustment mechanism that ensures that the revenue per customer approved by the commission in a general rate case proceeding is recovered by the gas utility without regard to the quantity of natural gas actually sold by the gas utility after the date the rate took effect. The commission shall separately calculate, for the rate class or classes to which a rate adjustment mechanism applies, the regulatory disincentives removed through that mechanism and collected or refunded by the gas utility through a tariff rider.

(II) Removing disincentives through a rate adjustment mechanism adopted pursuant to subsection (5)(b)(I) of this section does not preclude a gas utility from receiving a bonus pursuant to subsection (2)(d) of this section.

(III) The commission shall not reduce a gas utility's return on equity based solely on approval of a rate adjustment mechanism adopted pursuant to subsection (5)(b)(I) of this section.

(6) (a) Gas utilities shall submit annual reports to the commission, as determined by the commission by rule. The annual report shall describe the gas utility's DSM programs and shall document program expenditures, energy savings impacts and the techniques used to estimate these impacts, the estimated cost-effectiveness of program expenditures, and any other information the commission may require.

(b) The commission shall review each report submitted pursuant to paragraph (a) of this subsection (6) and shall determine the level of bonus, if any, that the gas utility is eligible to collect on the basis of the information included in the report. The commission's determination shall be made within three months after receiving the report. Any such bonus shall be authorized as a supplement to the cost adjustment mechanism or alternative mechanism approved by the commission and shall be applied over a twelve-month period after approval of the bonus.

(7) Gas utilities may continue DSM programs that were in existence on or before May 22, 2007, and shall not be required to obtain approval from the commission for such programs.

(8) This section shall not be construed to extend the commission's authority to any nonregulated utility businesses or affiliates of a gas utility.

**Source:** **L. 2007:** Entire section added, p. 984, § 3, effective May 22. **L. 2021:** (1), IP(2), (2)(a), (2)(b), (2)(c)(I), (3), and (5) amended and (2.5) and (3.5) added, (HB 21-1238), ch. 330, p. 2133, § 4, effective September 7.

**Cross references:** (1) For the definition of DSM programs, see § 40-1-102.

(2) For the legislative declaration in HB 21-1238, see section 1 of chapter 330, Session Laws of Colorado 2021.

**40-3.2-104. Electricity utility demand-side management programs - rules - annual report - definition.** (1) It is the policy of the state of Colorado that a primary goal of electric utility least-cost resource planning is to minimize the net present value of revenue requirements. The commission may adopt rules as necessary to implement this policy.

(2) (a) The commission shall establish energy savings and peak demand reduction goals to be achieved by an investor-owned electric utility, taking into account the utility's cost-effective demand-side management potential, the need for electricity resources, the benefits of demand-side management investments, and other factors as determined by the commission.

(b) The energy savings and peak demand reduction goals must be at least five percent of the utility's retail system peak demand, measured in megawatts, in the base year and at least five percent of the utility's retail energy sales, measured in megawatt-hours, in the base year. The base year is 2006. The goals shall be met in 2018, counting savings in 2018 from demand-side management measures installed starting in 2006. The commission may establish interim goals and may revise the goals as it deems appropriate.

(c) Commencing January 1, 2019, the energy savings and peak demand reduction goals must be at least five percent of the utility's retail system peak demand, measured in megawatts, in the base year and at least five percent of the utility's retail energy sales, measured in megawatt-hours, in the base year. The base year is 2018. The goals shall be met in 2028, counting savings in 2028 from demand-side management measures installed starting in 2019. The commission may establish interim goals and may revise the goals as it deems appropriate.

(3) The commission shall permit electric utilities to implement cost-effective electricity DSM programs to reduce the need for additional resources that would otherwise be met through a competitive acquisition process.

(4) The commission shall ensure that utilities develop and implement DSM programs that give all classes of customers an opportunity to participate and shall give due consideration to the impact of DSM programs on nonparticipants and on low-income customers.

(5) The commission shall allow an opportunity for a utility's investments in cost-effective DSM programs to be more profitable to the utility than any other utility investment that is not already subject to special incentives. In complying with this subsection (5), the commission shall consider, without limitation, the following incentive mechanisms, which shall take into consideration the performance of the DSM program:

(a) An incentive to allow a rate of return on demand-side management investments that is higher than the utility's rate of return on other investments;

(b) An incentive to allow the utility to accelerate the depreciation or amortization period for demand-side management investments;

(c) An incentive to allow the utility to retain a portion of the net economic benefits associated with a DSM program for its shareholders;

(d) An incentive to allow the utility to collect the costs of DSM programs through a cost adjustment clause;

(e) Other incentive mechanisms that the commission deems appropriate.

(6) Each investor-owned electric utility shall submit an annual report to the commission describing the DSM programs implemented by the electric utility in the previous year. The report shall document the following:

(a) Program expenditures, including incentive payments;

(b) Peak demand and energy savings impacts and the techniques used to estimate those impacts;

(c) Avoided costs and the techniques used to estimate those costs;

(d) The estimated cost-effectiveness of the DSM programs;

(e) The net economic benefits of the DSM programs; and

(f) Any other information required by the commission.

(7) For purposes of this section, "electric utility" or "utility" means "investor-owned utility".

**Source:** **L. 2007:** Entire section added, p. 984, § 3, effective May 22; (7) added, p. 1172, § 3, effective May 23. **L. 2017:** (2) amended, (HB 17-1227), ch. 209, p. 813, § 1, effective August 9. **L. 2020:** (5)(a) and (5)(b) amended, (HB 20-1402), ch. 216, p. 1059, § 72, effective June 30.

**Cross references:** For the definition of DSM programs, see § 40-1-102.

**40-3.2-104.3. Eliminating incentives for gas service to properties - gas line extension allowances - exemptions - definitions.** (1) As used in this section, unless the context otherwise requires:

(a) "Applicant" means a person that requests natural gas service and that owns the real property requiring the service. "Applicant" includes a developer, builder, legal entity, or other person that has legal authority over the property.

(b) "Dual-fuel utility" means a utility that offers its customers both electric and gas service.

(c) "Gas utility" means a gas utility that the commission regulates with respect to rates and charges.

(d) "Line extension allowance" means a bundle of costs that includes construction allowances for new service lines, meters, and other infrastructure associated with the addition of a new customer to a gas utility's distribution system.

(2) (a) A gas utility shall not provide an applicant an incentive, including a line extension allowance, to establish gas service to a property.

(b) The commission may require a dual-fuel utility to provide its customers that receive gas and electric service from the utility with relevant information regarding options for switching to high-efficiency electric space heating or water heating, including:

(I) A list of appliances for which the utility provides incentives or rebates; and

(II) For existing or prospective customers that are government entities, a cost-benefit analysis of electrification options that includes up-front and lifetime costs, which analysis must take into account available incentives and rebates and use a reasonable cost that reflects gas price volatility.

(c) On or before December 31, 2023, each gas utility shall file with the commission an updated tariff to reflect the removal of any incentives for an applicant to establish gas service to a property.

(d) Notwithstanding subsection (2)(c) of this section, a utility may exempt from the updated tariff any applicant that:

(I) Has already submitted an application that has been approved or is pending as of August 7, 2023;

(II) Can demonstrate or attest that the applicant has submitted a permit application to the local government with permitting authority in the location of the property and that the application is either approved or pending as of August 7, 2023; or

(III) Can demonstrate or attest that the applicant has submitted to a local government a site development plan or plat that is either approved or pending as of August 7, 2023; except that an applicant that has submitted a site development plan or plat for which a permit application to the local government has not been approved on or before December 31, 2024, is not exempt.

**Source:** **L. 2023:** Entire section added, (SB 23-291), ch. 163, p. 717, § 5, effective August 7.

**40-3.2-104.4. Colorado energy office gas investment asset depreciation study - third-party evaluation - commission rules.** (1) (a) On or before July 1, 2024, the Colorado energy office created in section 24-38.5-101 (1) shall contract with an independent third party to evaluate the risk of stranded or underutilized natural gas infrastructure investments and the annual projected rate impact on ratepayers.

(b) The evaluation must take into account:

(I) Any projected decline in gas sales;

(II) The decline in the number of gas customers; and

(III) Measures to achieve the greenhouse gas emission reduction goals set forth in section 25-7-102 (2)(g).

(c) The independent third party shall conduct an analysis of, and include policy recommendations related to, the potential impacts of stranded or underutilized natural gas infrastructure on utility employees who work for, or contract workers who perform work for, investor-owned gas utilities. In conducting the study, the independent third party shall consult with appropriate labor organizations that represent utility employees who work for, and contract workers who perform work for, investor-owned gas utilities and other relevant stakeholders.

(2) After the independent third-party evaluation described in subsection (1) of this section is completed, the Colorado energy office shall submit a written copy of the findings and conclusions of the evaluation to the commission. The commission shall review the evaluation and consider whether any changes to rules or depreciation schedules are warranted.

(3) (a) An investor-owned gas utility shall provide as part of any gas infrastructure plan, or as otherwise directed by the commission, a map showing system-wide locations, ages, and materials or types of gas distribution system pipes, consistent with 49 CFR 191 and section 40-2-115 (1)(d).

(b) As part of the filing, the investor-owned gas utility shall also provide information about pipes that may need to be upgraded or replaced within ten years after the date that the utility files the plan, unless otherwise directed by the commission.

(c) The commission shall ensure that the content of the map provided to the commission and sharing procedures are in compliance with the parameters related to critical infrastructure reporting standards of the California Institute for Energy and Environment, or its successor organization, and the safety and system integrity standards of the American Petroleum Institute, or its successor organization.

(d) (I) An investor-owned gas utility may designate any map or associated information provided pursuant to this subsection (3) as containing critical infrastructure information. If the commission determines that the designated map or associated information does not contain critical infrastructure information, the investor-owned gas utility may appeal the commission's determination in a court of competent jurisdiction by filing the appeal within ten days after the commission's determination.

(II) If the commission determines that the disclosure of the designated map or associated information may expose or create vulnerability to critical infrastructure facilities or systems, the commission:

(A) Shall limit access to the designated map or associated information to individuals at state agencies that are parties to the proceeding in which the map or associated information was provided; and

(B) Except as provided in subsection (3)(d)(II)(A) of this section, shall not provide the designated map or associated information to any persons and may order the investor-owned gas utility to provide a public redacted version of the map or associated information that includes a general description of the information without detailed location information.

(III) A custodian, as defined in section 24-72-202 (1.1), shall not release a map or associated information for which the commission has limited access pursuant to subsection (3)(d)(II) of this section in response to any request to inspect public records pursuant to the "Colorado Open Records Act", part 2 of article 72 of title 24.

**Source:** **L. 2023:** Entire section added, (SB 23-291), ch. 163, p. 718, § 5, effective August 7.

**40-3.2-104.5. Customer disconnection from investor-owned gas utility service - rules.** (1) An investor-owned gas utility shall not penalize or charge a fee to a customer that voluntarily terminates gas service. Once a customer has terminated the investor-owned utility's gas service, the utility shall not continue to charge the customer any fees. Any costs associated with termination shall be considered part of general distribution system investments and are eligible for cost recovery.

(2) The commission may adopt rules to establish standards for a customer's voluntary disconnection from an investor-owned gas utility's gas distribution system. If the commission adopts the disconnection rules, the commission must consider:

(a) The health and safety risks related to the customer no longer using the gas distribution system;

(b) The cost effectiveness of the method of disconnection;

(c) The use of, or requiring the installation of, shut-off valves or pipeline caps as an option in lieu of potentially more cost-prohibitive excavation or construction activities to remove existing gas infrastructure;

(d) The impact on staffing, including any requirements and procedures for utility employees and contract workers;

(e) The impact on critical repairs, scheduled maintenance, leak mitigation, and other related activities; and

(f) Any other consideration that the commission deems appropriate.

(3) Nothing in this section shall be construed to mean that a utility cannot charge an individual customer for excavation or construction activities to remove existing gas infrastructure if the customer has declined the more cost-effective methods to disconnect service.

**Source:** **L. 2023:** Entire section added, (SB 23-291), ch. 163, p. 720, § 5, effective August 7.

**40-3.2-104.6. Commission study on beneficial electrification - repeal. (Repealed)**

**Source:** **L. 2023:** Entire section added, (SB 23-291), ch. 163, p. 721, § 5, effective August 7.

**Editor's note:** Subsection (4) provided for the repeal of this section, effective September 1, 2025. (See L. 2023, p. 721.)

**40-3.2-105. Reporting requirement. (Repealed)**

**Source:** **L. 2007:** Entire section added, p. 984, § 3, effective May 22. **L. 2017:** Entire section repealed, (SB 17-044), ch. 4, p. 8, § 6, effective August 9.

**40-3.2-105.5. Labor standards for gas DSM projects.** (1) This section applies to all necessary plumbing, mechanical, and electrical work performed in connection with a project undertaken pursuant to a gas DSM program under this article 3.2 and for which a customer of an investor-owned utility applies for a rebate directly from the utility.

(2) When practicable, the utility may assign its own employees to perform the work, subject to state licensing requirements and all applicable state and local rules, codes, and standards.

(3) (a) The utility shall make use of a list, referred to in this section as the "certified contractor list", containing the names and contact information of:

(I) Qualified contractors that participate in apprenticeship programs that:

(A) Are registered with the United States department of labor's office of apprenticeship or with a state apprenticeship agency recognized by the United States department of labor; and

(B) Have been providing training for at least six months; and

(II) Qualified mechanical, electrical, and plumbing contractors that participate in apprenticeship programs meeting the standards specified in section 24-92-115 (1)(a)(II).

(b) The Colorado department of labor and employment shall oversee the compilation of the certified contractor list through one of the following methods:

(I) Directing the state apprenticeship agency recognized by the United States department of labor, if available, to assemble the information; or

(II) Establish an application process whereby contractors would apply for inclusion in the list and provide evidence, in a form satisfactory to the department, that each applicant meets the criteria set forth in subsection (3)(a) of this section.

(c) The utility shall publish the certified contractor list on its website and include or reference the list in all of the utility's relevant marketing material for gas DSM programs.

(d) In addition to the certified contractor list, each investor-owned gas utility shall require its residential customers to use licensed plumbing and electrical contractors that perform the type of work appropriate to residential gas DSM installations for participation in gas DSM programs where a rebate is paid directly to the customer after the installation is complete and the customer uses a contractor.

(4) The following requirements apply to gas DSM projects in new or existing buildings:

(a) For plumbing, mechanical, or electrical projects undertaken by a commercial or industrial customer in a building that contains twenty thousand square feet or more of conditioned floor space and for which a rebate is to be provided directly to the customer as part of a gas DSM program, the utility shall condition payment of the rebate on the customer's exclusive use of contractors from the certified contractor list unless the work is done by employees of the utility.

(b) (I) For plumbing, mechanical, or electrical projects that involve energy efficiency improvements to central building systems in a multifamily building that contains twenty thousand square feet or more of conditioned floor space and for which a rebate is to be provided directly to the building owner as part of a gas DSM program, the utility shall condition payment of the rebate on the building owner's exclusive use of contractors that participate in apprenticeship programs registered with the United States department of labor's office of apprenticeship or with a state apprenticeship agency recognized by the United States department of labor for any necessary plumbing or electrical work. If the contractor chosen by the customer is not on the certified contractor list, the utility shall require another method of verifying compliance with this subsection (4)(b).

(II) This subsection (4)(b) does not apply to a gas DSM project that is limited to in-unit work in a multifamily building, as undertaken by the owner or tenant of the multifamily building or unit.

(5) (a) For a plumbing, mechanical, or electrical project in a new or existing industrial, commercial, or multifamily residential building that contains twenty thousand square feet or more of conditioned floor space and for which a rebate is to be provided directly to the building owner as part of a gas DSM program, a utility shall not issue any rebates or incentives unless the lead general contractor performing the work for the project signs a notarized affidavit under penalty of perjury stating that all of the requirements of this section have been met and provides the signed affidavit to the sponsoring utility. The affidavit must:

(I) Identify the contractors or subcontractors that will be used for all mechanical, sheet metal, fire suppression, sprinkler fitting, electrical, and plumbing work required on the project;

(II) Certify that all firms identified participate in apprenticeship programs registered with the United States department of labor's employment and training administration or state apprenticeship agencies recognized by the United States department of labor and have a proven record of graduating apprentices as follows:

(A) Beginning July 1, 2021, through June 30, 2026, a minimum of fifteen percent of its apprentices for at least three of the past five years;

(B) Beginning July 1, 2026, through June 30, 2031, a minimum of twenty percent of its apprentices for at least three of the past five years; and

(C) Beginning July 1, 2031, and each year thereafter, a minimum of thirty percent of its apprentices for at least three of the past five years; and

(III) Supply supporting documentation from the United States department of labor's office of apprenticeship or state apprenticeship agency verifying the information provided in the certification specified in subsection (1)(a)(II) of this section.

(b) The utility must maintain a database of the information contained in the affidavit for each project awarded a rebate or incentive.

(c) This subsection (5) does not apply to a gas DSM program that is limited to in-unit work in a multifamily building, as undertaken by the owner or tenant of the multifamily building or unit.

(6) (a) To ensure compliance with the requirements of subsection (5) of this section, the general contractor or other firm to which the contract is awarded must agree to provide additional documentation to the participating utility offering the rebate or incentive regarding the requirements for affected apprenticeship training programs specified in subsection (5)(a) of this section.

(b) If the utility offering the rebate or incentive determines that a mechanical, electrical, or plumbing subcontractor has willfully falsified documentation or willfully misrepresented its qualifications as required to comply with this section in the contract, the utility shall direct the contractor to terminate the subcontractor contract immediately, and the subcontractor shall immediately be removed from the public project. The utility may also debar the offending subcontractors from future participation in rebates or incentive programs established under this section.

(c) If, after issuing a rebate or incentive pursuant to this section, a utility determines that a contractor or subcontractor has willfully violated any requirement of this section, the utility may demand a full refund of the rebate or incentive with reasonable penalties and interest and may pursue any remedy provided by law.

(d) A utility must maintain a list of contractors and subcontractors that have willfully falsified documentation or willfully misrepresented their qualifications or that are debarred from receiving future rebates or incentives and make that list available to their customers on its website.

(7) (a) The utility that offers the rebate or incentive pursuant to this section must establish periodic audits of the qualifying rebates that represent the highest two percent of rebates issued by dollar amount at least every three years to ensure that the contractors or subcontractors maintain compliance with this section.

(b) If the audit determines that there were willful violations of this section, the utility may demand a full refund of the rebate or incentive with reasonable penalties and interest and may pursue any remedy provided by law.

**Source:** **L. 2021:** Entire section added, (HB 21-1238), ch. 330, p. 2135, § 5, effective September 7. **L. 2023:** (3)(a)(I)(A), (3)(b)(I), and (4)(b)(I) amended, (SB 23-051), ch. 37, p. 151, § 36, effective March 23; (5), (6), and (7) added, (SB 23-292), ch. 247, p. 1362, § 7, effective January 1, 2024.

**Cross references:** For the legislative declaration in HB 21-1238, see section 1 of chapter 330, Session Laws of Colorado 2021.

**40-3.2-105.6. Labor standards for beneficial electrification projects.** (1) This section applies to all necessary mechanical, plumbing, and electrical work performed in connection with a project undertaken pursuant to a beneficial electrification program under this article 3.2 and for which a customer of an investor-owned electric utility applies for a rebate directly from the utility.

(2) When practicable, the utility may assign its own employees to perform the work, subject to state licensing requirements and all applicable state and local rules, codes, and standards.

(3) (a) The utility shall obtain from the Colorado department of labor and employment and shall make use of a list, referred to in this section as the "certified contractor list", containing the names and contact information of:

(I) Qualified contractors that participate in apprenticeship programs that are registered with the United States department of labor's office of apprenticeship or with a state apprenticeship agency recognized by the United States department of labor; and

(II) Qualified mechanical, electrical, and plumbing contractors that meet the graduation standards specified in section 24-92-115 (1)(a)(II).

(b) The utility shall publish the certified contractor list on its website and include or reference the list in all of the utility's relevant marketing material for beneficial electrification programs.

(c) As a condition for customer participation in beneficial electrification programs where a rebate is paid directly to the customer after installation is complete, each investor-owned electric utility shall require its residential customers to verify that they used licensed electricians and plumbers or properly supervised apprentices on all plumbing and electrical work performed by a contractor on residential installations that qualify for a beneficial electrification rebate.

(4) The following requirements apply to beneficial electrification projects in new or existing industrial, commercial, or multifamily residential buildings:

(a) For plumbing, mechanical, or electrical projects undertaken by a commercial or industrial customer in a building that contains twenty thousand square feet or more of conditioned floor space and for which a rebate is to be provided directly to the customer as part of a beneficial electrification program, the utility shall condition payment of the rebate on the customer's exclusive use of contractors from the certified contractor list unless the work is done by employees of the utility.

(b) (I) For plumbing, mechanical, or electrical projects that involve the beneficial electrification of central building systems in a multifamily building that contains twenty thousand square feet or more of conditioned floor space and for which a rebate is to be provided directly to the building owner as part of a beneficial electrification program, the utility shall condition payment of the rebate on the building owner's exclusive use of contractors that participate in apprenticeship programs registered with the United States department of labor's office of apprenticeship or with a state apprenticeship agency recognized by the United States department of labor for any necessary plumbing or electrical work. If the contractor chosen by the building owner is not on the certified contractor list, the utility shall require another method of verifying compliance with this subsection (4)(b).

(II) This subsection (4)(b) does not apply to a beneficial electrification project that is limited to in-unit work in a multifamily building, as undertaken by the owner or tenant of the multifamily building or unit.

(5) (a) For a beneficial electrification project in a new or existing industrial, commercial, or multifamily residential building that contains twenty thousand square feet or more of conditioned floor space and for which a rebate is to be provided directly to the building owner as part of the beneficial electrification program, a utility shall not issue any rebates or incentives unless the lead general contractor performing the work for the project signs a notarized affidavit under penalty of perjury stating that all of the requirements of this section have been met and provides the signed affidavit to the sponsoring utility. The affidavit must:

(I) Identify the contractors or subcontractors that will be used for all mechanical, sheet metal, fire suppression, sprinkler fitting, electrical, and plumbing work required on the project;

(II) Certify that all firms identified participate in apprenticeship programs registered with the United States department of labor's office of apprenticeship or state apprenticeship agencies recognized by the United States department of labor and have a proven record of graduating apprentices as follows:

(A) Beginning July 1, 2021, through June 30, 2026, a minimum of fifteen percent of its apprentices for at least three of the past five years;

(B) Beginning July 1, 2026, through June 30, 2031, a minimum of twenty percent of its apprentices for at least three of the past five years; and

(C) Beginning July 1, 2031, and each year thereafter, a minimum of thirty percent of its apprentices for at least three of the past five years; and

(III) Supply supporting documentation from the United States department of labor's office of apprenticeship or state apprenticeship agency verifying the information provided in the certification specified in subsection (1)(a)(II) of this section.

(b) The utility must maintain a database of the information contained in the affidavit for each project awarded a rebate or incentive.

(c) This subsection (5) does not apply to a beneficial electrification project that is limited to in-unit work in a multifamily building, as undertaken by the owner or tenant of the multifamily building or unit.

(6) (a) To ensure compliance with the requirements of subsection (5) of this section, the general contractor or other firm to which the contract is awarded must agree to provide additional documentation to the participating utility offering the rebate or incentive regarding the requirements for affected apprenticeship training programs specified in subsection (5)(a) of this section.

(b) If the utility offering the rebate or incentive determines that a mechanical, electrical, or plumbing subcontractor has willfully falsified documentation or willfully misrepresented its qualifications as required to comply with this section in the contract, the utility shall direct the contractor to terminate the subcontractor contract immediately, and the subcontractor must immediately be removed from the public project. The utility may debar the offending subcontractors from future participation in rebate or incentive programs established under this section.

(c) If, after issuing a rebate or incentive pursuant to this section, a utility determines that a contractor or subcontractor has willfully violated any requirement of this section, the utility may demand a full refund of the rebate or incentive with reasonable penalties and interest and may pursue any remedy provided by law.

(d) A utility shall maintain a list of contractors and subcontractors that have willfully falsified documentation or willfully misrepresented their qualifications or that are debarred from receiving future rebates or incentives and make that list available to their customers on its website.

(7) (a) The utility that offers the rebate or incentive pursuant to this section must establish periodic audits of the qualifying rebates that represent the highest two percent of rebates issued by dollar amount at least every three years to ensure that the contractors or subcontractors maintain compliance with this section.

(b) If the audit determines that there were willful violations of this section, the utility may demand a full refund of the rebate or incentive with reasonable penalties and interest and may pursue any remedy provided by law.

**Source:** **L. 2021:** Entire section added, (SB 21-246), ch. 283, p. 1677, § 5, effective September 7. **L. 2023:** (3)(a)(I) and (4)(b)(I) amended, (SB 23-051), ch. 37, p. 152, § 37, effective March 23; (5), (6), and (7) added, (SB 23-292), ch. 247, p. 1364, § 8, effective January 1, 2024.

**Cross references:** For the legislative declaration in SB 21-246, see section 1 of chapter 283, Session Laws of Colorado 2021.

**40-3.2-105.7. Labor standards for state thermal energy network and thermal energy system projects - definitions.** (1) Any thermal energy network or thermal energy system project that an agency of government or a state institution of higher education procures and that is a public project must comply with:

(a) The apprenticeship utilization requirements set forth in section 24-92-115 if the estimated contract cost for the public project is one million dollars or more; and

(b) Part 2 of article 92 of title 24 concerning prevailing wages for public projects if the estimated contract cost for the public project is five hundred thousand dollars or more.

(2) Any thermal energy network or thermal energy system plumbing and electrical work performed in the state shall:

(a) Be performed by licensed plumbers, licensed electricians, or supervised apprentices at a ratio no greater than three apprentices for each licensed master or journeyworker plumber or master or journeyman electrician, as required pursuant to section 12-115-115 (1) or 12-155-124 (1); and

(b) Be installed in compliance with the rules of the state electrical board or the state plumbing board and in accordance with the electrical and plumbing codes adopted pursuant to those rules.

(3) For any thermal energy network or thermal energy system that a utility owns, the utility shall use utility employees or qualified contractors to perform any construction trade work deemed necessary to complete the project. A qualified contractor is a contractor with employees that have access to an apprenticeship program as defined in section 8-83-308 (3)(a). All mechanical, electrical, and plumbing contractors and subcontractors must meet the apprenticeship utilization requirements of section 24-92-115; except that the apprenticeship utilization requirements do not apply to:

(a) The design, planning, or engineering of infrastructure;

(b) Management functions for the operation of infrastructure; or

(c) Any work included in a warranty.

(4) As used in this section, unless the context otherwise requires:

(a) "Agency of government" has the meaning set forth in section 24-92-201 (1).

(b) "Licensed electrician" means an electrician licensed pursuant to section 12-115-110.

(c) "Licensed plumber" means a plumber licensed pursuant to section 12-155-108.

(d) "Public project" has the meaning set forth in section 24-92-201 (5).

(e) "State institution of higher education" has the meaning set forth in section 23-18-102 (10).

(f) "Thermal energy network" has the meaning set forth in section 40-3.2-108 (2)(s).

(g) "Thermal energy system" has the meaning set forth in section 40-3.2-108 (2)(t).

**Source:** **L. 2023:** Entire section added, (HB 23-1252), ch. 166, p. 755, § 3, effective August 7. **L. 2024:** (2)(a) amended, (HB 24-1344), ch. 343, p. 2331, § 29, effective July 1, 2025.

**Cross references:** For the legislative declaration in HB 23-1252, see section 1 of chapter 166, Session Laws of Colorado 2023.

**40-3.2-106. Costs of pollution in utility planning - rules.** (1) The commission shall require an electric or gas public utility subject to commission jurisdiction to consider the social cost of carbon dioxide emissions and the social cost of methane emissions, as set forth in subsections (4) and (5) of this section, when determining the cost, benefit, or net present value of any plan or proposal submitted in one of the following proceedings:

(a) Electric resource plans or any utility plan or application that considers or proposes the acquisition of new electric generating resources or the retirement of existing utility generation;

(b) Applications related to section 40-2-124;

(c) Applications related to, or the commission's evaluation of, programs adopted under section 40-3.2-103;

(c.5) Applications related to, or the commission's evaluation of, programs adopted under section 40-3.2-104; or

(d) A plan or application for transportation electrification under section 40-5-107 or any other form of beneficial electrification, including beneficial electrification in buildings.

(2) In a proceeding listed in subsection (1)(a) of this section, a utility shall:

(a) At a minimum, model an optimization of a base case portfolio of resources using the cost of carbon dioxide emissions, as set forth pursuant to subsection (4) of this section. The cost of carbon dioxide emissions must apply to the evaluation of all existing electric generation resources and to any new resources evaluated or proposed as part of the resource modeling. The commission may require a utility to file or propose additional base cases. The utility may propose, and the commission shall consider, alternative optimized portfolios of resources in addition to the base case, utilizing different levels of costs for carbon dioxide.

(b) (I) Present a calculation of the net present value of revenue requirement for the resources in each optimized portfolio. To show the net present value of revenue requirement that would be incurred by the utility for implementing the portfolio, in addition to presenting the full net present value of revenue requirement through a calculation using the cost of carbon dioxide emissions set forth pursuant to subsection (4) of this section, the utility shall also present the full net present value of revenue requirement through a calculation without using the cost of carbon dioxide emissions set forth pursuant to subsection (4) of this section.

(II) In addition to the net present value of revenue requirement calculations required in subsection (2)(b)(I) of this section, for each optimized model run, the utility must provide a present value calculation showing the net present value of the total cost of carbon dioxide emissions of each portfolio, calculated by multiplying the total emissions of that portfolio by the cost of carbon dioxide set forth pursuant to subsection (4) of this section.

(3) In approving a resource plan, either with generic resources or in the analysis of bids in a competitive solicitation, the commission shall require a comparison of the portfolios' net present value of revenue requirements inclusive of the social cost of carbon dioxide. The commission shall also consider:

(a) The net present value of revenue requirements of the cost of carbon dioxide or carbon dioxide equivalent emissions;

(b) The net present value of revenue requirements that would be incurred by the utility for implementing the portfolio; and

(c) Other relevant factors, as determined by the commission.

(4) The commission shall base the cost of carbon dioxide emissions on the most recent assessment of the social cost of carbon dioxide developed by the federal government using a discount rate of two and one-half percent or less. Starting in 2020, the commission shall use a social cost of carbon dioxide of not less than sixty-eight dollars per short ton. The commission shall modify the cost of carbon dioxide emissions based on escalation rates of the 2020 base cost by an amount that is equal to or greater than the escalation rates established in the technical support document. When calculating the cost of carbon dioxide emissions for any proceeding listed in subsection (1) of this section, the commission shall use a discount rate for the social cost of carbon dioxide that does not exceed the lesser of two and one-half percent or any lower value established by the most recent available successor to the technical support document. Notwithstanding the discount rate used to develop the social cost of carbon dioxide value over the planning period, the commission shall continue to discount any net present value analysis of any optimized resource portfolio in the electric resource planning process using discount rates that the commission deems appropriate.

(5) In the base case analysis of cost effectiveness as described in section 40-1-102 (5)(b), the commission shall apply the social cost of carbon dioxide and the social cost of methane emissions to the benefit-cost calculation for programs that are defined to be energy efficiency or beneficial electrification programs or that incorporate behind-the-meter thermal renewable sources.

(6) Repealed.

**Source:** **L. 2019:** Entire section added, (SB 19-236), ch. 359, p. 3309, § 13, effective May 30. **L. 2021:** IP(3) and (3)(a) amended, (SB 21-272), ch. 220, p. 1161, § 8, effective June 10; IP(1), (1)(c), (4), and (5) amended and (1)(c.5) added, (HB 21-1238), ch. 330, p. 2137, § 6, effective September 7; IP(1), (1)(d), and (5) amended and (6) repealed, (SB 21-246), ch. 283, p. 1676, § 4, effective September 7.

**Editor's note:** Amendments to subsections IP(1) and (5) by HB 21-1238 and SB 21-246 were harmonized.

**Cross references:** For the legislative declaration in HB 21-1238, see section 1 of chapter 330, Session Laws of Colorado 2021. For the legislative declaration in SB 21-246, see section 1 of chapter 283, Session Laws of Colorado 2021.

**40-3.2-107. Costs of methane pollution in gas DSM program planning - rules - definitions.** (1) The commission shall require a gas public utility subject to commission jurisdiction to consider the social cost of methane emissions, as set forth in subsection (2) of this section, when determining the cost, benefit, or net present value of revenue requirements of any plan or proposal submitted in an application related to, or the commission's evaluation of, programs adopted under section 40-3.2-103.

(2) (a) The commission shall base the social cost of methane emissions on the most recent assessment of the global social cost of methane developed by the federal government, using a discount rate of two and one-half percent or less as updated to reflect the latest available figures derived from peer-reviewed, published studies; except that, beginning on September 7, 2021, the commission shall use a social cost of methane of not less than one thousand seven hundred fifty-six dollars per short ton. The commission shall modify the social cost of methane emissions based on escalation rates of the 2020 base cost by an amount that is equal to or greater than the escalation rates established in the addendum to the technical support document and shall use a discount rate that does not exceed the lesser of two and one-half percent or any lower value established by the most recent available successor to the technical support document.

(b) When calculating the cost of methane emissions for any purpose listed in subsection (1) of this section, the commission shall obtain and apply the best available values for natural gas leakage during the extraction, processing, transportation, and delivery of natural gas by the gas public utility as well as leakage from piping or other equipment on customer premises. The commission shall take into account any relevant data and emissions accounting methodologies developed by the air quality control commission pursuant to section 25-7-140 regarding methane leakage rates and the appropriate global warming potential of methane. The commission shall use the same discount rate as that used to develop the federal social cost of methane, as set forth in the addendum to the technical support document.

(c) Notwithstanding the discount rate used for the cost of methane emissions, the commission shall discount other future cost streams into the net present value analysis of any resource portfolio in the gas DSM program planning process using a discount rate that the commission deems relevant to the parties responsible for financing or paying these future costs. When ratepayers are covering costs without investment from gas public utilities, such as environmental costs or pass-through fuel costs, the commission shall give consideration to discounting those costs with a stable long-term inflation rate that, in the commission's judgment, accurately represents the net present value of future cash flows experienced by ratepayers.

(3) As used in this section:

(a) "Addendum to the technical support document" means the 2016 addendum of the federal interagency working group on social cost of greenhouse gases, entitled "Addendum to Technical Support Document on Social Cost of Carbon for Regulatory Impact Analysis under Executive Order 12866: Application of the Methodology to Estimate the Social Cost of Methane and the Social Cost of Nitrous Oxide".

(b) "Technical support document" means the 2016 technical support document of the federal interagency working group on social cost of greenhouse gases, entitled "Technical Update of the Social Cost of Carbon for Regulatory Impact Analysis Under Executive Order 12866".

**Source:** **L. 2021:** Entire section added, (HB 21-1238), ch. 330, p. 2138, § 7, effective September 7.

**Cross references:** For the legislative declaration in HB 21-1238, see section 1 of chapter 330, Session Laws of Colorado 2021.

**40-3.2-108. Clean heat targets - legislative declaration - definitions - plans - rules - reports.** (1) **Legislative declaration.** The general assembly hereby:

(a) Finds that:

(I) In order to achieve Colorado's science-based greenhouse gas emission reduction goals and maintain a healthy, livable climate for Coloradans, Colorado must reduce greenhouse gas pollution from all sectors of the economy, including the built environment;

(II) A significant source of greenhouse gas pollution from the built environment comes from the use of gas to heat Colorado's homes and businesses and to heat water in those buildings, from the use of gas in commercial and industrial processes, and from gas leaks in the supply chain;

(III) Improving the energy efficiency of Colorado's buildings will reduce pollution, improve comfort and safety, provide more resilience during weather extremes, and reduce consumer costs for heating and cooling homes and businesses; and

(IV) Reducing the carbon intensity of gas delivered by utilities and switching from gas space and water heating to high-efficiency electric heating will reduce greenhouse gas pollution and lead to improved indoor air quality;

(b) Determines that:

(I) There is significant potential to reduce emissions of methane from active and inactive coal mines, landfills, wastewater treatment plants, agricultural operations, and other sources of methane pollution through development of methane recovery and biomethane projects, and there are also significant economic development opportunities, especially in rural Colorado, from development of this resource;

(II) Green and blue hydrogen have the potential to be zero- or very low-carbon sources of energy for use in a variety of sectors, including high-heat industrial applications, zero-carbon electricity generation, and the gas distribution system; and

(III) The development of hydrogen projects in Colorado has the potential to lower costs, contribute to economies of scale, and bring economic development opportunities; and

(c) Declares that:

(I) The general assembly's intent in enacting this section is to implement a performance standard that will allow Colorado gas utilities to use available tools, including energy efficiency, biomethane, hydrogen, recovered methane, beneficial electrification of customer end uses, cost-effective leak reductions on the utility's distribution system as determined by the commission that exceed state and federal requirements, and other measures to achieve greenhouse gas emission reductions, cost-effectiveness, and equity;

(II) Colorado is focused on a transition to a decarbonized economy that recognizes the historic injustices that impact lower-income Coloradans and Black, Indigenous, and other people of color who have borne a disproportionate share of environmental risks while also enjoying fewer environmental benefits;

(III) The commission must maximize greenhouse gas emission reductions and benefits to customers, with particular attention to residential customers who participate in income-qualified programs, while managing costs and risks to customers, including stranded-asset cost risks, and in a manner that supports family-sustaining jobs; and

(IV) Decarbonizing Colorado's homes and businesses will require investments in building and equipment upgrades, clean fuel projects, and infrastructure upgrades.

(2) **Definitions.** As used in this section, unless the context otherwise requires:

(a) "Biomethane":

(I) Means a mixture of carbon dioxide and hydrocarbons released from the biological decomposition of organic materials that is primarily methane and provides a net reduction in greenhouse gas emissions; and

(II) Includes biomethane recovered from manure management systems or anaerobic digesters, including from operations for dairy cows, beef cattle, poultry, swine, or sheep, that has been processed to meet pipeline quality.

(b) "Clean heat plan" means a comprehensive plan submitted by a gas distribution utility or municipal gas distribution utility that demonstrates projected reductions in methane and carbon dioxide emissions that, together, meet the reductions required in this section at the lowest reasonable cost.

(c) "Clean heat resource" means any one or a combination of:

(I) Gas demand-side management programs as defined in section 40-1-102 (6);

(II) Recovered methane;

(III) Green hydrogen;

(IV) Beneficial electrification as defined in section 40-1-102 (1.2);

(V) Pyrolysis of tires if the pyrolysis meets a recovered methane protocol;

(V.5) Thermal energy; and

(V.8) Wastewater thermal energy; and

(VI) Any technology that the commission finds is cost-effective and that the division finds results in a reduction in carbon emissions from the combustion of gas in customer end uses or meets a recovered methane protocol approved by the air quality control commission. To qualify as a clean heat resource, all credits or severable, tradable mechanisms representing the emission reduction attributes of the clean heat resource must be retired in the year generated and may not be sold.

(d) "Cost cap" means a maximum cost impact established pursuant to subsection (6)(a)(I) of this section for compliance with a clean heat target.

(e) "Division" means the division of administration created by section 25-1-102 (2)(a) in the department of public health and environment.

(f) "Gas" means geological gas, hydrogen, and recovered methane.

(g) "Gas distribution utility" means a public utility providing gas service to more than ninety thousand retail customers. "Gas distribution utility" does not include a municipal gas distribution utility.

(h) "Geological gas" means methane and other hydrocarbons that occur underground without human intervention and are used as fuel.

(h.5) "Geothermal fluid" has the meaning set forth in section 37-90.5-103 (2).

(i) "Greenhouse gas" has the meaning set forth in section 25-7-140 (6), measured in terms of carbon dioxide equivalent.

(j) "Green hydrogen" means hydrogen derived from a clean energy resource as defined in section 40-2-125.5 (2)(b) that uses water as the source of the hydrogen. For purposes of a clean heat plan, a green hydrogen project may include associated clean energy generation, transmission, and other infrastructure, subject to commission approval.

(k) "Lowest reasonable cost" means a reasonable-cost mix of clean heat resources that meet clean heat targets established pursuant to this section as determined through a detailed analysis of available technologies and includes resource costs, market volatility risks, risks to ratepayers, systems operations costs, infrastructure costs, environmental justice goals, the social cost of carbon, and the social cost of methane in comparing the costs and benefits of alternatives, and other costs and benefits as determined by the commission.

(l) "Municipal gas distribution utility" means a municipally owned utility that provides gas service to more than ninety thousand customers.

(m) "Pyrolysis" has the meaning set forth in section 40-2-124 (1)(a)(V).

(n) "Recovered methane" means any of the following that are located in Colorado and meet a recovered methane protocol approved by the air quality control commission:

(I) Biomethane; and

(II) Methane derived from:

(A) Municipal solid waste;

(B) The pyrolysis of municipal solid waste;

(C) Biomass pyrolysis or enzymatic biomass; or

(D) Wastewater treatment;

(III) Coal mine methane, as defined in section 40-2-124 (1)(a)(II), the capture of which is not otherwise required by state or federal law; or

(IV) Methane that would have leaked without repairs of the gas distribution and service pipelines from the city gate to customer end use.

(o) "Recovered methane credit" means a tradable instrument that represents a greenhouse gas emission reduction or greenhouse gas removal enhancement of one metric ton of carbon dioxide equivalent. The greenhouse gas emission reduction or greenhouse gas removal enhancement must be real, additional, quantifiable, permanent, verifiable, and enforceable. No recovered methane credit may be issued if the greenhouse gas emission reduction or greenhouse gas removal enhancement that the credit would represent is required or accounted for by a proposed or final federal, state, or local rule or regulation.

(p) "Recovered methane protocol" means a documented set of procedures and requirements established by the air quality control commission to quantify ongoing greenhouse gas emission reductions or greenhouse gas removal enhancements achieved by a recovered methane project and to calculate the project baseline. A recovered methane protocol that the air quality control commission adopts for biomethane from manure management systems must allow for the use of manure from beef cattle operations. The air quality control commission may also adopt a recovered methane protocol that is specific to manure management from beef cattle operations. A recovered methane protocol must:

(I) Specify relevant data collection and monitoring procedures and emission factors;

(II) Conservatively account for uncertainty, activity-shifting leakage risks, and market-shifting leakage risks associated with a type of recovered methane project;

(III) Determine data verification requirements; and

(IV) Specify procedures pursuant to which the air quality control commission must approve an entity that the division proposes to accredit for verification of ongoing greenhouse gas emission reductions or greenhouse gas removal enhancements.

(q) "Small gas distribution utility" means a public utility providing gas service to ninety thousand retail customers or fewer. "Small gas distribution utility" does not include a municipal gas distribution utility.

(r) (I) "Thermal energy" means piped, noncombustible fluids used for adding or removing heat from buildings for the purpose of efficient building temperature control and domestic hot water, including space heating and cooling and refrigeration.

(II) "Thermal energy" includes methods of exchanging the piped, noncombustible fluids through the ground, wastewater treatment facilities, or other sources that achieve desired fluid temperatures; except that any source of thermal energy for this purpose must:

(A) Not cause incremental greenhouse gas emissions or rely on increased, long-term combustion of fossil fuels; and

(B) Be evaluated by the commission to protect against increased emissions of harmful co-pollutants, negative impacts to communities including to disproportionately impacted communities, as defined in section 24-4-109 (2)(b)(II), and the risk of stranded assets, if the thermal energy is from any industrial source including a system for which the primary purpose is to generate electricity, including any process involving engine-driven generation.

(s) "Thermal energy network":

(I) Means all real estate, fixtures, and personal property that are operated, owned, used, or intended to be used for, in connection with, or to facilitate a distribution infrastructure project that supplies thermal energy to two or more buildings that are not a campus, as defined in section 40-4-121 (1)(a), and that assists in reducing greenhouse gas emissions in the state;

(II) Consists of pipe loops between multiple buildings and energy sources carrying piped, noncombustible fluids at the desired thermal temperature;

(III) Includes a network that can be used for heating, cooling, and other building services; and

(IV) May also be known as a geothermal exchange district, networked geothermal system, geoexchange system, geogrid system, community geothermal heating and cooling district, or geothermal heating district.

(t) "Thermal energy system" includes a geothermal system or other method of exchanging the piped, noncombustible fluids through the ground, wastewater treatment facilities, or other sources of thermal energy that achieve desired fluid temperatures.

(u) "Wastewater thermal energy" means a system that uses thermal energy in wastewater, to heat or cool a space, or for any other useful thermal purpose that reduces greenhouse gas emissions from the combustion of gas in customer end uses.

(3) **Clean heat targets.** (a) The purpose of a clean heat plan is to achieve clean heat targets by reducing carbon dioxide and methane emissions from gas distribution utilities.

(b) (I) A clean heat plan under this section must demonstrate that the gas distribution utility submitting the clean heat plan will achieve a reduction of carbon dioxide and methane emissions from the distribution and end-use combustion of gas.

(II) A gas distribution utility shall demonstrate compliance with subsection (3)(b)(I) of this section by filing and obtaining commission approval of clean heat plans that meet clean heat targets calculated as follows: Consistent with subsection (3)(c) of this section and as compared to a 2015 baseline, a four percent reduction in greenhouse gas emissions in 2025, of which not more than one percent can be from recovered methane; and a twenty-two percent reduction in greenhouse gas emissions in 2030, of which not more than five percent can be from recovered methane.

(c) (I) In calculating the baseline and projected emissions covered under a clean heat plan, a gas distribution utility must include the following:

(A) Methane leaked from the transportation and delivery of gas from the gas distribution and service pipelines from the city gate to customer end use;

(B) Carbon dioxide emissions resulting from the combustion of gas by residential, commercial, and industrial customers not otherwise subject to federal greenhouse gas emission reporting and excluding all transport customers; and

(C) Emissions of methane resulting from leakage from delivery of gas to other local distribution companies.

(II) All emissions are metric tons of carbon dioxide equivalent as reported to the federal environmental protection agency pursuant to 40 CFR 98, either subpart W (methane) or subpart NN (carbon dioxide), or successor reporting requirements; except that the division shall use the AR-4 one-hundred-year global warming potential or any greater successor value determined by the federal environmental protection agency.

(d) In calculating its clean heat target, a utility must show its baseline carbon dioxide emissions and methane emissions separately and must show that the total emission reductions are projected to achieve the clean heat target. The final calculation demonstrating that the plan meets the clean heat target must be presented on a carbon dioxide equivalent basis.

(e) It is the policy of the state of Colorado to reduce the state's greenhouse gas emissions, and therefore to count toward a gas distribution utility's compliance with the emission reduction goals, recovered methane under a clean heat plan must be represented by a recovered methane credit, issued subject to an approved recovered methane protocol, and delivered:

(I) To or within Colorado through a dedicated pipeline; or

(II) Through a common carrier pipeline if the source of the recovered methane injects the recovered methane into a common carrier pipeline that physically flows within Colorado or toward the end user in Colorado for which the recovered methane was produced.

(f) To count toward a gas distribution utility's compliance with the clean heat targets, the utility must quantify the actual methane reductions achieved by any leak repairs and the commission must find that the leak reductions are cost-effective. The commission may require the utility to evaluate nonpipeline alternatives.

(4) **Submission of clean heat plans.** (a) No later than August 1, 2023, the largest gas distribution utility in Colorado, as determined by the volume of gas sold in Colorado, shall file with the commission an application for approval of a clean heat plan that demonstrates that the gas distribution utility will achieve the clean heat target established for 2025 in subsection (3)(b)(II) of this section by 2025. All other gas distribution utilities shall file applications for approval of clean heat plans no later than January 1, 2024, that demonstrate, for each such gas distribution utility, that it will achieve the clean heat target established for 2025 in subsection (3)(b)(II) of this section by 2025.

(b) After complying with subsection (4)(a) of this section, each gas distribution utility shall, as directed by the commission but not less often than every four years, file an additional clean heat plan that covers, at minimum, five years after the date of the filing.

(c) A clean heat plan filed pursuant to this subsection (4) must:

(I) Demonstrate that the gas distribution utility will meet the applicable clean heat targets specified in this section for the applicable plan period;

(II) Set forth portfolios that the gas distribution utility will use to demonstrate alternative compliance approaches for reducing carbon dioxide and methane emissions to meet the clean heat target in the applicable plan period, including its preferred option. The utility shall present:

(A) A portfolio of resources that uses clean heat resources to the maximum practicable extent, that complies with the cost cap, that may include leak reductions approved by the commission, and that may or may not meet the clean heat target in the applicable plan period but that demonstrates reductions in methane emissions;

(B) A portfolio that meets the clean heat targets in the applicable plan period using only clean heat resources but that need not meet the cost cap;

(C) Other portfolios at the utility's discretion; and

(D) Other portfolios as directed by the commission.

(III) Quantify annual projected greenhouse gas emission reductions during the applicable plan period resulting from each portfolio;

(IV) Propose program budgets to meet the emission reduction targets;

(V) Prioritize investments that ensure that disproportionately impacted communities or customers who meet requirements for income-qualified programs benefit from the investments made to implement the clean heat plan;

(VI) Project annual greenhouse gas emission reductions that would result if each proposed portfolio were extended through 2050;

(VII) Forecast carbon dioxide and methane emission reductions that are consistent with the recovered methane protocol rules adopted by the air quality control commission pursuant to section 25-7-105 (1)(e)(X.4);

(VIII) Quantify additional air quality, environmental, and health benefits of the plan in addition to the greenhouse gas emission reductions;

(IX) Include a forecast of potential new customers and system growth or expansion of the gas system for the applicable plan period, including projected greenhouse gas emissions related to that growth;

(X) Describe the effects of the actions and investments in the clean heat plan on the safety, reliability, and resilience of the gas distribution utility's gas service;

(XI) Quantify the cost of implementing the preferred portfolio of clean heat resources used to meet the clean heat targets through the clean heat plan, net of the avoided cost of any new delivery infrastructure avoided through implementing the plan;

(XII) Identify potential changes to depreciation schedules or other actions to align the gas distribution utility's cost recovery with statewide policy goals, including reducing carbon dioxide and methane emissions, minimizing costs, and minimizing risks to customers;

(XIII) Explain the gas distribution utility's analysis of the costs and benefits of an array of compliance alternatives, including the social cost of carbon and the social cost of methane in the cost-benefit calculations;

(XIV) Describe the monitoring and verification methodology to be used in annual reporting;

(XIV.5) Demonstrate that, with respect to any thermal energy network that will be used as a clean heat resource, any geothermal fluid associated with the thermal energy system or thermal energy network is used in compliance with the permitting requirements for production of geothermal fluid set forth in article 90.5 of title 37; and

(XV) Include any other information required by the commission.

(d) (I) To demonstrate compliance with the applicable clean heat target in a clean heat plan, a gas distribution utility must utilize clean heat resources to the maximum extent practicable and count greenhouse gas emission reductions resulting from its use of those resources. For compliance with the 2030 target, a utility shall not propose and the commission shall not approve recovered methane resources achieving more than five percent of the target of twenty-two percent.

(II) Notwithstanding any other provision of this section, and unless the commission finds that a clean heat plan is not cost-effective in meeting the following targets, of the emission reductions required in a clean heat plan that a gas distribution utility must achieve, reductions from recovered methane projects may be in the following maximum amounts:

(A) Five percent of the total reduction for the period 2026 through 2030; and

(B) An amount specified by the commission by rule for clean heat plans covering years after 2030 if the commission determines that the requirements further investment in Colorado communities, reduce greenhouse gas emissions, are cost-effective, and are in the public interest.

(e) A clean heat plan may be filed as part of a demand-side management plan or any other plan as determined by the commission.

(f) A gas distribution utility may include proposals to make investments in green or blue hydrogen projects that will reduce greenhouse gas emissions. If a gas distribution utility proposes to make an investment pursuant to this subsection (4)(f), it must also include a proposal for competitive solicitation.

(g) (I) The commission shall consult with the division to estimate reductions of emissions of greenhouse gases and other air pollutants under the portfolios.

(II) The division may participate as a party in any proceeding before the commission in which a gas distribution utility is seeking approval of a clean heat plan the gas distribution utility developed pursuant to this section.

(h) A gas distribution utility's first clean heat plan must use a planning period that extends through 2025. The second clean heat plan must use a planning period that extends through 2030. Subsequent clean heat plans must use a planning period as determined by the commission.

(5) **Commission rules.** (a) No later than October 1, 2021, the commission shall undertake a rule-making proceeding to update electric and gas demand-side management rules consistent with the clean heat targets established in this section. In the rule-making, the commission shall remove any prohibition on customer incentives to help customers replace gas appliances with highly efficient electric alternatives. As part of this rule-making process, the commission shall convene at least four workshops or public meetings to solicit input on the contents and evaluation of gas distribution utilities' clean heat plans, two of which must be located in disproportionately impacted communities served by the utility that is required to submit a clean heat plan. Participation must be open to the public and shall not be limited to parties represented by an attorney.

(b) The commission shall adopt rules necessary for gas distribution utilities to implement clean heat plans by December 1, 2022.

(6) **Approval of clean heat plans - recovery.** (a) (I) For each gas distribution utility, the commission shall establish a cost cap that is two and one-half percent of annual gas bills for all full-service customers as a whole.

(II) The commission shall calculate the annual retail cost impact net of the utility's approved gas demand-side management program budgets but shall include any incentive adopted or approved by the commission. If a gas distribution utility includes a beneficial electrification plan as part of a filing with a clean heat plan, the commission shall calculate the retail cost impact cap net of the utility's approved beneficial electrification plan program budget.

(b) The commission shall consider allowing current recovery for clean heat plan costs through a rate adjustment clause or structure that allows for current recovery, and a gas distribution utility may recover the prudently incurred costs associated with actions under an approved clean heat plan or actions to meet any additional emission reduction requirements imposed pursuant to section 25-7-105 (1)(e)(X.7).

(c) (I) In approving a clean heat plan, the commission shall consider a cost test that includes both the social cost of carbon and the social cost of methane.

(II) In evaluating a clean heat plan, the commission shall consider whether the plan will achieve the applicable clean heat targets.

(d) (I) The commission shall approve a clean heat plan if the commission finds it to be in the public interest. The commission may modify the plan if the modifications are necessary to ensure that the plan is in the public interest. In evaluating whether the clean heat plan submitted to the commission is in the public interest, the commission shall take into account the following factors:

(A) Whether the clean heat plan achieves the clean heat targets through maximizing the use of clean heat resources;

(B) The additional air quality, environmental, and health benefits of the plan in addition to the greenhouse gas emission reductions;

(C) Whether investments in a clean heat plan prioritize serving customers participating in income-qualified programs and communities historically impacted by air pollution and other energy-related pollution;

(D) Whether the clean heat plan results in a reasonable cost to customers, including savings to customer bills resulting from investments made pursuant to the plan; and

(E) Whether the clean heat plan ensures system reliability.

(II) In approving a clean heat plan:

(A) If the commission determines that it is possible to achieve larger greenhouse gas emission reductions than the required clean heat targets using clean heat resources at or below the cost cap, the commission shall require the maximum level of emission reductions above the clean heat targets that can be achieved at or below the cost cap using clean heat resources, with the proportion of greenhouse gas emission reductions from recovered methane not exceeding the proportion allowed in meeting the clean heat target for the applicable plan period.

(B) The commission must require the gas distribution utility to achieve the maximum level of greenhouse gas emission reductions practicable using clean heat resources at or below the cost cap, with the proportion of greenhouse gas emission reductions from recovered methane not exceeding the proportion allowed in meeting the clean heat target for the applicable plan period.

(III) The commission may approve, or amend and approve, a clean heat plan with costs greater than the cost cap only if it finds that the plan is in the public interest, costs to customers are reasonable, the plan includes mitigation of rate increases for income-qualified customers, and the benefits of the plan, including the social costs of methane and carbon dioxide, exceed the costs.

(IV) Notwithstanding subsection (6)(a)(I) of this section, the commission shall not require a utility with fewer than two hundred fifty thousand meters to spend more than an amount equal to two percent of the utility's total annual revenues from full-service customers to comply with the 2025 emission reductions requirements of subsection (3)(b)(II) of this section, net of costs associated with a commission-approved demand-side management plan, avoided fuel costs, and avoided capital infrastructure costs. Notwithstanding subsection (6)(d)(III) of this section, a utility subject to this subsection (6)(d)(IV) may voluntarily request to spend a higher amount to comply with the 2025 clean heat targets, and the commission may approve the requested amount if the commission finds that the spending comes at a reasonable cost and rate impact and is in the public interest.

(7) **Annual reporting.** (a) Each gas distribution utility shall submit to the commission an annual report that shows the amount of money that it has spent under each program in the clean heat plan, the amount spent on income-qualified programs or programs that serve communities historically impacted by air pollution and other energy-related pollution, a calculation of emissions reduced or avoided pursuant to its approved clean heat plan, and any other information required by the commission.

(b) In addition to any other greenhouse gas reporting requirements, each gas distribution utility shall submit an annual report to the commission providing a calculation of emissions reduced or avoided pursuant to its approved clean heat plan. The report must include separate quantifications of the reductions in carbon dioxide and methane emissions. Carbon dioxide emission reductions must be calculated based on emissions reported pursuant to the air quality control commission's rules. If a utility includes recovered methane, the utility shall quantify actual emission reductions achieved on a project basis for each project for which it claims reductions in that year, based on any recovered methane credits generated.

(8) **Employment and utility workforce.** (a) For any utility-owned project that is part of a clean heat plan, the gas distribution utility shall, where practicable, use its own employees to complete the work.

(b) For a utility project that is part of a competitive solicitation and with a cost of more than one million dollars, the gas distribution utility shall require all bidders to provide detailed information about the use of Colorado-based labor and out-of-state labor. The utility shall provide this information to the commission.

(c) If a clean heat plan includes gas demand-side management programs as defined in section 40-1-102 (6), all requirements specified in this article 3.2 relating to labor standards for gas demand-side management programs or projects apply. If a clean heat plan includes beneficial electrification, all requirements specified in this article 3.2 relating to beneficial electrification labor standards, beneficial electrification plans, recovery of costs, and reporting apply.

(d) In all decisions approving clean heat resources to be acquired as part of a clean heat plan, the commission shall consider the long-term impacts on Colorado's utility workforce as part of a just transition and shall give additional weight to a project that includes:

(I) Training programs, including training through the division of employment and training in the department of labor and employment created in section 8-83-102, or apprenticeship programs registered with the United States department of labor's office of apprenticeship or a state apprenticeship agency recognized by the United States department of labor;

(II) Employment of Colorado-based labor; and

(III) Long-term career opportunities and industry-standard wages, health care, and pension benefits.

(e) If a project in connection with a clean heat plan is an energy sector public works project, as defined in section 24-92-303 (5), the project must comply with the applicable requirements of the "Colorado Energy Sector Public Works Project Craft Labor Requirements Act", part 3 of article 92 of title 24.

(9) **Small gas distribution utilities.** (a) A small gas distribution utility may file a clean heat plan with the commission pursuant to subsections (3) to (7) of this section or it may submit a small utility emission reduction plan pursuant to this subsection (9).

(b) The small gas distribution utility, as part of its small utility emission reduction plan:

(I) Must propose greenhouse gas emission reduction targets for 2025 and 2030;

(II) Is subject to the cost cap;

(III) Must identify the clean heat resources the small gas distribution utility will use to reduce emissions on its system and quantify the annual emission reductions expected during the plan period;

(IV) Must propose program budgets to meet the emission reduction targets proposed by the small gas distribution utility;

(V) Must forecast carbon dioxide and methane emission reductions reasonably expected to be achieved through the actions taken in the preferred plan;

(VI) Must quantify the cost of implementation of the preferred portfolio of resources used in the plan; and

(VII) Must include an implementation plan of at least three years during which the small gas distribution utility proposes to acquire clean heat resources to reduce emissions.

(c) The commission shall approve a clean heat plan filed under this subsection (9) if the commission finds it to be in the public interest. The commission may modify the clean heat plan if the modifications are necessary to ensure that the plan is in the public interest. In evaluating whether the clean heat plan submitted to the commission is in the public interest, the commission shall take into account the factors set forth in subsection (6)(d)(I) of this section. In approving a clean heat plan under this subsection (9), the commission shall carry out the duties set forth in subsection (6)(d)(II) of this section. The commission may approve a clean heat plan that exceeds the cost cap under this subsection (9) only pursuant to subsection (6)(d)(III) of this section.

(d) Small gas distribution utilities with approved clean heat plans are subject to the reporting provisions of subsection (7) of this section.

(10) No later than December 1, 2025, the commission, in consultation with the division, shall determine mass-based greenhouse gas emission reduction targets for clean heat plans for 2035. In establishing these targets, the commission shall:

(a) Ensure that gas distribution utilities' greenhouse gas emissions will be in line with the residential, commercial, and industrial sectors' contribution to statewide greenhouse gas pollution; and

(b) Determine whether recovered methane may be used to meet the mass-based greenhouse gas emissions reduction targets established pursuant to this subsection (10).

(11) No later than December 1, 2032, the commission, in consultation with the division, shall determine the mass-based greenhouse gas emission reduction goals for clean heat plans for 2040, 2045, and 2050 using a 2015 baseline that, at minimum, ensure that gas distribution utilities' greenhouse gas emission reductions will be proportionate to the residential, commercial, and industrial sectors' contribution to the greenhouse gas emission reduction goals, excluding transportation gas service customers or customers that report their own greenhouse gas emissions to the federal environmental protection agency under applicable federal law, including 40 CFR 98, subpart NN. In determining these goals, the commission shall consider savings achieved or projected to be achieved in other sectors of the state's economy, as well as the commercial availability of technologies to achieve emission reductions in this sector.

**Source:** **L. 2021:** Entire section added, (SB 21-264), ch. 328, p. 2093, § 1, effective June 24. **L. 2023:** (8)(d)(I) amended, (SB 23-051), ch. 37, p. 152, § 38, effective March 23; (2)(a)(II), (2)(c)(V), and IP(2)(p) amended and (2)(c)(V.8) and (2)(u) added, (SB 23-016), ch. 165, p. 735, 747, §§ 7, 21, effective August 7; (2)(c)(V) amended and (2)(c)(V.5), (2)(h.5), (2)(r), (2)(s), (2)(t), and (4)(c)(XIV.5) added, (HB 23-1252), ch. 166, p. 757, § 4, effective August 7; (8)(e) added, (SB 23-292), ch. 247, p. 1366, § 9, effective January 1, 2024. **L. 2024:** IP(10) amended, (SB 24-214), ch. 191, p. 1107, § 22, effective May 17.

**Cross references:** For the legislative declaration in HB 23-1252, see section 1 of chapter 166, Session Laws of Colorado 2023.

**40-3.2-109. Beneficial electrification plans for electric utilities - definition - rules - recovery of costs - report.** (1) **Definition.** As used in this section, "beneficial electrification plan" or "plan" means an electric utility's plan to increase beneficial electrification in the residential, commercial, and industrial sectors for purposes other than transportation.

(2) (a) The commission shall allow an investor-owned electric utility to implement cost-effective beneficial electrification plans that support voluntary customer adoption of beneficial electrification measures.

(b) On or before July 1, 2022, and thereafter as directed by the commission, but no less frequently than every three years, an investor-owned electric utility shall file with the commission an application for a beneficial electrification plan for regulated activities to support beneficial electrification. Beneficial electrification plans may be combined with other demand-side management strategic issues or transportation electrification plans, as applicable, but a beneficial electrification plan must, at a minimum:

(I) Include proposed programs to advance beneficial electrification for residential and commercial customers. Plans may also include programs to advance beneficial electrification for industrial customers.

(II) Include programs targeted to low-income households or disproportionately impacted communities, with at least twenty percent of the total beneficial electrification program funding targeted to programs that serve low-income households or disproportionately impacted communities;

(III) Include budgets; targeted numbers of installations; projected fuel savings; projected cost-effectiveness calculations, including the social cost of methane and carbon dioxide emissions and an appropriate social discount rate in the cost-benefit analysis; projected reductions in greenhouse gas emissions; and other information deemed relevant by the commission for the plan as a whole and for each program included in the plan;

(IV) Demonstrate that the utility will, to the greatest extent practicable, serve incremental load attributable to beneficial electrification with generation that can be reasonably expected to have a carbon intensity no higher than the average carbon intensity for all generation in the utility's portfolio;

(V) Include incentives to facilitate beneficial electrification, with programs targeted toward new and existing building markets. Products eligible for incentives must be certified under the federal Energy Star program, as defined in section 6-7.5-102 (24), or a successor program if that certification is available, in product categories for which such certification exists.

(VI) Include an outreach plan for engagement with customers in low-income households and disproportionately impacted communities to develop programs to support those customers in every phase of the utility's beneficial electrification programs, including through incentives offered to multifamily buildings occupied in full or in part by low-income households; and

(VII) Include documentation and data to show that the utility's beneficial electrification plan is consistent with maintaining the reliability of the electric grid.

(3) The commission and investor-owned electric utilities subject to commission jurisdiction shall:

(a) Incorporate into the cost-benefit analysis of beneficial electrification plans and programs:

(I) The social costs of carbon dioxide and methane emissions, including the avoided carbon dioxide emissions from the direct combustion of fossil fuel in appliances or industrial equipment that is replaced with electricity;

(II) The avoided upstream emissions of methane from the production and delivery of fossil fuel to the appliance or equipment;

(III) The incremental carbon dioxide emissions from generation of electricity; and

(IV) The incremental load attributable to beneficial electrification;

(b) Use the methodology defined in section 40-3.2-106 (4) to determine the cost of carbon dioxide emissions;

(c) Base the cost of methane emissions on the most recent assessment of the global social cost of methane developed by the federal government, using a discount rate of two and one-half percent or less; except that, beginning on September 7, 2021, the commission shall use a social cost of methane of not less than one thousand seven hundred fifty-six dollars per short ton. The commission shall modify the social cost of methane based on escalation rates of the 2020 base cost by an amount that is equal to or greater than the escalation rates established in the addendum to the technical support document and shall use a discount rate that does not exceed the lesser of two and one-half percent or any lower value established by the most recent available successor to the technical support document.

(d) Include upstream leakage of methane emissions in the extraction, production, and transportation of fossil gas in the cost-benefit analysis if the air quality control commission determines an estimate for upstream methane leakage.

(4) Notwithstanding any other provision of law, the commission shall allow an electric utility to offer incentives to its customers to replace gas appliances with high-efficiency electric appliances.

(5) (a) The commission shall allow an electric utility to recover its prudently incurred costs, on a current basis, for implementation of approved beneficial electrification programs.

(b) The commission may provide an electric utility an opportunity to earn incentives for exceeding beneficial electrification targets or emission-reduction performance targets that the commission has established for the beneficial electrification plan. For purposes of implementing this subsection (5)(b), the commission may consider incentive mechanisms to promote the advancement of the utility's beneficial electrification programs, which incentive mechanisms may include:

(I) An incentive rate of return on beneficial electrification investments;

(II) An incentive to allow the utility to accelerate depreciation;

(III) An incentive to allow the utility to retain a portion of the net economic benefits of beneficial electrification;

(IV) An incentive to allow the utility to collect the cost of beneficial electrification programs through a rider or cost adjustment clause; or

(V) Any other incentive mechanism the commission deems appropriate.

(6) (a) By April 1, 2024, and thereafter as determined by the commission but no less frequently than every six years, an investor-owned electric utility shall file an application for a beneficial electrification strategic issues filing that proposes a ten-year beneficial electrification target and objective criteria for measuring progress toward attainment of the target, which criteria may include the level of substitution of renewable sources for fossil fuel or the level of reduction in greenhouse gas emissions. The commission shall approve or amend and approve the utility's application, taking into account the utility's potential for cost-effective beneficial electrification, the state's greenhouse gas pollution reduction targets, and the potential for beneficial electrification to reduce greenhouse gas emissions.

(b) The beneficial electrification strategic issues filing may be combined with other demand-side management strategic issues or related filings as appropriate, and an investor-owned gas utility may file with the commission an application for a beneficial electrification plan for regulated activities to support beneficial electrification as part of such a proceeding or as a separate application. A beneficial electrification plan filed by an investor-owned gas utility is eligible for the same treatment as a beneficial electrification plan filed by an investor-owned electric utility pursuant to this section.

(7) The electric utility or other entity commissioning a beneficial electrification project shall ensure compliance with the labor standards set forth in section 40-3.2-105.6.

(8) Each electric utility that implements a beneficial electrification plan shall submit to the commission an annual report describing the beneficial electrification programs implemented under the plan and documenting:

(a) Program expenditures, energy savings, incremental additional electric load attributable to approved beneficial electrification programs, and incremental additional greenhouse gas emissions associated with beneficial electric load attributable to approved beneficial electrification programs;

(b) Assumed avoided greenhouse gas emissions from other sectors resulting from approved beneficial electrification programs;

(c) Societal costs and benefits of approved beneficial electrification programs as well as the techniques used to calculate those impacts;

(d) Compliance with the labor standards set forth in section 40-3.2-105.6; and

(e) Any other information that the commission requests.

(9) Municipally owned electric utilities, cooperative electric associations, and wholesale electric cooperatives, as defined in section 40-2-134, in Colorado are encouraged to:

(a) Develop beneficial electrification plans as addressed in this section and transportation electrification programs pursuant to section 40-5-107 that help their customers invest in beneficial electrification in buildings and transportation;

(b) Account for the social cost of carbon dioxide and methane emissions, set total energy savings and greenhouse-gas-emission-reduction goals, and implement beneficial electrification programs for their customers;

(c) Include a beneficial electrification plan or transportation electrification program as part of a clean energy plan; and

(d) Participate in statewide or regional initiatives to increase the availability of, develop the market for, and support contractor training on high-efficiency electric technologies.

(10) In implementing this section, the commission shall not require the removal of gas-fueled appliances or equipment from any existing structure or ban the installation of gas service lines to any new structure.

**Source:** **L. 2021:** Entire section added, (SB 21-246), ch. 283, p. 1677, § 5, effective September 7. **L. 2022:** IP(5)(b) amended, (SB 22-212), ch. 421, p. 2986, § 87, effective August 10. **L. 2023:** (2)(b)(V) amended, (HB 23-1161), ch. 285, p. 1717, § 12, effective August 7.

**Cross references:** For the legislative declaration in SB 21-246, see section 1 of chapter 283, Session Laws of Colorado 2021.

**40-3.2-110. Requirements related to heat pumps - definition.** (1) As used in this section, unless the context otherwise requires, "heat pump" means an electrically powered device that uses the refrigeration cycle to transfer thermal energy from one location to another.

(2) On or before August 1, 2027, an investor-owned utility that provides electric or thermal energy shall, within a general rate case request, submit to the commission a proposal for a voluntary rate or rates for energy supplied to residential customers who utilize a heat pump as their primary heating source, which voluntary rate or rates:

(a) May be new rates, new or existing riders, or incorporated into an existing time-of-use rate;

(b) If cost-justified, are designed to lower the average monthly energy bill of residential customers who utilize a heat pump as their primary heating source; and

(c) Avoid cross-subsidies from other customers.

**Source:** **L. 2024:** Entire section added, (SB 24-214), ch. 191, p. 1107, § 23, effective May 17.

PART 2

COORDINATED UTILITY PLAN

TO REDUCE AIR EMISSIONS

**40-3.2-201. Short title.** This part 2 shall be known and may be cited as the "Clean Air - Clean Jobs Act".

**Source:** **L. 2010:** Entire part added, (HB 10-1365), ch. 140, p. 466, § 1, effective April 19.

**40-3.2-202. Legislative declaration.** (1) The general assembly hereby finds, determines, and declares that the federal "Clean Air Act", 42 U.S.C. sec. 7401 et seq., will likely require reductions in emissions from coal-fired power plants operated by rate-regulated utilities in Colorado. A coordinated plan of emission reductions from these coal-fired power plants will enable Colorado rate-regulated utilities to meet the requirements of the federal act and protect public health and the environment at a lower cost than a piecemeal approach. A coordinated plan of reduction of emissions for Colorado's rate-regulated utilities will also result in reductions in many air pollutants and promote the use of natural gas and other low-emitting resources to meet Colorado's electricity needs, which will in turn promote development of Colorado's economy and industry.

(2) The general assembly further finds that the use of natural gas to reduce coal-fired emissions may require rate-regulated utilities to enter into long-term contracts for natural gas in a manner that protects electricity consumers. Even though such long-term contracts might be beneficial to consumers, financial rating agencies could find that such long-term contracts increase the financial risk to rate-regulated utilities, which in turn could increase the cost of capital to these utilities. The general assembly finds that it is important to give financial markets confidence that utilities will be able to recover the costs of long-term gas contracts without the risk of future regulators disallowing contracts.

(3) The general assembly further finds and declares that Colorado rate-regulated utilities require timely and forward-looking reviews of their costs of providing utility service in order to undertake the comprehensive and extensive planning and changes to their business operations contemplated by this part 2. In order to allow these utilities to continue to provide reliable electric service, alter their operations in the manner described by this part 2, and meet other state public policy goals, it is imperative that Colorado rate-regulated utilities continue in sound financial condition and remain attractive investments so that sufficient capital is provided to achieve the state's goals. To that end, the general assembly finds that the commission should have additional tools and more flexibility in its regulatory authority to ensure the continued financial health of these utilities. The general assembly also finds and declares that the actions provided for in this part 2 be implemented in a manner to address the sound economic, health, and environmental conditions of energy producing communities.

**Source:** **L. 2010:** Entire part added, (HB 10-1365), ch. 140, p. 466, § 1, effective April 19.

**40-3.2-203. Definitions.** As used in this part 2, unless the context otherwise requires:

(1) "Air quality control commission" means the commission created in section 25-7-104, C.R.S.

(2) "Department" means the department of public health and environment.

(3) "Federal act" means the federal "Clean Air Act", 42 U.S.C. sec. 7401 et seq., as amended.

(4) "State act" means the "Colorado Air Pollution Prevention and Control Act", article 7 of title 25, C.R.S.

(5) "State implementation plan" means the plan required by and described in section 110 (a) and other provisions of the federal act.

**Source:** **L. 2010:** Entire part added, (HB 10-1365), ch. 140, p. 467, § 1, effective April 19.

**40-3.2-204. Emission control plans - role of the department of public health and environment - timing of emission reductions - approval.** (1) On or before August 15, 2010, and in coordination with current or expected requirements of the federal act and the state act, all rate-regulated utilities that own or operate coal-fired electric generating units located in Colorado shall submit to the commission an emission reduction plan for emissions from those units.

(2) (a) The plan filed under this section shall cover a minimum of nine hundred megawatts or fifty percent of the utility's coal-fired electric generating units in Colorado, whichever is smaller. Except as set forth in section 40-3.2-206, the coal-fired capacity covered under the plan filed under this section shall not include any coal-fired capacity that the utility has already announced that it plans to retire prior to January 1, 2015. At the utility's discretion, the plan may include some or all of the following elements:

(I) New emission control equipment for oxides of nitrogen and other pollutants;

(II) Retirement of coal-fired units, if the retired coal-fired units are replaced by natural gas-fired electric generation or other low-emitting resources as defined in section 40-3.2-206, including energy efficiency;

(III) Conversion of coal-fired generation to run on natural gas;

(IV) Long-term fuel supply agreements;

(V) New natural gas pipelines and other supporting gas infrastructure;

(VI) Increased utilization of existing gas-fired generating capacity;

(VII) New transmission lines and other supporting transmission infrastructure;

(VIII) Emission control equipment that is required to be installed at affected units prior to or in conjunction with any retirement, conversion, or emission control equipment retrofit set forth under the plan in order to limit any pollutant other than oxides of nitrogen; and

(IX) Any other capital, fuel, and operations and maintenance expenditures appropriate to support the implementation of the plan.

(b) (I) Prior to filing the plan, the utility shall consult with the department and shall work with the department in good faith to design a plan to meet the current and reasonably foreseeable requirements of the federal act and state law in a cost-effective and flexible manner.

(II) The commission shall provide the department an opportunity to:

(A) Comment on the air quality, all other air pollutants, and other emission reductions of the plan; and

(B) Evaluate and determine whether the plan is consistent with the current and reasonably foreseeable requirements of the federal act.

(III) In commenting upon the utility's plan, the department shall determine whether any new or repowered electric generating unit proposed under the plan, other than a peaking facility utilized less than twenty percent on an annual basis or a facility that captures and sequesters more than seventy percent of emissions not subject to a national ambient air quality standard or a hazardous air pollutant standard, will achieve emission rates equivalent to or less than a combined-cycle natural gas generating unit.

(IV) The commission shall not approve a plan except after an evidentiary hearing and unless the department has determined that the plan is consistent with the current and reasonably foreseeable requirements of the federal act.

(c) The plan shall include a schedule that would result in full implementation of the plan on or before December 31, 2017. The schedule may include interim milestones. The utility shall design the schedule to protect system reliability, control overall cost, and assure consistency with the requirements of the federal act.

(d) The plan shall set forth the costs associated with activities identified in the plan, including the planning, development, construction, and operation of elements identified pursuant to subparagraphs (I) to (IX) of paragraph (a) of this subsection (2), as well as the costs of any shutdown, decommissioning, or repowering of existing coal-fired electric generating units that are set forth in the plan.

**Source:** **L. 2010:** Entire part added, (HB 10-1365), ch. 140, p. 468, § 1, effective April 19.

**40-3.2-205. Review - approval.** (1) In evaluating the plan, the commission shall consider the following factors:

(a) Whether the department reports that the plan is likely to achieve at least a seventy to eighty percent reduction, or greater, in annual emissions of oxides of nitrogen as necessary to comply with current and reasonably foreseeable requirements of the federal act and the state act. The reduction in emissions under this paragraph (a) shall be measured from 2008 levels at coal-fired power plants identified in the plan. In determining the reduction in emissions under this paragraph (a), the department shall include:

(I) Emissions from coal-fired power plants identified in the plan and continuing to operate after retrofit with emission control equipment; and

(II) Emissions from any facilities constructed to replace any retired coal-fired power plants identified in the plan.

(b) Whether the department has made the determination under section 40-3.2-204 (2)(b)(III);

(c) The degree to which the plan will result in reductions in other air pollutant emissions;

(d) The degree to which the plan will increase utilization of existing natural gas-fired generating capacity;

(e) The degree to which the plan enhances the ability of the utility to meet state or federal clean energy requirements, relies on energy efficiency, or relies on other low-emitting resources;

(f) Whether the plan promotes Colorado economic development;

(g) Whether the plan preserves reliable electric service for Colorado consumers;

(h) Whether the plan is likely to help protect Colorado customers from future cost increases, including costs associated with reasonably foreseeable emission reduction requirements; and

(i) Whether the cost of the plan results in reasonable rate impacts. In evaluating the rate impacts of the plan, the commission shall examine the impact of the rates on low-income customers.

(2) The commission shall review the plan and enter an order approving, denying, or modifying the plan by December 15, 2010. Any modifications required by the commission shall result in a plan that the department determines is likely to meet current and reasonably foreseeable federal and state act requirements.

(3) All actions taken by the utility in furtherance of, and in compliance with, an approved plan are presumed to be prudent actions, the costs of which are recoverable in rates as provided in section 40-3.2-207.

(4) If the utility disagrees with the commission's modifications to its proposed plan with respect to resource selection, the utility may withdraw its application.

**Source:** **L. 2010:** Entire part added, (HB 10-1365), ch. 140, p. 469, § 1, effective April 19.

**40-3.2-206. Coal plant retirements - replacement resources.** (1) (a) The general assembly finds that, in designing a coordinated emission reduction plan as described in section 40-3.2-204 and to expeditiously accelerate coal plant retirements, it is in the public interest for utilities to give primary consideration to replacing or repowering their coal generation with natural gas generation and that utilities shall also consider other low-emitting resources, including energy efficiency, if this replacement or repowering can be accomplished prudently and for reasonable rate impacts compared with placing additional emission controls on coal-fired generating units, and if electric system reliability can be preserved. To that end, in the plan required under section 40-3.2-204, each utility shall include an evaluation of the following proposals:

(I) The cost and system reliability impacts of retiring a minimum of nine hundred megawatts of coal-fired electric generating capacity, or fifty percent of the utility's coal-fired generating units in Colorado, whichever is less, by January 1, 2015, and repowering the affected coal-fired facilities with natural gas or replacing them with natural gas-fired generation or other low-emitting resources, including energy efficiency. The coal-fired capacity evaluated under this subparagraph (I) shall not include any coal-fired capacity that the utility has already announced that it plans to retire prior to January 1, 2015. The utility may also prepare evaluations of additional scenarios, including scenarios that result in the retirement of less than nine hundred megawatts of coal-fired electric generating capacity or the retirement of some portion of the nine hundred megawatts of capacity after January 1, 2015, but before January 1, 2018.

(II) Retirements of a portion of its coal-fired generating capacity in the period after April 19, 2010, but prior to January 1, 2015. At a minimum, the utility shall evaluate whether to retire a portion of its coal-fired capacity on or before January 1, 2013, or whether the retirements of coal-fired generating facilities that have already been announced could be advanced to an earlier retirement date.

(b) (I) For all evaluations required by this subsection (1), the utility shall report:

(A) The estimated overall impacts on the utility's emissions of oxides of nitrogen and other pollutants;

(B) The feasibility of the retirement, repowering, or replacement on the schedule proposed in the evaluation;

(C) The costs and impact on electric rates from these proposals; and

(D) The impact of the retirements on the reliability of the utility's electric service.

(II) All evaluations required by this subsection (1) shall contrast the costs of replacing coal generation with natural gas generation and other low-emitting resources, including energy efficiency, with the costs of installing additional emission controls on the coal plants.

(2) The utility shall set forth in its plan the utility's proposal for the best way of timely meeting the emission reduction requirements required by federal and state law, given the need to preserve electric system reliability, to avoid unreasonable rate increases, and the economic and environmental benefits of coordinated emission reductions.

(3) In reviewing the reasonableness of the utility's proposed plan, the commission shall:

(a) Compare the relative costs of repowering or replacing coal facilities with natural gas generation or other low-emitting resources, including energy efficiency, to an alternative that incorporates emission controls on the existing coal-fired units;

(b) Use reasonable projections of future coal and natural gas costs;

(c) Incorporate a reasonable estimate for the cost of reasonably foreseeable emission regulation consistent with the commission's existing practice;

(d) Consider the degree to which the plan will increase utilization of existing natural gas-fired generating resources available to the utility, together with increased utilization of other low-emitting resources including energy efficiency; and

(e) Consider the economic and environmental benefits of a coordinated emissions reduction strategy.

(4) The utility may enter into long-term gas supply agreements to implement the requirements of this part 2. A long-term gas supply agreement is an agreement with a term of not less than three years or more than twenty years. All long-term gas supply agreements may be filed with the commission for review and approval. The commission shall determine whether the utility acted prudently by entering into the specific agreement, whether the proposed agreement appears to be beneficial to consumers, and whether the agreement is in the public interest. If an agreement is approved, the utility is entitled to recover through rates the costs it incurs under the approved agreement, and any approved amendments to the agreement, notwithstanding any change in the market price of natural gas during the term of the agreement. The commission shall not reverse its approval of the long-term gas agreement even if the agreement price is higher than a future market price of natural gas.

**Source:** **L. 2010:** Entire part added, (HB 10-1365), ch. 140, p. 470, § 1, effective April 19.

**40-3.2-207. Cost recovery - legislative declaration.** (1) (a) A utility is entitled to fully recover the costs that it prudently incurs in executing an approved emission reduction plan, including the costs of planning, developing, constructing, operating, and maintaining any emission control or replacement capacity constructed pursuant to the plan, as well as any interim air quality emission control costs the utility incurs while the plan is being implemented.

(b) The general assembly finds that the emissions reductions under this part 2 are being made to assist the state of Colorado to comply with current and reasonably foreseeable emission restrictions under federal law. To provide this assistance, the utility is being asked to make substantial capital investments and to enter into substantial contractual commitments in an expedited time period outside of the normal resource planning process.

(2) (a) If a public utility's wholesale sales are subject to regulation by the federal energy regulatory commission, and if the public utility sells power on the wholesale market from a project developed pursuant to the plan, the commission shall determine whether to assign a portion of the plan cost to be recovered from the public utility's wholesale customers. The commission may make such assignment to the extent that it does not conflict with the public utility's wholesale contracts entered into before April 19, 2010.

(b) Except as specified in paragraph (c) of this subsection (2), if the commission makes an assignment of costs pursuant to paragraph (a) of this subsection (2) and if the utility applies to the federal energy regulatory commission for recovery and pursues that application in good faith, then:

(I) To the extent that the federal energy regulatory commission does not permit recovery of the allocated wholesale portion of plan-related investment, the commission shall approve retail rates sufficient to recover such disallowed wholesale portion of the investment through the recovery mechanism detailed in this section; and

(II) The public utility may not recover any revenue shortfall caused by a delay in making any filing with the federal energy regulatory commission or due to any rate suspension period employed by the federal energy regulatory commission or because the public utility failed to pursue recovery of the amounts at the federal energy regulatory commission in good faith.

(c) If the public utility fails to apply to the federal energy regulatory commission within six months after the commission's final order assigning a portion of the plan's costs to the public utility's wholesale customers, the public utility is not entitled to recover the assigned portion of the costs from its retail customers.

(3) Current recovery shall be allowed on construction work in progress at the utility's weighted average cost of capital, including its most recently authorized rate of return on equity, for expenditures on projects associated with the plan during the construction, startup, and preservice implementation phases of the projects.

(4) To the extent that an approved plan includes the early conversion or closure of coal-based generation capacity by January 1, 2015, and to the extent that the utility demonstrates that a lag in the recovery of the costs of the plan related to the investment required by such plan contributes to a utility earning less than its authorized return on equity, the commission shall employ rate-making mechanisms, in addition to allowing a current return on construction work in progress, that permit rate adjustments, no less frequently than once per year, without requiring the utility to file a general rate case to allow recovery of the approved plan's costs. Such rate-making mechanisms may include a separate rate adjustment clause, regular make-whole rate increases, or other appropriate mechanisms as determined by the commission.

(5) During the time any special regulatory practice is in effect, the utility shall file a new rate case at least every two years or file a base rate recovery plan that spans more than one year.

(6) The commission shall allow, but not require, the utility to develop and own as utility rate-based property any new electric generating plant constructed primarily to replace any coal-fired electric generating unit retired pursuant to the plan filed under this part 2.

**Source:** **L. 2010:** Entire part added, (HB 10-1365), ch. 140, p. 472, § 1, effective April 19.

**40-3.2-208. Air quality planning.** (1) The air quality provisions of the emission reduction plan filed under this part 2 are intended to fulfill the requirements of the state and federal acts and shall be proposed by the department to the air quality control commission after the utility files the plan with the commission to be considered for incorporation into the regional haze element of the state implementation plan.

(2) (a) Upon the utility's filing of the utility plan with the commission pursuant to section 40-3.2-204, the air quality control commission, in response to the proposal by the department, shall initiate a proceeding to incorporate the air quality provisions of the utility plan into the regional haze element of the state implementation plan. Except as set forth in this subsection (2), the air quality control commission shall not act on the utility plan or the provisions of the regional haze element of the state implementation plan that would establish controls for those units covered by the utility plan until after the commission's approval of the utility plan.

(b) The air quality control commission shall vacate the entire proceeding related to the utility plan and shall initiate a new proceeding for the consideration of alternative proposals for the appropriate controls for those units covered by the utility plan for inclusion in the regional haze element of the state implementation plan if:

(I) The commission does not approve the utility plan by December 15, 2010;

(II) The utility withdraws its application pursuant to section 40-3.2-205 (4); or

(III) The air quality control commission rejects any portion of the utility plan as approved by the commission.

(c) The air quality control commission shall conduct the proceedings specified in this subsection (2) after public notice and an opportunity for the public to participate in accordance with the air quality control commission's procedures.

(3) If the final approved provisions of the state implementation plan are not consistent with the air quality provisions of the utility plan, the utility may file a revised utility plan with the commission that modifies the original plan to be consistent with the final approved state implementation plan. The revised utility plan is subject to all of the review and cost recovery provisions contained in this part 2. Notwithstanding any revision required to the utility plan, the utility is entitled to fully recover any costs it prudently incurred or contracted to incur under the originally approved plan prior to the plan's revision and any costs incurred as a result of any enforceable state implementation plan or other air quality requirements.

**Source:** **L. 2010:** Entire part added, (HB 10-1365), ch. 140, p. 474, § 1, effective April 19.

**40-3.2-209. Early reductions.** Reductions in emissions achieved pursuant to this part 2 through a compliance strategy before such reductions are mandated under federal law are voluntary for purposes of determining early reduction credits under federal law.

**Source:** **L. 2010:** Entire part added, (HB 10-1365), ch. 140, p. 475, § 1, effective April 19.

**40-3.2-210. Exemption from limits on voluntary emission reductions.** The limits on utility expenditures on voluntary emission reductions in section 40-3.2-102 do not apply to utility expenditures under a plan approved by the commission under this part 2.

**Source:** **L. 2010:** Entire part added, (HB 10-1365), ch. 140, p. 475, § 1, effective April 19.

**ARTICLE 3.3**

Gas Infrastructure Planning

**40-3.3-101. Definitions.** As used in this article 3.3, unless the context otherwise requires:

(1) "Alternative energy service" means a low- or zero-carbon residential, commercial, or industrial energy service that is able to meet a customer's end use need and does not combust methane-, propane-, or petroleum-derived gas on site in doing so.

(2) "Colorado energy office" means the Colorado energy office created in section 24-38.5-101.

(3) "Distribution system" has the meaning set forth in section 40-2-115 (2)(b) and includes the piping and associated facilities used to deliver geological gas or recovered methane.

(4) "Dual-fuel utility" means an investor-owned utility in which one company or a subsidiary of the same company operates both an electric and a gas utility that have service territories in the state where greater than fifty percent of all customers in those territories receive both gas and electric service from a utility operated by that company or a subsidiary of the same company.

(5) "Gas" means natural or geological gas, recovered methane, or any mixture of natural or geological gas or recovered methane that is transported by a common carrier or dedicated pipeline, including flammable gas; manufactured gas; petroleum or other hydrocarbon gases, such as propane; or any mixture of fossil gases that is injected into a pipeline and transmitted, distributed, or furnished by a utility.

(6) "Gas infrastructure plan" means a requirement for gas utilities established by the commission that is designed to establish a process to determine the need for, and potential alternatives to, capital investment, consistent with the objectives of maintaining just and reasonable rates; ensuring system safety, reliability, and resiliency; and protecting income-qualified utility customers and disproportionately impacted communities.

(7) "Gas planning pilot community" means a local government in which constituents have gas service provided by a dual-fuel utility and an active franchise agreement with the dual-fuel utility, which local government formally indicates an interest in working with the dual-fuel utility to mutually explore opportunities for neighborhood-scale alternatives projects, including through the exchange of utility gas infrastructure data and community development plans.

(8) "Greenhouse gas reduction goals" means the state's greenhouse gas reduction goals described in section 25-7-102 (2)(g).

(9) "Income-qualified utility customer" has the meaning set forth in section 40-3-106 (1)(d)(II).

(10) "Local government" means a home rule or statutory county, city, or city and county.

(11) "Neighborhood-scale alternatives project" means a project in a gas planning pilot community:

(a) Where a dual-fuel utility:

(I) Provides both gas and electric service;

(II) Provides gas service and a municipally owned utility operated by the gas planning pilot community provides electric service; or

(III) Provides gas service and a cooperative electric association that serves a gas planning pilot community has voluntarily partnered with the dual-fuel utility; and

(b) That geographically targets decommissioning a portion of the gas distribution system or avoids expanding the gas distribution system in order to serve new construction projects and provides alternative energy service to buildings within the project area that reduces future greenhouse gas emissions required to serve buildings.

(12) "Nonemitting thermal resource" means efficient thermal energy for heating, cooling, or hot water, which energy does not require combustion of gas, such as an air-source heat pump, as defined in section 39-22-554 (2)(a); a ground-source heat pump, as defined in section 39-22-554 (2)(g); a heat pump water heater; a thermal energy system; or a thermal energy network.

(13) "Pipeline segment" means a discrete portion of the distribution system and all ancillary structures, valves, and other systems needed to distribute gas. A pipeline segment must be the smallest incremental unit possible, as defined by pipeline materials, geographical features, and the design of the distribution system.

(14) "Thermal energy network" has the meaning set forth in section 40-3.2-108 (2)(s).

(15) "Thermal energy system" has the meaning set forth in section 40-3.2-108 (2)(t).

**Source:** **L. 2024:** Entire article added, (HB 24-1370), ch. 220, p. 1369, § 1, effective August 7.

**40-3.3-102. Request for information - gas planning pilot community - disclosures - repeal.** (1) (a) By December 1, 2024, the Colorado energy office shall issue a request for information to identify local governments whose residents are served by a dual-fuel utility that are interested in becoming a gas planning pilot community.

(b) The Colorado energy office shall include in the request for information the minimum criteria that a local government must meet in order to become a gas planning pilot community, including:

(I) A demonstration that designation as a gas planning pilot community would align with the local government's climate and energy affordability goals;

(II) A willingness to promote neighborhood-scale alternatives projects and to support, engage, and educate residents within a community for which a neighborhood-scale alternatives project is proposed prior to approval by the commission; and

(III) A commitment of internal or external staff resources to identify and implement neighborhood-scale alternatives projects.

(c) At least thirty days prior to issuing the request for information, the Colorado energy office shall publish a draft of the request for information on its website and provide an opportunity for the public to submit written comments.

(2) (a) By April 30, 2025, the Colorado energy office and a dual-fuel utility shall jointly file with the commission the results of the request for information required by subsection (1)(a) of this section, identifying up to five proposed gas planning pilot communities. In identifying proposed gas planning pilot communities, the Colorado energy office and a dual-fuel utility shall prioritize local governments that are interested in pursuing thermal energy network or geothermal energy projects as part of the proposed gas planning pilot community's evaluation of any potential neighborhood-scale alternatives project pursuant to section 40-3.3-103. The Colorado energy office and the dual-fuel utility shall also jointly file a draft agreement between the dual-fuel utility and any proposed gas planning pilot community, which draft agreement must:

(I) Identify the roles and responsibilities of the dual-fuel utility and the proposed gas planning pilot community in identifying neighborhood-scale alternatives projects;

(II) Identify time frames for each party to furnish data or respond to requests for data from the other party;

(III) Include any necessary waivers of commission rules to facilitate data transfer between the parties;

(IV) Include a process to address conflicts between the two parties; and

(V) Indicate whether the proposed gas planning pilot community has demonstrated an interest in pursuing thermal energy network or geothermal energy projects.

(b) The commission shall provide an opportunity for the public to submit written comments on the filing.

(c) By June 30, 2025, the commission shall approve or modify the list of proposed gas planning pilot communities; except that the commission shall not increase the number of proposed gas planning pilot communities beyond five.

(3) By October 1, 2025, a dual-fuel utility shall enter into an agreement with each local government that has been approved as a gas planning pilot community and shall submit to the commission a list of the gas planning pilot communities with which the dual-fuel utility has established an agreement. The dual-fuel utility and local government may agree to extend this deadline.

(4) Subsections (1) to (3) of this section and this subsection (4) are repealed, effective June 1, 2028.

(5) (a) Unless otherwise directed by the commission or requested by the gas planning pilot community, a dual-fuel utility shall provide each gas planning pilot community, the commission, and the Colorado energy office with data and information to inform the evaluation of potential neighborhood-scale alternatives projects that includes:

(I) The location of any planned gas infrastructure projects in the gas planning pilot community within the six-year gas project planning forecast in the dual-fuel utility's most recently approved gas infrastructure plan or identified by the dual-fuel utility for inclusion in a future gas infrastructure plan to the extent available; and

(II) The following information regarding the planned gas infrastructure projects described in subsection (5)(a)(I) of this section:

(A) The project name;

(B) The project category, consistent with the planned projects categories described in applicable commission rules;

(C) A description of the general scope of work and an explanation of the need for the project, including any applicable code requirements of the United States department of transportation's pipeline and hazardous materials safety administration;

(D) The projected life of the project;

(E) An indication of whether the project is presented as a gas infrastructure plan action period project or a gas infrastructure plan informational period project pursuant to applicable commission rules;

(F) The anticipated: Construction start date for the project; construction period for the project, including an indication of any construction phases; and in-service date for the project;

(G) The cost-estimate classification for the project, using the dual-fuel utility's or an industry-accepted cost-estimate classification index; support for the cost-estimate classification; and the total cost estimate for the project;

(H) The technical details of the project, such as the physical equipment characteristics of the proposed facilities, pipeline length, pipeline diameter, project materials, and maximum allowable operating pressure;

(I) The project location and an illustrative map of the gas distribution system facilities, subject to necessary confidentiality provisions, including: The pressure district or geographic area that requires the proposed facilities, the existing and proposed regulator stations and existing and proposed distribution piping and higher capacity pipelines served by or representing the proposed facilities, the locations of any nearby disproportionately impacted communities, and any other information necessary to allow the local government to make a thorough evaluation of the project;

(J) To the extent practicable, the number of customers, annual sales, and design peak demand requirements, disaggregated by customer class, potentially directly impacted or served by the project;

(K) Any permits required for work on the project to begin; and

(L) Any environmental requirements associated with completion of the project.

(b) A dual-fuel utility shall provide gas planning pilot community staff and consultants, who have signed appropriate nondisclosure agreements, with all requested gas and electric customer usage and design peak demand data, to the extent available and disaggregated to the individual customer, for all planned gas infrastructure projects located in a gas planning pilot community within the six-year gas project planning forecast in the dual-fuel utility's most recently approved gas infrastructure plan or identified by the dual-fuel utility for inclusion in a future gas infrastructure plan. The dual-fuel utility shall provide such information within the relevant time frame established pursuant to subsection (2)(a)(II) of this section.

(c) The information described in subsections (5)(a) and (5)(b) of this section is exempt from the "Colorado Open Records Act", part 2 of article 72 of title 24.

**Source:** **L. 2024:** Entire article added, (HB 24-1370), ch. 220, p. 1371, § 1, effective August 7. **L. 2025:** (4) amended, (SB 25-300), ch. 428, p. 2459, § 65, effective August 6.

**40-3.3-103. Neighborhood-scale alternatives projects - cost recovery - reporting requirement.** (1) A dual-fuel utility shall work with a gas planning pilot community to rank and prioritize neighborhood-scale alternatives projects within each gas planning pilot community based on local government input and consideration of:

(a) The number and customer class served by each pipeline segment included in a neighborhood-scale alternatives project;

(b) The degree of support for the neighborhood-scale alternatives project from customers potentially impacted by the project, with preference given to those projects that have full support from potentially impacted customers;

(c) The cost-effectiveness of the neighborhood-scale alternatives project, using the cost-benefit handbook from the dual-fuel utility's most recent gas infrastructure plan;

(d) The net cost to customers potentially participating in the neighborhood-scale alternatives project;

(e) The availability of alternative energy service, including for scenarios with enhanced gas and electric demand response or demand flexibility;

(f) The ability of thermal energy networks to serve the area covered by the neighborhood-scale alternatives project, with priority given to projects that include a thermal energy network or a geothermal energy project;

(g) Whether the neighborhood-scale alternatives project is part of a new development or would serve existing customers, or both;

(h) The prioritization of pipeline segments that are part of projects included in a dual-fuel utility's gas infrastructure plan or otherwise identified by the dual-fuel utility for inclusion in a future gas infrastructure plan, to the extent this information is available; and

(i) The location of any nearby disproportionately impacted community or pipeline segments that serve disproportionately impacted communities.

(2) (a) (I) Prior to June 1, 2026, a dual-fuel utility and local government shall jointly submit for approval at least one initial neighborhood-scale alternatives project, to be located within a gas planning pilot community, to the commission if the neighborhood-scale alternatives project has the full support of potentially affected customers. The filing must also contain a list of potential projects that are ranked highly but do not have full customer support at the time of the filing.

(II) Prior to June 1, 2027, a dual-fuel utility and a local government shall jointly submit for commission approval the neighborhood-scale alternatives projects included on the list in the filing submitted pursuant to subsection (2)(a)(I) of this section and that will be pursued in a gas planning pilot community, which projects may lack full customer support if the local government has determined that a reasonable majority of customers supports the project. The local government shall determine what constitutes a reasonable majority. The determination of a reasonable majority of customer support and efforts to obtain customer consent must be supported by a sworn affidavit or testimony from an official employee of the local government as part of the joint application to the commission. The joint application must also include the net costs of the projects, including any:

(A) State or federal funding or tax credits;

(B) Gas planning pilot community incentives or funding;

(C) Existing dual-fuel utility program funding;

(D) Additional dual-fuel utility incentives or funding;

(E) Customer contributions; and

(F) Anticipated total capital expenditures by the dual-fuel utility and customers, avoided utility capital expenditures, and future discounted customer utility bill savings or expenses.

(III) If a dual-fuel utility will not pursue a neighborhood-scale alternatives project in one or more gas planning pilot communities, the dual-fuel utility and local government, prior to June 1, 2027, shall jointly file a report with the commission explaining why a neighborhood-scale alternatives project will not be pursued in that community.

(b) The commission shall provide an opportunity for public comment regarding the dual-fuel utility's submission pursuant to subsection (2)(a)(III) of this section.

(c) The commission shall approve a neighborhood-scale alternatives project application submitted by a dual-fuel utility if:

(I) The project is supported by a local government ordinance, proclamation, or resolution;

(II) The commission finds that the project is:

(A) Consistent with the state's greenhouse gas reduction goals; and

(B) In the public interest, considering costs and benefits to the gas planning pilot community, participating customers, and ratepayers within the dual-fuel utility's gas service territory and any cost shift between participating customers and all ratepayers of the dual-fuel utility, with preference given to projects that result in no cost shift to nonparticipating customers;

(III) The approved portfolio of neighborhood-scale alternatives projects provides an appropriate mix of technologies, customer classes, and new construction and existing buildings and includes the use of thermal energy networks or geothermal energy projects; and

(IV) The commission finds that alternative energy service is available to all customers within the project area and can reasonably be implemented within the project area. In making this finding, the commission shall consider:

(A) The cost of end uses powered by different fuels, impacts on income-qualified utility customers and customers living in disproportionately impacted communities, and the state's greenhouse gas emission reduction goals;

(B) Existing utility or other incentives to support customer adoption of the alternative energy service; and

(C) The degree of customer support for the project, considering the information provided pursuant to subsection (1)(b) of this section, and with priority given to projects that have the full support of potentially affected customers.

(3) (a) The commission shall allow a dual-fuel utility to currently recover the costs incurred during the development of a neighborhood-scale alternatives project, including costs to transition the distribution system, invest in electric infrastructure, and provide customer incentives. Such costs are fully recoverable regardless of the performance of the alternative energy service. The commission shall also permit cost recovery for personnel to work on the development, in whole or in part, of neighborhood-scale alternatives projects.

(b) The dual-fuel utility shall propose to the commission how costs will be recovered across the dual-fuel utility's electric and gas business.

(c) For gas planning pilot communities that receive gas service from a dual-fuel utility but are not served by the electric utility that is part of the dual-fuel utility, the commission shall consider a cost-sharing agreement, as necessary to implement a neighborhood-scale alternatives project, which agreement the dual-fuel utility proposes to enter into with a local cooperative electric association or municipally owned electric utility to make the incumbent gas utility that is part of the dual-fuel utility and its customers whole for any projects approved by the commission when there is a cost shift. This subsection (3)(c) shall not be construed to subject a local cooperative electric association or municipally owned electric utility entering into such an agreement with a dual-fuel utility to the jurisdiction of the commission. Any federal, state, or local funding made available for a project shall be applied prior to application of utility programmatic funds, such as demand-side management, beneficial electrification, or other existing or future customer-sited programs, incentives, rebates, and financing.

(4) In approving a neighborhood-scale alternatives project in a gas planning pilot community, the commission may modify the gas utility's service requirement for select premises with an alternative energy service requirement. Notwithstanding any provision of law to the contrary, nothing in this section affects or abridges a dual-fuel utility's service requirements in areas outside the neighborhood-scale alternatives project area. The commission may impose an alternative energy service requirement for any certificate of public convenience and necessity granted to the gas utility to provide service to the targeted area that is the subject of the neighborhood-scale alternatives project if the commission finds that alternative energy service is available.

(5) (a) As part of a neighborhood-scale alternatives project, a dual-fuel utility may propose to fund conversion of existing gas appliances or equipment to nonemitting thermal resources, including offering incremental incentives or financing above that approved for clean heat plans, as defined in section 40-3.2-108; beneficial electrification plans, as defined in section 40-3.2-109; demand-side management programs, as defined in section 40-1-102; or other related filings.

(b) A dual-fuel utility may also propose to offer new rate structures to pay for thermal energy networks or other nonemitting thermal resources as an alternative energy service, under which rate structures customers pay the utility for thermal energy network services to offset the initial cost of new appliances or other equipment. If a dual-fuel utility proposes to offer such a rate, the commission shall not grant the dual-fuel utility current cost recovery pursuant to subsection (3)(a) of this section. A dual-fuel utility shall have the right of first refusal to offer thermal energy network service or alternative energy service as part of a neighborhood-scale alternatives project, if the dual-fuel utility sets forth its intention to exercise its right of first refusal and defines the scope of such exercise in the application to the commission and such right of first refusal:

(I) Is limited to neighborhood-scale alternatives projects in gas planning pilot communities; and

(II) Is exercised within two years after approval by the commission.

(6) If a neighborhood-scale alternatives project qualifies as an energy sector public works project, as defined in section 24-92-303, a dual-fuel utility shall comply with all requirements set forth in part 3 of article 92 of title 24. The dual-fuel utility shall utilize utility employees or contractors that meet the apprenticeship utilization requirements set forth in section 24-92-115 to service and maintain any thermal energy or geothermal energy projects owned by the dual-fuel utility and approved by the commission under this section.

(7) By June 1 of each year following approval of a neighborhood-scale alternatives project, a dual-fuel utility shall submit a report to the commission on the implementation of the neighborhood-scale alternatives project. The report must include, at a minimum:

(a) An update on project implementation, including the degree of customer support for the project;

(b) An explanation of customer satisfaction with alternative energy service;

(c) Actual net project costs incurred, including any:

(I) State or federal funding or tax credits;

(II) Gas planning pilot community incentives or funding;

(III) Existing dual-fuel utility program funding;

(IV) Additional dual-fuel utility incentives or funding;

(V) Customer contributions;

(VI) Anticipated total capital expenditures by the dual-fuel utility and customers, avoided utility capital expenditures, and future discounted customer utility bill savings or expenses; and

(VII) Estimated overall project costs if no incentives or tax credits had been available for the project;

(d) The impact on total energy bill and energy reliability for customers receiving alternative energy service;

(e) Any encountered barriers to project implementation, including technological or workforce barriers, and the lessons learned in overcoming those barriers;

(f) The impact on income-qualified utility customers and customers living in disproportionately impacted communities; and

(g) Any other information required by the commission.

(8) By July 1, 2028, or another time determined by the commission, the commission shall hire a third-party consultant to conduct an analysis of all approved and proposed neighborhood-scale alternatives projects and present the findings of the analysis to the commission and the general assembly. The analysis must include:

(a) For each project, the information set forth in subsection (7) of this section;

(b) A comparative analysis of net costs incurred by all parties in a neighborhood-scale alternatives project, compared with the cost of the gas infrastructure project that was avoided, including any:

(I) State or federal funding or tax credits;

(II) Gas planning pilot community incentives or funding;

(III) Existing dual-fuel utility program funding;

(IV) Additional dual-fuel utility incentives or funding;

(V) Customer contributions;

(VI) Anticipated total capital expenditures by the dual-fuel utility and customers, avoided utility capital expenditures, and future discounted customer utility bill savings or expenses; and

(VII) Estimated overall project costs if no incentives or tax credits had been available for the project;

(c) The ability of each project to defer or avoid gas infrastructure investments;

(d) The customer economics of nonemitting thermal resources compared with gas alternatives;

(e) An analysis of any supply chain challenges;

(f) The overall lessons learned from the projects;

(g) The perspectives of the gas planning pilot communities regarding the collaborative process with a dual-fuel utility and any lessons learned for improving the process;

(h) The net impacts to the utility workforce; and

(i) Any other information required by the commission.

**Source:** **L. 2024:** Entire article added, (HB 24-1370), ch. 220, p. 1374, § 1, effective August 7.

**ARTICLE 3.4**

Emergency Telephone Access

**40-3.4-101 to 40-3.4-111. (Repealed)**

**Source:** **L. 2013:** Entire article repealed, (SB 13-194), ch. 89, p. 289, § 1, effective April 1.

**Editor's note:** This article was added in 1986. For amendments to this article prior to its repeal in 2013, consult the 2012 Colorado Revised Statutes and the Colorado statutory research explanatory note beginning on page vii in the front of this volume.

**Cross references:** For the wind up of the low-income telephone assistance fund and the satisfying of obligations, see section 5 of chapter 89, Session Laws of Colorado 2013.

**ARTICLE 3.5**

Regulation of Rates and Charges

by Municipal Utilities

**40-3.5-100.3. Definitions.** As used in this article 3.5, unless the context otherwise requires:

(1) "Municipal utility" means a municipal natural gas or electric utility.

**Source:** **L. 2025:** Entire section added with relocations, (SB 25-275), ch. 377, p. 2106, § 324, effective August 6.

**Editor's note:** Subsection (1) is similar to § 40-3.5-101 (4) as it existed prior to 2025.

**40-3.5-101. Application - reasonable charges - adequate service.** (1) This article shall be applicable within the authorized electric and natural gas service areas of each municipal utility that lie outside the jurisdictional limits of such municipality. Insofar as municipal utilities establish rates, charges, and tariffs and any regulations pertaining thereto in accordance with the provisions of this article, the provisions of section 40-1-104 and articles 4, 6, and 7 of this title shall not apply; except that section 40-4-105 shall apply with respect to the crossing of railroad rights-of-way. Nothing in this article shall be construed as limiting the applicability of article 5 of this title.

(2) All charges made, demanded, or received by any municipal utility for any rate, product, or commodity furnished or to be furnished or any service rendered or to be rendered shall be just, reasonable, and sufficient.

(3) Every municipal utility shall furnish, provide, and maintain such service, instrumentalities, equipment, and facilities as shall promote the safety, health, comfort, and convenience of its patrons, its employees, and the public, and as shall in all respects be adequate, efficient, just, and reasonable.

(4) Repealed.

**Source:** **L. 83:** Entire article added, p. 1553, § 2, effective June 17. **L. 2002:** (1) amended, p. 1947, § 3, effective June 8. **L. 2025:** (4) repealed, (SB 25-275), ch. 377, p. 2109, § 336, effective August 6.

**Editor's note:** Subsection (4) was relocated to § 40-3.5-100.3 in 2025.

**Cross references:** For the legislative declaration contained in the 2002 act amending this section, see section 1 of chapter 350, Session Laws of Colorado 2002.

**40-3.5-102. Regulation of rates.** The power and authority is hereby vested in the governing body of each municipal utility and it is hereby made the duty of each such governing body to adopt all necessary rates, charges, and regulations to govern and regulate all rates, charges, and tariffs of its municipal utility within its authorized electric and natural gas service areas which lie outside the jurisdictional limits of the municipality. No rate, charge, tariff, or voluntary plan approved pursuant to section 40-2-122 shall unjustly discriminate between or among those customers or recipients of any commodity, service, or product of the municipal utility within the authorized service area. In the event that any rate, charge, tariff, or voluntary plan established within the authorized service area which lies outside the jurisdictional limits of the municipality varies from the rate, charge, tariff, or voluntary plan established for the same class of customers or recipients of any such service within the authorized service area which lies inside the jurisdictional limits of the municipality, such rate, charge, tariff, or voluntary plan shall not become effective until reviewed and approved by the commission. Such review and approval shall be in accordance with the provisions of article 3 of this title; except that in no event shall the commission modify or establish such rate, charge, or tariff to an amount lower than that established by the municipality, or approve a voluntary plan that differs from the voluntary plan, for the same class of customers or recipients of any utility service within the authorized service area which lies inside the jurisdictional limits of the municipality.

**Source:** **L. 83:** Entire article added, p. 1553, § 2, effective June 17. **L. 99:** Entire section amended, p. 964, § 2, effective August 4.

**40-3.5-103. Rate schedules.** Municipal utilities shall print and keep open for public inspection schedules showing all rates and charges collected or enforced, or to be collected or enforced, together with all rules, regulations, contracts, privileges, and facilities which in any manner affect or relate to rates and service within the authorized electric and natural gas service areas of the municipal utility which lie outside the jurisdictional limits of the municipality.

**Source:** **L. 83:** Entire article added, p. 1553, § 2, effective June 17.

**40-3.5-104. Changes in rates - notice and public hearing.** (1) (a) No change shall be made by any municipal utility in any rate or charge or in any rule, regulation, or contract relating to or affecting any base rate, charge, or service, or in any privilege or facility, except after thirty days' notice to the public. Such notice shall be given by keeping open for public inspection new schedules stating plainly the changes to be made in the schedules then in force and the time when the changes will go into effect. In addition, such notice shall be given by publishing the proposed new schedule, or if that is impractical due to the size or bulk of the proposed new schedule, by publishing a notice of the availability of the proposed new schedule for public inspection, at least once in at least one newspaper of general circulation in the authorized service area at least thirty days and no more than sixty days prior to the date set for public hearing on and adoption of the new schedule.

(b) In addition to the notice provided for in paragraph (a) of this subsection (1), if a municipal utility serves customers who live outside the municipal corporate boundaries, notice of any change in any rate or charge or in any rule, regulation, or contract relating to or affecting any base rate, charge, or service or any change in any privilege or facility shall be given by mailing to such customer notification of any such change.

(2) The notice required by subsection (1) of this section shall also specify the date, time, and place at which the public hearing shall be held by the governing body of the municipal utility to consider the proposed new schedule. The notice shall specify that each municipal utility customer shall have the right to appear, personally or through counsel, at such hearing for the purpose of providing testimony regarding the proposed new schedule. Said public hearing shall be held on the date and time and at the place set forth in the notice; except that the governing body of the municipal utility may adjourn and reconvene said hearing as it deems necessary.

(3) The governing body of the municipal utility, for good cause shown, may allow changes without requiring the thirty days' notice and public hearing by an order specifying the changes to be made, the circumstances necessitating the change without requiring the thirty days' notice and public hearing, the time when the changes shall take effect, and the manner in which the changes shall be published.

(4) Insofar as municipal utilities establish rates, charges, and tariffs and any regulations pertaining thereto in accordance with the provisions of this article, any conflict shall be resolved by the commission in accordance with the procedures contained in article 6 of this title upon the filing of a complaint by no less than five percent of the affected electric or natural gas customers outside the corporate limits of the municipality or by five such customers, whichever number is greater. Any such complaint shall be filed with the commission within thirty days after the final decision by the governing body of the municipality to change a rate, charge, or tariff or any regulation pertaining thereto. If such complaint is heard by the commission and is deemed not frivolous, all reasonable costs as determined by the commission, including reasonable attorney fees, shall be paid by the utility. In any hearing conducted pursuant to the provisions of this section, the burden of proof shall be sustained by the municipal utility.

**Source:** **L. 83:** Entire article added, p. 1554, § 2, effective June 17.

**40-3.5-105. Free and reduced service prohibited - exceptions.** Except as otherwise provided in this section, no municipal utility shall charge, demand, collect, or receive a greater or lesser or different compensation for any product or commodity furnished or to be furnished, or for any service rendered or to be rendered, than the rates and charges applicable to such product, commodity, or service as specified in its schedules on file and in effect at the time, nor shall any such municipal utility refund or remit, directly or indirectly or in any manner or by any device, any portion of the rates and charges so specified nor extend to any corporation or person any form of contract or agreement or rule or regulation or any facility or privilege except one which is regularly and uniformly extended to all corporations and persons. The governing body of the municipal utility may by rule or order establish such exceptions from the operation of this prohibition as it may consider just and reasonable.

**Source:** **L. 83:** Entire article added, p. 1555, § 2, effective June 17.

**40-3.5-106. Advantages prohibited - graduated schedules.** (1) No municipal utility, as to rates, charges, service, facilities, or in any other respect, shall make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No municipal utility shall establish or maintain any unreasonable difference as to rates, charges, service, facilities, or in any other respect, either between localities or between any class of service. The governing body of each municipal utility shall determine the reasonableness of any such difference.

(2) Nothing in this article shall prohibit a municipal utility engaged in the production, generation, transmission, distribution, or furnishing of heat, light, gas, or power from establishing a graduated scale of charges subject to the provisions of this article.

(3) Nothing contained in this article shall exempt from the public utilities commission of the state of Colorado the power and authority to regulate the rates, charges, tariffs and any regulations pertaining thereto of the sale of natural gas by a municipal utility to another public utility.

**Source:** **L. 83:** Entire article added, p. 1555, § 2, effective June 17.

**40-3.5-107. Fees.** Municipal utilities authorized to serve areas which lie outside their municipal corporate limits shall be subject to providing annual reports of gross operating revenues, computation of fees, and payment of such fees relating to those areas.

**Source:** **L. 83:** Entire article added, p. 1555, § 2, effective June 17.

**ARTICLE 4**

Service and Equipment

**40-4-101. Regulations, service, and facilities prescribed.** (1) Whenever the commission, after a hearing upon its own motion or upon complaint, finds that the rules, regulations, practices, equipment, facilities, or service of any public utility or the methods of manufacture, distribution, transmission, storage, or supply employed by it are unjust, unreasonable, unsafe, improper, inadequate, or insufficient, the commission shall determine the just, reasonable, safe, proper, adequate, or sufficient rules, regulations, practices, equipment, facilities, service, or methods to be observed, furnished, constructed, enforced, or employed and shall fix the same by its order, rule, or regulation.

(2) The commission shall prescribe rules and regulations for the performance of any service or the furnishing of any commodity of the character furnished or supplied by any public utility, and upon proper tender of rates, such public utility shall furnish such commodity or render such service within the time and upon the conditions provided in such rules.

(3) The commission shall prescribe rules and regulations for the termination of gas and electric service to residential customers. Said rules and regulations shall require that the customer be given reasonable notice and an opportunity to be heard by the terminating utility company before termination of gas or electric service and that such service may not be terminated during certain periods if the customer establishes that termination of the service would be especially dangerous to the health or safety of the customer and that he is unable to pay for the service as regularly billed by the utility, or that he is able to pay but only in reasonable installments.

**Source:** **L. 13:** p. 475, § 24. **C.L.** § 2935. **CSA:** C. 137, § 25. **CRS 53:** § 115-4-1. **C.R.S. 1963:** § 115-4-1. **L. 69:** p. 933, § 19. **L. 80:** Entire section amended, p. 748, § 1, effective April 13.

**40-4-102. Extensions and improvements prescribed - when.** (1) Whenever the commission, after a hearing upon its own motion, upon appeal by a public utility or power authority from a local government action pursuant to section 29-20-108 (5), C.R.S., or upon complaint, finds that the additions, extensions, repairs, or improvements to or change in the existing plant, equipment, facilities, or other physical property of any public utility or of any two or more public utilities ought reasonably to be made, that a new structure should be erected to promote the security or convenience of its employees or the public or in any other way to secure adequate service or facilities, or that the conditions imposed by a local government action unreasonably impair the ability of a public utility or power authority to provide safe, reliable, and economical service, the commission shall make and serve an order directing that such additions, extensions, repairs, improvements, or changes be made or such structure be erected in the manner and within the time specified in such order. If the commission orders the erection of a new structure, the selection of the site for such structure shall be subject to the approval of the commission. If a public utility or power authority appeals an order from a local government action under section 29-20-108, C.R.S., the commission may require that the public utility or power authority reimburse the commission for the reasonable expenses, attorney fees, and expert witness fees the commission incurs in reviewing the appeal. Any fee collected pursuant to this section shall be remitted to the state treasurer, who shall credit such fee to the public utilities commission fixed utility fund created pursuant to section 40-2-114.

(2) If any additions, extensions, repairs, improvements, or changes or any new structures which the commission has ordered to be erected require joint action of two or more public utilities, the commission shall notify the public utilities that such additions, repairs, improvements, or changes or new structures have been ordered and that the same shall be made at their joint cost, whereupon the public utilities shall have such reasonable time as the commission may grant within which to agree upon the portion or division of cost of such additions, repairs, extensions, improvements, or changes or new structures which each shall bear. If, at the expiration of such time, such public utilities fail to file with the commission a statement that an agreement has been made for a division or apportionment of the cost or expense of such additions, extensions, repairs, improvements, or changes or new structures, the commission has the authority, after further hearing, to make an order fixing the proportion of such expense to be borne by each public utility and the manner in which the same shall be paid or secured.

**Source:** **L. 13:** p. 476, § 25. **C.L.** § 2936. **CSA:** C. 137, § 26. **CRS 53:** § 115-4-2. **C.R.S. 1963:** § 115-4-2. **L. 69:** p. 933, § 20. **L. 2001:** (1) amended, p. 597, § 4, effective May 30.

**Cross references:** For the legislative declaration contained in the 2001 act amending subsection (1), see section 1 of chapter 183, Session Laws of Colorado 2001.

**40-4-103. Increased transportation facilities prescribed.** Whenever the commission, after a hearing upon its own motion or upon complaint, finds that any common carrier does not run a sufficient number of trains or vehicles or does not possess or operate sufficient motive power to reasonably accommodate the traffic, whether passenger or freight, or both, transported by or offered to it for transportation, or does not run its trains or vehicles with sufficient frequency or at a reasonable or proper time having regard to safety, or does not stop the same at proper places or does not run any train or vehicle upon a reasonable time schedule for the run, the commission has the power to make an order directing any such common carrier to increase the number of its trains or of its vehicles or its motive power or to change the time of starting its train or vehicle or to change the time schedule for the run of any train or vehicle, or to change the stopping places thereof, or to make any other change the commission may determine to be reasonably necessary to accommodate and transport the traffic, whether passenger or freight, or both, transported or offered to it for transportation.

**Source:** **L. 13:** p. 477, § 26. **C.L.** § 2937. **CSA:** C. 137, § 27. **CRS 53:** § 115-4-3. **C.R.S. 1963:** § 115-4-3. **L. 69:** p. 933, § 21.

**40-4-104. Connection of noncompetitive lines - costs and rates apportioned.** Whenever the commission, after a hearing upon its own motion or upon complaint, finds that a physical connection can reasonably be made between the lines of two or more noncompetitive telephone public utilities whose lines can be made to form a continuous line of communication by the construction and maintenance of suitable connections for the transmission of messages or conversations and that the public convenience and necessity will be served or finds that two or more telephone public utilities have failed to establish joint rates, tolls, or charges for service by or over said lines and that joint rates, tolls, or charges ought to be established, the commission may by its order require that such connections be made and that conversations be transmitted and messages transferred over such connection under such rules as the commission may establish and prescribe through lines and joint rates, tolls, and charges to be made and used, observed, and in force in the future. If such telephone public utilities do not agree upon the division between them of the joint cost of the physical connection or connections or the division of the joint rates, tolls, or charges established by the commission over such through lines, the commission has authority, after further hearing, to establish the division by supplemental order.

**Source:** **L. 13:** p. 477, § 27. **C.L.** § 2938. **CSA:** C. 137, § 28. **CRS 53:** § 115-4-4. **C.R.S. 1963:** § 115-4-4. **L. 69:** p. 934, § 22. **L. 2008:** Entire section amended, p. 1794, § 11, effective July 1.

**Cross references:** For duty of telephone company to transmit messages of another company, see § 40-3-107.

**40-4-105. Joint use of equipment and facilities.** (1) Whenever the commission, after a hearing upon its own motion or upon complaint of a public utility affected, finds that the public convenience and necessity require the use by one public utility of the conduits, subways, tracks, wires, poles, pipes, or other equipment, or any part thereof on, over, or under any street or highway that belongs to another public utility, or the crossing of a railroad right-of-way by a public utility for installation of its own facilities in a manner and in a location that is compatible with the use for railroad purposes, and that such use will not result in irreparable injury to the owners or other users of such conduits, subways, wires, tracks, poles, pipes, or other equipment or to the railroad's use of the right-of-way, or in any substantial detriment to the service, and that such public utilities have failed to agree upon such use or the terms and conditions or compensation for the same, the commission by order may direct that such use be permitted and prescribe reasonable compensation and reasonable terms and conditions for the joint use. If such use is directed, the public utility to whom the use is permitted shall be liable to the owner or other users of such conduits, subways, tracks, wires, poles, pipes, other equipment, or railroad right-of-way, for such damage as may result therefrom to the property of such owners or other users thereof.

(2) In proceedings arising out of a complaint requesting the commission to authorize and determine appropriate compensation to be paid by a public utility to install its own facilities across a railroad right-of-way in a manner and location compatible with railroad use of the right-of-way, the commission may require the parties involved in the proceeding to reimburse the commission for the reasonable expenses, attorney fees, and expert witness fees the commission incurs in making its determination. Any fee collected pursuant to this section shall be remitted to the state treasurer, who shall credit such fee to the public utilities commission fixed utility fund created pursuant to section 40-2-114.

(3) Nothing in this section shall be construed to limit the right of a public utility to exercise the power of eminent domain to acquire property pursuant to applicable law.

(4) For purposes of this section, with respect to crossing of railroad rights-of-way by a public utility, the term "public utility" shall include power authorities organized under section 29-1-204, C.R.S. The term "public utility" shall also include municipal utilities and cooperative electric associations otherwise exempt from this article.

**Source:** **L. 13:** p. 478, § 28. **C.L.** § 2939. **CSA:** C. 137, § 29. **CRS 53:** § 115-4-5. **C.R.S. 1963:** § 115-4-5. **L. 69:** p. 934, § 23. **L. 2002:** Entire section amended, p. 1946, § 2, effective June 8.

**Cross references:** (1) For compensation ascertained by jury in eminent domain proceedings when demanded by owner, see § 15 of article II of the Colorado Constitution.

(2) For the legislative declaration contained in the 2002 act amending this section, see section 1 of chapter 350, Session Laws of Colorado 2002.

**40-4-106. Rules for public safety - crossings - civil fines - allocation of expenses - definitions.** (1) (a) The commission may, after a hearing on its own motion or upon complaint, make general or special orders, promulgate rules, or act by other means to require each public utility to maintain and operate its lines, plant, system, equipment, electrical wires, apparatus, tracks, and premises in such a manner as to promote and safeguard the health and safety of its employees, passengers, customers, subscribers, and the public and to require the performance of any other act that the health or safety of its employees, passengers, customers, subscribers, or the public may demand.

(b) If, pursuant to this subsection (1), the commission issues an order or promulgates a rule requiring a railroad company to comply with railroad crossing safety regulations, the commission may impose a civil penalty pursuant to article 7 of this title 40, in an amount not to exceed the maximum amount set forth in section 40-7-105 (1), against a railroad company that fails to comply with the order or rule.

(2) (a) The commission has the power to determine, order, and prescribe, in accordance with the plans and specifications to be approved by it, the just and reasonable manner including the particular point of crossing at which the tracks or other facilities of any public utility may be constructed across the facilities of any other public utility at grade, or above or below grade, or at the same or different levels, or at which the tracks or other facilities of any railroad corporation may be constructed across any public highway at grade, or above or below grade, or at which any public highway may be constructed across the tracks or other facilities of any railroad corporation at grade, or above or below grade and to determine, order, and prescribe the terms and conditions of installation and operation, maintenance, and warning at all such crossings that may be constructed, including the posting of personnel or the installation and regulation of lights, block, interlocking, or other system of signaling, safety appliance devices, or such other means or instrumentalities as may to the commission appear reasonable and necessary to the end, intent, and purpose that accidents may be prevented and the safety of the public promoted.

(b) Whenever the commission orders in any proceeding before it, regardless of by whom or how such proceeding was commenced, that automatic or other safety appliance signals or devices be installed, reconstructed, or improved and operated at any crossing at grade of any public highway or road over the tracks of any railroad corporation, the commission shall also determine and order, after notice and hearing, how the cost of installing, reconstructing, or improving such signals or devices shall be divided between and paid by the interested railroad corporation whose tracks are located at the crossing on the one hand and the chief engineer and the interested city, city and county, town, county, or other political subdivision of the state on the other hand. In determining how much of the cost shall be paid by the railroad corporation, consideration shall be given to the benefit, if any, that will accrue from the signals or devices to the railroad corporation, but in every case the part to be paid by the railroad corporation shall be not less than twenty percent of the total cost of the signals or devices at any crossing, and the orders shall provide that every signal or device installed will be maintained by the railroad corporation for the life of the crossing to be so signalized. In order to compensate for the use of the crossings by the public generally, the commission shall also order that such part of the cost of installing, reconstructing, or improving the signals or devices as will not be paid by the railroad corporation be divided between the highway-rail crossing signalization fund and the city, town, city and county, county, or other political subdivision in which the crossing is located, and the commission shall fix in each case the amount to be paid from the highway-rail crossing signalization fund and the amount to be paid by the city, town, city and county, county, or other political subdivision. Any order of the commission under this section for the payment of any part of any such costs from the highway-rail crossing signalization fund is authority for the state treasurer to pay out of said fund to the person, firm, or corporation entitled thereto under the commission's order the amount so determined to be paid from said fund. The requirement of notice and hearing in this section is deemed to have been complied with by the commission's giving notice of and holding a hearing upon the question of whether any such signals or devices are required at any crossing; but in such cases the notice shall state that the question of how the costs will be borne and paid will be considered at and determined as a result of the hearing for which the notice is given. This paragraph (b) shall not apply to any grade crossing when all or any part of the cost of the installation, reconstruction, or improvement of the signals or devices at the crossing will be paid from funds available under any federal or federal-aid highway act.

(3) (a) (I) The commission also has power upon its own motion or upon complaint and after hearing, of which all the parties in interest including the owners of adjacent property shall have due notice, to order any crossing constructed at grade or at the same or different levels to be relocated, altered, or abolished, according to plans and specifications to be approved and upon just and reasonable terms and conditions to be prescribed by the commission, and to prescribe the terms upon which the separation should be made and the proportion in which the expense of the alteration or abolition of the crossing or the separation of the grade should be divided between the railroad corporations affected or between the corporation and the state, county, municipality, or public authority in interest.

(II) Notwithstanding the provisions of subparagraph (I) of this paragraph (a), the affected railroad corporation, the commission, the department of transportation, or the local government responsible for supervising and maintaining the intersecting public highway or road may abolish any crossing at grade of any public highway or road over the tracks of a corporation if:

(A) The crossing is without gates, signals, alarm bells, or warning personnel and is located within one-quarter mile of a crossing with gates, signals, alarm bells, or warning personnel or a separated grade crossing;

(B) The crossing is not the only crossing that provides access to property;

(C) No less than sixty days prior to the proposed abolition date, the railroad corporation, commission, department of transportation, or local government posts conspicuous notice of the proposed abolition at the crossing and gives written notice of the proposed abolition to all other entities authorized to initiate abolition of the crossing pursuant to this subparagraph (II); and

(D) Neither any entity given notice nor any other interested party files an objection to the abolition pursuant to subparagraph (III) of this paragraph (a).

(III) A crossing shall not be abolished pursuant to subparagraph (II) of this paragraph (a) if an entity given notice pursuant to sub-subparagraph (C) of subparagraph (II) of this paragraph (a) or any other interested party, within sixty days of receiving such notice, files with the commission and provides to the entity that gave notice of the proposed abolition a written objection to the abolition. The written objection shall include a statement by a professional engineer licensed to practice in Colorado that indicates that the engineer is familiar with the requirements of subparagraph (II) of this paragraph (a) and all relevant aspects of the crossing and has examined the crossing and believes that it is safe as designed. However, nothing in this subparagraph (III) shall preclude the abolition of the crossing pursuant to subparagraph (I) of this paragraph (a).

(b) (I) (A) The commission is authorized to approve individual projects wherein the allocation of the total expenses of the separation of grades to be paid by the railroad corporation or railroad corporations may exceed two million five hundred thousand dollars. The commission may approve more than one project, the sum totals of which may exceed the two-million-five-hundred-thousand-dollar cap set forth in this subparagraph (I), but in no event shall an individual class I railroad corporation pay more than two million five hundred thousand dollars of the cost of a single project or the cost of more than one project in any calendar year. Nothing in this subparagraph (I) shall preclude any railroad corporation from voluntarily contributing more than its allotted share for grade separation construction in one year, and, in such event, all amounts contributed by such railroad exceeding its allotted share in any one year shall be credited to and shall serve to reduce any payment for grade separation construction expenses by that railroad in subsequent years.

(B) Repealed.

(II) If the cost of a project is such that it calls for payment by a railroad corporation in more than one calendar year or if the amount due from the railroad corporation exceeds two million five hundred thousand dollars and thus must be made in consecutive calendar years, nothing in this section shall be construed to require that the approved project must be subjected to reapplication or rereview by the commission.

(III) In determining how much of the total expense of the separation of grades shall be paid by the railroad corporation or railroad corporations and by the state, county, municipality, or public authority in interest, consideration shall be given to the benefits, if any, which accrue from the grade separation project and the responsibility for need, if any, for such project. The railroad corporation or railroad corporations and the state, county, municipality, or public authority in interest shall share the costs for that portion of the project which separates the grades and constructs the approaches thereto. The commission shall consider the costs of obtaining rights-of-way, the costs of construction, and the costs of engineering. To the extent that the requirements of the railroad corporation or railroad corporations and the state, county, municipality, or public authority in interest generate additional costs beyond that necessary to provide the grade separation, such costs shall be borne by the responsible entity.

(IV) This paragraph (b) shall not apply to any project for the elimination of hazards at any railway-highway crossing when all or any part of the cost of such project will be paid from money made available for expenditure under title 23, U.S.C.; except that any amount paid by a railroad corporation for such an exempt project shall be credited against the two-million-five-hundred-thousand-dollar cap set forth in subparagraph (I) of this paragraph (b).

(c) (I) The state, county, municipality, or public authority, at its discretion, may withdraw its request for allocation determination at any time prior to the issue of the final order of the commission.

(II) The state, county, municipality, or public authority, at its discretion, after the hearing and prior to final order of the commission, may make a motion for a declaratory ruling on the cost allocation. In response to such a request, the commission shall make a declaratory ruling and shall provide the movant reasonable time to withdraw the request for allocation determination.

(III) After the final order is issued, the project shall proceed, unless the commission revises the order after consideration of a request for change by the state, county, municipality, or public authority in interest.

(d) The commission shall not order the abolition of any crossing for which a grade separation is determined to be necessary until this separation is constructed.

(e) and (f) Repealed.

(4) Repealed.

(5) Notwithstanding any provision of law to the contrary, the commission shall adopt rules requiring that:

(a) Unless the applicable road authority is a local government, the total costs to maintain an existing crossing, including materials, labor, traffic control, railroad flagging, and any necessary permits, are shared equally between:

(I) The railroad, railroad corporation, rail fixed guideway, transit agency, or owner of the track; and

(II) The road authority; and

(b) If the applicable road authority is a local government, the total costs to maintain an existing crossing are apportioned as follows:

(I) The railroad, railroad corporation, rail fixed guideway, transit agency, or owner of the track is responsible for the costs to maintain the portion of the existing crossing that is between the ends of the railroad ties; and

(II) The local government is responsible for the costs to maintain the portion of the existing crossing that is outside of the ends of the railroad ties.

(6) As used in this section, unless the context otherwise requires:

(a) "Crossing" means a highway-rail crossing or a pathway crossing.

(b) "Highway-rail crossing" has the meaning set forth in section 40-20-302 (11).

(c) (I) "Maintain" means actions necessary to preserve an existing crossing and to keep the crossing from a state of decline or disrepair.

(II) "Maintain" does not include the installation, reconstruction, or improvement and operation of an automatic or other safety appliance signal or device, as described in subsection (2)(b) of this section.

(d) "Pathway crossing" has the meaning set forth in section 40-20-302 (16).

(e) "Rail fixed guideway" means a person possessing rail fixed guideway system facilities by ownership or lease.

(f) (I) "Rail fixed guideway system" has the meaning set forth in section 40-18-101 (3).

(II) "Rail fixed guideway system" includes street railroads, street railways, and electric railroads, as those terms are used in article 24 of this title 40.

(g) (I) "Railroad" means either of the following, as the context may require:

(A) Facilities, including: Tracks; track roads; bridges used or operated in connection with the tracks or track roads; switches; spurs; and terminal facilities, freight depots, yards, and grounds, including rights-of-way, used or necessary for the transportation of passengers or property; or

(B) A person possessing the facilities described in subsection (6)(g)(I)(A) of this section by ownership or lease.

(II) "Railroad" does not include rail fixed guideways or rail fixed guideway systems.

(h) "Railroad corporation" means five or more persons associating to form a company for the purpose of constructing and operating a railroad in accordance with section 40-20-101.

(i) "Road authority" means a municipality, county, state agency, federal agency, or other governmental or quasi-governmental entity that owns or maintains the public highway at a highway-rail crossing or the public pathway at a pathway crossing.

(j) "Transit agency" has the meaning set forth in section 40-18-101 (6).

**Source:** **L. 13:** p. 478, § 29. **L. 17:** p. 415, § 1. **C.L.** § 2940. **CSA:** C. 137, § 30. **L. 41:** p. 602, § 1. **L. 43:** p. 476, § 1. **CRS 53:** § 115-4-6. **L. 55:** p. 698, § 1. **L. 63:** p. 758, § 1. **C.R.S. 1963:** § 115-4-6. **L. 65:** p. 926, § 1. **L. 69:** pp. 935, 964, §§ 24, 75. **L. 72:** p. 615, § 144. **L. 80:** (4) added, p. 750, § 1, effective April 16. **L. 81:** (1) amended, p. 1918, § 1, effective June 19. **L. 83:** (3) amended, p. 1558, § 1, effective July 1. **L. 86:** (3)(b) and (3)(c) R&RE and (3)(e) and (3)(f) repealed, pp. 1157, 1158, §§ 1, 2, effective July 1. **L. 91:** (2)(b) amended, p. 1075, § 62, effective July 1. **L. 93:** (3)(b)(I)(B) repealed, p. 2063, § 15, effective July 1. **L. 99:** (3)(b)(I), (3)(b)(II), and (3)(b)(IV) amended, p. 140, § 1, effective August 4. **L. 2003:** (2)(b) amended, p. 1702, § 11, effective May 14. **L. 2007:** (3)(a) amended, p. 313, § 1, effective August 3. **L. 2008:** (2) amended, p. 1794, § 12, effective July 1. **L. 2015:** (2)(b) amended, (HB 15-1209), ch. 64, p. 173, § 2, effective March 30. **L. 2019:** (1) amended, (SB 19-236), ch. 359, p. 3311, § 14, effective May 30. **L. 2025:** (5) and (6) added, (HB 25-1110), ch. 66, p. 282, § 1, effective August 6.

**Editor's note:** (1) Subsection (4)(b) provided for the repeal of subsection (4), effective July 1, 1982. (See L. 80, p. 750.)

(2) Section 2(2) of chapter 66 (HB 25-1110), Session Laws of Colorado 2025, provides that the act changing this section applies to costs accrued on or after August 6, 2025, unless the costs accrue pursuant to an agreement entered into by the parties before August 6, 2025, which agreement provides for the distribution of the costs to be shared between the parties.

**Cross references:** For liability under provisions of subsection (2) of this section, see § 43-4-216; for rule-making procedures, see article 4 of title 24.

**40-4-107. Time limit regulations. (Repealed)**

**Source:** **L. 13:** p. 479, § 30. **C.L.** § 2941. **CSA:** C. 137, § 31. **CRS 53:** § 115-4-7. **C.R.S. 1963:** § 115-4-7. **L. 69:** p. 936, § 25. **L. 2008:** Entire section repealed, p. 1796, § 13, effective July 1.

**40-4-108. Standards for electricity, gas, and water.** The commission has power, after hearing upon its own motion or upon complaint, to ascertain and fix just and reasonable standards, classifications, regulations, practices, measurements, or service to be furnished, imposed, observed, and followed by all electric, gas, and water public utilities; to ascertain and fix adequate and serviceable standards for the measurement of quantity, quality, pressure, initial voltage, or other condition pertaining to the supply of the product, commodity, or service furnished or rendered by any such public utility; to prescribe reasonable regulations for the examination and testing of such product, commodity, or service and for the measurement thereof; to establish reasonable rules, regulations, specifications, and standards to secure the accuracy of all meters and equipment for measurement and weighing; and to provide for the examination and testing of any and all equipment used for the measurement or weighing of any product, commodity, or service of any such public utility.

**Source:** **L. 13:** p. 479, § 31. **C.L.** § 2942. **CSA:** C. 137, § 32. **CRS 53:** § 115-4-8. **C.R.S. 1963:** § 115-4-8. **L. 69:** p. 936, § 26.

**40-4-109. Entry to premises - testing meters.** (1) The commissioners and their officers and employees have power to enter upon any premises occupied by any public utility for the purpose of making the examination and tests and exercising any of the other powers provided for in articles 1 to 7 of this title and to set up and use on such premises any equipment necessary therefor. The agents and employees of such public utility have the right to be present at the making of such examinations and tests.

(2) Any consumer or user of any product, commodity, or service of a public utility may have any equipment used in the measurement thereof tested upon paying the fees fixed by the commission. The commission shall establish and fix reasonable fees to be paid for testing such equipment on the request of the consumer or user, the fee to be paid by the consumer or user at the time of his request but to be paid by the public utility and repaid to the consumer or user if the equipment is found defective or incorrect to the disadvantage of the consumer or user under such rules and regulations as may be prescribed by the commission.

**Source:** **L. 13:** p. 479, § 31. **C.L.** § 2942. **CSA:** C. 137, § 32. **CRS 53:** § 115-4-9. **C.R.S. 1963:** § 115-4-9. **L. 69:** p. 937, § 27.

**Cross references:** For standards for and the testing of weights and measures generally, see article 14 of title 35.

**40-4-110. Valuations of property.** The commission has power to ascertain the value of the property of every public utility in this state and the facts which in its judgment have or may have any bearing on such value. The commission has power to make revaluations from time to time and to ascertain all new construction, extensions, and additions to the property of every public utility.

**Source:** **L. 13:** p. 480, § 32. **C.L.** § 2943. **CSA:** C. 137, § 33. **CRS 53:** § 115-4-10. **C.R.S. 1963:** § 115-4-10.

**Cross references:** For hearings in valuation matters, see § 40-6-118.

**40-4-111. Uniform system of accounts prescribed.** The commission has power to establish a system of accounts to be kept by all public utilities, or to classify said public utilities and to establish a system of accounts for each class, and to prescribe the manner in which such accounts shall be kept. It may also in its discretion prescribe the forms of accounts, records, and memoranda to be kept by such public utilities, including the accounts, records, and memoranda of the movement of traffic as well as the receipts and expenditures of moneys and any other forms, records, and memoranda that in the judgment of the commission may be necessary to carry out the provisions of articles 1 to 7 of this title. The system of accounts established by the commission and the forms of accounts, records, and memoranda prescribed by it shall not be inconsistent in the case of corporations subject to the provisions of the federal "Interstate Commerce Act", Part I, 49 U.S.C., sec. 1 et seq., with the systems and forms from time to time established for such corporations by the surface transportation board; but nothing contained in this section shall affect the power of the commission to prescribe forms of accounts, records, and memoranda covering information in addition to that required by the surface transportation board. The commission, after hearing upon its own motion or upon complaint, may prescribe by order the accounts in which particular outlays and receipts shall be entered, charged, or credited. Where the commission has prescribed the forms of accounts, records, or memoranda to be kept by any public utility for any of its business, it shall thereafter be unlawful for such public utility to keep any accounts, records, or memoranda for such business other than those so prescribed, or those prescribed by or under the authority of any other state or of the United States, excepting such accounts, records, or memoranda as are explanatory of and supplemental to the accounts, records, or memoranda prescribed by the commission.

**Source:** **L. 13:** p. 480, § 33. **C.L.** § 2944. **CSA:** C. 137, § 34. **CRS 53:** § 115-4-11. **C.R.S. 1963:** § 115-4-11. **L. 2001:** Entire section amended, p. 1281, § 60, effective June 5.

**40-4-112. Depreciation account - rules.** The commission has power, after hearing, to require any or all public utilities to carry a proper and adequate depreciation account in accordance with such rules, regulations, and forms of accounts as the commission may prescribe. The commission, from time to time, may determine and by order fix the proper and adequate rates of depreciation of the several classes of property of each public utility, and each public utility shall conform its depreciation accounts to the rates so determined.

**Source:** **L. 13:** p. 481, § 34. **C.L.** § 2945. **CSA:** C. 137, § 35. **CRS 53:** § 115-4-12. **C.R.S. 1963:** § 115-4-12. **L. 69:** p. 937, § 28.

**40-4-113. Evaluation of retail electric industry structure - study - repeal. (Repealed)**

**Source:** **L. 98:** Entire section added, p. 860, § 1, effective May 26. **L. 99:** (4)(d) amended, p. 657, § 1, effective May 18.

**Editor's note:** Subsection (6) provided for the repeal of this section, effective December 31, 2000. (See L. 98, p. 860.)

**40-4-114. Funding and appropriations - retail electricity policy development fund - creation - repeal. (Repealed)**

**Source:** **L. 98:** Entire section added, p. 867, § 1, effective May 26.

**Editor's note:** Subsection (2) provided for the repeal of this section, effective December 31, 2000. (See L. 98, p. 867.)

**40-4-115. Reliable electricity infrastructure - task force - repeal. (Repealed)**

**Source:** **L. 2006:** Entire section added, p. 831, § 2, effective May 4.

**Editor's note:** Subsection (5) provided for the repeal of this section, effective December 31, 2006. (See L. 2006, p. 831.)

**40-4-116. Renewable resource generation development areas - task force - fund - definitions - repeal. (Repealed)**

**Source:** **L. 2007:** Entire section added, p. 1340, § 1, effective May 29.

**Editor's note:** Subsection (7) provided for the repeal of this section, effective December 31, 2007. (See L. 2007, p. 1340.)

**40-4-117. Integrated transmission facility planning - review by commission - report - repeal. (Repealed)**

**Source:** **L. 2009:** Entire section added, (HB 09-1345), ch. 356, p. 1858, § 2, effective June 1.

**Editor's note:** Subsection (6) provided for the repeal of this section, effective July 1, 2011. (See L. 2009, p. 1858.)

**40-4-118. Colorado smart grid task force - fund - definition - reports - repeal. (Repealed)**

**Source:** **L. 2010:** Entire section added, (SB 10-180), ch. 428, p. 2231, § 1, effective June 11. **L. 2012:** (2)(a)(I) and (5) amended, (HB 12-1315), ch. 224, p. 980, § 49, effective July 1.

**Editor's note:** Subsection (7) provided for the repeal of this section, effective July 1, 2015. (See L. 2010, p. 2231.)

**40-4-119. Siting of electric transmission facilities - task force - repeal. (Repealed)**

**Source:** **L. 2011:** Entire section added, (SB 11-045), ch. 288, p. 1338, § 1, effective June 3.

**Editor's note:** Subsection (6) provided for the repeal of this section, effective December 31, 2011. (See L. 2011, p. 1338.)

**40-4-120. Study of community choice in wholesale electric supply - duties of commission - report - legislative declaration - definition - repeal. (Repealed)**

**Source:** **L. 2021:** Entire section added, (HB 21-1269), ch. 338, p. 2187, § 1, effective June 25.

**Editor's note:** Subsection (4) provided for the repeal of this section, effective September 1, 2024. (See L. 2021, p. 2187.)

**40-4-121. Thermal energy network projects - pilot program for large gas utilities - application - commission proceeding - reporting - exemption from regulation for local government- or campus-owned thermal energy networks - definitions.** (1) As used in this section, unless the context otherwise requires:

(a) (I) "Campus" means a collection of two or more buildings that are owned and operated by the same person, that have a shared purpose and function as a single property, that do not lease space to tenants, and that do not provide energy or heat services for a fee.

(II) "Campus" includes two or more of the buildings that comprise the capitol complex, as described in section 24-82-101 (3)(f).

(b) "Disproportionately impacted community" has the meaning set forth in section 24-4-109 (2)(b)(II).

(c) "Gas utility" means a gas utility in the state that the commission regulates with respect to rates and charges.

(d) "Large gas utility" means a gas utility that serves more than five hundred thousand customers.

(e) "Local government" means a statutory or home rule city, town, county, or city and county.

(f) "Thermal energy" has the meaning set forth in section 40-3.2-108 (2)(r).

(g) "Thermal energy network" has the meaning set forth in section 40-3.2-108 (2)(s).

(h) "Thermal energy system" has the meaning set forth in section 40-3.2-108 (2)(t).

(2) (a) Except as provided in subsection (3) of this section, a gas utility that seeks to offer thermal energy network service to its customers must propose developing a thermal energy network by a separate application to the commission that is not included in the gas utility's application to the commission for approval of a clean heat plan pursuant to section 40-3.2-108 or a gas demand-side management program plan pursuant to section 40-3.2-103 (3) or as part of a DSM strategic issues application pursuant to section 40-3.2-103 (1).

(b) In considering whether to approve a gas utility's application to offer thermal energy network service, the commission shall consider the long-term effects that the proposed thermal energy network would have on the state's utility workforce.

(3) (a) On or before September 1, 2024, a large gas utility shall submit to the commission for review and approval at least one pilot program, consisting of one or more pilot projects, to provide thermal energy service in its service area.

(b) A large gas utility may propose more than one pilot thermal energy network program pursuant to this subsection (3) by filing separate applications for review and approval of additional pilot programs with the commission on or before September 1, 2026.

(c) In developing a pilot program proposal, a large gas utility shall propose as part of the proposed pilot program at least one pilot project that serves residential customers located in a:

(I) Disproportionately impacted community;

(II) Mountain community served by the large gas utility; or

(III) Utility service area that the commission has determined is capacity constrained or that is targeted for electrification in a utility clean heat plan or beneficial electrification plan.

(d) A large gas utility's pilot thermal energy network program proposal must:

(I) Include specific customer protection plans that promote stable utility rates;

(II) Be made publicly available on the commission's website; and

(III) If approved, be implemented in compliance with the labor standards set forth in section 40-3.2-105.7.

(e) In considering whether to approve a large gas utility's application proposing a pilot thermal energy network program, the commission shall consider the long-term effects that the proposed pilot thermal energy network program would have on the state's utility workforce.

(f) A large gas utility may propose a pilot thermal energy network program as part of the large gas utility's application for approval of a clean heat plan pursuant to section 40-3.2-108 or a gas DSM program plan pursuant to section 40-3.2-103 (3) or as part of a strategic issues application; except that a pilot thermal energy network program applied for as part of a clean heat plan does not count toward the clean heat plan cost caps set forth in section 40-3.2-108 (6)(a)(I).

(g) In proposing a pilot thermal energy network program pursuant to this subsection (3), a large gas utility shall present to the commission options for how the large gas utility may fund the pilot program, including options that involve the use of any federal or private sources of funding or rate recovery from nonresidential customers to manage impacts upon residential customers. A pilot thermal energy network program application must include a current or forward-looking rate structure to promote stable customer billing.

(4) A large gas utility that develops a pilot thermal energy network program shall report to the commission in the form and manner required by the commission information and data regarding the pilot program to help further the development of future thermal energy networks. The large gas utility's report must include:

(a) The potential for implementation of thermal energy networks to provide consumer bill stabilization and the methods by which such stabilization may be achieved;

(b) The potential for implementation of thermal energy networks to reduce consumer bill costs;

(c) The potential to reuse existing gas infrastructure for, or to time end-of-life gas infrastructure retirement or replacement with, implementation of thermal energy networks;

(d) The potential for implementation of thermal energy networks to assist the large gas utility in avoiding stranded gas assets;

(e) An estimate of avoided emissions from implementation of thermal energy networks; and

(f) Programs, incentives, or other mechanisms that the large gas utility may employ to make widespread thermal energy network implementation a viable option.

(5) (a) On or before January 1, 2025, the commission shall initiate a proceeding to determine whether commission rule-making or additional legislative changes are needed to facilitate the development of thermal energy in the state.

(b) (I) As part of the proceeding held pursuant to this subsection (5), the commission shall consider:

(A) The appropriate utility ownership models for development, acquisition, customer service, and cost recovery for thermal energy networks; and

(B) The appropriate utility rate structures for and customer types or classes served by thermal energy networks.

(II) The commission may also consider during the proceeding whether rules are necessary to:

(A) Create requirements for gas-utility-owned thermal energy networks concerning a large gas utility's ability to partner with qualified third parties through joint ventures, asset development and transfers, or similar structures and facilitate the development of thermal energy networks;

(B) Ensure that any thermal energy network incorporated into a large gas utility's system provides reliable and resilient service;

(C) Promote training and transition of utility workers for thermal energy jobs;

(D) Adjust a large gas utility's rate recovery mechanisms to further support the development of thermal energy networks as part of meeting the state's overall energy policy objectives; and

(E) Determine appropriate methods of cost recovery for thermal energy networks, including consideration of the stability of utility customers' bills.

(6) A local government or campus that develops and operates a thermal energy system that provides thermal energy service to buildings that the local government or campus owns and manages is not considered a public utility and is not subject to regulation by the commission.

**Source:** **L. 2023:** Entire section added, (HB 23-1252), ch. 166, p. 758, § 5, effective August 7.

**Cross references:** For the legislative declaration in HB 23-1252, see section 1 of chapter 166, Session Laws of Colorado 2023.

**40-4-122. Advanced metering infrastructure on residential property - smart meters - customer communication plan - reporting - definitions.** (1) **Definitions.** As used in this section, unless the context otherwise requires:

(a) "Advanced metering infrastructure" has the meaning set forth in section 40-3-103.6 (3)(a).

(b) "Noncommunicating meter" means a traditional utility meter used to measure electricity consumption at a property that does not communicate electronically with a utility and requires a utility to manually record a customer's electricity consumption.

(c) "Qualifying retail utility" or "utility" means an investor-owned electric utility serving more than five hundred thousand customers.

(2) A qualifying retail utility that deploys advanced metering infrastructure for residential customers on or after September 1, 2025, shall submit a customer communication plan to the commission on or before December 31, 2025.

(3) The customer communication plan submitted by a qualifying retail utility in accordance with subsection (2) of this section must include the qualifying retail utility's plan for:

(a) Deploying advanced metering infrastructure to residential utility customers;

(b) Communicating with a residential utility customer before the installation of advanced metering infrastructure on the customer's property, which communication must be sent ninety days, sixty days, and thirty days before the date the advanced metering infrastructure is installed on the customer's property and include information regarding the customer's right to not have advanced metering infrastructure installed;

(c) Providing information to residential customers about their right to not have advanced metering infrastructure installed on their property and to receive a noncommunicating meter if requested by the customer; and

(d) Providing a residential electric utility customer who signs up for utility service from a qualifying retail utility on or after September 1, 2025, with communications at the time the customer initiates service regarding whether the customer's residential property already has advanced metering infrastructure installed and the customer's right to have a noncommunicating meter installed at the property if requested by the customer.

(4) On and after September 1, 2025, a qualifying retail utility that plans to install advanced metering infrastructure at a residential customer's property shall make reasonable efforts to notify the customer of the advanced metering infrastructure installation before arriving at the customer's property and provide the customer an opportunity to defer or reject the installation of the advanced metering infrastructure.

(5) (a) A qualifying retail utility that installed advanced metering infrastructure on a residential customer's property on or before September 1, 2025, shall maintain a phone line and a public website with information regarding the customer's right to have the advanced metering infrastructure removed from the property and replaced with a noncommunicating meter if requested by the customer.

(b) To the extent practicable, a qualifying retail utility shall send an email to residential customers to inform them of the phone line and public website maintained by the utility pursuant to subsection (5)(a) of this section.

(6) A qualifying retail utility shall install only advanced metering infrastructure that complies with federal communications commission requirements for radio frequency.

(7) A qualifying retail utility shall establish and maintain a public website that includes information regarding customer data privacy and radio frequency communications in relation to advanced metering infrastructure.

**Source:** **L. 2025:** Entire section added, (HB 25-1175), ch. 222, p. 1018, § 1, effective August 6.

**ARTICLE 5**

New Construction - Extension

**40-5-101. New construction - extension - compliance with local zoning rules.** (1) (a) A public utility shall not begin the construction of a new facility, plant, or system or the extension of its facility, plant, or system without first obtaining from the commission a certificate that the present or future public convenience and necessity require, or will require, the construction or extension. For purposes of this subsection (1), the present or future public convenience and necessity does not include the consideration of land use rights or siting issues related to the location or alignment of the proposed electric transmission lines or associated facilities, which issues are under the jurisdiction of a local government's land use regulation. Sections 40-5-101 to 40-5-104 do not require a corporation to secure a certificate for the following:

(I) An extension within any city and county, city, or town within which it has already lawfully commenced operations;

(II) An extension into territory, either within or outside of a city and county, city, or town, contiguous to its facility, line, plant, or system and not already served by a public utility providing the same commodity or service; or

(III) An extension within or to territory already served by the corporation, as is necessary in the ordinary course of its business.

(b) If a public utility, in constructing or extending its line, plant, or system, interferes, or is about to interfere, with the operation of the line, plant, or system of any other public utility already constructed, the commission, upon complaint of the public utility claiming to be injuriously affected, after hearing, may prohibit the construction or extension or prescribe just and reasonable terms and conditions for the location of the lines, plants, or systems affected.

(2) Whenever the commission, after a hearing upon its own motion or upon complaint, finds that there is or will be a duplication of service by public utilities in any area, the commission may issue a certificate of public convenience and necessity assigning specific territories to one or to each of said utilities or, by certificate of public convenience and necessity, otherwise define the conditions of rendering service and constructing extensions within those territories and may order the elimination of the duplication upon such terms as are just and reasonable, having due regard to due process of law and to all the rights of the respective parties and to public convenience and necessity.

(3) Except as otherwise provided in section 29-20-108, C.R.S., a public utility shall not construct or install a new facility, plant, or system within the territorial boundaries of a local government unless the construction or installation complies with the local government's zoning rules, resolutions, or ordinances. Nothing in this subsection (3) prohibits a local government from granting a variance from its zoning rules, resolutions, or ordinances for such uses of the property. Nothing in this subsection (3) grants the commission any additional authority to restrict a siting application. For purposes of this section, "local government" means a county, home rule or statutory city, town, territorial charter city, or city and county. Nothing in this subsection (3) restricts the right of a public utility or power authority to appeal to the public utilities commission a local government action under section 29-20-108, C.R.S.

(4) (a) A public utility is entitled to recover, through a separate rate adjustment clause, the costs that it prudently incurs in planning, developing, and completing the construction or expansion of transmission facilities for which the utility has been granted a certificate of public convenience and necessity, or for which the commission has determined that no certificate of public convenience and necessity is required. The transmission rate adjustment clause is subject to annual changes, which are effective on January 1 of each year.

(b) To provide additional encouragement to utilities to pursue the construction and expansion of transmission facilities, the commission shall approve current recovery by the utility through the annual rate adjustment clause of the utility's weighted average cost of capital, including its most recently authorized rate of return on equity, on the total balance of construction work in progress related to such transmission facilities as of the end of the immediately preceding year. The rate adjustment clause shall be reduced to the extent that the prudently incurred costs being recovered through the adjustment clause have been included in the public utility's base rates as a result of the commission's final order in a rate case.

**Source:** **L. 13:** p. 481, § 35. **L. 17:** p. 418, § 1. **C.L.** § 2946. **CSA:** C. 137, § 36. **CRS 53:** § 115-5-1. **L. 61:** p. 628, § 2. **C.R.S. 1963:** § 115-5-1. **L. 2005:** (3) added, p. 1355, § 1, effective August 8. **L. 2007:** (4) added, p. 267, § 3, effective March 27. **L. 2012:** Entire section amended, (HB 12-1312), ch. 101, p. 339, § 2, effective April 12.

**Cross references:** (1) For the acquisition of public utilities by cities and towns, see § 40-5-104.

(2) For the legislative declaration contained in the 2007 act enacting subsection (4), see section 1 of chapter 61, Session Laws of Colorado 2007. For the legislative declaration in the 2012 act amending this section, see section 1 of chapter 101, Session Laws of Colorado 2012.

**40-5-101.5. Investor-owned utilities' service extension policies - commission review - rules.** (1) Within one hundred eighty days after August 9, 2017, the commission shall open a nonadjudicatory proceeding to evaluate investor-owned utilities' current service extension policies for serving new load applications; except that gas-only, investor-owned utilities are not subject to the commission's nonadjudicatory proceeding. Based on the commission's evaluation, the commission shall issue a decision containing recommendations to investor-owned utilities for potential implementation.

(2) In the commission's nonadjudicatory proceeding, the commission shall consider, without limitation, the following information from investor-owned utilities:

(a) The utilities' general load extension procedures used by the utility and requesting customers, including:

(I) The use of construction agreements, revenue assurance agreements, assignment of estimated costs, predevelopment system investment protocols, and options for cost and schedule transparency; and

(II) Potential system automation benefits to enhance clarity of the requirements and process;

(b) Equitable allocation of costs associated with an extension of facilities and any other factors affecting the cost of an extension of facilities; and

(c) Variables that affect time lines for construction and implementation of an extension of facilities.

(3) Within ninety days after the conclusion of the nonadjudicatory proceeding, the commission may promulgate rules consistent with the findings of the nonadjudicatory proceeding.

**Source:** **L. 2017:** Entire section added, (SB 17-271), ch. 310, p. 1673, § 1, effective August 9.

**40-5-102. Certificate of public convenience and necessity.** No public utility shall exercise any right or privilege under any franchise, permit, ordinance, vote, or other authority granted after April 12, 1913, or under any franchise, permit, ordinance, vote, or other authority granted before April 12, 1913, but not actually exercised before said date or the exercise of which has been suspended for more than one year without first having obtained from the commission a certificate that public convenience and necessity require the exercise of such right or privilege. When the commission finds, after hearing, that a public utility has, before April 12, 1913, begun actual construction work and is prosecuting such work, in good faith, uninterruptedly, and with reasonable diligence in proportion to the magnitude of the undertaking, under any franchise, permit, ordinance, vote, or other authority granted before April 12, 1913, but not actually exercised before said date, such public utility may proceed, under such rules and regulations as the commission may prescribe, to the completion of such work and after such completion, may exercise such right or privilege. Sections 40-5-101 to 40-5-104 shall not be construed to validate any right or privilege invalid on April 12, 1913, or becoming invalid after said date under any law of this state.

**Source:** **L. 13:** p. 481, § 35. **L. 17:** p. 418, § 1. **C.L.** § 2946. **CSA:** C. 137, § 36. **CRS 53:** § 115-5-2. **C.R.S. 1963:** § 115-5-2.

**40-5-103. Certificate - application for - issuance.** (1) Before any certificate may issue under sections 40-5-101 to 40-5-104, a certified copy of its articles of incorporation or charter, if the applicant is a corporation, shall be filed in the office of the commission. Every applicant for a certificate to exercise franchise rights under section 40-5-102 shall file in the office of the commission such evidence as shall be required by the commission to show that such applicant has received the required consent, franchise, permit, ordinance, vote, or other authority of the proper county, city and county, or municipal or other public authority. The commission has the power to issue a certificate to exercise franchise rights after hearing, to refuse to issue the same, or to issue it for the partial exercise only of said right or privilege and may attach to the exercise of the rights granted by such certificate such terms and conditions as in its judgment the public convenience and necessity may require. Nothing contained in this subsection (1) shall be construed to limit or restrict the power and authority of the commission: To regulate, issue, or refuse to issue certificates of public convenience and necessity for construction of a new facility, plant, or system or of any extension thereof as provided in section 40-5-101; and to attach to the exercise of the rights granted by such certificate such terms and conditions as in the commission's judgment may be required by the public convenience and necessity.

(2) If such public utility desires to exercise a right or privilege under a franchise, permit, ordinance, vote, or other authority which it contemplates securing but which has not yet been granted to it, such public utility may apply to the commission for an order preliminary to the issue of the certificate. The commission may thereupon make an order declaring that it will thereafter, upon application, under such rules and regulations as it may prescribe issue the desired certificate upon such terms and conditions as it may designate after such public utility has obtained the contemplated franchise, permit, ordinance, vote, or other authority. Upon the presentation to the commission of evidence satisfactory to it that such franchise, permit, ordinance, vote, or other authority has been secured by such public utility, the commission shall thereupon issue such certificate.

**Source:** **L. 13:** p. 418, § 35. **L. 17:** p. 418, § 1. **C.L.** § 2946. **CSA:** C. 137, § 36. **CRS 53:** § 115-5-3. **C.R.S. 1963:** § 115-5-3. **L. 69:** p. 937, § 29. **L. 81:** (1) amended, p. 1918, § 1, effective June 19. **L. 82:** (1) amended, p. 629, § 43, effective April 2.

**40-5-104. Acquisition by municipality.** (1) Any municipality which has acquired or constructed any public utility plant, property, or facility has the power to contract with a public utility for the operation of any part or the whole thereof, subject to the provisions of articles 1 to 7 of this title and to exercise, in respect to such public utility, the powers of regulation and supervision conferred upon it by the commission.

(2) Sections 40-5-101 to 40-5-104 shall not apply to railroads.

**Source:** **L. 17:** p. 417, § 1. **C.L.** § 2946. **CSA:** C. 137, § 36. **CRS 53:** § 115-5-4. **C.R.S. 1963:** § 115-5-4. **L. 69:** p. 938, § 30.

**40-5-105. Certificate or assets may be sold, assigned, or leased.** (1) The assets of any public utility, including any certificate of public convenience and necessity or rights obtained under any such certificate held, owned, or obtained by any public utility, may be sold, assigned, or leased as any other property, but only upon authorization by the commission and upon such terms and conditions as the commission may prescribe; except that this section does not apply to assets that are sold, assigned, or leased:

(a) In the normal course of business; or

(b) That are owned by a telecommunications service provider and:

(I) Are not used in the provision of regulated telecommunications services; or

(II) (A) Are land and support assets and are not directly used in the provision of regulated telecommunications services.

(B) A telecommunications service provider shall provide notice to the commission of transactions subject to this subparagraph (II), along with the associated accounting entries on the provider's books and records, to permit the commission to determine, if necessary, the disposition of any gain or loss from the transaction.

**Source:** **L. 45:** p. 526, § 2. **CSA:** C. 137, § 36. **CRS 53:** § 115-5-5. **C.R.S. 1963:** § 115-5-5. **L. 69:** p. 938, § 31. **L. 71:** p. 1100, § 1. **L. 2004:** Entire section amended, p. 164, § 1, effective March 17.

**40-5-106. Designation for service of process.** (1) It is the duty of every public utility operating in, through, or into the state of Colorado to file with the commission a designation in writing, under oath, of the name and post office address of a person upon whom service of notices or orders in proceedings pending before the commission may be made. Such designation may from time to time be changed by like writing similarly filed. In default of such designation, service of any notice or order may be made by posting such order or notice in the office of the director of the commission and by mailing a copy of such notice or order to such public utility by certified mail, return receipt requested, at its last-known address.

(2) Every public utility operating in, through, or into the state of Colorado shall also file with the director of the commission a designation in writing, under oath, of the name and post office address of a person in the state of Colorado upon whom process issued by or under the authority of any court or board having jurisdiction of the subject matter may be served in any judicial or other proceeding brought against such public utility in this state. Such designation may from time to time be changed by like writing similarly filed. In default of such designation, service may be made upon any agent, representative, or employee of such public utility found within the state. Nothing in this article shall apply to railroad corporations.

**Source:** **L. 45:** p. 526, § 3. **CSA:** C. 137, § 36. **CRS 53:** § 115-5-6. **C.R.S. 1963:** § 115-5-6. **L. 69:** p. 938, § 32. **L. 2003:** Entire section amended, p. 1704, § 17, effective May 14.

**40-5-107. Electric vehicle programs - service connection cost recovery - definitions - repeal.** (1) (a) No later than May 15, 2020, and on or before May 15 every three years thereafter, an electric public utility shall file with the commission an application for a program for regulated activities to support widespread transportation electrification within the area covered by the utility's certificate of public convenience and necessity.

(b) To comply with this subsection (1), an application must seek to minimize overall costs and maximize overall benefits and may include:

(I) Investments or incentives to facilitate the deployment of customer-owned or utility-owned charging infrastructure, including charging facilities, make-ready infrastructure, and associated electrical equipment that support transportation electrification;

(II) Investments or incentives to facilitate the electrification of public transit and other vehicle fleets;

(III) Rate designs, or programs that encourage vehicle charging that supports the operation of the electric grid; and

(IV) Customer education, outreach, and incentive programs that increase awareness of the programs and of the benefits of transportation electrification and encourage greater adoption of electric vehicles.

(2) When considering transportation electrification programs and determining cost recovery for investments and other expenditures related to programs proposed by an electric public utility under subsection (1) of this section, the commission shall consider whether the investments and other expenditures are:

(a) Reasonably expected to improve the use of the electric grid, including improved integration of renewable energy;

(b) Reasonably expected to increase access to the use of electricity as a transportation fuel;

(c) Designed to ensure system safety and reliability;

(d) (I) Reasonably expected to contribute to meeting air quality standards, improving air quality in communities most affected by emissions from the transportation sector, and reducing statewide emissions of greenhouse gases by forty percent below 2005 levels by 2030 and eighty percent below 2005 levels by 2050.

(II) This subsection (2)(d) is repealed, effective July 1, 2031.

(e) Reasonably expected to stimulate innovation, competition, and increased consumer choices in electric vehicle charging and related infrastructure and services; attract private capital investments; and utilize high-quality jobs and skilled worker training programs;

(f) Transparent, incorporating public reporting requirements to inform design and commission policy; and

(g) Reasonably expected to provide access for low-income customers, in the totality of the utility's transportation electrification programs, which may include community-based and multi-family charging infrastructure, car share programs, and electrification of public transit, while giving due consideration to the affect on low-income customers.

(2.5) An electric public utility may recover its prudently incurred costs to facilitate a timely electric vehicle charging service connection, which costs may include the costs of equipment that the electric public utility procures for future upgrades needed to provide service connections for electric vehicle charging. An electric public utility may recover the costs of any such equipment inventory as capital work in progress if the inventory is projected to be used within three years of its procurement and with a return at the most recently authorized weighted average cost of capital.

(3) (a) Electric vehicle infrastructure electrical work on the customer side of the utility meter, including the installation of the charging station apparatus and related hardware, must:

(I) Be performed by a licensed master electrician, licensed journeyman electrician, licensed residential wireman, or properly supervised electrical apprentice as each term is defined in section 12-115-103; and

(II) Comply with article 115 of title 12, including sections 12-115-109 and 12-115-115, and all applicable rules of the state electrical board.

(b) For all electric vehicle infrastructure or charging stations owned by the utility, the utility shall use utility employees or qualified contractors if the contractors' employees have access to an apprenticeship program as defined in section 8-83-308 (3)(a). This apprenticeship requirement does not apply to:

(I) The design, planning, or engineering of the infrastructure;

(II) Management functions to operate the infrastructure; or

(III) Any work included in a warranty.

(c) An electric vehicle infrastructure project that is an energy sector public works project, as defined in section 24-92-303 (5), must comply with the applicable requirements of the "Colorado Energy Sector Public Works Project Craft Labor Requirements Act", part 3 of article 92 of title 24.

(4) As used in this section, unless the context otherwise requires:

(a) "Industry" means either one or more individual employers or an industry association.

(b) (I) "Skilled worker training program" means an accredited educational, occupational education, as defined in section 23-60-103 (2), apprenticeship, or similar training program that:

(A) Trains or retrains individuals to perform a skill that is needed in the workforce; and

(B) Awards an industry- or state-recognized certificate, credential, associate degree, professional license, or similar evidence of achievement upon completion of the program.

(II) "Skilled worker training program" does not include an educational program that awards a bachelor's or higher degree upon completion of the program.

**Source:** **L. 2019:** Entire section added, (SB 19-077), ch. 383, p. 3435, § 4, effective May 31. **L. 2020:** (2)(e) and IP(3)(b) amended and (4) added, (HB 20-1395), ch. 137, p. 594, § 7, effective June 26. **L. 2023:** (2.5) added, (SB 23-016), ch. 165, p. 746, § 19, effective August 7; (3)(c) added, (SB 23-292), ch. 247, p. 1366, § 10, effective January 1, 2024.

**Cross references:** For the legislative declaration in SB 19-077, see section 1 of chapter 383, Session Laws of Colorado 2019.

**40-5-108. Electric utility participation in organized wholesale markets required - conditions - authority of commission - legislative declaration - definitions.** (1) As used in this section, unless the context otherwise requires:

(a) "Organized wholesale market" or "OWM" means a regional transmission organization, also known as an RTO, or an independent system operator, also known as an ISO, established for the purpose of coordinating and efficiently managing the dispatch and transmission of electricity among public utilities on a multistate or regional basis and that:

(I) Is approved by the federal energy regulatory commission;

(II) Effects separate control of transmission facilities from control of generation facilities;

(III) Implements, to the extent reasonably possible, policies and procedures designed to minimize pancaked transmission rates within Colorado;

(IV) Improves, to the extent reasonably possible, service reliability within Colorado;

(V) Is of sufficient scope or otherwise operates to substantially increase economical supply options for customers;

(VI) Has a structure of governance or control that is independent of the ownership and operation of the transmission facilities, and no member of its board of directors has an affiliation with a user or with an affiliate of a user during the member's tenure on the board so as to unduly affect the OWM's performance. As used in this subsection (1)(a)(VI), "user" means any entity or affiliate of that entity that buys or sells electric energy in the OWM's region or in a neighboring region.

(VII) Improves emission-reduction and customer-savings benefits to Colorado customers from operation within the western interconnection without significantly impairing actions taken by public utilities to meet the emission-reduction goals of sections 25-7-102 and 40-2-125.5 and to continue to advance the objectives of those sections;

(VIII) Has an inclusive and open stakeholder process that does not place unreasonable burdens on, or preclude meaningful participation by, any stakeholder group;

(IX) Includes all transmission and generation resources approved, acquired, or constructed and in service by 2030 to meet the emission reduction requirements of sections 25-7-102 and 40-2-125.5; and

(X) Consistent with and in support of FERC policies and orders and local planning by Colorado public utilities, is capable of: Planning for improved efficiency of use, future expansion, and consideration of all options for meeting transmission needs; providing effective cost allocations that reflect benefits of transmission investments; maintaining real-time reliability of the electric transmission system while promoting more efficient use of the transmission system in Colorado and neighboring areas in the western interconnection; ensuring comparable and nondiscriminatory transmission access and necessary services; minimizing system congestion; and further addressing real or potential transmission constraints.

(b) "Transmission utility" means a public utility that:

(I) Is a wholesale electricity supplier or transmitter; and

(II) Owns and operates electric transmission lines capable of transmitting electric energy at a voltage of one hundred kilovolts or more.

(2) (a) (I) Except as otherwise provided in subsection (2)(a)(II) of this section, and except for municipally owned utilities and power authorities, all Colorado transmission utilities shall join an organized wholesale market on or before January 1, 2030.

(II) Upon application by a transmission utility, the commission may waive or delay the requirement stated in subsection (2)(a)(I) of this section if:

(A) The commission has determined that the transmission utility has made all reasonable efforts to comply with the requirement but there is no viable and available OWM that the transmission utility can join by January 1, 2030; and

(B) The commission has determined that requiring the transmission utility to join an OWM is not in the public interest based on the commission's evaluation of appropriate factors, including whether the OWM has established policies regarding tracking and reporting of emissions with a system to attribute emissions to transmission owners, promoting load flexibility and demand-side resources, promoting the integration of clean energy resources, and reducing the costs and inefficiencies of transactions between balancing areas and between market constructs, if any.

(b) The commission is directed to participate on behalf of the state of Colorado, as it deems appropriate, in proceedings before the FERC involving the management of physical connections, sharing of data, and interpretation and implementation of tariff and business practices between OWMs whose boundaries meet within Colorado.

(c) The general assembly finds, determines, and declares that the participation of transmission utilities in OWMs and the implementation of the "Colorado Electric Transmission Authority Act", article 42 of this title 40, will assist transmission utilities and the Colorado electric transmission authority in ensuring the resilience of the electric grid and its resistance to both natural disasters and intentional attacks. Accordingly, the commission is directed to use all available means to support these entities in preparing for, and documenting their ability to mitigate, any threats identified in the Colorado energy assurance emergency plan.

(3) (a) The commission shall consider allowing, and may allow, a transmission utility that joins an OWM to recover OWM subscription fees and other prudently incurred costs of participation in the OWM through rates or through a new or existing transmission rider.

(b) The commission shall allow a transmission utility that commences operation with an OWM to collect and retain a specified percentage of the demonstrated net present value savings accruing to Colorado customers from participation in the OWM for a period of five years beginning on the date the transmission utility commences operation with the OWM. The commission shall allow a transmission utility to retain up to thirty-five percent of such savings in years one and two, twenty-five percent in year three, and twenty percent in years four and five.

(c) A transmission utility may apply to the commission to implement a proposed shared savings approach and to establish a proceeding to determine the net present value savings accruing to Colorado customers from the participation of the transmission utility in an OWM for the period beginning on the date the transmission utility commences operation with the OWM and ending on July 31, 2033.

(d) In any proceeding conducted by the commission under subsection (3)(c) of this section, the transmission utility shall have the burden of proof to demonstrate net present value savings, and intervenors shall have the opportunity to participate and offer evidence regarding the transmission utility's demonstration of net present value savings. The commission shall issue a final order determining the amount of net present value savings that a transmission utility may collect and retain pursuant to subsection (3)(b) of this section.

(4) Nothing in this section shall be used or interpreted by the commission to delay or impede electric resource planning proceedings filed on or before December 31, 2025, including the approval, acquisition, or construction of generation and transmission resources prior to a transmission utility's entry into an OWM and any acquisitions that are part of or ancillary to an electric resource plan that includes a clean energy plan approved pursuant to section 25-7-102 or 40-2-125.5.

**Source:** **L. 2021:** Entire section added, (SB 21-072), ch. 329, p. 2111, § 2, effective June 24.

**ARTICLE 6**

Hearings and Investigations

**Law reviews:** For article, "Demystifying Colorado's Atypical Civil and Administrative Appeals", see 52 Colo. Law. 24 (Jan.-Feb. 2023).

**40-6-101. Proceedings - delegation of duties - rules.** (1) The commission shall conduct its proceedings in such manner as will best conduce the proper dispatch of business and the ends of justice. All of the provisions of article 4 of title 24, C.R.S., shall apply to the work, business, proceedings, and functions of the commission, or any individual commissioner or administrative law judge; but where there is a specific statutory provision in this title applying to the commission, such specific statutory provision shall control as to the commission. For this purpose, any administrative law judge, as provided in this title, shall be deemed to be a hearing commissioner as that term is used in said article 4 of title 24, C.R.S. The commission may from time to time make or amend such general rules or orders as may be requisite for the order and regulation of proceedings before it, or before any individual commissioner or administrative law judge, including forms of notices and the service thereof. Any party to the proceeding may appear before the commission or any individual commissioner or administrative law judge and be heard. Every vote and official act of the commission, any individual commissioner, or an administrative law judge shall be entered of record and such record shall be made public upon the request of any party interested. All hearings before the commission, any individual commissioner, or an administrative law judge shall be public.

(2) (a) The commission may by order direct that any of its work, business, or functions under any provision of law, except functions vested solely in the commission under this title 40, be assigned or referred to an individual commissioner or to an administrative law judge to be designated by order for action. The commission may by order at any time amend, modify, supplement, or rescind any such assignment or reference. When an individual commissioner or an administrative law judge is unable to act upon any matter assigned or referred because of absence or other cause, the chair of the commission may designate another commissioner or administrative law judge, as the case may be, to serve temporarily until the commission otherwise orders.

(b) Every case submitted to the commission for adjudication must be heard in the first instance by the commission unless, by rule, minute order, or written decision, the commission assigns the case to an administrative law judge or to an individual commissioner for hearing.

(3) An individual commissioner or an administrative law judge has authority to hear and determine, order, certify, report, or otherwise act as to any work, business, or functions assigned or referred to such officer under the provisions of this title and, with respect thereto, has all the jurisdiction and powers conferred by law upon the commission and is subject to the same duties and obligations. The seal of the commission shall be the seal of an individual commissioner or administrative law judge. Except as otherwise provided in this title, any order, decision, or requirement of an individual commissioner or an administrative law judge with respect to any matter assigned or referred to such officer under subsection (2) of this section has the same force and effect and may be made and evidenced in the same manner as if made or taken by the commission.

(4) All hearings and investigations before the commission, any individual commissioner, or any administrative law judge shall be governed by this title and by rules of practice and procedure adopted by the commission; and, in the conduct thereof, neither the commission, nor any individual commissioner, nor any administrative law judge shall be bound by the technical rules of evidence. No informality in any proceeding or in the manner of taking testimony before the commission, any commissioner, or any administrative law judge shall invalidate any order, decision, rule, or regulation made, approved, or confirmed by the commission.

(5) Notwithstanding subsections (2) to (4) of this section, the commission may promulgate rules to authorize the delegation of its routine administrative transportation matters to commission staff. If the commission promulgates rules pursuant to this subsection (5), the commission shall define in rule the meaning of the term "routine administrative transportation matter".

**Source:** **L. 13:** p. 489, § 38. **C.L.** § 2947. **CSA:** C. 137, § 38. **L. 45:** p. 527, § 4. **CRS 53:** § 115-6-1. **C.R.S. 1963:** § 115-6-1. **L. 69:** p. 939, § 33. **L. 89:** Entire section amended, p. 1526, § 9, effective April 12. **L. 93:** (2) amended, p. 2063, § 16, effective July 1. **L. 2003:** (3) amended, p. 1705, § 18, effective May 14. **L. 2019:** (2) amended and (5) added, (SB 19-236), ch. 359, p. 3311, § 15, effective May 30.

**Cross references:** For conduct that may constitute the practice of law, see article 93 of title 13.

**40-6-102. Service - fees - depositions - examination of witnesses.** (1) The commission, each commissioner, an administrative law judge with respect to matters referred to such judge, and the director of the commission have power to issue notices, orders to satisfy or answer, summonses, subpoenas, and commissions to take the deposition of any witness whose testimony is required in any proceeding pending before the commission in like manner and to the same extent as courts of record. The process issued by the commission, any commissioner, an administrative law judge, or the director of the commission shall extend to all parts of the state and beyond the boundaries thereof as may be provided by law or the Colorado rules of civil procedure and may be served by any person authorized to serve process of courts of record, by any person designated for that purpose by the commission or a commissioner, or by first-class mail, postage prepaid, as provided in section 40-6-108. The person executing any such process shall receive such compensation as may be allowed by the commission, not to exceed the fees now prescribed by law for similar services, and such fees shall be paid in the same manner as provided for payment of the fees of witnesses.

(2) In any investigation, inquiry, hearing, or other proceeding pending before the commission, any commissioner, or any administrative law judge of the commission, the depositions of witnesses may be taken, both within and without the state of Colorado, under the same circumstances and in the same manner as provided by the Colorado rules of civil procedure for the taking of depositions in courts of record.

(3) A party to the record of any investigation, inquiry, hearing, or other proceeding pending before the commission, any commissioner, any administrative law judge of the commission, or a person for whose immediate benefit such investigation, hearing, or other proceeding is prosecuted or defended, or the directors, officers, superintendent, or managing agent of any corporation which is a party to the record in such investigation, hearing, or other proceeding may be examined upon the hearing thereof, or upon deposition, or both, as if under cross-examination at the instance of the commission or any adverse party, and for that purpose may be compelled, in the same manner and subject to the same rules for examination as any other witness, to testify; but the party calling for such examination shall not be concluded thereby but may rebut it by counter testimony.

**Source:** **L. 13:** p. 489, § 39. **C.L.** § 2948. **CSA:** C. 137, § 39. **L. 45:** p. 527, § 5. **CRS 53:** § 115-6-2. **C.R.S. 1963:** § 115-6-2. **L. 69:** p. 940, § 34. **L. 89:** Entire section amended, p. 1527, § 10, effective April 12. **L. 2003:** (1) amended, p. 1705, § 19, effective May 14.

**Cross references:** For depositions and discovery, see Rules 26 to 37, Colorado rules of civil procedures; for service of process, see Rule 4(d), Colorado rules of civil procedure; for fees of sheriff for service of process, see § 30-1-104; for payment of fees of witnesses, see § 40-6-103.

**40-6-103. Administration of oaths - compulsion of testimony - fees.** (1) The commission, each commissioner, the director, and any administrative law judge as to matters referred to such judge have power to administer oaths, certify to all official acts, and issue subpoenas for the attendance of witnesses and the production of records, documents, and testimony in any inquiry, investigation, hearing, or proceeding in any part of the state. No subpoena shall be issued except upon good cause shown. Good cause shown shall consist of an affidavit stating with specificity the testimony, records, or documents sought and the relevance of such testimony, records, or documents to the proceedings of the commission. Each witness who appears by order of the commission, a commissioner, the director, or any administrative law judge shall receive for the witness' attendance the same fees and mileage allowed by law to a witness in civil cases, which amount shall be paid by the party at whose request such witness is subpoenaed. When any witness who has not been required to attend at the request of any party is subpoenaed, the witness' fees and mileage shall be paid from the funds appropriated for the use of the commission in the same manner as other expenses of the commission are paid. Any witness subpoenaed except one whose fees and mileage may be paid from the funds of the commission, at the time of service, may demand the fees to which the witness is entitled for travel to and from the place at which the witness is required to appear, and one day's attendance. If such witness demands such fees at the time of service, and they are not at that time paid or tendered, the witness shall not be required to attend, as directed in the subpoena. All fees and mileage to which any witness is entitled under the provisions of this section may be collected by action therefor instituted by the person to whom such fees are payable. No witness furnished with free transportation shall receive mileage for the distance the witness may have traveled on such free transportation.

(2) The district court in and for the county or city and county in which any inquiry, investigation, hearing, or proceeding may be held by the commission, or any individual commissioner or administrative law judge, has the power to compel the attendance of witnesses, the giving of testimony, and the production of records or documents as required by any subpoenas issued by the commission, or any individual commissioner, the director, or any administrative law judge. The commission, individual commissioner, or an administrative law judge before whom the testimony is to be given or produced, in case of the failure or refusal of any witness to attend or testify or produce any records or documents required by such subpoena, may report to the district court in and for the county or city and county in which the proceeding is pending, by petition, setting forth that due notice has been given of the time and place of attendance of said witness or the production of said records or documents, that the witness has been subpoenaed in the manner prescribed in this title, and that the witness has failed or refused to attend or produce the records or documents required by the subpoena or has failed or refused to answer questions propounded to the witness in the course of such proceeding; and the commission, individual commissioner, or an administrative law judge may ask for an order of the court compelling the witness to attend and testify or produce or cause to be produced documentary evidence. No person so testifying shall be exempt from prosecution or punishment for any perjury in the first degree committed by such person in this testimony. Nothing in this section shall be construed as in any manner giving to any public utility immunity of any kind.

**Source:** **L. 13:** p. 489, § 40. **C.L.** § 2949. **CSA:** C. 137, § 40. **CRS 53:** § 115-6-3. **C.R.S. 1963:** § 115-6-3. **L. 69:** p. 940, § 35. **L. 72:** p. 566, § 40. **L. 83:** (1) amended, p. 1561, § 1, effective June 1. **L. 89:** Entire section amended, p. 1528, § 11, effective April 12. **L. 2003:** Entire section amended, p. 1706, § 20, effective May 14.

**Cross references:** For perjury, see part 5 of article 8 of title 18; for fees of witnesses, see §§ 13-33-102 and 13-33-103.

**40-6-104. Certified copies - evidence - orders.** (1) Copies of all official documents, commission decisions, and orders on file with the commission, or documents filed or deposited according to law in the office of the commission, certified by a commissioner or by the director under the official seal of the commission to be true copies of the originals, shall be evidence in like manner as the originals and shall be treated and recognized as such by all courts of the state of Colorado.

(2) Any order, decision, authorization, certificate, or entry, or a copy thereof, certified by a commissioner or by the director under the official seal of the commission to be a true copy of the original order, decision, authorization, certificate, or entry, may be filed for record in the office of the county clerk and recorder of any county or city and county in which is located the principal place of business of any public utility affected thereby or in which is situated any property of any such public utility, and such record shall impart notice of its provisions to all persons. A certificate under the seal of the commission that any such order, decision, authorization, or certificate has not been modified, stayed, suspended, or revoked may also be recorded in the same offices in the same manner and with like effect.

**Source:** **L. 13:** p. 491, § 41. **C.L.** § 2950. **CSA:** C. 137, § 41. **CRS 53:** § 115-6-4. **C.R.S. 1963:** § 115-6-4. **L. 69:** p. 941, § 36. **L. 2003:** Entire section amended, p. 1707, § 21, effective May 14.

**40-6-105. Fees - copies of records - disposition.** (1) The commission shall charge the following fees: For copies of papers and records not required to be certified or otherwise authenticated by the commission, twenty cents for each page; for certified copies of official documents and orders filed in its office, twenty cents for each page; and one dollar for every certificate under seal affixed thereto.

(2) No fees shall be charged for copies of papers, records, or official documents furnished to public officers for use in their official capacity, but the commission may fix reasonable charges for publications issued under its authority. All fees charged under this section shall be collected by the commission, paid to the department of revenue, deposited in the office of the state treasurer, and credited to the public utilities commission fixed utility fund or the public utilities commission motor carrier fund, as the case may be.

**Source:** **L. 13:** p. 491, § 42. **C.L.** § 2951. **CSA:** C. 137, § 42. **CRS 53:** § 115-6-5. **C.R.S. 1963:** § 115-6-5. **L. 69:** p. 942, § 37.

**40-6-106. Power to inspect books and accounts.** The commission, each commissioner, and any person employed by the commission shall have the right to inspect the records and documents of any public utility; and the commission, each commissioner, or any employee authorized to administer oaths has the power to examine under oath any officer, agent, or employee of such public utility in relation to the business and affairs of said public utility. Any person other than a commissioner demanding such inspection shall produce under the hand and seal of the commission his authority to make such inspection; and a written record of the testimony or statement so given under oath shall be made and filed with the commission.

**Source:** **L. 13:** p. 492, § 43. **C.L.** § 2952. **CSA:** C. 137, § 43. **CRS 53:** § 115-6-6. **C.R.S. 1963:** § 115-6-6. **L. 69:** p. 942, § 38.

**40-6-107. Production of documents - transparency in planning for future acquisitions - rules.** (1) The commission may require, by order served on any public utility in the manner provided in section 40-6-102 for the service of orders, the production within this state at such time and place as it may designate of any records and documents kept by the public utility in any office or place outside of this state, or, at its option, verified copies in lieu thereof, so that an examination of the records or documents may be made by the commission or under its direction.

(2) (a) To ensure transparency in the acquisition of power generation resources for the benefit of Colorado ratepayers and to promote fairness in electric utility competitive bidding processes, the commission shall, within ninety days after March 29, 2011, commence a rule-making proceeding to adopt rules, applicable after March 29, 2011, to require an investor-owned electric utility that is evaluating or has evaluated an existing or proposed electric generating facility as a potential resource, whether in connection with a commission proceeding or otherwise, to provide the owner or developer of the generating facility, upon request, with reasonable and timely access to the modeling inputs and assumptions that were used by the investor-owned public utility to evaluate the facility and that reasonably relate to that facility or to the transmission of electricity from that facility to the investor-owned public utility. Bidders in a competitive electric resource bidding process shall be permitted access to those modeling inputs and assumptions, as the modeling inputs and assumptions apply to the bidders' particular facility, in time to ensure that errors or omissions may be corrected before the competitive bidding process is completed. If it is determined that an error or omission, as defined by commission rule-making, exists in the investor-owned public utility's modeling, the commission shall require the investor-owned public utility to perform additional modeling to confirm that electric generating facilities are fairly and accurately represented in the results of any computer modeling performed by the investor-owned public utility.

(b) In any commission proceeding regarding electric resource planning or otherwise relating to the acquisition of, contracting for, or retirement of electric generation facilities, the commission shall establish procedures regarding the designation and approval of information as highly confidential that protect the public interest and assure that ratepayers receive the benefits of competition and transparency while protecting the trade secrets of computer modeling software producers, independent bidders, and the investor-owned public utility.

**Source:** **L. 13:** p. 493, § 44. **C.L.** § 2953. **CSA:** C. 137, § 44. **CRS 53:** § 115-6-7. **C.R.S. 1963:** § 115-6-7. **L. 69:** p. 943, § 39. **L. 2011:** Entire section amended, (HB 11-1262), ch. 75, p. 206, § 1, effective March 29.

**Cross references:** For service of orders, see Rule 4(d), Colorado rules of civil procedure.

**40-6-108. Complaints - service - notice of hearing.** (1) (a) Complaint may be made by the commission on its own motion or by any corporation, person, chamber of commerce, or board of trade, or by any civic, commercial, mercantile, traffic, agricultural, or manufacturing association or organization, or by any body politic or municipal corporation by petition or complaint in writing, setting forth any act or thing done or omitted to be done by any public utility, including any rule, regulation, or charge heretofore established or fixed by or for any public utility, in violation, or claimed to be in violation, of any provision of law or of any order or rule of the commission.

(b) No complaint shall be entertained by the commission, except upon its own motion, as to the reasonableness of any rates or charges of any gas, electric, water, or telephone public utility, unless the same is signed by the mayor or the president or chairman of the board of trustees or a majority of the council, commission, or other legislative body of the county, city and county, city, or town, if any, within which the alleged violation occurred, or not less than twenty-five customers or prospective customers of such public utility.

(c) All matters upon which complaint may be founded may be joined in one hearing, and no motion shall be entertained against a complaint for misjoinder of causes of action or grievances or misjoinder or nonjoinder of parties. In any review by the courts of orders or decisions of the commission, the same rule shall apply with regard to the joinder of causes and parties.

(d) The commission is not required to dismiss any complaint because of the absence of direct damage to the complainant.

(e) Upon the filing of any complaint, the commission shall cause a copy thereof to be served upon the person complained of, together with an order requiring such defendant to satisfy or answer said complaint within a time to be fixed by the commission.

(2) (a) Notice of all applications, petitions, and orders instituting investigations or inquiries shall be given to all persons, firms, or corporations who, in the opinion of the commission, are interested in, or who would be affected by, the granting or denial of any such application, petition, or other proceeding. Except for good cause shown, any person desiring to file an objection or intervene in or participate as a party in any such proceeding shall file his or her objection or petition for leave to intervene or, under such rules as the commission may prescribe, file other appropriate pleadings to become a party, within thirty days after the date of the notice, or such lesser time as the commission may prescribe. No final action shall be taken by the commission in any proceeding during the time any such filing is permitted.

(b) Any public utility giving notice of a proposed gas or electric tariff shall serve such notice upon the Colorado energy office or its successor agency. The office shall be granted leave to intervene as a matter of right, upon a timely filing of a petition or other pleading in accordance with this section, in adjudicatory matters affecting gas or electric utilities; except that the office shall not be a party to any individual complaint between a utility and an individual.

(3) Service in all applications, petitions, complaints, hearings, investigations, and other proceedings pending before the commission may be made upon any person upon whom a summons may be served in accordance with the provisions of the Colorado rules of civil procedure, or may be made personally or by first-class mail. In all cases wherein service is obtained by mail by the commission, the certificate of the director of the commission of such mailing shall be prima facie evidence that service has been obtained, and the time fixed in any order or notice shall commence to run from the date of mailing as shown in such certificate. The mailing of any notice or other paper by any other party to a proceeding shall be evidenced by the certificate of the person mailing such notice or other paper, and the time fixed in any such notice or other paper shall commence to run from the date of mailing as shown in such certificate.

(4) The commission shall fix the time when and place where any hearing required by this title or by article 4 of title 24, C.R.S., will be had upon any application, complaint, petition, investigation, or other proceeding, and shall serve notice thereof to the parties not less than ten days before the time set for such hearing, unless the commission finds that public interest or necessity requires that any such hearing be held at an earlier date. The commission shall hold a hearing and issue a final order in complaint cases within two hundred ten days after the filing of testimony and exhibits by the complainant. In extraordinary circumstances, the commission may extend the time an additional ninety days following a hearing in which such extraordinary circumstances are established. The complainant may waive the time limits established in this section, in which case the time limits are not binding on the commission.

**Source:** **L. 13:** p. 493, § 45. **C.L.** § 2954. **CSA:** C. 137, § 45. **L. 45:** p. 528, § 6. **CRS 53:** § 115-6-8. **C.R.S. 1963:** § 115-6-8. **L. 69:** p. 943, § 40. **L. 89:** (2) and (4) amended, p. 1529, § 12, effective April 12. **L. 93:** (4) amended, p. 2064, § 17, effective July 1. **L. 2003:** (3) amended, p. 1707, § 22, effective May 14. **L. 2008:** (2) amended, p. 1796, § 14, effective July 1. **L. 2012:** (2)(b) amended, (HB 12-1315), ch. 224, p. 981, § 50, effective July 1.

**Cross references:** For service of summons, see Rule 4(e), Colorado rules of civil procedure.

**40-6-109. Hearings - orders - record - review - representation of entities in nonadjudicatory proceedings.** (1) (a) (I) At the time fixed for any hearing before the commission, any commissioner, or an administrative law judge or at the time to which the hearing may have been continued, the following persons are entitled to be heard, examine and cross-examine witnesses, and introduce evidence:

(A) The applicant;

(B) The petitioner;

(C) The complainant;

(D) The person, firm, or corporation complained of;

(E) Such persons, firms, or corporations as the commission may allow to intervene; and

(F) Such persons, firms, or corporations as will be interested in or affected by any order that may be made by the commission in such proceeding and who shall have become parties to the proceeding.

(II) All parties in interest are entitled to be heard in person or by attorney.

(b) In a proceeding before the commission that relates to an investor-owned utility's application for cost recovery, the commission shall permit a wholesale customer of the utility to intervene if the customer demonstrates a pecuniary or tangible interest in the proceeding.

(c) A reporter appointed by the commission, a commissioner if deemed appropriate by the commission, or, as applicable, an administrative law judge shall take down and record electronically a full and complete record of all proceedings had before the commission, any commissioner, or an administrative law judge in any formal hearing and all testimony.

(2) Whenever any hearing, investigation, or other proceeding is assigned to an administrative law judge or individual commissioner for hearing, the administrative law judge or individual commissioner, after the conclusion of said hearing, shall promptly transmit to the commission the record and exhibits of said proceeding together with a written recommended decision which shall contain his findings of fact and conclusions thereon, together with the recommended order or requirement. Copies thereof shall be served upon the parties, who may file exceptions thereto; but if no exceptions are filed within twenty days after service upon the parties, or within such extended period of time as the commission may authorize in writing (copies of any such extension to be served upon the parties), or unless such decision is stayed within such time by the commission upon its own motion, such recommended decision shall become the decision of the commission and subject to the provisions of section 40-6-115. The commission upon its own motion may and where exceptions are filed shall reconsider the matter, either upon the same record or after further hearing, and such recommended decision shall thereupon be stayed or postponed pending final determination thereof by the commission. The commission may adopt, reject, or modify the findings of fact and conclusions of such individual commissioner or administrative law judge or, after examination of the record of any such proceeding, enter its decision and order therein without regard to the findings of fact and conclusions of any individual commissioner or administrative law judge. Any commissioner to whom a proceeding may be so assigned shall not be disabled thereby from participating with the commission in the final decision.

(3) After the conclusion of any hearing, investigation, or proceeding before the commission, the commission shall make and file its decision. The decision shall be a report in writing in which the commission shall state its findings of fact and conclusions thereon together with its order or requirement. The decision, under the seal of the commission, shall be served upon all parties and made available to all participants in the proceeding.

(4) Unless otherwise provided in this title, all decisions of the commission shall become effective upon a day to be fixed by the commission in any such decision and shall continue in force either for a period which may be designated therein or until changed or abrogated by the commission. Decisions containing negative orders shall be effective on the date of entry thereof, unless otherwise provided in any such decision. If an order or requirement cannot, in the judgment of the commission, be complied with within the time prescribed therein, the commission, on application made within such time and for good cause shown, may extend the time for compliance fixed in its decision.

(5) The commission may by general rule or regulation provide for the taking of evidence in uncontested or unopposed proceedings by affidavit or otherwise, without the necessity of a formal oral hearing. Such shortened or informal proceedings shall otherwise be subject to all of the provisions of this title. Upon its own motion the commission may and upon request of a party timely made the commission shall assign any such uncontested or unopposed proceeding for hearing.

(6) The commission may make the initial decision in cases where it has not presided at the taking of evidence, and the recommended decision of the individual commissioner or administrative law judge may be omitted in any case in which the commission finds upon the record that due and timely execution of its functions imperatively and unavoidably so requires.

(7) The commission may by general rule or regulation provide for appearances pro se by, or for representation by authorized officers or regular employees of, the commission's staff, corporations, partnerships, limited liability companies, sole proprietorships, and other legal entities in certain nonadjudicatory matters before the commission.

**Source:** **L. 13:** p. 494, § 46. **C.L.** § 2955. **CSA:** C. 137, § 46. **L. 45:** p. 529, § 7. **CRS 53:** § 115-6-9. **C.R.S. 1963:** § 115-6-9. **L. 69:** p. 944, § 41. **L. 89:** (1), (2), and (4) to (6) amended, p. 1530, § 13, effective April 12. **L. 93:** (7) added, p. 2064, § 18, effective July 1. **L. 2008:** (3) amended, p. 1796, § 15, effective July 1. **L. 2009:** (1) amended, (HB 09-1118), ch. 130, p. 563, § 12, effective August 5. **L. 2023:** (1) amended, (SB 23-291), ch. 163, p. 722, § 6, effective August 7.

**40-6-109.5. Hearings on applications - time limits for decisions.** (1) Whenever an application of any kind is filed with the commission and is accompanied by the applicant's supporting testimony or a detailed summary of the supporting testimony, together with exhibits, if any, the commission shall issue its decision on the application no later than one hundred twenty days after the application is deemed complete as prescribed by rules promulgated by the commission. If the commission finds that additional time is required, it may, by separate order, extend the time for decision by an additional period not to exceed one hundred thirty days.

(2) In the case of any application not accompanied by prefiled testimony and exhibits, the commission shall issue its decision no later than two hundred fifty days after the application is deemed complete as prescribed by the commission's rules.

(3) The time limits specified in subsections (1) and (2) of this section may be waived by the applicant and, if so waived, shall not be binding on the commission.

(4) The commission, in particular cases, under extraordinary conditions and after notice and a hearing at which the existence of extraordinary conditions is established, may extend the time limits specified in subsections (1) and (2) of this section for a period not to exceed an additional one hundred thirty days.

**Source:** **L. 93:** Entire section added, p. 2064, § 19, effective July 1. **L. 2019:** (1) and (4) amended, (SB 19-236), ch. 359, p. 3312, § 16, effective May 30. **L. 2021:** (2) amended, (SB 21-272), ch. 220, p. 1162, § 9, effective June 10.

**40-6-110. Complaint by utility.** Any public utility has a right to complain on any grounds upon which complaints are allowed to be filed by other parties, and the same procedure shall be adopted and followed as in other cases.

**Source:** **L. 13:** p. 495, § 47. **C.L.** § 2956. **CSA:** C. 137, § 47. **CRS 53:** § 115-6-10. **C.R.S. 1963:** § 115-6-10. **L. 69:** p. 946, § 42.

**40-6-111. Hearing on schedules - suspension - new rates - rejection of tariffs.** (1) (a) Whenever there is filed with the commission any tariff or schedule stating any new or changed individual or joint rate, fare, toll, rental, charge, classification, contract, practice, rule, or regulation, the commission has power, either upon complaint or upon its own initiative and without complaint, at once, and, if it so orders, without answer or other formal pleadings by the interested public utilities, but upon reasonable notice, to have a hearing concerning the propriety of such rate, fare, toll, rental, charge, classification, contract, practice, rule, or regulation if it believes that such a hearing is required and that such rate, fare, toll, rental, charge, classification, contract, practice, rule, or regulation may be improper.

(b) Pending the hearing and decision on the hearing, in the case of a public utility other than a rail carrier, the rate, fare, toll, rental, charge, classification, contract, practice, rule, or regulation must not go into effect; but the period of suspension of the rate, fare, toll, rental, charge, classification, contract, practice, rule, or regulation must not extend beyond one hundred twenty days beyond the time when the rate, fare, toll, rental, charge, classification, contract, practice, rule, or regulation would otherwise go into effect unless the commission, in its discretion, and by separate order, extends the period of suspension for a further period not exceeding one hundred thirty days.

(c) Repealed.

(d) Notwithstanding any order of suspension of a proposed increase in electric, gas, or steam rates under this subsection (1), after January 1, 2012, the commission may order, without hearing, interim rates, at any level up to the proposed new rates, to take effect not later than sixty days after the filing for the proposed rate increase. In making a determination as to whether to allow interim rates, the commission shall consider the amount of the revenue deficiency presented by the utility and the extent to which this deficiency would adversely affect the utility during the time period required to hold hearings on the suspended rates.

(2) (a) (I) If a hearing is held thereon, whether completed before or after the expiration of the period of suspension, the commission shall establish the rates, fares, tolls, rentals, charges, classifications, contracts, practices, or rules proposed, in whole or in part, or others in lieu thereof, that it finds just and reasonable. In making such finding in the case of a public utility other than a rail carrier, the commission may consider current, future, or past test periods or any reasonable combination thereof and any other factors that may affect the sufficiency or insufficiency of such rates, fares, tolls, rentals, charges, or classifications during the period the same may be in effect and may consider any factors that influence an adequate supply of energy, encourage energy conservation, or encourage renewable energy development. The commission shall consider the reasonableness of the test period revenue requirements presented by the utility.

(II) If the rates established by the commission after hearing are lower than any interim rates established under paragraph (d) of subsection (1) of this section, then the commission shall order the utility to return to customers on their utility bills through a negative rate rider the difference between the total amount that would have been collected under the final approved rates and the amount collected under the interim rates for the period that the interim rates were in effect, with interest at a rate established by the commission.

(III) All such rates, fares, tolls, rentals, charges, classifications, contracts, practices, or rules not so suspended, on the effective date thereof, which, in the case of a public utility other than a rail carrier, shall not be less than thirty days after the time of filing the same with the commission, or of such lesser time as the commission may grant, shall go into effect and be the established and effective rates, fares, tolls, rentals, charges, classifications, contracts, practices, and rules subject to the power of the commission, after a hearing on its own motion or upon complaint, as provided in this article, to alter or modify the same.

(b) Repealed.

(c) If the commission considers factors which encourage renewable energy development, it shall also make findings and give due consideration to the effect of such factors on the utility's ability to recover its capital and operating costs.

(3) The tariffs and schedules required by this title shall contain such information, and shall be published, filed, and posted in such form and manner, as the commission by regulation shall prescribe; and the commission is authorized to reject any tariff or schedule filed with it which is not in the form required by this section and by such regulations. Any tariff or schedule so rejected by the commission shall be void and its use shall be unlawful.

(4) (a) The provisions of this section relating to suspension of rates, fares, tolls, rentals, charges, classifications, contracts, practices, rules, or regulations pending the hearing and decision thereon shall not apply to cooperative electric associations, but this subsection (4) shall not be construed to exempt such associations from any other provision of this section. Notwithstanding any other provision of law, no cooperative electric association shall establish, charge, or collect a discriminatory or preferential rate, charge, rule, or regulation which would be violative of section 40-3-106 (1) or section 40-3-111. Upon complaint filed by any member or customer of a cooperative electric association or by any affected public utility, the commission shall determine whether the rate, charge, rule, or regulation in question is contrary to this section, section 40-3-106 (1), or section 40-3-111.

(b) (I) Paragraph (a) of this subsection (4) shall not be applicable to a cooperative electric association which has voted to exempt itself from regulation pursuant to the provisions of section 40-9.5-103. Regulation of such cooperative electric associations shall be in the manner provided in article 9.5 of this title.

(II) Repealed.

(c) and (c.1) Repealed.

**Source:** **L. 13:** p. 495, § 48. **C.L.** § 2957. **CSA:** C. 137, § 48. **CRS 53:** § 115-6-11. **L. 63:** p. 760, § 1. **C.R.S. 1963:** § 115-6-11. **L. 69:** p. 946, § 43. **L. 81:** (1) and (2) amended and (4) added, pp. 1914, 1920, 1922, §§ 2, 1, 2, effective July 1. **L. 82:** (4) amended, p. 587, § 1, effective February 19. **L. 83:** (4) amended, p. 1572, § 3, effective July 1. **L. 84:** (1) and (2) amended, p. 1041, § 7, effective July 1. **L. 85:** (4)(b)(I) amended and (4)(b)(II) repealed, pp. 1301, 1303, §§ 2, 6, effective April 5. **L. 89:** (3) amended, p. 1531, § 14, effective April 12; (4)(c) and (4)(c.1) added, pp. 1538, 1539, §§ 1, 1, effective April 28. **L. 94:** (2)(a) amended and (2)(c) added, p. 612, § 4, effective April 8. **L. 2000:** (1)(c) and (2)(b) repealed, p. 217, § 5, effective March 29. **L. 2010:** (1)(d) added and (2)(a) amended, (HB 10-1365), ch. 140, p. 475, §§ 2, 3, effective April 19. **L. 2019:** (1)(b) amended, (SB 19-236), ch. 359, p. 3312, § 17, effective May 30.

**Editor's note:** (1) Amendments to subsection (2) by House Bill 81-1036 and House Bill 81-1038 were harmonized.

(2) Subsection (4)(c.1) provided for the repeal of subsections (4)(c) and (4)(c.1), effective July 1, 1992. (See L. 89, p. 1539.)

**Cross references:** For the legislative declaration contained in the 1994 act amending subsection (2)(a) and enacting subsection (2)(c), see section 1 of chapter 102, Session Laws of Colorado 1994.

**40-6-112. Alteration or amendment of decision - decisions final in collateral actions.** (1) The commission, at any time upon notice to the public utility affected, and after opportunity to be heard as provided in the case of complaints, may rescind, alter, or amend any decision made by it. Any decision rescinding, altering, or amending a prior decision, when served upon the public utility affected, shall have the same effect as original decisions.

(2) In all collateral actions or proceedings, the decisions of the commission which have become final shall be conclusive.

**Source:** **L. 13:** p. 496, § 49. **C.L.** § 2958. **CSA:** C. 137, § 49. **CRS 53:** § 115-6-12. **C.R.S. 1963:** § 115-6-12. **L. 69:** p. 947, § 44.

**40-6-113. Transcripts - record on review.** (1) In any proceeding the commission, any single commissioner, or any administrative law judge may order a transcript of all or any part of such proceeding. The cost of preparing the transcript shall be paid by the commission. If any party to any proceeding seeks to reverse, modify, or annul a recommended decision of a single commissioner or administrative law judge, or a decision of the commission, in the manner as provided in this section, then such party, and not the commission, shall pay the cost of the transcript of such proceeding or the applicable portion thereof in accordance with the provisions of this section.

(2) Any party who seeks to reverse, modify, or annul the recommended decision of a single commissioner or administrative law judge or the decision of the commission shall promptly notify the official reporter of the parts of the transcript of the proceedings which shall be prepared and certified by the official reporter. A copy of this notification shall be served upon the commission and all parties. Within ten days thereafter any other party or the commission may serve and file a designation of additional parts of the transcript of proceedings which is to be included. The transcript or the parts thereof which may be designated by the parties or the commission shall be prepared by the official reporter and certified by such reporter, and when completed shall be filed with the commission. The transcript, as so prepared, shall be filed with the commission on or before the time the first pleading is required to be filed with the commission by the party, whether such pleading is exceptions or a petition for rehearing, reconsideration, or reargument. The commission, upon request timely made, may extend the time within which to file the transcript, and if the transcript cannot reasonably be prepared within the time prescribed, the commission shall extend the time for filing both the transcript and the first pleading of the party.

(3) The cost of preparing the transcript shall be advanced by the party seeking to reverse, annul, or modify the recommended decision of a commissioner or administrative law judge, or the decision of the commission; except that the commission may upon objections by such party order any other party to advance payment forthwith for the cost of preparing such parts of the transcripts designated by them, as the commission shall determine.

(4) It is not necessary for a party to cause a transcript to be filed as provided in this section in any case where the party does not seek to amend, modify, annul, or reverse basic findings of fact which shall be set forth in the recommended decision of a commissioner or administrative law judge or in the decision of the commission. If such transcript is not filed pursuant to the provisions of this section for consideration with the party's first pleading, it shall be conclusively presumed that the basic findings of fact, as distinguished from the conclusions and reasons therefor and the order or requirements thereon, are complete and accurate.

(5) Instead of designating portions of the transcript as provided in subsection (2) of this section, the parties, by written stipulation filed with the commission and acceptable to the commission, may designate the portions of the transcript to be filed with the commission. The transcript, as agreed upon and subject to the approval of the commission, shall be filed with the commission.

(6) In case of an action to review an order or decision of the commission, a transcript of such testimony or the affidavits or other evidence under the shortened or informal procedure, together with all exhibits or copies thereof introduced and all information secured by the commission on its own initiative and considered by it in rendering its order or decision, and the pleadings, record, and proceedings in the case, shall constitute the record of the commission. On review of an order or decision of the commission, the party seeking such review and the commission may stipulate that a certain question alone or a particular portion only of the evidence shall be certified to the district court for its judgment, whereupon such stipulation and the question and the evidence specified shall constitute the record on review.

**Source:** **L. 13:** p. 496, § 50. **C.L.** § 2959. **CSA:** C. 137, § 50. **CRS 53:** § 115-6-13. **C.R.S. 1963:** § 115-6-13. **L. 69:** p. 947, § 45. **L. 89:** (1) to (4) amended, p. 1531, § 15, effective April 12.

**40-6-114. Reconsideration, reargument, or rehearing - application - basis of review - order - exception.** (1) After a decision has been made by the commission or after a decision recommended by an individual commissioner or administrative law judge has become the decision of the commission, as provided in this article, any party thereto may within twenty days thereafter, or within such additional time as the commission may authorize upon request made within such period, make application for rehearing, reargument, or reconsideration of the same or of any matter determined therein. Such application shall be governed by such general rules as the commission may establish and shall specify with particularity the grounds upon which the applicant considers the decision unlawful. Any such application shall, within thirty days after the filing thereof, be considered and acted upon by the commission. Failure to act upon the application within such period shall constitute a denial thereof. Rehearing, reargument, or reconsideration may be granted if sufficient reason therefor is shown.

(2) An application for rehearing, reargument, or reconsideration of a decision of the commission made in accordance with the provisions of this section and the rules and regulations of the commission shall not stay or postpone such decision unless the commission, upon motion by the party seeking such stay or postponement or the commission upon its own motion, so orders; except that orders of the commission issued for the installation of automatic or other safety appliance signals or devices at railroad crossings shall be processed and handled to completion when such application deals solely with the matter of allocation of the costs thereof among the railroad company and the state and the political subdivisions pursuant to section 40-4-106.

(3) If after rehearing, reargument, or reconsideration of a decision of the commission it appears that the original decision is in any respect unjust or unwarranted, the commission may reverse, change, or modify the same accordingly. Any decision made after rehearing, reargument, or reconsideration, reversing, changing, or modifying the original decision may be subject to the same provisions with respect to rehearing, reargument, or reconsideration as an original decision or any such decision may be subject to judicial review as provided in section 40-6-115, at the option of the party seeking review. If the commission denies said application, the original order shall become effective according to its terms, unless the commission otherwise orders, except as provided in section 40-6-116.

(4) If no application for rehearing, reargument, or reconsideration has been made or, if made, is withdrawn, a suit to enforce, enjoin, suspend, modify, or set aside any final decision of the commission, in whole or in part, may be brought in a district court of the state of Colorado as set forth in this article; except that, if any party to a proceeding applies for reconsideration, reargument, or rehearing, no other party may appeal until the commission has ruled on the application. For purposes of judicial review, a decision on an application for rehearing, reargument, or reconsideration shall be deemed final on the date said decision is served on the parties to the proceeding.

(5) Any court may stay or suspend, in whole or in part, the operation of any commission decision under section 40-6-116, even though the commission had not been previously requested to suspend or stay such decision.

(6) (Deleted by amendment, L. 93, p. 2065, § 20, effective July 1, 1993.)

**Source:** **L. 13:** p. 496, § 51. **C.L.** § 2960. **CSA:** C. 137, § 51. **L. 53:** p. 470, § 1. **CRS 53:** § 115-6-14. **L. 61:** p. 630, § 1. **C.R.S. 1963:** § 115-6-14. **L. 69:** p. 949, § 46. **L. 77:** (2) amended, p. 1859, § 1, effective May 20. **L. 81:** (2) amended, p. 1924, § 1, effective March 27. **L. 89:** (1) amended, p. 1532, § 16, effective April 12. **L. 92:** (3), (4), and (5) amended and (6) added, p. 2130, § 2, effective July 1. **L. 93:** (4) and (6) amended, p. 2065, § 20, effective July 1.

**40-6-115. Review by district court - mandamus.** (1) Within thirty days after a final decision by the commission in any proceeding, any party to the proceeding before the commission may apply to the district court for a writ of certiorari or review for the purpose of having the lawfulness of the final decision inquired into and determined. Such writ shall be made returnable not later than thirty days after the date of issuance and shall direct the commission to certify its record in the proceeding to said court. On the return day, the cause shall be heard by the district court unless, for a good reason shown, the same be continued. No new or additional evidence may be introduced in the district court, but the cause shall be heard on the record of the commission as certified by it. The commission and each party to the action or proceeding before the commission shall have the right to appear in the review proceedings.

(2) The findings and conclusions of the commission on disputed questions of fact shall be final and shall not be subject to review, except that, in any proceeding wherein the validity of any order or decision is challenged on the ground that it violates any right of a petitioner under the constitution of the United States or the constitution of the state of Colorado, the district court shall exercise an independent judgment on the law and the facts, and the findings or conclusions of the commission material to the determination of the said constitutional question shall not be final.

(3) Upon review, the district court shall enter judgment either affirming, setting aside, or modifying the decision of the commission. So far as necessary to the decision and where presented, the district court shall decide all relevant questions of law and interpret all relevant constitutional and statutory provisions. The review shall not extend further than to determine whether the commission has regularly pursued its authority, including a determination of whether the decision under review violates any right of the petitioner under the constitution of the United States or of the state of Colorado, and whether the decision of the commission is just and reasonable and whether its conclusions are in accordance with the evidence.

(4) The provisions of the Colorado rules of civil procedure relating to writs of certiorari or review, so far as applicable and not in conflict with the provisions of this title, shall apply to proceedings had in the district court under the provisions of this section. No court of this state, except the district court to the extent specified, shall have jurisdiction to review, reverse, correct, or annul any order or decision of the commission, or to suspend or delay the execution or operation thereof, or to enjoin, restrain, or interfere with the commission in the performance of its official duties; but an action in the nature of mandamus shall lie from the district court to the commission in all proper cases.

(5) All actions for review shall be commenced and tried in the district court in and for the county in which the petitioner resides, or if a corporation or partnership in the county in which it maintains its principal office or place of business, or in the district court of the city and county of Denver, at the option of the petitioner. Appellate review may be obtained in the supreme court concerning any final judgment of the district court on review, affirming, setting aside, or modifying any decision of the commission, in the same manner and with the same effect as appellate review of judgments of the district court in other civil actions.

**Source:** **L. 13:** p. 497, § 52. **C.L.** § 2961. **CSA:** C. 137, § 52. **L. 45:** p. 531, § 8. **CRS 53:** § 115-6-15. **C.R.S. 1963:** § 115-6-15. **L. 69:** p. 949, § 47. **L. 75:** (1) and (4) amended, p. 227, § 90, effective July 16. **L. 89:** (4) amended, p. 1532, § 17, effective April 12. **L. 92:** (1) amended, p. 2131, § 3, effective July 1. **L. 93:** (1) amended, p. 2065, § 21, effective July 1.

**40-6-116. Suspension of decision - notice - bond - accounting pending review.** (1) The pendency of a writ of certiorari or review shall not of itself stay or suspend the operation of the decision of the commission; but, during the pendency of such writ, the district court, in its discretion, may stay or suspend, in whole or in part, the operation of the commission's decision.

(2) No order so staying or suspending any decision of the commission shall be made other than upon three days' notice and after hearing; and if the decision of the commission is suspended, the order suspending the same shall contain a specific finding based upon evidence submitted to the court and identified by reference thereto that great or irreparable damage would otherwise result to the petitioner and specifying the nature of the damage.

(3) In case the decision of the commission is stayed or suspended, the order of the court shall not become effective until a suspending bond has been filed with and approved by the district court, and sufficient in amount and security to ensure the prompt payment, by the party petitioning for the review, of all damages caused by the delay in the enforcement of the decision of the commission, and of all money which any person may be compelled to pay, pending the review proceedings, for transportation, transmission, product, commodity, or service in excess of the charges fixed by the decision of the commission in case said decision is sustained. The district court, in case it stays or suspends the decision of the commission in any matter affecting rates, fares, tolls, rentals, charges, or classifications, by order, shall direct the public utility affected to pay into court from time to time, there to be impounded until the final decision of the case, or into some bank or trust company under such conditions as the court may prescribe all sums of money which it may collect from any person in excess of the sum such person would have been compelled to pay if the decision of the commission had not been stayed or suspended.

(4) In case the district court stays or suspends any decision lowering any rate, fare, toll, rental, charge, or classification, the commission, upon the filing and approval of said suspending bond, shall forthwith require the public utility affected, under penalty of the immediate enforcement of the decision of the commission, pending review and notwithstanding the suspending order, to keep such accounts, verified by oath, as may, in the judgment of the commission, suffice to show the amounts being charged or received by such public utility, pending review, in excess of the charges allowed by the decision of the commission, together with the names and addresses of the persons to whom overcharges will be refundable in case the charges made by the public utility, pending review, are not sustained by the district court. The court, from time to time, may require the party petitioning for a review to give additional security on, or to increase, the suspending bond, whenever in the opinion of the court the same may be necessary to ensure the prompt payment of said damages and said overcharges.

(5) Upon the final decision by the district court, all money which the public utility may have collected, pending the appeal, in excess of those authorized by such final decision, together with interest, in case the court ordered the deposits of such moneys in a bank or trust company, shall be promptly paid to the persons entitled thereto, in such manner and through such methods of distribution as may be prescribed by the commission. If any moneys are not claimed by the persons entitled thereto within one year from the final decision of the district court, the commission shall cause notice to such persons to be given by publication once a week for two successive weeks in a newspaper of general circulation printed and published in the city and county of Denver and in such other newspapers as may be designated by the commission, said notice to state the names of persons entitled to such moneys and the amounts due each person. All moneys not claimed within ninety days after publication of such notice shall be paid by the public utility, under the direction of the commission, into the state treasury and credited to the general fund.

**Source:** **L. 13:** p. 498, § 53. **C.L.** § 2962. **CSA:** C. 137, § 53. **L. 45:** p. 532, § 9. **CRS 53:** § 115-6-16. **C.R.S. 1963:** § 115-6-16. **L. 69:** p. 951, § 48. **L. 75:** (1) amended, p. 227, § 91, effective July 16.

**40-6-117. Priority on court calendar.** All actions and proceedings under this title, and all actions or proceedings to which the commission or the people of the state of Colorado may be parties, and in which any question arises under this title or under or concerning any decision of the commission, shall be preferred over all other civil causes except election causes and shall be heard and determined in preference to all other civil business except election causes, irrespective of position on the calendar. The same preference shall be granted upon application of the attorney general in any action or proceeding in which he may be allowed to intervene.

**Source:** **L. 13:** p. 500, § 54. **C.L.** § 2963. **CSA:** C. 137, § 54. **CRS 53:** § 115-6-17. **C.R.S. 1963:** § 115-6-17. **L. 69:** p. 952, § 49. **L. 89:** Entire section amended, p. 1533, § 18, effective April 12.

**40-6-118. Valuations - hearings - findings - review.** (1) For the purpose of ascertaining the matters and things specified in section 40-4-110, concerning the value of the property of public utilities, the commission may cause a hearing to be held at such time and place as the commission may designate. Before any hearing is had, the commission shall give the public utility affected thereby at least thirty days' written notice, specifying the time and place of such hearing, and such notice shall be sufficient to authorize the commission to inquire into the matters designated in this section and pursuant to section 40-6-111, but this provision shall not prevent the commission from making any preliminary examination or investigation into the matters herein referred to or from inquiring into such matters in any other investigation or hearing. All public utilities affected shall be entitled to be heard and to introduce evidence at such hearing. The commission is empowered to resort to any other source of information available. The evidence introduced at such hearing shall be reduced to writing and certified under the seal of the commission. The commission shall make and file its findings of fact in writing upon all matters concerning which evidence has been introduced before it which in its judgment have bearing on the value of the property of the public utility affected. Such findings shall be subject to review by the district court in the same manner and within the same time as other orders and decisions of the commission.

(2) The findings of the commission so made and filed, when properly certified under the seal of the commission, shall be admissible in evidence in any action, proceeding, or hearing before the commission or any court, in which the commission, the state, or any officer, department, or institution thereof, or any county, city and county, municipality, or other body politic and the public utility affected may be interested, whether arising under the provisions of this title, or otherwise, and such findings, when so introduced, shall be conclusive evidence of the facts therein stated as of the date therein stated under conditions then existing, and such facts can only be controverted by showing a subsequent change in conditions bearing upon the facts therein determined. The commission, from time to time, may cause further hearings and investigations to be had for the purpose of making revaluations or ascertaining the value of any betterments, improvements, additions, or extensions made by any public utility subsequent to any prior hearing or investigation, and may examine into all matters which may change, modify, or affect any finding of fact previously made, and at such time may make findings of fact supplementary to those theretofore made. Such hearings shall be had upon the same notice and be conducted in the same manner, and the findings so made shall have the same force and effect as is provided for such original notice, hearing, and findings. Such findings made at such supplemental hearings or investigations shall be considered in connection with and as a part of the original findings except insofar as such supplemental findings shall change or modify the findings made at the original hearing or investigation.

**Source:** **L. 13:** p. 501, § 55. **C.L.** § 2964. **CSA:** C. 137, § 55. **CRS 53:** § 115-6-18. **C.R.S. 1963:** § 115-6-18. **L. 69:** p. 952, § 50. **L. 89:** (2) amended, p. 1533, § 19, effective April 12.

**40-6-119. Excess charges - reparation - actions - limitation.** (1) When complaint has been made to the commission concerning any rate, fare, toll, rental, or charge for any product or commodity furnished or service performed by any public utility and the commission has found, after investigation, that the public utility has charged an excessive or discriminatory amount for such product, commodity, or service, the commission may order that the public utility make due reparation to the complainant therefor, with interest from the date of collection, provided no discrimination will result from such reparation.

(2) If the public utility does not comply with the order for the payment of reparation within the specified time in such order, suit may be instituted in any court of competent jurisdiction to recover the same. All complaints concerning excessive or discriminatory charges shall be filed with the commission within two years from the time the cause of action accrues, and the petition for the enforcement of the order shall be filed in the court within one year from the date of the order of the commission. The remedy provided in this section shall be cumulative and in addition to any other remedy in articles 1 to 7 of this title provided in case of failure of a public utility to obey the order or decision of the commission.

**Source:** **L. 13:** p. 502, § 56. **C.L.** § 2965. **CSA:** C. 137, § 56. **CRS 53:** § 115-6-19. **C.R.S. 1963:** § 115-6-19.

**40-6-120. Temporary authority. (Repealed)**

**Source:** **L. 69:** p. 953, § 51. **C.R.S. 1963:** § 115-6-20. **L. 79:** (1) amended, p. 1516, § 1, effective June 19. **L. 83:** (1) amended, p. 1563, § 1, effective March 16. **L. 87:** (2) amended, p. 1475, § 1, effective February 26. **L. 89:** (3) amended, p. 1533, § 20, effective April 12. **L. 93:** (4) amended, p. 2066, § 22, effective July 1. **L. 2011:** Entire section repealed, (HB 11-1198), ch. 127, p. 416, § 3, effective August 10.

**40-6-121. Computation of time.** When the day for the performance of any act under this title, the effective date of any commission decision or order, the effective date of any administrative law judge's or commissioner's recommended decision, or the day upon which any document is required to be filed with the commission falls on any Saturday or Sunday, or on any day when the commission office is lawfully closed, the same shall be continued until 5 p.m. on the first full business day following such Saturday, Sunday, or day of lawful closing.

**Source:** **L. 69:** p. 954, § 51. **C.R.S. 1963:** § 115-6-21. **L. 88:** Entire section amended, p. 896, § 4, effective May 19. **L. 89:** Entire section amended, p. 1534, § 21, effective April 12. **L. 95:** Entire section amended, p. 199, § 14, effective April 13.

**40-6-122. Ex parte communications - disclosure.** (1) Commissioners and administrative law judges shall file memoranda, in accordance with this section, of all private communications to or from interested persons concerning matters under the commissioners' or judges' jurisdiction.

(2) For purposes of this section, "interested person" means any person or entity, or any agent or representative of a person or entity:

(a) Whose operations are within the jurisdiction of the commission; or

(b) Who has participated in a proceeding before the commission within one year prior to the communication; or

(c) Who anticipates participating in a proceeding before the commission within one year after the communication.

(3) Each memorandum filed pursuant to subsection (1) of this section shall set forth the time and place at which the communication was made, the persons who were present at that time and place, a statement of the subject matter of the communication, other than proprietary information, and a statement that the subject matter of the communication did not relate to any pending adjudicatory proceeding before the commission. It shall not be necessary for the memorandum to be prepared by the commissioner or judge, but it shall be signed or otherwise authenticated by the commissioner or judge, whose signature or authentication shall constitute a certificate by such commissioner or judge that the memorandum is complete and accurate. All such memoranda shall be filed with the director of the commission, who shall keep them on file and available for public inspection for a minimum of three years after their submission.

(4) Any public utility may request that the commission conduct a public meeting at which communications otherwise subject to this section may be made without the necessity of filing memoranda. The commission shall adopt reasonable rules and regulations to govern such requests. In addition, the commission may adopt such other rules as are necessary and proper to govern ex parte communications generally.

(5) As used in this section, an "adjudicatory proceeding" does not include a rule-making proceeding or discussions on pending legislative proposals.

**Source:** **L. 93:** Entire section added, p. 2066, § 23, effective July 1. **L. 2008:** (3) amended and (5) added, p. 1797, § 16, effective July 1.

**40-6-123. Standards of conduct.** (1) Members and staff of the commission shall conduct themselves in such a manner as to ensure fairness in the discharge of the duties of the commission, to provide equitable treatment of the public, utilities, and other parties, to maintain public confidence in the integrity of the commission's actions, and to prevent the appearance of impropriety or of conflict of interest. The standards set forth in this section apply at all times to the commissioners, to their staff, including administrative law judges, and to parties under contract with the commission for state business.

(2) The commissioners, staff who act in an advisory capacity to the commissioners, and administrative law judges shall refrain from financial, business, and social dealings that adversely affect their impartiality or interfere with the proper performance of their official duties.

(3) Neither commissioners, staff members, parties under contract for state work, or members of the immediate families of such persons shall request or accept any gift, bequest, or loan from persons who appear before the commission; except that commissioners and staff members may participate in meetings, conferences, or educational programs which are open to other persons.

(4) Commissioners shall not lend the prestige of their office to advance the private interests of others, nor shall they convey the impression that special influence can be brought to bear upon them.

(5) Commissioners and presiding administrative law judges shall not own any stock, securities, or other financial interest in any company regulated by the commission.

(6) Violation of this section by a commissioner shall be grounds for the immediate removal of such commissioner by the governor.

**Source:** **L. 93:** Entire section added, p. 2066, § 23, effective July 1.

**40-6-124. Disqualification.** (1) Commissioners and presiding administrative law judges shall disqualify themselves in any proceeding in which their impartiality may reasonably be questioned, including, but not limited to, instances in which they:

(a) Have a personal bias or prejudice concerning a party;

(b) Have served as an attorney or other representative of any party concerning the matter at issue, or were previously associated with an attorney who served, during such association, as an attorney or other representative of any party concerning the matter at issue;

(c) Know that they or any member of their family, individually or as a fiduciary, has a financial interest in the subject matter at issue, is a party to the proceeding, or otherwise has any interest that could be substantially affected by the outcome of the proceeding; or

(d) Have engaged in conduct which conflicts with their duty to avoid the appearance of impropriety or of conflict of interest.

**Source:** **L. 93:** Entire section added, p. 2066, § 23, effective July 1.

**ARTICLE 6.5**

Office of the Utility Consumer Advocate

**40-6.5-101. Definitions.** As used in this article 6.5, unless the context otherwise requires:

(1) "Agricultural consumer" means a public utility customer whose utility service is classified as an agricultural user or an irrigation user pursuant to a utility tariff established by the commission or a public utility customer who is seeking such tariff status.

(1.3) "Board" means the utility consumers' board created in section 40-6.5-102 (3)(a).

(2) "Commission" means the public utilities commission created in article 2 of this title.

(2.2) "Director" means the director of the office, appointed pursuant to section 40-6.5-102 (1).

(2.4) "Executive director" means the executive director of the department of regulatory agencies, appointed pursuant to section 24-34-101 (1)(a).

(2.8) "Office" means the office of the utility consumer advocate created in section 40-6.5-102 (1).

(3) "Public utility" means an electric utility or gas utility.

(4) "Residential consumer" means a public utility customer whose utility service is limited to his residence.

(5) "Small business consumer" means a public utility customer whose utility service is classified as a small business user or a small commercial user pursuant to a utility tariff established by the commission or a public utility customer who is seeking such tariff status.

(6) "Telecommunications service" means the offering of telecommunications for a fee directly to the public, or to such classes of users as to be effectively available directly to the public, regardless of the facilities used.

**Source:** **L. 84:** Entire article added, p. 1044, § 1, effective July 1. **L. 2015:** (3) amended, (SB 15-271), ch. 297, p. 1223, § 2, effective June 5. **L. 2021:** IP amended and (1.3), (2.2), (2.4), (2.8), and (6) added, (SB 21-103), ch. 477, p. 3408, § 3, effective September 1.

**40-6.5-102. Office of the utility consumer advocate and utility consumers' board - creation - appointment - attorney general to represent.** (1) There is hereby created, as a division within the department of regulatory agencies, the office of the utility consumer advocate, the head of which is the director, who shall be appointed by the executive director pursuant to section 13 of article XII of the state constitution.

(2) The office is a **type 1** entity, as defined in section 24-1-105, and exercises its powers and performs its duties and functions specified in this article 6.5 under the department of regulatory agencies.

(3) (a) The utility consumers' board is created and shall guide the policy of the office. The board is a **type 2** entity, as defined in section 24-1-105, and exercises its powers and performs its duties and functions specified in this article 6.5 under the department of regulatory agencies and the executive director.

(b) (I) The board consists of members appointed as follows:

(A) The governor shall appoint one member from each congressional district in the state. Of the members appointed by the governor, at least one member must be actively engaged in agriculture as a business and at least two members must be owners of small businesses with one hundred or fewer employees. No more than a minimum majority of the governor's appointments may be affiliated with the same political party.

(B) The president of the senate, the speaker of the house of representatives, the minority leader of the senate, and the minority leader of the house of representatives shall each appoint one member of the board.

(II) Members of the board serve terms of four years. If a person has any conflict of interest with the duties required of a member of the board, the appointing authority shall not appoint the person as a member of the board. The official who appointed a board member may remove that board member for misconduct, incompetence, or neglect of duty. Board members serve without compensation, but members who reside outside the counties of Denver, Jefferson, Adams, Arapahoe, Boulder, Broomfield, and Douglas are entitled to reimbursement for reasonable and actual expenses to attend board meetings in Denver. The board shall meet at least six times per year.

(c) It is the duty of the board to represent the public interest of Colorado utility users, and, specifically, the interests of residential, agricultural, and small business users, by providing general policy guidance and oversight for the office and the director in the performance of their statutory duties and responsibilities as specified in this article 6.5. The powers and duties of the board include the following:

(I) Providing general policy guidance to the office regarding rule-making matters, legislative projects, general activities, and priorities of the office; and

(II) Gathering data and information and formulating policy positions to advise the office in preparing analysis and testimony in legislative hearings on proposed legislation affecting the interests of residential, small business, and agricultural utility users.

(4) It is the duty of the attorney general to advise the office and the board in all legal matters and to provide representation in proceedings in which the office participates.

**Source:** **L. 84:** Entire article added, p. 1045, § 1, effective July 1. **L. 93:** Entire section amended, p. 975, § 4, effective July 1. **L. 96:** (3)(c)(III) amended, p. 1225, § 33, effective August 7. **L. 2015:** (2)(b) repealed and (3)(a) and (3)(b) amended, (SB 15-271), ch. 297, p. 1224, § 3, effective June 5. **L. 2021:** Entire section amended, (SB 21-103), ch. 477, p. 3408, § 4, effective September 1. **L. 2022:** (3)(b)(I) amended, (SB 22-013), ch. 2, p. 87, § 117, effective February 25; (2) and (3)(a) amended, (SB 22-162), ch. 469, p. 3399, § 143, effective August 10.

**Cross references:** (1) For the legislative declaration contained in the 1996 act amending subsection (3)(c)(III), see section 1 of chapter 237, Session Laws of Colorado 1996.

(2) For the short title (the "Debbie Haskins 'Administrative Organization Act of 1968' Modernization Act") in SB 22-162, see section 1 of chapter 469, Session Laws of Colorado 2022.

**40-6.5-103. Qualifications of the director - conflict of interest.** The director must have at least five years of experience in consumer-related utility issues or in the operation, management, or regulation of utilities as either an attorney, an engineer, an economist, an accountant, a financial analyst, or an administrator or any combination of those roles. The executive director shall not appoint as director a person who owns stocks or bonds in a corporation subject in whole or in part to regulation by the commission or who has any pecuniary interest in such corporation.

**Source:** **L. 84:** Entire article added, p. 1045, § 1, effective July 1. **L. 2021:** Entire section amended, (SB 21-103), ch. 477, p. 3410, § 5, effective September 1.

**40-6.5-104. Representation by the director - powers of the office.** (1) The director shall represent the public interest and, to the extent consistent therewith, the specific interests of residential consumers, agricultural consumers, and small business consumers by appearing in proceedings before the commission and appeals therefrom in matters that involve proposed changes in a public utility's rates and charges; in matters involving rule-making that have an impact on the charges, the provision of services, or the rates to consumers; and in matters that involve certificates of public convenience and necessity for facilities employed in the provision of utility service, the construction of which would have a material effect on the utility's rates and charges.

(2) In determining whether to appear in a proceeding of the commission, the director shall consider the importance and the extent of the public interest involved. In evaluating the public interest, including the impact on rates and charges to consumers, the director shall give due consideration to statutory decarbonization goals set forth in sections 25-7-102 (2)(g) and 40-2-125.5 (3), just transition in accordance with section 40-2-133, environmental justice, and the short- and long-term effect of the proceedings upon various classes of consumers, so as not to jeopardize the interest of one class in an action by another. If the director determines that there may be inconsistent interests among the various classes of the consumers that the director represents in a particular matter, the director may choose to represent one of the interests or to represent no interest. Nothing in this section limits the right of any person to petition or make complaint to the commission or otherwise intervene in proceedings or other matters before the commission.

(3) The director shall be served with notices of all proposed gas and electric tariffs, and the director shall be served with copies of all orders of the commission affecting the charges of agricultural consumers, residential consumers, and small business consumers.

(4) The office may intervene in matters before the commission that relate to a telecommunications service proceeding, including a rule-making proceeding, that has an impact on the provision or quality of telecommunications service.

(5) The office shall not recommend that the commission take any action that would interfere with the administration or determination of employees' wages, health insurance, or retirement benefits negotiated between a regulated utility and a labor union through collective bargaining.

**Source:** **L. 84:** Entire article added, p. 1045, § 1, effective July 1. **L. 2015:** (3) amended, (SB 15-271), ch. 297, p. 1225, § 4, effective June 5. **L. 2021:** Entire section amended, (SB 21-103), ch. 477, p. 3410, § 6, effective September 1.

**40-6.5-105. Intervenors other than the office of the utility consumer advocate.** (1) If the office intervenes and there are other intervenors in proceedings before the commission, the determination of said commission with regard to the payment of expenses of intervenors, other than the office, and the amounts thereof shall be based on the following considerations:

(a) Any reimbursements may be awarded only for expenses related to issues not substantially addressed by the office;

(b) The testimony and participation of other intervenors must have addressed issues of concern to the general body of users or consumers concerning, directly or indirectly, rates or charges;

(c) The testimony and participation of other intervenors must have materially assisted the commission in rendering its decision;

(d) The expenses of other intervenors must be reasonable in amount;

(e) The testimony and participation of other intervenors must be of significant quality;

(f) The participation of other intervenors must be active during the proceeding and not merely an appearance for purposes of establishing legal standing; and

(g) The payment of expenses of other intervenors who are in direct competition with a public utility involved in proceedings before the commission is prohibited.

(2) The commission shall promptly report the award of any intervenors' expenses to the executive director of the department of regulatory agencies.

**Source:** **L. 84:** Entire article added, p. 1045, § 1, effective July 1. **L. 96:** (2) amended, p. 1228, § 43, effective August 7. **L. 2021:** IP(1) and (1)(a) amended, (SB 21-103), ch. 477, p. 3411, § 7, effective September 1.

**Cross references:** For the legislative declaration contained in the 1996 act amending subsection (2), see section 1 of chapter 237, Session Laws of Colorado 1996.

**40-6.5-106. Powers of the director - report.** (1) The director:

(a) May employ such attorneys, engineers, economists, accountants, or other employees as may be necessary to carry out the director's duties;

(b) Shall be granted, by the commission, leave to intervene in all cases where such request is made in conformance with rules of the commission;

(c) May contract for the services of technically qualified persons to perform research and to appear as expert witnesses before the commission. The director shall pay any person contracted with pursuant to this subsection (1)(c) from funds appropriated for the director's use.

(d) May have access to the files of the commission when conducting research;

(e) (I) May inspect the records and documents of any public utility and conduct depositions under oath of any officer, agent, or employee of a public utility in relation to the public utility's business and affairs. To exercise this authority, the director shall request that the commission issue a subpoena pursuant to the commission's authority under section 40-6-103 (1) to:

(A) Issue a subpoena on a public utility requiring the public utility to produce records or documents, or, for records or documents kept outside of the state, to produce verified copies of records or documents, for inspection by the office at such time and place that the commission designates; or

(B) Issue a subpoena for the attendance of witnesses at a deposition to be conducted by the director or the director's designee at such time and place that the commission designates. The director or the director's designee has the authority to administer oaths of witnesses at a deposition held pursuant to this subsection (1)(e)(I).

(II) With respect to the good cause shown requirement set forth in section 40-6-103 (1) for the issuance of a subpoena, good cause is shown for a request made pursuant to this subsection (1)(e) if the director's request identifies the testimony, records, or documents sought pursuant to this subsection (1)(e).

(2) The director may petition for, request, initiate, and appear and intervene as a party in any commission proceeding, including a rule-making proceeding, that concerns or affects utility rate changes, charges, tariffs, modifications of service, and matters involving certificates of public convenience and necessity. Notwithstanding any provision of this article 6.5 to the contrary, the director shall not be a party to any individual complaint between a utility and an individual.

(2.5) The director may petition for, request, initiate, or seek to intervene in any proceeding before a federal agency that regulates utility rates or service or before a federal court when the matter before the agency or court will affect a rate, charge, tariff, or term of service for a utility product or service for a residential, small business, or agricultural utility consumer in the state of Colorado. The phrase "federal agency that regulates utility rates or service" does not include any federal lending agency.

(3) (a) The director and any member of the director's staff directly involved in a specific adjudicatory proceeding before the commission shall refrain from ex parte communications with members of the commission. The director and the director's staff have all rights and are governed by the same ex parte rules as all other intervenors.

(b) As used in this subsection (3), an "adjudicatory proceeding" does not include a rule-making proceeding or discussions on pending legislative proposals.

(4) (a) The director or the director's designee shall provide policy analysis to the executive director on legislative matters pending before the general assembly that directly relate to the office's mission.

(b) The office may provide presentations and other forms of education to the general assembly on the types of matters that involve:

(I) Public utilities' rates and charges;

(II) The provision of services;

(III) Certificates of public convenience and necessity for facilities:

(A) That are or would be used in providing utility service; and

(B) The construction of which would have material effect on a public utility's rates and charges; and

(IV) Other matters that affect the public interest of the constituents that the office represents.

(c) The department of regulatory agencies shall annually report on the office as part of its presentation to its committees of reference at a hearing held pursuant to section 2-7-203 (2)(a) of the "State Measurement for Accountable, Responsive, and Transparent (SMART) Government Act", including reporting on the following:

(I) A summary of matters in which the office intervened in the preceding year and the resolution, if any, of those matters; and

(II) A summary of the office's other work in the preceding year.

**Source:** **L. 84:** Entire article added, p. 1046, § 1, effective July 1. **L. 92:** (2.5) added, p. 2128, § 1, effective April 10. **L. 2008:** (3) amended, p. 1797, § 17, effective July 1. **L. 2021:** IP(1), (1)(a), (1)(c), (2), (2.5), and (3)(a) amended and (1)(e) and (4) added, (SB 21-103), ch. 477, p. 3411, § 8, effective September 1.

**40-6.5-107. Financing of office.** At each regular session, the general assembly shall determine the amount to be expended by the office for the direct and indirect costs of administration in performing its duties and responsibilities required by this article 6.5 and shall appropriate the amount to the office from the public utilities commission fixed utility fund and the telecommunications utility fund created in section 40-2-114. The general assembly shall not appropriate money from the general fund to the office for the performance of its duties and responsibilities under this article 6.5.

**Source:** **L. 84:** Entire article added, p. 1047, § 1, effective July 1. **L. 2021:** Entire section amended, (SB 21-103), ch. 477, p. 3413, § 9, effective September 1.

**40-6.5-108. Repeal of article - office of the utility consumer advocate subject to termination.** This article 6.5 is repealed, effective September 1, 2028. Before the repeal, this article 6.5 is scheduled for review in accordance with section 24-34-104.

**Source:** **L. 84:** Entire article added, p. 1047, § 1, effective July 1. **L. 88:** Entire section amended, p. 1353, § 1, effective April 14. **L. 93:** Entire section amended, p. 977, § 5, effective July 1. **L. 98:** (1) amended, p. 74, § 1, effective July 1; (1) amended, p. 78, § 1, effective July 1. **L. 2004:** (1)(b) amended, p. 350, § 21, effective July 1. **L. 2006:** (1)(b) repealed and (1)(b.5) added, p. 128, §§ 2, 3, effective July 1; (1)(b) repealed and (1)(c) added, p. 24, §§ 2, 3, effective July 1. **L. 2015:** (1)(b.5) repealed and (1)(c) amended, (SB 15-271), ch. 297, p. 1225, § 5, effective June 5. **L. 2016:** (2) amended, (SB 16-189), ch. 210, p. 797, § 117, effective June 6. **L. 2021:** Entire section R&RE, (SB 21-103), ch. 477, p. 3407, § 2, effective September 1.

**Editor's note:** Amendments to subsection (1) by House Bill 98-1078 were harmonized with House Bill 98-1074 resulting in the deletion of subsection (1)(a).

**40-6.5-109. Consumer counsel report. (Repealed)**

**Source:** **L. 84:** Entire article added, p. 1048, § 6, effective July 1. **L. 93:** Entire section repealed, p. 1793, § 90, effective June 6; entire section repealed, pp. 977, 2068, §§ 6, 24, effective July 1.

**ARTICLE 7**

Enforcement - Penalties

**40-7-101. Enforcement of laws.** It is the duty of the commission to see that the constitution and statutes of this state affecting public utilities, and persons subject to article 10.1 or 10.5 of this title, the enforcement of which is not specifically vested in some other officer or tribunal, are enforced and obeyed and that violations thereof are promptly prosecuted and penalties due the state are recovered and collected, and to this end it may sue in the name of the people of the state of Colorado. Upon the request of the commission, the attorney general or the district attorney acting for the proper county or city and county shall aid in any investigation, hearing, or trial had under articles 1 to 7 of this title and institute and prosecute actions or proceedings for the enforcement of the constitution and statutes of this state affecting public utilities and persons subject to article 10.1 or 10.5 of this title and for the punishment of all violations thereof.

**Source:** **L. 13:** p. 503, § 57. **C.L.** § 2966. **CSA:** C. 137, § 57. **CRS 53:** § 115-7-1. **C.R.S. 1963:** § 115-7-1. **L. 2011:** Entire section amended, (HB 11-1198), ch. 127, p. 420, § 16, effective August 10.

**40-7-102. Liability for violations - punitive damages.** (1) In case any public utility does, causes to be done, or permits to be done any act, matter, or thing prohibited, forbidden, or declared to be unlawful, or omits to do any act, matter, or thing required to be done, either by the state constitution, any law of this state, or any order or decision of the commission, such public utility shall be liable to the persons or corporations affected thereby for all loss, damage, or injury caused thereby or resulting therefrom. If the court finds that the act or omission was willful, the court, in addition to the actual damages, may award exemplary damages. An action to recover such loss, damage, or injury may be brought in any court of competent jurisdiction by any corporation or person.

(2) No recovery as provided in this section shall in any manner affect the recovery by the state of the penalties provided in articles 1 to 7 of this title.

**Source:** **L. 13:** p. 503, § 58. **C.L.** § 2967. **CSA:** C. 137, § 58. **CRS 53:** § 115-7-2. **C.R.S. 1963:** § 115-7-2.

**40-7-103. Not to affect other rights - penalties cumulative.** (1) The provisions of articles 1 to 7 of this title shall not have the effect of releasing or waiving any right of action by the state, the commission, or any person or corporation for any right, penalty, or forfeiture which may have arisen or accrued under any law of this state.

(2) All penalties accruing under articles 1 to 7 of this title shall be cumulative of each other, and a suit for the recovery of one penalty shall not be a bar to nor affect the recovery of any other penalty or forfeiture nor be a bar to any criminal prosecution against any public utility, or any officer, director, agent, or employee thereof, or any other corporation or person.

**Source:** **L. 13:** p. 503, § 59. **C.L.** § 2968. **CSA:** C. 137, § 59. **CRS 53:** § 115-7-3. **C.R.S. 1963:** § 115-7-3.

**40-7-104. Actions to restrain violations.** (1) Whenever the commission is of the opinion that any public utility is failing or omitting to do anything required of it by law or by any order, decision, rule, direction, or requirement of the commission or is doing anything or about to do anything or permitting anything or about to permit anything to be done contrary to or in violation of law or of any order, decision, rule, direction, or requirement of the commission, it shall direct the attorney general to commence an action or proceeding in the district court in and for the county or city and county in which the cause or some part thereof arose, or in which the corporation or person complained of, if any, has its principal place of business, or in which the person, if any, complained of, resides, in the name of the people of the state of Colorado, for the purpose of having such violations or threatened violations stopped and prevented, either by mandamus or injunction.

(2) The attorney general shall begin such action or proceeding by petition to such district court, alleging the violation or threatened violation complained of, and praying for appropriate relief by way of mandamus or injunction. It is the duty of the court to specify a time, not exceeding twenty days after the service of the copy of the petition, within which the public utility complained of must answer the petition, and in the meantime said public utility may be restrained. In case of default in answer or after answer, the court shall immediately inquire into the facts and circumstances of the case.

(3) Such corporations or persons as the court may deem necessary or proper to be joined as parties, in order to make its judgment or order effective, may be joined as parties. The final judgment in any such action or proceeding shall either dismiss the action or proceeding or direct that an order in the nature of mandamus or injunction issue or be made permanent as prayed for in the petition or in such modified or other form as will afford appropriate relief. An appeal may be taken to the supreme court from such final judgment in the same manner and with the same effect, subject to the provisions of articles 1 to 7 of this title as appeals are taken from judgments of the district court in other actions for mandamus or injunction.

**Source:** **L. 13:** p. 504, § 60. **C.L.** § 2969. **CSA:** C. 137, § 60. **CRS 53:** § 115-7-4. **C.R.S. 1963:** § 115-7-4.

**40-7-105. Violations - penalty - separate offenses - rules.** (1) Any public utility that violates or fails to comply with any provision of the state constitution or of articles 1 to 7 of this title 40 or that fails, omits, or neglects to obey, observe, or comply with any order, decision, decree, rule, direction, demand, or requirement of the commission or any part or provision thereof, except an order for the payment of money, in a case in which a penalty has not been provided for the public utility, is subject to a penalty of not more than twenty thousand dollars per offense for each day that the offense continues.

(1.5) (a) Any proposed penalty is subject to a finding by the commission of customer harm that is commensurate with the amount of the penalty levied. In determining the amount of a penalty or whether any penalty is levied, the commission shall also consider factors including:

(I) The size of the utility;

(II) Factors influencing the violation;

(III) The utility's previous history of any similar violations;

(IV) Remedial measures; and

(V) Any other factors that may mitigate any harm to customers.

(b) The commission shall adopt rules to annually adjust the maximum per-day penalty amount set forth in subsection (1) of this section based on the annual percentage change in the United States department of labor's bureau of labor statistics consumer price index for the Denver-Aurora-Lakewood area for all items paid by all urban consumers, or its successor index.

(2) Every violation of the provisions of articles 1 to 7 of this title or of any order, decision, decree, rule, direction, demand, or requirement of the commission or any part or portion thereof, except an order for the payment of money, by any corporation or person is a separate and distinct offense, and, in case of a continuing violation, each day's continuance thereof shall be deemed a separate and distinct offense.

(3) In construing and enforcing the provisions of articles 1 to 7 of this title relating to penalties, the act, omission, or failure of any officer, agent, or employee of any public utility, acting within the scope of his official duties or employment, in every case shall be deemed the act, omission, or failure of such public utility.

(4) Any penalty that the commission assesses against a utility under this section is not recoverable as an expense payable by the utility's ratepayers.

**Source:** **L. 13:** p. 505, § 61. **C.L.** § 2970. **CSA:** C. 137, § 61. **CRS 53:** § 115-7-5. **C.R.S. 1963:** § 115-7-5. **L. 2023:** (1) amended and (1.5) and (4) added, (SB 23-016), ch. 165, p. 747, § 20, effective August 7.

**40-7-106. Violations by agents - penalty.** Every officer, agent, or employee of any public utility who violates or fails to comply with or who procures, aids, or abets any violation by any public utility of any provision of the constitution of this state or of articles 1 to 7 of this title, or who fails to obey, observe, or comply with any order, decision, rule, direction, demand, or requirement of the commission or any part or provision thereof, except an order for the payment of money, or who procures, aids, or abets any public utility in its failure to obey, observe, and comply with any such order, decision, rule, direction, demand, or requirement or any part or provision thereof in a case in which a penalty has not been provided for such officer, agent, or employee commits a class 2 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S.

**Source:** **L. 13:** p. 505, § 62. **C.L.** § 2971. **CSA:** C. 137, § 62. **CRS 53:** § 115-7-6. **C.R.S. 1963:** § 115-7-6. **L. 93:** Entire section amended, p. 2068, § 25, effective July 1. **L. 2002:** Entire section amended, p. 1558, § 355, effective October 1.

**Cross references:** For the legislative declaration contained in the 2002 act amending this section, see section 1 of chapter 318, Session Laws of Colorado 2002.

**40-7-107. Violations by corporations not public utilities - penalty.** Every corporation other than a public utility which violates any provision of articles 1 to 7 of this title or which fails to obey, observe, or comply with any order, decision, rule, direction, demand, or requirement of the commission or any part or provision thereof, except an order for the payment of money, in a case in which a penalty has not been provided for such corporation is subject to a penalty of not more than two thousand dollars for each offense.

**Source:** **L. 13:** p. 506, § 63. **C.L.** § 2972. **CSA:** C. 137, § 63. **CRS 53:** § 115-7-7. **C.R.S. 1963:** § 115-7-7.

**40-7-108. Violations by individuals - penalty.** Every person who, either individually or acting as an officer, agent, or employee of a corporation other than a public utility, violates any provision of articles 1 to 7 of this title 40 or who fails to observe, obey, or comply with any order, decision, rule, direction, demand, or requirement of the commission or any part or portion thereof, or who procures, aids, or abets any such public utility in its violation of articles 1 to 7 of this title 40 or in its failure to obey, observe, or comply with any such order, decision, rule, direction, demand, or requirement or any part or portion thereof in a case in which a penalty has not been provided for such person commits a petty offense and shall be punished as provided in section 18-1.3-503.

**Source:** **L. 13:** p. 506, § 64. **C.L.** § 2973. **CSA:** C. 137, § 64. **CRS 53:** § 115-7-8. **C.R.S. 1963:** § 115-7-8. **L. 93:** Entire section amended, p. 2068, § 26, effective July 1. **L. 2002:** Entire section amended, p. 1558, § 356, effective October 1. **L. 2021:** Entire section amended, (SB 21-271), ch. 462, p. 3297, § 700, effective March 1, 2022.

**Cross references:** For the legislative declaration contained in the 2002 act amending this section, see section 1 of chapter 318, Session Laws of Colorado 2002.

**40-7-109. Action to recover penalties - fines paid to general fund.** Actions to recover penalties under this title may be brought in the name of the people of the state of Colorado in the district court in and for the county or city and county in which the cause or some part thereof arose, or in which the corporation complained of, if any, has its principal place of business, or in which the person, if any, complained of resides. Such action shall be commenced and prosecuted to final judgment by the attorney general as directed by the commission. In any such action, all penalties incurred up to the time of commencing the same may be sued for and recovered. In all such actions, the procedure and rules of evidence shall be the same as in ordinary civil actions, except as otherwise provided in this article. All fines and penalties recovered by the state in any such action, together with the costs thereof, shall be paid into the state treasury. Any such action may be compromised or discontinued on application of the commission upon such terms as the court shall approve and order.

**Source:** **L. 13:** p. 506, § 65. **C.L.** § 2974. **CSA:** C. 137, § 65. **CRS 53:** § 115-7-9. **C.R.S. 1963:** § 115-7-9. **L. 2008:** Entire section amended, p. 1797, § 18, effective July 1.

**40-7-110. Commission to represent people - when.**

(1) Repealed.

(2) The commission has the power to appear and represent the interests and welfare of the people of the state of Colorado in all matters and proceedings involving any public utility or carrier pending before any officer, department, board, commission, or court of the United States, of any other state, or of this state and to intervene in, protest, resist, or advocate the granting or denial of any petition, application, complaint, or other proceeding, to examine witnesses and offer evidence in any proceeding affecting the people of this state or some portion thereof, as the public interest, convenience, or necessity may appear, and to initiate or participate in judicial proceedings involving the order or decision of any such officer, department, board, or commission.

**Source:** **L. 13:** p. 507, § 66. **C.L.** § 2975. **CSA:** C. 137, § 66. **L. 45:** p. 534, § 10. **CRS 53:** § 115-7-10. **C.R.S. 1963:** § 115-7-10. **L. 2008:** (1) repealed, p. 1798, § 19, effective July 1.

**40-7-111. Not to affect interstate or foreign commerce.** None of the provisions of articles 1 to 7 of this title, except when specifically so stated, shall apply or be construed to apply to commerce with foreign nations or commerce among the several states, except insofar as the same may be permitted under the provisions of the constitution of the United States and the acts of congress.

**Source:** **L. 13:** p. 508, § 68. **C.L.** § 2976. **CSA:** C. 137, § 67. **CRS 53:** § 115-7-11. **C.R.S. 1963:** § 115-7-11.

**40-7-112. Applicability of civil penalties.** (1) (a) A person who operates or offers to operate as a motor carrier as defined in section 40-10.1-101; a motor carrier, motor private carrier, broker, freight forwarder, leasing company, or other person required to register under section 40-10.5-102; or a transportation network company required to obtain a permit under section 40-10.1-606 is subject to civil penalties as provided in this section and sections 40-7-113 to 40-7-116, in addition to any other sanctions that may be imposed pursuant to law.

(b) The commission shall transmit all penalties it collects to the state treasurer, who shall credit them to the legal services offset fund created in section 40-7-118; except that the state treasurer shall credit one-half of any civil penalty imposed upon a motor carrier of household goods to the moving outreach fund created in section 40-10.1-509.

(2) Subsections (3) to (5) of this section and the civil penalties provided in section 40-7-113 do not apply to persons transporting nuclear materials who commit violations of section 42-20-406 (3), 42-20-407, or 42-20-505, C.R.S., or to persons transporting hazardous materials who commit violations of section 42-20-204, C.R.S.

(3) An owner or other person allowing a driver to operate a motor vehicle upon a highway in violation of a statute or rule for which a civil penalty may be imposed under section 40-7-113 (1) is subject to the civil penalties provided in section 40-7-113 if he or she knows or has reason to know that the driver is engaged in a violation.

(4) An owner or other person who directs a driver to operate a motor vehicle upon a highway in violation of a statute or rule for which a civil penalty may be imposed under section 40-7-113 (1) is subject to the civil penalties provided in section 40-7-113.

(5) Any civil penalty assessed against an owner or other person pursuant to subsection (3) or (4) of this section is in addition to, and not in lieu of, any civil penalty against the actual driver of the vehicle, and any such penalty may be assessed upon the initial violation by the person.

**Source:** **L. 89:** Entire section added, p. 1540, § 1, effective April 12. **L. 93:** (2) amended, p. 1623, § 3, effective June 6. **L. 94:** (2) amended, p. 2570, § 94, effective January 1, 1995. **L. 95:** (1) amended, p. 1209, § 23, effective May 31. **L. 98:** (1) amended, p. 1058, § 5, effective July 1. **L. 2003:** (1) amended, p. 2380, § 3, effective August 6. **L. 2005:** (1) amended, p. 782, § 74, effective June 1. **L. 2006:** (1) amended, p. 1095, § 7, effective August 7. **L. 2009:** (1) amended, (SB 09-292), ch. 369, p. 1982, § 120, effective August 5. **L. 2011:** Entire section amended, (HB 11-1198), ch. 127, p. 420, § 17, effective August 10. **L. 2013:** (1) amended, (SB 13-189), ch. 365, p. 2126, § 1, effective June 5. **L. 2014:** (1)(a) amended, (SB 14-125), ch. 323, p. 1408, § 2, effective June 5. **L. 2017:** (1)(b) amended, (SB 17-180), ch. 281, p. 1531, § 1, effective August 9.

**40-7-113. Civil penalties - fines.** (1) In addition to any other penalty otherwise authorized by law and except as otherwise provided in subsections (3) and (4) of this section, any person who violates article 10.1 or 10.5 of this title 40 or any rule promulgated by the commission pursuant to article 10.1 or 10.5, which article or rule is applicable to the person, may be subject to fines as specified in the following paragraphs:

(a) Any person who fails to carry the insurance required by law may be assessed a civil penalty of not more than eleven thousand dollars.

(b) Any person who violates section 40-10.1-201 (1), 40-10.1-202 (1)(a), 40-10.1-302 (1)(a), 40-10.1-401 (1)(a), 40-10.1-502 (1)(a), or 40-10.1-702 (1)(a) may be assessed a civil penalty of not more than one thousand one hundred dollars.

(c) and (d) (Deleted by amendment, L. 2011, (HB 11-1198), ch. 127, p. 421, § 18, effective August 10, 2011.)

(e) A person subject to section 40-10.1-111 who operates a motor vehicle without having paid the annual identification fee for any motor vehicle operated as required by section 40-10.1-111 may be assessed a civil penalty of not more than four hundred dollars.

(f) and (f.5) (Deleted by amendment, L. 2011, (HB 11-1198), ch. 127, p. 421, § 18, effective August 10, 2011.)

(g) A person who violates any provision of article 10.1 or 10.5 of this title 40 not enumerated in subsection (1)(a), (1)(b), or (1)(e) of this section, any rule promulgated by the commission pursuant to this title 40, or any safety rule adopted by the department of public safety relating to motor carriers as defined in section 40-10.1-101 may be assessed a civil penalty of not more than one thousand one hundred dollars; except that any person who violates a safety rule promulgated by the commission is subject to the civil penalties authorized pursuant to 49 CFR 386, subpart G, and associated appendices to part 386, as the subpart existed on January 1, 2017.

(h) (Deleted by amendment, L. 2011, (HB 11-1198), ch. 127, p. 421, § 18, effective August 10, 2011.)

(2) The commission shall set the amount of the civil penalties to be assessed pursuant to subsection (1) of this section in rules.

(3) If a person is assessed a civil penalty for a violation referenced in subsection (1) of this section occurring on a date within twenty-four months after a previous violation, the civil penalty assessed for the second violation may be up to two times the amount specified by rule for the violation.

(4) If a person violates subsection (1) of this section three times within twenty-four months, the person may be assessed a civil penalty up to three times the amount specified by rule for the third violation and for each subsequent violation.

(5) (a) A person who fails to pay in full all civil penalties assessed by commission order under this section, subject to article 4 of title 24, C.R.S., within thirty days after the due date established by the order may have his or her vehicle registration canceled by the department of revenue as specified in section 42-3-120 (4), C.R.S. Registration of a vehicle owned by the person for which the penalty was assessed may be denied until all penalties are paid or collected. Upon written notice from the commission, the department of revenue shall cancel the registration as specified in section 42-3-120 (4), C.R.S.

(b) This subsection (5) applies to all vehicles, regardless of when purchased, on or after August 10, 2011.

**Source:** **L. 89:** Entire section added, p. 1540, § 1, effective April 12. **L. 93:** (1) amended, p. 2069, § 27, effective July 1. **L. 95:** IP(1) and (1)(f) amended, p. 1209, § 24, effective May 31. **L. 96:** (1)(g) amended, p. 1549, § 8, effective July 1. **L. 98:** (1)(f) amended, p. 1058, § 6, effective July 1. **L. 2001:** (1)(g) amended, p. 1281, § 61, effective June 5. **L. 2003:** IP(1), (1)(a), (1)(b), (1)(c), (1)(d), (1)(f), and (1)(g) amended, p. 1703, § 15, effective May 14; (1)(f.5) added and (1)(g) amended, p. 2380, § 4, effective August 6. **L. 2004:** IP(1) amended, p. 1211, § 98, effective August 4. **L. 2006:** IP(1), (1)(e), and (1)(g) amended and (1)(h) added, p. 1096, § 8, effective August 7. **L. 2009:** (5) added, (HB 09-1230), ch. 232, p. 1067, § 4, effective August 5. **L. 2010:** (1)(f) amended, (HB 10-1167), ch. 125, p. 415, § 2, effective April 15. **L. 2011:** Entire section amended, (HB 11-1198), ch. 127, p. 421, § 18, effective August 10. **L. 2013:** (5)(a) amended, (SB 13-189), ch. 365, p. 2126, § 2, effective June 5. **L. 2017:** IP(1), (1)(g), (3), and (4) amended, (SB 17-180), ch. 281, p. 1531, § 2, effective August 9. **L. 2018:** (1)(b) amended, (HB 18-1320), ch. 363, p. 2164, § 3, effective August 8.

**Editor's note:** Amendments to subsection (1)(g) by Senate Bill 03-225 and House Bill 03-1289 were harmonized.

**40-7-113.5. Civil penalties applicable to public utilities - exclusion from rate base.** (1) (a) In addition to any other penalty otherwise authorized by law and except as otherwise provided in subsections (3), (4), and (5) of this section, a public utility furnishing electric, gas, water, water and sewer, or telecommunications service that intentionally violates any provision of articles 1 to 7 or 15 of this title or of any rule or order of the commission pursuant to such articles, which provision is applicable to such utility, may be assessed a civil penalty of not more than two thousand dollars; except that nothing in this subsection (1) shall be construed to authorize the imposition of civil penalties upon:

(I) A cooperative electric association that has voted to exempt itself from regulation pursuant to section 40-9.5-103;

(II) A cooperative telephone association;

(III) A municipally owned utility; or

(IV) A nonprofit generation and transmission electric corporation or association.

(b) Civil penalties assessed pursuant to this section shall be paid and credited to the general fund, in addition to any other sanctions that may be imposed pursuant to law. The amount of any such penalties paid shall not be an allowable expense for rate-making purposes.

(2) (a) The commission shall adopt rules specifying the particular violations, and the amount of the civil penalties to be assessed for each violation, pursuant to subsection (1) of this section.

(b) No public utility shall be assessed a civil penalty if the utility is already subject to an existing reparation due to a commission order, commission rule, or statutory provision for the same violation.

(3) If any public utility receives a second civil penalty assessment for a violation of the same statute, rule, or order within one year after the first violation, the civil penalty assessed for the second violation shall be no greater than twice the amount specified by rule for such violation.

(4) If any public utility receives more than two civil penalty assessments for violation of the same statute, rule, or order within one year, the civil penalty assessed for each such subsequent violation shall be no greater than three times the amount specified by rule for such violation.

(5) Notwithstanding any provision of this section to the contrary, the total amount of civil penalties assessed against one public utility under this section shall not exceed the lesser of the following:

(a) One hundred fifty thousand dollars in any six-month period; or

(b) In any twelve-month period, one percent of the utility's gross annual revenues from services regulated by the commission, based on the most recent fiscal year for which final revenue figures are available.

**Source:** **L. 2008:** Entire section added, p. 1798, § 20, effective July 1.

**40-7-114. Applicability of civil penalties to owners, employers, or other persons. (Repealed)**

**Source:** **L. 89:** Entire section added, p. 1541, § 1, effective April 12. **L. 93:** (3) amended, p. 2070, § 28, effective July 1. **L. 2011:** Entire section repealed, (HB 11-1198), ch. 127, p. 416, § 3, effective August 10.

**40-7-115. Each day a separate offense.** Each day in which a person violates any statute, rule, or order of the commission for which a civil penalty may be imposed under section 40-7-113 or 40-7-113.5 may constitute a separate offense.

**Source:** **L. 89:** Entire section added, p. 1542, § 1, effective April 12. **L. 2008:** Entire section amended, p. 1799, § 21, effective July 1. **L. 2011:** Entire section amended, (HB 11-1198), ch. 127, p. 423, § 19, effective August 10.

**40-7-116. Enforcement of civil penalties against carriers.** (1) (a) Investigative personnel of the commission, Colorado state patrol officers, and port of entry officers as defined in section 42-8-102 (3), C.R.S., have the authority to issue civil penalty assessments for the violations enumerated in sections 40-7-112 and 40-7-113. When a person is cited for the violation, the person operating the motor vehicle involved shall be given notice of the violation in the form of a civil penalty assessment notice.

(b) The notice shall be tendered by the enforcement official, either in person or by certified mail, or by personal service by a person authorized to serve process under rule 4(d) of the Colorado rules of civil procedure, and shall contain:

(I) The name and address of the person cited for the violation;

(II) A citation to the specific statute or rule alleged to have been violated;

(III) A brief description of the alleged violation, the date and approximate location of the alleged violation, and the maximum penalty amounts prescribed for the violation;

(IV) The date of the notice;

(V) A place for the person to execute a signed acknowledgment of receipt of the civil penalty assessment notice;

(VI) A place for the person to execute a signed acknowledgment of liability for the violation; and

(VII) Such other information as may be required by law to constitute notice of a complaint to appear for hearing if the prescribed penalty is not paid within ten days.

(c) A cited person shall execute the signed acknowledgment of receipt of the civil penalty assessment notice. The acknowledgment of liability shall be executed at the time the person cited pays the prescribed penalty. The person cited shall pay the civil penalty specified for the violation involved at the office of the commission, either in person or by depositing the payment postpaid in the United States mail within ten days after the issuance of the citation.

(d) (I) If the person cited does not pay the prescribed penalty within ten days after the issuance of the notice, the civil penalty assessment notice constitutes a complaint to appear before the commission. The person cited shall contact the commission on or before the time and date specified in the notice to set the complaint for a hearing on the merits in accordance with section 40-6-109. If the person cited fails to contact the commission on or before the time and date specified, the commission shall set the complaint for hearing.

(II) At the hearing, the commission has the burden of demonstrating a violation by a preponderance of the evidence.

(2) A civil penalty assessment notice shall not be considered defective so as to provide cause for dismissal solely because of a defect in the content of such civil penalty assessment notice. Any defect in the content of a civil penalty assessment notice issued as described in subsection (1) of this section may be cured by a motion to amend the same filed with the commission prior to hearing on the merits. No such amendment shall be permitted if substantial rights of the person cited are prejudiced.

**Source:** **L. 89:** Entire section added, p. 1542, § 1, effective April 12. **L. 93:** Entire section amended, p. 2070, § 29, effective July 1. **L. 95:** Entire section amended, p. 1210, § 25, effective May 31. **L. 2006:** Entire section amended, p. 1099, § 15, effective August 7. **L. 2011:** (1) amended, (HB 11-1198), ch. 127, p. 423, § 20, effective August 10. **L. 2012:** (1)(a) amended, (HB 12-1019), ch. 135, p. 465, § 6, effective July 1.

**40-7-116.5. Enforcement of civil penalties against public utilities.** (1) (a) The director of the commission or his or her designee shall have the authority to issue civil penalty assessments for the violations enumerated in section 40-7-113.5, subject to hearing before the commission as set forth in this section. When a public utility is cited for a violation, the public utility shall be given notice of the violation in the form of a civil penalty assessment notice.

(b) The notice shall be tendered by the director or his or her designee, either in person or by certified mail, or by personal service by any person authorized to serve process under rule 4 (d) of the Colorado rules of civil procedure, and shall contain:

(I) The name and address of the person cited for the violation;

(II) A citation to the specific statute or rule alleged to have been violated;

(III) A brief description of the alleged violation;

(IV) The date and approximate location of the alleged violation;

(V) The maximum penalty amounts prescribed for the violation;

(VI) The date of the notice;

(VII) A place for the public utility to execute a signed acknowledgment of receipt of the civil penalty assessment notice;

(VIII) A place for the public utility to execute a signed acknowledgment of liability for the violation; and

(IX) Any other information as may be required by law to constitute notice of a complaint to appear for hearing if the prescribed penalty is not paid within ten days.

(c) Every cited public utility shall execute the signed acknowledgment of receipt of the civil penalty assessment notice. The acknowledgment of liability shall be executed at the time the public utility cited pays the prescribed penalty. The public utility cited shall pay the civil penalty specified for the violation involved at the office of the commission, either in person or by depositing the payment postpaid in the United States mail within ten days after the issuance of the citation.

(d) If the public utility cited does not pay the prescribed penalty within ten days after the issuance of the notice, the civil penalty assessment notice shall constitute a complaint to appear before the commission. The public utility cited shall contact the commission on or before the time and date specified in the notice to set the complaint for a hearing on the merits in accordance with section 40-6-109. If the public utility cited fails to contact the commission on or before the time and date specified, the commission shall set the complaint for hearing. At the hearing, the commission shall have the burden of demonstrating a violation by a preponderance of the evidence.

(2) A civil penalty assessment notice shall not be considered defective so as to provide cause for dismissal solely because of a defect in the content of the civil penalty assessment notice. Any defect in the content of a civil penalty assessment notice issued as described in subsection (1) of this section may be cured by a motion to amend the same filed with the commission prior to hearing on the merits; except that no such amendment shall be permitted if substantial rights of the public utility cited are prejudiced.

(3) In the case of an alleged continuing violation for which daily penalties would accrue under section 40-7-115, the issuance of a civil penalty assessment notice shall toll the accrual of daily penalties until the later to occur of the expiration of the ten-day period provided for payment pursuant to subsection (1) of this section or, if the matter is set for hearing, upon the conclusion of the proceedings through issuance of an order, dismissal of the complaint, or other final agency action, including judicial review and appeal, if any.

(4) Nothing in this section shall be construed to authorize the assessment of a civil penalty against an individual employee of a public utility.

**Source:** **L. 2008:** Entire section added, p.1799, § 22, effective July 1.

**40-7-117. Gas pipeline safety rules - civil penalty for violations - other remedies.** (1) Any person violating any rule adopted or order issued by the commission pursuant to the authority granted in section 40-2-115 (1)(c), (1)(d), or (1)(e) is subject to a civil penalty of up to two hundred thousand dollars per violation; except that, in the case of a group or series of related violations, the aggregate amount of such penalties shall not exceed two million dollars. Each day of a continuing violation constitutes a separate violation.

(2) Any civil penalty authorized by this section may be reduced by the commission based on consideration of objective metrics and factors set forth in rules. The metrics and factors must include:

(a) An evaluation of the severity of the violation, in terms of its actual or potential effect on public safety or pipeline system integrity;

(b) The extent to which the violation and any underlying conditions that may have contributed to the likelihood or severity of the violation have been remedied; and

(c) The extent to which the violator agrees to spend, in lieu of payment of part of the civil penalty, a specified dollar amount on commission-approved measures to reduce the overall risk to pipeline system safety or integrity; except that the amount of the penalty payable to the commission shall be no less than five thousand dollars.

(3) If a violator does not remit the assessed penalty or the lesser amount agreed upon pursuant to subsection (2) of this section, the commission may recover the amount due plus court costs in a civil action in any court of competent jurisdiction.

(4) The remedy provided in this section is in addition to any other remedies available to the commission under the constitution or laws of this state or of the United States.

**Source:** **L. 93:** Entire section added, p. 2071, § 30, effective July 1. **L. 2003:** (1) amended, p. 1700, § 6, effective May 14. **L. 2021:** Entire section amended, (SB 21-108), ch. 465, p. 3355, § 3, effective July 6.

**Cross references:** For the legislative declaration in SB 21-108, see section 1 of chapter 465, Session Laws of Colorado 2021.

**40-7-118. Legal services offset fund - creation - exemption from maximum reserve.** (1) (a) The legal services offset fund is hereby created in the state treasury. The fund consists of the civil penalties that are collected and credited to the fund pursuant to section 40-7-112 (1)(b) for violations of article 10.1 of this title 40 or commission rules promulgated pursuant to article 10.1 of this title 40. The money in the fund is continuously appropriated to the department of regulatory agencies for use to offset the costs of legal representation of the staff of the commission in proceedings before the commission concerning the enforcement of article 10.1 of this title 40. The department of regulatory agencies shall use the money in the legal services offset fund to support appropriations made to the department that are used for legal representation of the staff of the commission in proceedings concerning the enforcement of article 10.1 of this title 40.

(b) The money in the fund and any interest earned on money in the fund at the end of any fiscal year remains in the fund and shall not be transferred to the general fund or any other fund; except that, if the balance in the fund exceeds two hundred fifty thousand dollars, the state treasurer shall transfer the money in excess of two hundred fifty thousand dollars to the general fund.

(2) In accordance with section 24-75-402 (2)(a) and for each fiscal year, the alternative maximum reserve for the legal services offset fund is two hundred fifty thousand dollars.

**Source:** **L. 2017:** Entire section added, (SB 17-180), ch. 281, p. 1532, § 3, effective August 9. **L. 2019:** (1)(a) amended, (SB 19-236), ch. 359, p. 3312, § 18, effective May 30.

**ARTICLE 7.5**

Civil Remedies Available to Utilities

**40-7.5-101. Definitions.** As used in this article, unless the context otherwise requires:

(1) "Bypassing" means the act of attaching, connecting, or in any manner affixing any wire, cord, socket, motor, pipe, or other instrument, device, or contrivance to the utility supply system or any part thereof in such a manner as to transmit, supply, or use any utility service without passing through an authorized meter or other device provided for measuring, registering, determining, or limiting the amount of electricity, gas, or water consumed.

(2) "Customer" means the person responsible for payment for utility services for the premises, and such term includes employees and agents of the customer.

(3) "Person" means any individual, firm, partnership, corporation, company, association, joint-stock association, or other legal entity.

(4) "Tampering" means the act of damaging, altering, adjusting, or in any manner interfering with or obstructing the action or operation of any meter or other device provided for measuring, registering, determining, or limiting the amount of electricity, gas, or water consumed.

(5) "Unauthorized metering" means the act of removing, moving, installing, connecting, reconnecting, or disconnecting any meter or metering device for utility service by a person other than an authorized contractor, employee, or agent of such utility.

(6) "Utility" means any pipeline corporation, gas corporation, electrical corporation, water corporation, irrigation system, cooperative association, nonprofit corporation, nonprofit association, municipality, or person operating in whole or in part for the purpose of supplying electricity, gas, steam, or water, or any combination thereof, to the public or to any person.

(7) "Utility service" means the provision of electricity, gas, steam, water, or any other service or commodity furnished by the utility for compensation.

(8) "Utility supply system" includes all wires, conduits, pipes, cords, sockets, motors, meters, instruments, and other devices whatsoever used by the utility for the purpose of providing utility services.

**Source:** **L. 83:** Entire article added, p. 1564, § 1, effective July 1.

**40-7.5-102. Civil action allowed.** (1) A utility may bring a civil action for damages against any person who commits, authorizes, solicits, aids, abets, or attempts any of the following acts resulting in damages to the utility: Bypassing, tampering, or unauthorized metering. In addition, a utility may bring a civil action for damages pursuant to this section against any person who knowingly receives utility service through means of bypassing, tampering, or unauthorized metering. An action brought pursuant to this section shall be commenced within three years after the cause of action accrues.

(2) In any civil action brought pursuant to this section, the utility shall be entitled, upon proof of willful or intentional bypassing, tampering, or unauthorized metering, to recover as damages three times the amount of the actual damages, if any, plus all reasonable expenses and costs incurred on account of the bypassing, tampering, or unauthorized metering, including, but not limited to, costs and expenses for investigation, disconnection, reconnection, service calls, employees and equipment, and expert witnesses; costs of the suit; and reasonable attorney fees.

**Source:** **L. 83:** Entire article added, p. 1565, § 1, effective July 1.

**40-7.5-103. Presumptions.** (1) There is a rebuttable presumption that a tenant or occupant of any premises where bypassing, tampering, or unauthorized metering is proven to exist caused or had knowledge of such bypassing, tampering, or unauthorized metering if the tenant or occupant had controlled access to the part of the utility supply system on the premises where the bypassing, tampering, or unauthorized metering is proven to exist and if said tenant or occupant was responsible or partially responsible for payment, either directly or indirectly, to the utility or to any other person for utility services provided for the premises.

(2) There is a rebuttable presumption that a utility customer at any premises where bypassing, tampering, or unauthorized metering is proven to exist caused or had knowledge of such bypassing, tampering, or unauthorized metering if the customer had controlled access to the part of the utility supply system on the premises where the bypassing, tampering, or unauthorized metering is proven to exist.

(3) The presumptions provided in this section shall only shift the burden of going forward with evidence and shall in no event shift the burden of proof to the defendant in any action brought pursuant to this article.

**Source:** **L. 83:** Entire article added, p. 1565, § 1, effective July 1.

**40-7.5-104. Remedies cumulative.** It is the purpose of this article to provide additional remedies to avoid the wrongful use of the facilities of utilities, and nothing in this article shall abridge or alter rights of action or remedies existing prior to July 1, 1983, or created on or after said date.

**Source:** **L. 83:** Entire article added, p. 1566, § 1, effective July 1.

**ARTICLE 8**

Unclaimed Funds for Overcharges

**40-8-101. Undistributed overcharges turned over to municipality.** (1) Except as provided in subsection (2) of this section, in all cases where there has been an overcharge by a public utility for any commodity or service on account of which rights to refunds have accrued to any municipality or the inhabitants thereof by reason of services or commodities received through the use of the streets of such municipality, with or without a franchise, and a refund of the amount overcharged has been directed by any court or other authorized governmental tribunal, and a part of such refund has not been made because of inability to find the persons entitled thereto within the time limit fixed by such court or tribunal, the court or tribunal shall direct that any such undistributed balance shall be turned over to the municipality.

(2) For gas, electric, and steam utilities, the public utilities commission may order that all or part of the undistributed balance of a refund be paid by the utility in an equitable manner to the general body of utility customers, and the public utilities commission may order a gas or electric utility to pay up to ninety percent of the undistributed balance of a refund into the fund established by the legislative commission on low-income energy and water assistance pursuant to section 40-8.5-104.

**Source:** **L. 47:** p. 704, § 1. **CSA:** C. 137, § 69. **CRS 53:** § 115-8-1. **C.R.S. 1963:** § 115-8-1. **L. 69:** p. 954, § 52. **L. 90:** Entire section amended, p. 1760, § 2, effective May 31. **L. 92:** (2) amended, p. 2137, § 1, effective May 27. **L. 2021:** (2) amended, (HB 21-1105), ch. 488, p. 3507, § 17, effective September 7.

**40-8-102. Undistributed balance to county commissioners - when.** Subject to the provisions of section 40-8-101, in all cases where rights to refunds from a similar overcharge have accrued to the inhabitants of any county, outside of a municipality therein, the undistributed balance shall be turned over to the county commissioners of such county.

**Source:** **L. 47:** p. 704, § 2. **CSA:** C. 137, § 70. **CRS 53:** § 115-8-2. **C.R.S. 1963:** § 115-8-2. **L. 90:** Entire section amended, p. 1761, § 3, effective May 31.

**40-8-103. Due and payable by escheat.** The payment to such municipality or county, as set forth in sections 40-8-101 and 40-8-102, shall become due and payable by escheat, where not otherwise due and payable by operation of law.

**Source:** **L. 47:** p. 704, § 3. **CSA:** C. 137, § 71. **CRS 53:** § 115-8-3. **C.R.S. 1963:** § 115-8-3.

**40-8-104. Municipality or county liable for three years.** The municipality or county receiving such moneys shall be liable therefor for three years from the date when received and shall pay them out to any person entitled thereto proving his claim through court action or in any other method satisfactory to the municipality or county. At the end of such period, the fund shall become the property of the municipality or county.

**Source:** **L. 47:** p. 704, § 4. **CSA:** C. 137, § 72. **CRS 53:** § 115-8-4. **C.R.S. 1963:** § 115-8-4.

**40-8-105. Authority of commission unaffected.** Except as provided in section 40-8-101 (2), nothing in this article shall affect the authority of the public utilities commission, as otherwise provided by law, to determine the manner in which overcharges by a public utility shall be returned to the customers of that utility.

**Source:** **L. 90:** Entire section added, p. 1761, § 4, effective May 31.

**ARTICLE 8.5**

Unclaimed Utility Deposits

**40-8.5-101. Legislative declaration.** In enacting this article 8.5, the general assembly finds and declares that there is a need to make distributions of money to provide aid and assistance to the indigent, the elderly, and persons with disabilities, who do not otherwise have the financial resources to meet their heating and other energy needs. The general assembly further finds and declares that the low-income energy assistance program of the department of human services is the most appropriate entity to determine those most in need of such aid and assistance. Therefore, this article 8.5 authorizes the legislative commission on low-income energy and water assistance to establish a fund from which to collect and distribute money to accomplish the goals set forth in this section. The money for the fund must be funded in part by unclaimed utility deposits.

**Source:** **L. 90:** Entire article added, p. 1758, § 1, effective May 31. **L. 93:** Entire section amended, p. 1671, § 90, effective July 1. **L. 94:** Entire section amended, p. 2719, § 304, effective July 1. **L. 2021:** Entire section amended, (HB 21-1105), ch. 488, p. 3508, § 18, effective September 7.

**Cross references:** For the legislative declaration contained in the 1994 act amending this section, see section 1 of chapter 345, Session Laws of Colorado 1994.

**40-8.5-102. Applicability.** (1) This article 8.5 applies to any electric or gas utility, as defined by section 40-8.5-103; except that this article 8.5 applies only to those cooperative electric associations, as defined by section 40-9.5-102, that notify the commission that they elect to come under this article 8.5.

(2) Except as provided in section 40-8.5-106, this article 8.5 does not apply to municipally owned utilities.

**Source:** **L. 90:** Entire article added, p. 1758, § 1, effective May 31. **L. 2025:** Entire section amended, (SB 25-068), ch. 55, p. 233, § 1, effective August 6.

**40-8.5-103. Definitions.** As used in this article 8.5, unless the context otherwise requires:

(1) "Commission" means the legislative commission on low-income energy and water assistance established in section 40-8.5-103.5.

(2) "Deposit" means money deposited by a subscriber with a utility to secure payment for services or any other amount which is paid in advance for electric or gas utility services to be furnished.

(3) (a) "Electric utility" means every electrical corporation operating for the purpose of supplying electricity to the public for domestic, mechanical, or public uses and includes every public utility supplying electricity; except that this definition includes only those cooperative electric associations that notify the commission that they elect to come under this article 8.5.

(b) "Electric utility" does not include a municipally owned utility.

(4) "Gas utility" means every gas corporation operating for the purpose of supplying gas to the public for domestic, mechanical, or public uses and includes every public utility supplying gas; except that this definition excludes municipally owned utilities.

(4.5) "Organization" has the meaning set forth in section 40-8.7-103 (4).

(5) (a) "Unclaimed moneys" means:

(I) Deposits, including any interest thereon, less any lawful deductions or amounts owed to a utility, that the utility has been directed to return to the subscriber by an administrative or judicial order or that is due the subscriber through the utility's security or construction deposit policy and that remains unclaimed by the subscriber for more than two years;

(II) Money which shall be deemed unclaimed and presumed abandoned when left with the utility for more than two years after termination of the services for which the deposit or advance was made or for more than two years after the deposit becomes payable and the utility has made reasonable efforts to locate the owner of the unclaimed moneys or distribution is attempted pursuant to a final order of an administrative agency or judicial body having jurisdiction to establish the terms and conditions of such deposit or advance.

(b) This term shall not include credits to existing subscribers through cost-adjustment mechanisms, and this term shall not include unclaimed patronage capital held by cooperative electric associations.

**Source:** **L. 90:** Entire article added, p. 1758, § 1, effective May 31. **L. 2021:** IP and (1) amended and (4.5) added, (HB 21-1105), ch. 488, p. 3496, § 4, effective September 7. **L. 2025:** (3) and (4) amended, (SB 25-068), ch. 55, p. 233, § 2, effective August 6.

**40-8.5-103.5. Commission created - duties.**

(1) (a) Repealed.

(b) Commencing May 1, 2022, there is created the legislative commission on low-income energy and water assistance in the Colorado energy office. The Colorado energy office shall staff the commission as needed.

(2) Repealed.

(3) (a) (I) Beginning May 1, 2022, the commission is composed of seven members including:

(A) A representative of the department of human services created in section 26-1-105;

(B) A representative of the Colorado energy office created in section 24-38.5-101;

(C) A representative of the organization; and

(D) Four members appointed by the governor, each to serve a term of four years; except that the governor shall select two of the initially appointed members to serve a two-year term.

(II) The governor shall make initial appointments to the commission pursuant to this subsection (3)(a) on or before April 30, 2022, for terms starting on May 1, 2022.

(b) Of the four members appointed by the governor:

(I) One member must have received low-income energy assistance or represent an entity that serves a population eligible for low-income energy assistance;

(II) One member must represent an electric utility or a combined electric and natural gas utility;

(III) One member must represent a natural gas utility or a combined electric and natural gas utility; and

(IV) One member must represent a water utility.

(c) Any interim appointment necessary to fill a vacancy that has occurred by any reason other than expiration of term is for the remainder of the term of the individual member whose office has become vacant.

(d) In the event of a tie vote of the commission, the matter being voted upon fails.

(4) The governor may remove any appointed commission member for cause, including for misconduct, incompetence, or neglect of duty.

(5) A commission member is immune from liability in any civil action brought against the member for acts occurring while acting in the capacity of a commission member if the member was acting in good faith, made reasonable efforts to obtain the facts of the matter as to which action was taken, and acted in the reasonable belief that the action taken was warranted by the facts.

(6) The commission shall:

(a) With respect to any federal department of energy grant award for the Colorado energy office weatherization assistance program, serve as the policy advisory council to the Colorado energy office, in accordance with 10 CFR 440.17;

(b) Serve as an advisory council to any Colorado water utilities that provide or seek to provide water assistance and efficiency programs to their customers; and

(c) Pursuant to section 40-8.7-108 (3), review the annual budget allocations that the organization develops and submits to the commission for review regarding the organization's use of the energy assistance system benefit charge collected pursuant to section 40-8.7-104 (2.5). If the commission does not approve the organization's annual budget allocation, the commission may require the organization to modify the allocation. Until the commission approves a budget allocation submitted by the organization, the most recently approved budget allocation remains in effect.

**Source:** **L. 90:** Entire article added, p. 1759, § 1, effective May 31. **L. 93:** (1) amended, p. 2071, § 31, effective July 1. **L. 94:** (1) amended, p. 2719, § 305, effective July 1. **L. 2008:** (4) added, p. 1333, § 5, effective May 27. **L. 2012:** (4)(b) amended, (HB 12-1315), ch. 224, p. 981, § 51, effective July 1. **L. 2020:** (1) amended, (SB 20-136), ch. 70, p. 298, § 52, effective September 14. **L. 2021:** Entire section amended, (HB 21-1105), ch. 488, p. 3496, § 5, effective September 7.

**Editor's note:** Subsection (1)(a)(II) provided for the repeal of subsection (1)(a) and subsection (2)(b) provided for the repeal of subsection (2), effective May 1, 2022. (See L. 2021, pp. 3496, 3497.)

**Cross references:** For the legislative declaration contained in the 1994 act amending subsection (1), see section 1 of chapter 345, Session Laws of Colorado 1994. For the legislative declaration in SB 20-136, see section 1 of chapter 70, Session Laws of Colorado 2020.

**40-8.5-104. Commencement of program - establishment of system for distribution of moneys to eligible recipients.** The commission shall establish a fund through a nonprofit corporation established for the purpose of collecting and distributing moneys to eligible recipients, who shall be designated by the administrator of the low-income energy assistance program in the department of human services, for use in the payment of electric and gas utility bills for services received.

**Source:** **L. 90:** Entire article added, p. 1760, § 1, effective May 31. **L. 93:** Entire section amended, p. 2071, § 32, effective July 1. **L. 94:** Entire section amended, p. 2720, § 306, effective July 1.

**Cross references:** For the legislative declaration contained in the 1994 act amending this section, see section 1 of chapter 345, Session Laws of Colorado 1994.

**40-8.5-105. Eligibility.** The department of human services shall promulgate rules and regulations establishing the criteria for eligibility for recipients of assistance pursuant to this article, which criteria shall be based in part on household size and income and the energy costs of the household residence for the preceding year.

**Source:** **L. 90:** Entire article added, p. 1760, § 1, effective May 31. **L. 94:** Entire section amended, p. 2720, § 307, effective July 1.

**Cross references:** For the legislative declaration contained in the 1994 act amending this section, see section 1 of chapter 345, Session Laws of Colorado 1994.

**40-8.5-106. Unclaimed deposits.** (1) Unclaimed deposits shall be paid by the electric and gas utilities into the fund designated by the commission pursuant to section 40-8.5-104.

(2) A municipally owned utility:

(a) May elect to pay unclaimed deposits into either the fund designated by the commission pursuant to section 40-8.5-104 or into a fund designated by the governing body of the municipally owned utility to accomplish the goals set forth in this article 8.5; and

(b) Shall define unclaimed deposits in a manner consistent with the definition of "unclaimed moneys" set forth in section 40-8.5-103 (5).

**Source:** **L. 90:** Entire article added, p. 1760, § 1, effective May 31. **L. 93:** Entire section amended, p. 2072, § 33, effective July 1. **L. 2025:** Entire section amended, (SB 25-068), ch. 55, p. 234, § 3, effective August 6.

**40-8.5-107. Disbursement of moneys.** The nonprofit corporation designated by the commission pursuant to section 40-8.5-104 shall disburse moneys to the state department of human services to make energy assistance payments on behalf of or to persons determined by the department to be eligible for such assistance in accordance with section 40-8.5-105.

**Source:** **L. 90:** Entire article added, p. 1760, § 1, effective May 31. **L. 91:** Entire section amended, p. 1901, § 2, effective July 1. **L. 94:** Entire section amended, p. 2720, § 308, effective July 1.

**Cross references:** For the legislative declaration contained in the 1994 act amending this section, see section 1 of chapter 345, Session Laws of Colorado 1994.

**ARTICLE 8.7**

Low-income Energy Assistance

**40-8.7-101. Short title.** This article shall be known and may be cited as the "Low-income Energy Assistance Act".

**Source:** **L. 2005:** Entire article added, p. 478, § 1, effective May 5.

**40-8.7-102. Legislative declaration.** (1) The general assembly hereby finds, determines, and declares that, in order to serve the best interests of the citizens of Colorado and, in particular, to aid low-income citizens of Colorado, there is a need for an energy assistance program to collect an optional low-income energy assistance contribution from utility customers in Colorado.

(2) The general assembly further finds that the most efficient way to support such a program is for gas and electric utilities to provide the opportunity for each utility customer to contribute an optional amount on the customer's billing statement for low-income energy assistance that will be displayed monthly on the utility bill until the customer indicates otherwise and that the moneys collected shall be most economically and equitably disbursed through a system in which the contributions collected by electric utilities and gas utilities are transmitted to energy outreach Colorado.

(3) The general assembly further finds that, although municipal and special district water utilities are not regulated by the public utilities commission, allowing all water utilities to participate in a water assistance program on a voluntary basis will provide an efficient means for some water utilities to provide financial assistance to their customers in low-income households.

**Source:** **L. 2005:** Entire article added, p. 478, § 1, effective May 5. **L. 2021:** (3) added, (HB 21-1105), ch. 488, p. 3499, § 6, effective September 7.

**40-8.7-103. Definitions.** As used in this article 8.7, unless the context otherwise requires:

(1) "Alternative energy assistance program" means a program operated by a municipally owned electric and gas utility or cooperative electric association that is not part of the energy assistance program established pursuant to this article.

(2) "Customer" means the named holder of an individually metered account upon which charges for electricity, gas, or water are paid to a utility or water utility. "Customer" does not include a customer that receives electricity or gas for the sole purpose of reselling the electricity or gas to others.

(3) "Energy assistance program" or "program" means the low-income energy assistance program created by section 40-8.7-104 and designed to provide financial assistance, residential energy efficiency, and energy conservation assistance.

(3.3) "Energy assistance system benefit charge" or "charge" means the charge that investor-owned utilities doing business in Colorado collect from their customers on a monthly basis pursuant to section 40-8.7-104 (2.5).

(4) "Organization" means energy outreach Colorado, a Colorado nonprofit corporation, formerly known as the Colorado energy assistance foundation.

(4.7) "Public utilities commission" or "commission" means the public utilities commission created in section 40-2-101.

(5) "Remittance device" means the section of a customer's utility billing statement that is returned to the utility company for payment.

(6) "Utility" means a corporation, association, partnership, cooperative electric association, or municipally owned entity that provides retail electric service or retail gas service to customers in Colorado. "Utility" does not mean a propane company.

(7) "Water utility" means a water corporation or municipal water provider that provides retail water or wastewater service to customers in Colorado.

**Source:** **L. 2005:** Entire article added, p. 479, § 1, effective May 5. **L. 2006:** (1) amended, p. 1509, § 61, effective June 1. **L. 2021:** IP and (2) amended and (3.3), (4.7), and (7) added, (HB 21-1105), ch. 488, p. 3499, § 7, effective September 7.

**40-8.7-104. Energy assistance program - creation - energy assistance contribution - energy assistance system benefit charge.** (1) There is hereby created the low-income energy assistance program to collect and disburse an optional energy assistance contribution and an energy assistance system benefit charge in Colorado in accordance with this article 8.7.

(2) Except as otherwise provided in this article 8.7, every utility doing business in Colorado shall participate in the energy assistance program and provide the opportunity for utility customers to make an optional energy assistance contribution on the monthly remittance device on their utility billing statement. Each utility shall provide the opportunity for customers to donate the optional energy assistance contribution as provided in section 40-8.7-105 (2).

(2.5) (a) Except as provided in subsections (2.5)(b) and (2.5)(c) of this section, commencing with a customer's billing statement covering electric or gas usage in the month of October 2021, every investor-owned utility doing business in Colorado shall collect a monthly energy assistance system benefit charge from each of its utility customers pursuant to section 40-8.7-105.5 (1).

(b) (I) For each month that an investor-owned utility collects the monthly energy assistance system benefit charge, the utility shall include on its customers' billing statements a conspicuous notification in both English and Spanish that substantially complies with the following language:

**If you're struggling to pay your utility bills, you might qualify for exemption from a monthly charge related to energy assistance and be eligible for utility bill payment assistance. Please call 1-866-HEAT-HELP to see if you qualify.**

(II) The organization shall notify each investor-owned utility of any customer of the investor-owned utility who is exempted from payment of the charge by virtue of having received direct utility bill payment assistance from the organization in the previous twelve months.

(III) Each investor-owned utility shall review readily available information it has received from the state department of human services and the organization to determine which customers have received any direct utility bill payment assistance from the state department or the organization in the previous twelve months and, as a result, are eligible for exemption from payment of the charge.

(IV) Upon receiving notification from the organization pursuant to subsection (2.5)(b)(II) of this section or upon its own determination that a customer is eligible for exemption from the charge, an investor-owned utility shall remove the charge from the customer's monthly billing statements for the succeeding twelve months.

(c) For each month that an investor-owned utility collects the monthly energy assistance system benefit charge, the utility shall include on its customers' billing statements within its explanation of charges a phone number or email address through which a customer may opt out of paying the monthly energy assistance system benefit charge.

(3) Any reasonable costs that a utility incurs in connection with the program, including the initial costs of setting up the collection mechanism and reformatting its billing systems to solicit the optional contribution and to impose and collect the charge, shall be reimbursed from the money collected for the program. The utility must submit a calculation of the amount of money to be reimbursed to the public utilities commission for its approval of prudently incurred costs. The reimbursed amounts must be transmitted to the utilities before the remaining money is distributed to the organization.

**Source:** **L. 2005:** Entire article added, p. 479, § 1, effective May 5. **L. 2021:** Entire section amended, (HB 21-1105), ch. 488, p. 3499, § 8, effective September 7.

**40-8.7-104.3. Water assistance program - creation - water assistance contribution.** (1) (a) On and after September 7, 2021, a water utility doing business in Colorado may participate in a water assistance program created and managed by the organization to provide water utility bill payment assistance to low-income households. A water utility's voluntary participation in the water assistance program will provide a water utility customer with an opportunity to make an optional contribution on the customer's monthly or quarterly remittance device on the water utility billing statement.

(b) (I) A water utility participating in the water assistance program shall provide the opportunity for its customers to donate the contribution described in subsection (1)(a) of this section in accordance with the check-off mechanism set forth in section 40-8.7-105 (2).

(II) Section 40-8.7-105 (1), (3), (4), and (5) does not apply to a water utility's participation in the water assistance program.

(2) A water utility may create its own water assistance program to meet its customers' water assistance needs. In determining eligibility for assistance, a water utility may adopt the criteria specified in section 40-3-106 (1)(d) or alternative criteria as determined by the water utility.

(3) A water utility participating in the organization's water assistance program pursuant to subsection (1) of this section or creating its own water assistance program pursuant to subsection (2) of this section may seek reimbursement for any reasonable costs that it incurs in connection with the program, including initial costs of setting up the collection mechanism and reformatting its billing systems to solicit an optional contribution.

(4) The organization shall use the money collected from each water utility pursuant to this section to help finance direct water utility bill payment assistance to low-income households served by that water utility.

**Source:** **L. 2021:** Entire section added, (HB 21-1105), ch. 488, p. 3501, § 9, effective September 7.

**40-8.7-105. Customer opt-in provision.** (1) The public utilities commission shall determine the mechanism for an opt-in provision whereby the energy assistance contributions described in section 40-8.7-104 will be collected from those customers who give notice of their intent to participate in the energy assistance program.

(2) Each utility shall solicit voluntary donations through a check-off mechanism displayed on the monthly remittance device. Recommended check-off categories of five dollars, ten dollars, twenty dollars, and "other amount" shall be displayed.

(3) Once a customer voluntarily opts into the program, the appropriate contribution shall be assessed on a monthly basis until the customer notifies the utility of his or her desire to remove the contribution. Each utility shall establish procedures to notify customers about their ability to cancel any voluntary contribution.

(4) Once the utility customer opts into the program, the energy assistance contribution shall appear as a separate line item and shall be identified in the billing statement as a contribution. The line item shall identify the optional low-income contribution, state the amount of the optional contribution, and be included in the total amount due.

(5) In accordance with article 4 of title 24 C.R.S., on or before November 1, 2005, the public utilities commission shall initiate at least one rule-making proceeding to accomplish the following:

(a) Establish a program whereby customers will be solicited to contribute a flat amount on the monthly remittance device on the utility billing statement;

(b) Encourage each utility to provide notification, where feasible, to customers participating in the program about the customer's ability to continue to contribute when the customer changes his or her address within the service territory;

(c) Require the utility to make additional efforts to inform utility customers about the program to ensure that adequate notice of the opt-in provision is given to all customers;

(d) In addition to notification on the monthly remittance device on the billing statement, require each utility to notify its customers about the opt-in provision prior to September 1, 2006, and require each utility to provide clear, periodic notice of the opt-in provision at least twice per year through bill inserts, in a statement on the bill or envelope, or in other utility communication pieces or through an alternative method approved by the commission. The costs of the insert and any other notification efforts will be considered in the utility's cost of service.

(e) Require each utility to consider the most cost-effective method possible when implementing the program; and

(f) Ensure that there is a mechanism for customers who make electronic payments to the utility to remove the optional charge from their monthly payments.

**Source:** **L. 2005:** Entire article added, p. 480, § 1, effective May 5.

**40-8.7-105.5. Energy assistance system benefit charge - repeal.** (1) (a) On and after October 1, 2021, and except as provided in section 40-8.7-104 (2.5)(b), each investor-owned energy utility shall include on its customers' monthly bills a flat energy assistance system benefit charge that a customer is assessed to help finance the low-income energy assistance program.

(b) (I) Except as provided in subsection (1)(b)(III) of this section, the monthly energy assistance system benefit charge is seventy-five cents for electric service provided and seventy-five cents for natural gas service provided.

(II) Repealed.

(III) Commencing October 1, 2023, the monthly energy assistance system benefit charge shall be adjusted in accordance with changes in the United States department of labor's bureau of labor statistics consumer price index for Denver-Aurora-Lakewood for all items and all urban consumers, or its successor index.

(2) Each investor-owned utility shall use the most cost-effective method for implementing the program.

(3) This section is repealed, effective January 1, 2029.

**Source:** **L. 2021:** Entire section added, (HB 21-1105), ch. 488, p. 3502, § 10, effective September 7. **L. 2025:** (1)(b)(I) amended, (SB 25-300), ch. 428, p. 2459, § 66, effective August 6.

**Editor's note:** Subsection (1)(b)(II)(B) provided for the repeal of subsection (1)(b)(II), effective September 1, 2023. (See L. 2021, p. 3502.)

**40-8.7-106. Municipally owned gas, electric, and gas and electric utilities and cooperative electric associations.** (1) If a municipally owned gas, electric, or gas and electric utility or a cooperative electric association operates an alternative energy assistance program to support its low-income customers with their home energy needs, then the governing body of the municipally owned gas, electric, or gas and electric utility or cooperative electric association may self-certify its alternative energy assistance program and, upon self-certification, shall have no obligations under this article. The municipally owned utility or cooperative electric association shall submit a statement to the organization that such utility or cooperative electric association has an alternative energy assistance program. In order for such utility or cooperative electric association to self-certify, such alternative energy assistance program shall meet the following criteria:

(a) The amount and method for funding of the program shall be determined by the governing body.

(b) Program moneys shall be collected and distributed in a manner and under eligibility criteria determined by the governing body for the purpose of residential energy assistance to customers who are challenged with paying energy bills for financial reasons, including to seniors on fixed incomes, individuals with disabilities, and low-income individuals.

(2) If the governing body of a municipally owned gas, electric, or gas and electric utility or a cooperative electric association determines that the service area of such utility or cooperative has a limited number of people who qualify for energy assistance, such utility or cooperative electric association may be exempt from the obligations of this article.

(3) If a municipally owned gas, electric, or gas and electric utility or cooperative electric association has not self-certified an alternative energy assistance program pursuant to subsection (1) of this section or has not exempted itself pursuant to subsection (2) of this section, such utility or cooperative electric association shall collect an optional energy assistance charge from its customers as provided in section 40-8.7-104 (1) and (2) or pursuant to a procedure approved by the governing municipal utility or cooperative, which procedure shall be designed to notify all customers at least twice each year of the option to contribute by means of a monthly energy assistance charge and shall provide a convenient means for customers to exercise that option. In such circumstances, the governing body of such utility or cooperative shall determine the disposition and delivery of the optional energy assistance charge that it collects on the following basis:

(a) The governing body may elect to deliver the optional charge that it collects to the organization for distribution in accordance with this article.

(b) If the governing body does not make such election pursuant to paragraph (a) of this subsection (3), the energy assistance moneys collected shall be distributed under eligibility criteria determined by the governing body for the purpose set forth in paragraph (b) of subsection (1) of this section.

(4) A municipally owned gas, electric, or gas and electric utility or cooperative electric association may provide funding for energy assistance to the organization by using a source of funding other than the optional customer contribution on each bill. If the amount of such assistance approximates the amount reasonably expected to be collected from an optional charge on customer bills, a municipal utility or cooperative need not certify its own program pursuant to subsection (1) of this section and need not collect an optional energy assistance charge but shall be entitled to participate in the organization's program.

(5) Any reasonable costs that a municipally owned gas, electric, or gas and electric utility or cooperative electric association incurs in connection with the program, including the initial costs of setting up the collection mechanism, may be reimbursed at the discretion of the governing body from the energy assistance moneys collected.

**Source:** **L. 2005:** Entire article added, p. 481, § 1, effective May 5.

**40-8.7-107. Disposition of contributions and charges.** (1) Each utility collecting optional energy assistance contributions pursuant to section 40-8.7-104 (2) and each water utility collecting optional contributions pursuant to section 40-8.7-104.3 (1) shall transfer the money collected to the organization on the following schedule:

(a) For the moneys collected during the period of January 1 to March 31 of each year, the utility shall transfer the collected moneys to the organization before May 1 of such year;

(b) For the moneys collected during the period of April 1 to June 30 of each year, the utility shall transfer the collected moneys to the organization before August 1 of such year;

(c) For moneys collected during the period of July 1 to September 30 of each year, the utility shall transfer the collected moneys to the organization before November 1 of such year; and

(d) For moneys collected during the period of October 1 to December 31 of each year, the utility shall transfer the collected moneys to the organization before February 1 of the next year.

(1.5) (a) An investor-owned utility collecting the energy assistance system benefit charge pursuant to section 40-8.7-104 (2.5) shall transfer the money collected in accordance with the schedule established in subsection (1) of this section.

(b) Except as provided in section 40-8.7-108 (2)(b), the organization shall use the money collected from each investor-owned utility pursuant to section 40-8.7-104 (2.5) to help finance direct utility bill payment assistance and energy retrofits provided to low-income households within that investor-owned utility's service territory or within the service territory of an affiliated investor-owned utility.

(c) Notwithstanding section 40-3-114, a utility regulated by the public utilities commission may use funds collected from its customers for the purpose of complying with a statutory requirement to finance low-income energy assistance programs.

(2) Each utility shall provide the organization with a summary of how the moneys collected were generated, including the number of customers participating in the program.

(3) The organization shall pay the public utilities commission from the moneys transferred to the organization pursuant to subsection (1) of this section for any administrative costs incurred pursuant to this article.

**Source:** **L. 2005:** Entire article added, p. 482, § 1, effective May 5. **L. 2021:** IP(1) amended and (1.5) added, (HB 21-1105), ch. 488, p. 3502, § 11, effective September 7.

**40-8.7-108. Energy outreach Colorado - administration of energy assistance contributions and the system benefit charge.** (1) The organization shall hold and administer all money collected for energy assistance pursuant to this article 8.7 delivered to it by the utilities pursuant to section 40-8.7-107 in a separately identifiable account, which shall be restricted to the purposes set forth in this article 8.7. The organization shall maintain its books and records pertaining to the energy assistance contributions and the energy assistance system benefit charge in accordance with generally accepted accounting principles and, in addition, shall maintain records adequate to identify the money collected by each utility. If the organization commingles the money collected and delivered with other assets of the organization for investment purposes, the organization shall maintain accurate accounts of the investment money and shall credit or charge a pro rata portion of all investment earnings, gains, or losses to the account that holds the optional energy assistance collections and energy assistance system benefit charges.

(2) (a) Except as provided in subsection (2)(b) of this section, the organization shall use the money collected from the optional energy assistance contributions and the energy assistance system benefit charge to provide low-income energy assistance and to improve energy efficiency. The organization shall pay the financial assistance money to each utility as vendor payments. The organization shall not use the money for propane, gas, or electric assistance for customers whose propane, gas, electric, or gas and electric companies or cooperative electric associations do not participate in the program. The organization may use up to five percent of the money collected for administration of the energy assistance program in accordance with generally accepted accounting principles; however, the organization shall not use any money collected from the energy assistance system benefit charge to pay employee salaries or bonuses.

(b) In accordance with the payment amounts reflected in the organization's budget prepared pursuant to subsection (3)(b) of this section and approved by the legislative commission on low-income energy and water assistance pursuant to section 40-8.5-103.5 (6)(c), the organization shall transmit a portion of the money collected from the energy assistance system benefit charge to the state treasurer, and the state treasurer shall credit that amount to the supplemental utility assistance fund created in section 26-2-307 (2)(a) for use by the department of human services in accordance with section 26-2-307 (1).

(3) (a) (I) Subject to the allocation requirements set forth in subsections (3)(a)(II) and (3)(a)(III) of this section, the organization shall, on an annual basis, develop a budget for the energy assistance program to determine the allocation of the money collected from the optional energy assistance contributions and the energy assistance system benefit charge, with not more than fifty percent of the total amount allocated to direct utility bill payment assistance. To improve and increase enrollment in the utility assistance programs, the budget must include an allocation of at least two percent of the money collected from the charge to be used to engage the assistance of community-based organizations that are active in outreach to, engagement of, and education for income-qualified communities, communities of color, and immigrant communities to help provide outreach and education about the utility assistance programs. The organization shall submit a copy of the budget to the Colorado energy office for its review.

(II) Subject to subsection (3)(a)(IV) of this section, before the organization begins allocating an amount of the money collected from the energy assistance system benefit charge to be credited to the supplemental utility assistance fund created in section 26-2-307 (2)(a), the organization, after allocating at least two percent of the money collected to community outreach as described in subsection (3)(a)(I) of this section, shall:

(A) If the projected amount collected in the federal fiscal year, as determined by the organization by April 30, will not exceed ten million dollars, allocate forty percent to the Colorado energy office created in section 24-38.5-101 for its weatherization assistance program and retain forty-five percent for the organization's energy assistance programs, with the legislative commission on low-income energy and water assistance, referred to in this subsection (3)(a) as the "legislative commission", determining the allocation of the remaining money between the two entities pursuant to its budget approval authority under section 40-8.5-103.5 (6)(c); and

(B) If the projected amount collected in the federal fiscal year, as determined by the organization by April 30, will exceed ten million dollars, allocate forty-five percent to the Colorado energy office for its weatherization assistance program and retain forty-five percent for the organization's energy assistance programs, with the legislative commission determining the allocation of the remaining money between the two entities pursuant to its budget approval authority.

(III) Subject to subsection (3)(a)(IV) of this section, once the organization begins allocating an amount of the money collected from the energy assistance system benefit charge to be credited to the supplemental utility assistance fund created in section 26-2-307 (2)(a), the organization, after allocating money for the supplemental utility assistance fund and for community outreach as described in subsection (3)(a)(I) of this section, shall:

(A) If the projected amount collected in the federal fiscal year, as determined by the organization by April 30, will not exceed ten million dollars, allocate forty percent to the Colorado energy office for its weatherization assistance program and retain forty-five percent for the organization's energy assistance programs, with the legislative commission determining the allocation of the remaining money between the two entities pursuant to its budget approval authority under section 40-8.5-103.5 (6)(c); and

(B) If the projected amount collected in the federal fiscal year, as determined by the organization by April 30, will exceed ten million dollars, allocate forty-five percent to the Colorado energy office for its weatherization assistance program and retain forty-five percent for the organization's energy assistance programs, with the legislative commission determining the allocation of the remaining money between the two entities pursuant to its budget approval authority.

(IV) If any money allocated to the Colorado energy office or retained by the organization is not expended in the year for which it was allocated, the legislative commission may take that unexpended money into consideration in allocating money in the following year's budget pursuant to this subsection (3)(a).

(b) As part of the budget developed pursuant to subsection (3)(a) of this section, the organization shall calculate the amount of money from the energy assistance system benefit charge to transmit to the state treasurer pursuant to subsection (2)(b) of this section and the amount of the fuel assistance payments that the department of human services makes in accordance with section 26-2-307 (1).

**Source:** **L. 2005:** Entire article added, p. 483, § 1, effective May 5. **L. 2021:** Entire section amended, (HB 21-1105), ch. 488, p. 3503, § 12, effective September 7.

**40-8.7-108.5. Energy outreach Colorado - administration of water assistance contributions.** (1) The organization shall hold and administer all money collected for water assistance pursuant to this article 8.7 delivered to it by water utilities pursuant to section 40-8.7-107 in a separately identifiable account, which shall be restricted to the purposes set forth in this article 8.7. The organization shall maintain its books and records pertaining to the water assistance contributions in accordance with generally accepted accounting principles and, in addition, shall maintain records adequate to identify the money collected by each water utility. If the organization commingles the money collected and delivered with other assets of the organization for investment purposes, the organization shall maintain accurate accounts of the investment money and shall credit or charge a pro rata portion of all investment earnings, gains, or losses to the account that holds the water assistance collections.

(2) The organization shall use the water assistance contributions to provide low-income water assistance. The organization shall pay the financial assistance money to each participating water utility as vendor payments. The organization shall not use the money for water assistance for customers whose water utility does not participate in the program. The organization may use up to five percent of the money collected for administration of the water assistance program in accordance with generally accepted accounting principles.

(3) The organization shall, on an annual basis, develop a budget for the water assistance program to determine the allocation of the water assistance contributions collected under this article 8.7.

**Source:** **L. 2021:** Entire section added, (HB 21-1105), ch. 488, p. 3505, § 13, effective September 7.

**40-8.7-109. Low-income energy assistance program - eligibility.** (1) The organization shall provide energy assistance to individuals and organizations in Colorado. Individuals eligible for low-income energy assistance shall be current or prospective utility customers who:

(a) Are certified by the department of human services as qualified to receive financial assistance payments;

(b) Are citizens or legal residents of the United States and residents of Colorado; and

(c) Have a monthly household gross income at or below one hundred eighty-five percent of the federal poverty line.

(2) The department of human services shall periodically recertify an individual's eligibility to receive low-income energy assistance.

(3) In providing low-income energy assistance, the organization shall give priority to households where one or more persons are recipients of:

(a) An old age pension as set forth in section 26-2-111 (2), C.R.S.;

(b) Aid to the needy disabled as set forth in section 26-2-111 (4), C.R.S.;

(c) Aid to the blind as set forth in section 26-2-111 (5), C.R.S.;

(d) Supplemental social security disability benefits under 42 U.S.C. sec. 1396 et seq.; or

(e) Colorado works program assistance as set forth in section 26-2-706.6, C.R.S.

(4) When installing energy retrofits as part of providing low-income energy assistance, the organization and the Colorado energy office shall prioritize maximizing customer savings, reducing emissions, and improving indoor air quality.

**Source:** **L. 2005:** Entire article added, p. 483, § 1, effective May 5. **L. 2008:** Entire section amended, p. 1801, § 23, effective July 1; (3)(e) amended, p. 1978, § 27, effective January 1, 2009. **L. 2010:** (1)(c) amended, (HB 10-1422), ch. 419, p. 2124, § 183, effective August 11. **L. 2021:** (4) added, (HB 21-1105), ch. 488, p. 3506, § 14, effective September 7.

**Editor's note:** Subsection (1)(e), amended by Senate Bill 08-177, was renumbered as subsection (3)(e) and harmonized with House Bill 08-1227, effective January 1, 2009.

**40-8.7-110. Reports.** (1) The organization shall submit a written report to the general assembly, the legislative audit committee, and the office of the state auditor on or before March 31 of each year covering the immediately preceding calendar year. The report must include:

(a) An itemized account of the money received by the organization from each utility for the low-income energy assistance program, including:

(I) The money received from customers' optional energy assistance contributions pursuant to section 40-8.7-104 (2); and

(II) The money received from customers' monthly energy assistance system benefit charges pursuant to section 40-8.7-104 (2.5), including information regarding the money received from each investor-owned utility and the money the organization has spent in each investor-owned utility's service territory or within the service territory of an affiliated investor-owned utility;

(a.5) An itemized account of the money received by the organization from each participating water utility for the organization's water assistance program pursuant to section 40-8.7-104.3;

(b) For the low-income energy assistance program and the water assistance program:

(I) The amount of money distributed, the type of assistance provided, the geographic area of the state served, and an itemization of the programs through which the money is expended;

(II) The number of low-income households served, by utility or water utility and by type of assistance provided;

(III) An audited financial statement from the organization; and

(IV) A summary of how the money collected was generated, including the number of customers participating in the program.

(1.5) To the extent applicable, the organization shall include in the report the information required by subsections (1)(b)(I) and (1)(b)(II) of this section for money received from the Colorado energy office pursuant to section 40-8.7-112 (2)(a).

(2) The organization shall post the report on its public website so that it is available to the public for review.

(3) Repealed.

(4) Notwithstanding section 24-1-136 (11)(a)(I), the Colorado energy office shall submit a written report to the general assembly, the legislative audit committee, and the office of the state auditor on or before March 31 of each year covering the immediately preceding calendar year. The report must include an itemized account of the money that the office received from the energy assistance system benefit charge collected pursuant to section 40-8.7-104 (2.5) for use for its weatherization assistance program, including information on the amount of money distributed, the type of assistance provided, and the geographic areas of the state served. The office shall post the report on its public website.

**Source:** **L. 2005:** Entire article added, p. 484, § 1, effective May 5. **L. 2006:** (1.5) added, p. 6, § 2, effective February 3. **L. 2008:** (1.5) amended, p. 1874, § 15, effective June 2. **L. 2012:** (1.5) amended, (HB 12-1315), ch. 224, p. 981, § 52, effective July 1. **L. 2020:** (3) added, (HB 20-1412), ch. 113, p. 472, § 2, effective June 22. **L. 2021:** (1), (1.5), and (2) amended and (4) added, (HB 21-1105), ch. 488, p. 3506, § 15, effective September 7.

**Editor's note:** Subsection (3)(b) provided for the repeal of subsection (3), effective January 1, 2022. (See L. 2020, p. 472.)

**Cross references:** For the legislative declaration in HB 20-1412, see section 1 of chapter 113, Session Laws of Colorado 2020.

**40-8.7-111. Jurisdiction of the public utilities commission.** Nothing in this article shall be construed to expand or alter the jurisdiction of the public utilities commission.

**Source:** **L. 2005:** Entire article added, p. 484, § 1, effective May 5.

**40-8.7-112. Department of human services low-income energy assistance fund - energy outreach Colorado low-income energy assistance fund - Colorado energy office low-income energy assistance fund - creation - definitions - repeal.** (1) There is hereby created in the state treasury the department of human services low-income energy assistance fund, which shall be administered by the department of human services. All money in the fund is continuously appropriated to the department of human services for the purpose of increasing available funds under the low-income energy assistance program specified in section 26-1-109. All money in the fund at the end of each fiscal year remains in the fund and does not revert to the general fund or any other fund.

(2) (a) (I) There is hereby created in the state treasury the energy outreach Colorado low-income energy assistance fund, administered by the Colorado energy office. The fund consists of all money that the general assembly appropriates or transfers to the fund for the purposes set forth in this subsection (2). All money in the fund is continuously appropriated to the Colorado energy office for distribution to the organization to be used for the purposes set forth in this subsection (2). Except as provided in subsection (2)(a)(II) of this section, all money in the fund at the end of each fiscal year remains in the fund and does not revert to the general fund or any other fund.

(II) Repealed.

(b) The organization shall use money it receives from the Colorado energy office pursuant to paragraph (a) of this subsection (2) to provide direct bill payment assistance to low-income households when the department of human services is not accepting client applications for the program specified in section 26-1-109, C.R.S. Bill payments shall be paid to each utility as vendor payments. The organization may use up to five percent of the moneys for administration of the direct bill payment assistance in accordance with generally accepted accounting principles.

(c) The organization shall hold and administer all money it receives from the Colorado energy office pursuant to subsection (2)(a) of this section in a separately identifiable account, the use of which shall be restricted to the purposes set forth in subsection (2)(b) of this section. The organization shall maintain its books and records pertaining to any money received from the Colorado energy office in accordance with generally accepted accounting principles. If the organization commingles the money with other assets of the organization for investment purposes, the organization shall maintain accurate accounts of the investment money and shall credit or charge a pro rata portion of all investment earnings, gains, or losses to the account that holds the money received from the Colorado energy office pursuant to subsection (2)(a) of this section.

(c.5) (I) For state fiscal years commencing on or before July 1, 2024, and on or after July 1, 2026, the state treasurer shall credit all interest and income derived from the energy outreach Colorado low-income energy assistance fund to the energy outreach Colorado low-income energy assistance fund in accordance with subsection (2)(c) of this section.

(II) Notwithstanding any subsection of this section to the contrary, for the state fiscal year commencing on July 1, 2025, in accordance with section 24-36-114 (1), the state treasurer shall credit all interest and income derived from the deposit and investment of money in the energy outreach Colorado low-income energy assistance fund to the general fund.

(III) (A) On June 30, 2025, the state treasurer shall transfer three hundred thirty-two thousand nine hundred seventy-four dollars from the energy outreach Colorado low-income energy assistance fund to the general fund.

(B) This subsection (2)(c.5)(III) is repealed, effective July 1, 2026.

(d) The organization shall develop an annual budget for the direct bill payment assistance program to determine the allocation of the money received from the Colorado energy office pursuant to paragraph (a) of this subsection (2).

(e) The organization shall include information related to any money received from the Colorado energy office pursuant to paragraph (a) of this subsection (2) in the report it prepares pursuant to section 40-8.7-110.

(f) Repealed.

(3) (a) There is hereby created in the state treasury the Colorado energy office low-income energy assistance fund, which shall be administered by the Colorado energy office and shall consist of all money transferred to the fund, all money received as a result of contracts entered into by the Colorado energy office for the office's program to improve the home energy efficiency of low-income households, and all money received by the Colorado energy office from gifts, grants, and donations for the office's program to improve the home energy efficiency of low-income households. All money in the fund is continuously appropriated to the Colorado energy office to be used for the purposes set forth in this subsection (3). All money in the fund at the end of each fiscal year remains in the fund and does not revert to the general fund or any other fund.

(b) The Colorado energy office shall use money it receives pursuant to paragraph (a) of this subsection (3) for a program to provide home energy efficiency improvements for low-income households, which shall include any of the following services:

(I) Providing low-cost and cost-effective energy efficiency measures and energy education to low-income households in general;

(II) Retrofitting households with low-cost and cost-effective energy efficiency measures through the state weatherization assistance program;

(III) Providing heating system and other appliance replacement;

(IV) Providing cost-effective renewable energy measures;

(V) Supplementing the funding for any energy efficiency measures or services offered to low-income households through electric or gas utility energy efficiency or renewable energy programs; or

(VI) Paying a portion of the cost for energy efficiency upgrades to new housing built for low-income families.

(c) Households eligible for the home energy efficiency program described in paragraph (b) of this subsection (3) shall be at or below one hundred percent of the area median income guidelines adjusted for family size based on the most recently published area median income limits established by the United States department of housing and urban development.

(d) In carrying out the program to improve the home energy efficiency of low-income households, the Colorado energy office shall:

(I) Serve as many low-income households throughout the state as possible;

(II) Achieve the maximum lifetime energy savings per dollar expended;

(III) Use competitive bidding procedures to hire contractors; and

(IV) Whenever feasible, contract with Colorado accredited youth corps to provide labor.

(e) The Colorado energy office may use up to five percent of the money transferred pursuant to paragraph (a) of this subsection (3) for planning, overseeing, and evaluating the program to improve the home energy efficiency of low-income households. The Colorado energy office shall not hire additional state employees using money transferred pursuant to paragraph (a) of this subsection (3) to implement the program but may contract with nonprofit organizations, for-profit organizations, and governmental entities as is necessary to carry out the program.

(f) For any fiscal year in which moneys are expended as part of the program to improve the home energy efficiency of low-income households, the Colorado energy office shall prepare and submit to the general assembly an annual report that specifies:

(I) How the moneys were expended;

(II) The number of households served;

(III) The expected energy savings and other nonenergy benefits; and

(IV) Recommendations for any future programs of this nature.

(g) If the governor's energy office, as it existed prior to July 1, 2012, cannot use all of the money it receives for the state fiscal year commencing July 1, 2008, pursuant to paragraph (a) of this subsection (3) for the program described in paragraph (b) of this subsection (3), at the end of the fiscal year the state treasurer shall transfer the money that the governor's energy office cannot use to the clean energy fund created in section 24-75-1201 (1), C.R.S., as said fund existed prior to July 1, 2012.

(4) As used in this section, unless the context otherwise requires:

(a) "Colorado accredited youth corps" means a youth corps organization that is accredited by the Colorado youth corps association or the national association of service and conservation corps, or any successor organization.

(a.5) "Colorado energy office" means the Colorado energy office created in section 24-38.5-101, C.R.S.

(b) "Cost-effective" means energy efficiency measures whose monetary benefits exceed costs over the lifetime of the measures.

(b.3) "COVID-19" means the coronavirus disease 2019 caused by the severe acute respiratory syndrome coronavirus 2, also known as SARS-CoV-2.

(c) "Energy efficiency measures" means measures that reduce consumption of fossil fuels or electricity.

(d) Repealed.

**Source:** **L. 2008:** Entire section added, p. 1868, § 4, effective June 2; (3)(c) amended, p. 1337, § 12, effective May 27. **L. 2009:** (1) amended, (SB 09-279), ch. 367, p. 1932, § 24, effective June 1. **L. 2010:** (1)(c) added, (HB 10-1319), ch. 28, p. 104, § 2, effective March 18. **L. 2011:** (1)(d) and (1)(e) added, (SB 11-226), ch. 190, p. 735, § 9, effective May 19. **L. 2012:** (2), (3)(a), IP(3)(b), IP(3)(d), (3)(e), IP(3)(f), and (3)(g) amended, (4)(a.5) added, and (4)(d) repealed, (HB 12-1315), ch. 224, p. 981, § 53, effective July 1. **L. 2015:** (1) amended, (SB 15-264), ch. 259, p. 968, § 92, effective August 5. **L. 2020:** (2)(a) and IP(4) amended and (2)(f) and (4)(b.3) added, (HB 20-1412), ch. 113, p. 472, § 3, effective June 22. **L. 2020, 1st Ex. Sess.:** (2)(a), (2)(f)(VI), and (2)(f)(VII) amended, (SB 20B-003), ch. 7, p. 38, § 1, effective December 7. **L. 2021:** (2)(f)(VI) and (2)(f)(VII) amended, (SB 21-178), ch. 134, p. 547, § 6, effective May 13; (1), (2)(a)(I), and (3)(a) amended, (HB 21-1105), ch. 488, p. 3508, § 19, effective September 7. **L. 2025:** (2)(c) amended and (2)(c.5) added, (SB 25-317), ch. 385, p. 2165, § 50, effective June 3.

**Editor's note:** (1) The references to § 26-1-109 in this section apply to the state department of human services accepting funds on behalf of the state for any state plan not specifically identified, such as low-income energy assistance, relating to public assistance and welfare activities.

(2) Subsection (2)(a)(II)(D) provided for the repeal of subsection (2)(a)(II), effective September 1, 2021. (See L. 2020, 1st Ex. Sess., p. 38.)

(3) Subsection (2)(f)(VII) provided for the repeal of subsection (2)(f), effective September 1, 2022. (See L. 2021, p. 548.)

**Cross references:** For the legislative declaration in HB 20-1412, see section 1 of chapter 113, Session Laws of Colorado 2020. For the legislative declaration in SB 21-178, see section 1 of chapter 134, Session Laws of Colorado 2021. For the legislative declaration in SB 25-317, see section 1 of chapter 385, Session Laws of Colorado 2025.

**ARTICLE 9**

Carriers Generally

**40-9-101. Application of sections.** Sections 40-9-101 to 40-9-110 apply to any common carrier engaged in the transportation of passengers or property by railroad from one point within the state to any other point within the state. These sections do not apply to the ownership or operation of street transportation public utilities conducted solely as common carriers in the transportation of passengers.

**Source:** **L. 07:** p. 531, § 1. **R.S. 08:** § 5445. **L. 10:** p. 45, § 1. **C.L.** § 2978. **CSA:** C. 29, § 1. **CRS 53:** § 115-12-1. **C.R.S. 1963:** § 115-12-1. **L. 69:** p. 963, § 73. **L. 2019:** Entire section amended, (HB 19-1034), ch. 45, p. 152, § 1, effective July 1.

**Cross references:** For lien of common carrier on goods and baggage, see § 38-20-105; for motor vehicle carriers, see article 10 of title 40; for railroads, see article 20 of title 40.

**40-9-102. Definitions.** As used in sections 40-9-101 to 40-9-105, unless the context otherwise requires:

(1) "Common carriers" also includes express companies, private freight car lines, and pipe lines.

(2) "Railroad" includes all bridges used or operated in connection with any railroad; all the roads in use by any corporation operating a railroad, whether owned or operated under a contract, agreement, or lease; all switches, spurs, tracks, and terminal facilities of every kind used or necessary in transportation of persons or property; all freight depots, yards, and grounds used or necessary in the transportation of persons or property; and all freight depots, yards, and grounds, used or necessary in the transportation or delivery of any of said property.

(3) "Transportation" includes all cars, and all other vehicles and instrumentalities and facilities of a shipment or carriage, irrespective of ownership or of any contract, express or implied, for the use thereof, and all service in connection with the receipt, delivery, elevation, and transfer in transit, ventilation, refrigeration or icing, demurrage, storing, or handling of property transported. It is the duty of every common carrier, subject to the provisions of sections 40-9-101 to 40-9-105, to provide such transportation upon reasonable request therefor, and to establish through routes and just and reasonable rates applicable thereto, and to provide a sufficient number of cars and a reasonable time schedule for trains.

**Source:** **L. 07:** p. 532, § 2. **R.S. 08:** § 5446. **L. 10:** p. 46, § 2. **C.L.** § 2979. **CSA:** C. 29, § 2. **CRS 53:** § 115-12-2. **C.R.S. 1963:** § 115-12-2.

**40-9-103. Liability for damages.** (1) In case any common carrier subject to the provisions of sections 40-9-101 to 40-9-105 does, causes, or permits any act, matter, or thing prohibited or declared to be unlawful in said sections or omits any act, matter, or thing required to be done in said sections such common carrier shall be liable to the person injured thereby for the full amount of damages sustained in consequence of any violation of the provisions of sections 40-9-101 to 40-9-105.

(2) Every common carrier receiving property for transportation between points within this state shall issue a receipt or a bill of lading therefor and shall be liable to the lawful holder thereof for all loss, damage, or injury to such property caused by it or by any common carrier to which such property may be delivered or over whose lines such property may pass. No contract, receipt, rule, or regulation shall exempt such common carrier from any liability imposed in this section, but the carrier shall not be responsible for any greater sum than the value as fixed in the contract, receipt, or bill of lading where such valuation is stated. Nothing in this section shall deprive any holder of such receipt or bill of lading of any remedy or right of action which he has under existing law. The common carrier issuing such receipt or bill of lading shall be entitled to recover from the common carrier on whose lines the loss, damage, or injury has been sustained the amount of such loss, damage, or injury as it may be required to pay to the owners of such property, as may be evidenced by any receipt, judgment, or transcript thereof.

(3) Notwithstanding subsection (2) of this section, a rail carrier may establish rates for the transportation of property under which the liability of the carrier for such property is limited to a value established by a written declaration of the shipper or by a written agreement between the shipper and the rail carrier, and such carrier may provide in such written declaration or agreement for specified amounts to be deducted from any claim against the rail carrier for loss or damage to the property or for delay in the transportation of such property.

**Source:** **L. 07:** p. 534, § 8. **R.S. 08:** § 5452. **L. 10:** p. 49, § 8. **C.L.** § 2985. **CSA:** C. 29, § 8. **CRS 53:** § 115-12-3. **C.R.S. 1963:** § 115-12-3. **L. 84:** (3) added, p. 1043, § 8, effective July 1.

**40-9-104. Violation - penalty.** Any common carrier subject to the provisions of sections 40-9-101 to 40-9-105, or, whenever such common carrier is a corporation, any director or officer thereof or any receiver, trustee, lessee, agent, or person acting for or employed by such corporation, or any shipper, consignee, or applicant for cars who alone or with any other corporation, company, person, or party willfully does or causes to be done or willfully suffers or permits to be done any act, matter, or thing prohibited by sections 40-9-101 to 40-9-105 or declared to be unlawful or who aids or abets therein, or willfully omits or fails to do any act, matter, or thing required to be done in said sections, or aids or abets any such omission or failure, or is guilty of any infraction of said sections, or aids or abets therein, or fails or refuses or neglects to obey any order of the commission made under the provisions of said sections is guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of not less than one hundred dollars nor more than one thousand dollars for each offense.

**Source:** **L. 07:** p. 535, § 9. **R.S. 08:** § 5453. **L. 10:** p. 50, § 9. **C.L.** § 2986. **CSA:** C. 29, § 9. **CRS 53:** § 115-12-4. **C.R.S. 1963:** § 115-12-4.

**40-9-105. Diligence in transporting - penalty for failure.** (1) It is the duty of every common carrier to transport all shipments between points in this state with the utmost diligence and to move perishable products toward their destination continuously without unnecessary delays or longer stops than regular stops at stations or stops for icing or watering and at a minimum speed of not less than ten miles per hour; but excessive storms, unavoidable accidents, or damage to roadbeds which delay such shipments beyond the power of the common carrier to immediately overcome shall exempt such common carrier from compliance with the minimum speed limit, until such storms subside or such damage can be expeditiously repaired.

(2) For failure of any common carrier to receive and transport such shipments with the utmost diligence, such common carrier issuing the receipt or bill of lading therefor shall pay to the owner, consignee, or other interested party whose interests may appear, such actual damages as the owner, consignee, or other interested party may sustain, and the same may be sued for and be recovered in any court of competent jurisdiction in the district in which the plaintiff resides.

**Source:** **L. 07:** p. 544, § 26. **R.S. 08:** § 5470. **L. 10:** p. 62, § 25. **C.L.** § 2996. **CSA:** C. 29, § 19. **CRS 53:** § 115-12-5. **C.R.S. 1963:** § 115-12-5.

**40-9-106. Transportation of livestock - not less than ten miles per hour.** Every common carrier in this state must transport livestock from the initial point of shipment in this state to the point of destination in this state at an average rate of speed of not less than ten miles an hour and within such time, from the hour of loading at the initial point to the hour of arrival at the destination, that the point of destination shall be reached in not more than one-tenth as many hours as there were miles required to be traveled in the transportation of such shipment; except only that necessary stops of reasonable duration for feeding purposes, when required by the length of the journey, or necessary and imperative delays caused only by an act of God or inevitable accident shall not be computed in determining such minimum requirements as to speed.

**Source:** **L. 21:** p. 163, § 1. **C.L.** § 2997. **CSA:** C. 29, § 20. **CRS 53:** § 115-12-6. **C.R.S. 1963:** § 115-12-6.

**40-9-107. Damages for failure to comply.** For failure of any common carrier to transport any such shipment within the time required by section 40-9-106, the common carrier issuing the receipt or bill of lading shall pay to the owner, consignee, or other interested party whose interest may appear such actual damages as the owner, consignee, or other interested party may sustain, together with exemplary damages in a sum of not less than one hundred dollars nor more than one thousand dollars, to be fixed by the jury or by the court if the cause is tried without a jury, and such actual and exemplary damages may be sued for and recovered in any court of competent jurisdiction in the district in which the plaintiff resides.

**Source:** **L. 21:** p. 163, § 2. **C.L.** § 2998. **CSA:** C. 29, § 21. **CRS 53:** § 115-12-7. **C.R.S. 1963:** § 115-12-7.

**40-9-108. Accidents - notice - investigation.** (1) Every railroad, whenever an accident attended by bodily injury or loss of human life occurs in this state on its line of road or on its ground or in its yards, shall give immediate written notice thereof to the public utilities commission. In the event of any such accident, the commission, if it deems the public interest to require it, shall cause a suitable investigation to be made forthwith and shall give written notice thereof to the person and railroad primarily interested.

(2) The expense of such investigation shall be certified by a majority of the commission and shall be audited and paid by the state in the same manner as other expenses are audited and paid. The commission is empowered to make and enforce such rules as, in its judgment, will tend to prevent accidents in the operation of the railroads of this state.

**Source:** **L. 07:** p. 544, § 27. **R.S. 08:** § 5471. **L. 10:** p. 63, § 26. **C.L.** § 2999. **CSA:** C. 29, § 22. **CRS 53:** § 115-12-8. **C.R.S. 1963:** § 115-12-8. **L. 69:** p. 963, § 74.

**Cross references:** For employer's duty to keep a record of injuries received by employees as well as the duty to report those injuries to the division of labor, see § 8-43-101.

**40-9-109. Transportation of service animals accompanying individuals with disabilities.** When an individual with a disability is accompanied by a service animal or an animal that is being trained as a service animal, as defined in section 24-34-301, C.R.S., for such individual with a disability, neither the individual with a disability nor the service animal shall be denied the facilities of any common carrier, nor shall the individual with a disability be denied the immediate custody of the service animal while riding upon a common carrier. The provisions of this section also apply to a trainer of a service animal, as defined in section 24-34-301, C.R.S., for use by a qualified individual with a disability, unless the service animal presents an imminent danger to the public health or safety. The individual with a disability or the trainer of the service animal shall be liable for any damage done to the premises or facilities of the common carrier by the service animal. An animal being individually trained for the purpose of aiding an individual with a disability shall be visibly and prominently identified as a service animal in training.

**Source:** **L. 41:** p. 343, § 1. **CSA:** C. 29, § 21(1). **CRS 53:** § 115-12-9. **C.R.S. 1963:** § 115-12-9. **L. 86:** Entire section amended, p. 935, § 2, effective March 20. **L. 89:** Entire section amended, p. 1045, § 2, effective April 19. **L. 2001:** Entire section amended, p. 1282, § 62, effective June 5. **L. 2014:** Entire section amended, (SB 14-118), ch. 250, p. 987, § 25, effective August 6.

**40-9-110. Railroad freight transport - number of crew members required - penalty - legislative declaration - definitions.** (1) The general assembly hereby finds, determines, and declares that it is in the public interest to require that a common carrier engaged in the transportation of freight by railroad have multiple crew members aboard a railroad train or light engine in order to help ensure the public safety of citizens of this state and the safety of the state's waterways and natural environment.

(2) A railroad train or light engine operated in connection with carrying freight must have at least two crew members aboard while the railroad train or light engine is moving.

(3) Subsection (2) of this section does not apply to:

(a) Helper service;

(b) Trains that are used primarily for the purpose of transporting people from one location to another or are used for tourism purposes such as scenic, historic, or excursion rides;

(c) A locomotive or group of locomotives that are traveling no more than thirty miles per hour outside of a rail yard and are attached only to a caboose;

(d) Hostler service; and

(e) The movement of a train for the purpose of loading or unloading freight so long as the train is moving no more than ten miles per hour.

(4) A person who willfully violates subsection (2) of this section is guilty of a misdemeanor and, upon conviction thereof, shall be punished by a fine of:

(a) Not less than two hundred fifty dollars nor more than one thousand dollars for a first offense;

(b) Not less than one thousand dollars nor more than five thousand dollars for a second offense committed within three years; or

(c) Not less than five thousand dollars nor more than ten thousand dollars for a third or subsequent offense committed within three years.

(5) As used in this section:

(a) (I) "Crew member" means an employee of the common carrier involved in the operation of a railroad train or light engine.

(II) "Crew member" does not include a hostler service or utility employee or contractor of the carrier.

(b) (I) "Helper service" means the use of a locomotive or a group of locomotives to assist another train that is experiencing mechanical failure or lacks the power to traverse difficult terrain.

(II) "Helper service" includes the travel to or from a location where the assistance is provided.

(c) "Hostler service" means the movement of locomotives that are not attached to rail cars within a rail yard.

**Source:** **L. 2019:** Entire section added, (HB 19-1034), ch. 45, p. 152, § 2, effective July 1.

**ARTICLE 9.5**

Cooperative Electric Associations

PART 1

GENERALLY

**40-9.5-101. Legislative declaration.** The general assembly hereby finds and declares that cooperative electric associations which are owned by the member-consumers they serve are regulated by the member-consumers themselves acting through an elected governing body. It is further declared that the regulation by the public utilities commission under the "Public Utilities Law", articles 1 to 7 of this title, may be duplicative of the self-regulation by the association and may be neither necessary nor cost-effective. It is therefore the purpose of this part 1 to determine the necessity of regulation by the public utilities commission by allowing cooperative electric associations to exempt themselves from regulation by the public utilities commission.

**Source:** **L. 83:** Entire article added, p. 1567, § 1, effective July 1. **L. 86:** Entire section amended, p. 1162, § 3, effective May 27.

**40-9.5-102. Definitions.** As used in this part 1, unless the context otherwise requires:

(1) "Cooperative electric association" or "association" includes a nonprofit electric corporation or association but does not include nonprofit generation and transmission electric corporations or associations.

(2) "Joint membership" means a membership in a cooperative electric association in which more than one individual is treated as a single member of the cooperative electric association in accordance with the cooperative electric association's bylaws. Each individual in a joint membership is a joint member.

**Source:** **L. 83:** Entire article added, p. 1567, § 1, effective July 1. **L. 86:** Entire section amended, p. 1162, § 4, effective May 27. **L. 2021:** Entire section amended, (HB 21-1131), ch. 65, p. 261, § 1, effective September 7.

**40-9.5-103. Exemption from "Public Utilities Law".** Except as otherwise provided in this part 1, the provisions of the "Public Utilities Law", articles 1 to 7 of this title, shall not apply to cooperative electric associations which have, by an affirmative vote of the members and consumers pursuant to section 40-9.5-104, voted to exempt themselves from such provisions and to be subject to the provisions of this part 1. The period of exemption shall begin on the date the election results are filed with the public utilities commission.

**Source:** **L. 83:** Entire article added, p. 1567, § 1, effective July 1. **L. 86:** Entire section amended, p. 1162, § 5, effective May 27.

**40-9.5-104. Procedure for exemption - election.** (1) (a) The board of directors of each cooperative electric association may, at its option, submit the question of its exemption from the "Public Utilities Law", articles 1 to 7 of this title, to its members and its consumers. Approval by a majority of those voting in the election shall be required for such exemption.

(b) The board of directors of the cooperative electric association shall be responsible for mailing the ballots to all members and consumers of the association, for counting the returned ballots, and for determining the result of the election and shall also be responsible for insuring that the election is not held in a dishonest, corrupt, or fraudulent manner. The ballot shall contain the following language:

"Shall ...... (name of the cooperative electric association) be exempt from regulation by the public utilities commission of the state of Colorado?

( ) Yes ( ) No"

(c) The ballot must be postmarked or returned in an envelope accompanying the ballot with return postage paid within thirty days after it was mailed to the member or consumer.

(d) The results of the election held pursuant to this subsection (1) shall be certified by the secretary of the board of directors of the cooperative electric association no later than sixty days after the ballots are mailed to the members and consumers, and said secretary shall file the results with the director of the public utilities commission.

(2) Upon an affirmative vote of the members and consumers of the cooperative electric association on the question of exempting said association, the association shall be exempt from the "Public Utilities Law", articles 1 to 7 of this title, beginning on the date the election results are filed with the public utilities commission.

**Source:** **L. 83:** Entire article added, p. 1568, § 1, effective July 1. **L. 85:** (1)(a) amended, p. 1299, § 1, effective May 31. **L. 2003:** (1)(d) amended, p. 1707, § 23, effective May 14.

**40-9.5-105. Certificate of public convenience and necessity.** (1) A certificate of public convenience and necessity issued by the public utilities commission prior to July 1, 1983, assigning specific service territories to a cooperative electric association shall remain in full force and effect and shall be subject to such rights and limitations as other certificates of public convenience and necessity held by other electric public utilities subject to regulation of the public utilities commission.

(2) After giving simultaneous notice by certified mail to other electric public utilities serving areas adjacent to an unserved, uncertificated territory and to the public utilities commission of its intent to extend service, a cooperative electric association shall have the right to extend service into such unserved, uncertificated territory unless the public utilities commission receives a complaint concerning such extension. Such complaint must be received by the commission no later than thirty days following the commission's receipt of the notice of extension. Upon the filing of a complaint, the commission shall determine whether to issue a certificate of public convenience and necessity authorizing such extension.

(3) Whenever the public utilities commission, after a hearing upon complaint, finds that an electric public utility, including a cooperative electric association, is unwilling or unable to serve an existing or newly developing load within its certificated territory and that the public convenience and necessity requires a change, said commission may, in its discretion, delete from the certificate of said public utility or association that portion of said territory which the public utility or association is unwilling or unable to serve and incorporate said territory into the certificated territory of another electric public utility, including another cooperative electric association, upon such terms as are just and reasonable, having due regard to due process of law and to all the rights of the respective parties and to public convenience and necessity.

(4) Upon complaint filed by an electric public utility, including a cooperative electric association, the public utilities commission shall determine whether any construction or extension made or proposed to be made by another such public utility or association will interfere with or duplicate the line, plant, system, or service of the complainant, in which event the public utilities commission may make such order prohibiting such construction or extension or prescribing the terms and conditions thereof as to it may seem just and reasonable.

(5) The provisions of articles 6 and 7 of this title shall apply to any proceeding of the public utilities commission required by this section.

(6) Except as otherwise provided in this part 1, the enactment of this part 1 shall neither enlarge nor diminish the rights and obligations of electric public utilities, including cooperative electric associations, under certificates of public convenience and necessity issued by the public utilities commission. Nothing in this part 1 shall enlarge or diminish the respective rights and obligations of electric public utilities, including cooperative electric associations, or municipalities under franchise or other contractual agreements.

**Source:** **L. 83:** Entire article added, p. 1568, § 1, effective July 1. **L. 85:** (2) amended, p. 1301, § 3, effective April 5. **L. 86:** (6) amended, p. 1162, § 6, effective May 27.

**40-9.5-106. Prohibited acts.** (1) No cooperative electric association shall make a change in any rate charged for electric service or in any rule or regulation in connection therewith unless such association shall provide public notice of such proposed change at least thirty days prior to the day the proposed change is to take effect.

(2) No cooperative electric association, as to rates, charges, service, or facilities or as to any other matter, shall make or grant any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage. No cooperative electric association shall establish or maintain any unreasonable difference as to rates, charges, service, or facilities or as to any other matter, either between localities or between any class of service. Notwithstanding section 40-6-108 (1)(b), any complaint arising out of this subsection (2) signed by one or more customers of such association shall be resolved by the public utilities commission in accordance with the hearing and enforcement procedures established in articles 6 and 7 of this title. A cooperative electric association may approve any reasonable rate, charge, service, classification, or facility that establishes a graduated rate for increased energy consumption, for energy conservation and energy efficiency purposes, by residential customers that is revenue-neutral for the class, where revenue includes margins, expenses, riders, or charges as approved by the cooperative electric association. The implementation of such rate, charge, service, classification, or facility by a cooperative electric association shall not be deemed to subject any person or corporation to any prejudice, disadvantage, or undue discrimination. In adopting such rate, a cooperative electric association shall give due consideration to the impact of such rates on low-income customers. A cooperative electric association may utilize a community energy fund as contemplated by sections 40-2-127 and 40-2-127.5 for energy efficiency, energy conservation, weatherization, and renewable energy purposes. A cooperative electric association shall not apply such rate to consumers that have single meters that record energy consumption for combined residential and agricultural uses.

(3) No rates, charges, rules, or regulations of a cooperative electric association shall be unjust or unreasonable. Any complaint under this subsection (3) shall be resolved by the public utilities commission in accordance with the hearing and enforcement procedures established in articles 6 and 7 of this title if the complaint alleging a violation is signed by the mayor, the president or chairman of the board of trustees, or a majority of the council, commission, or other legislative body of an affected county, city and county, city, or town, an affected public utility, or any one or more affected entities constituting a separate rate class of the association or is signed by not less than twenty-five customers or prospective customers of such association.

**Source:** **L. 83:** Entire article added, p. 1569, § 1, effective July 1. **L. 2009:** (2) amended, (SB 09-039), ch. 175, p. 777, § 2, effective August 5. **L. 2022:** (2) amended, (SB 22-118), ch. 335, p. 2380, § 16, effective August 10.

**40-9.5-107. Duties of cooperative electric associations.** (1) Cooperative electric associations shall provide reasonably continuous and adequate electric utility service to all members and consumers within their certificated service areas.

(2) Cooperative electric associations shall provide and maintain reasonably adequate facilities for the provision of electric utility service within their certificated service areas.

(3) All cooperative electric associations shall cooperate with each other and with other electric utilities in avoiding unnecessary construction of facilities and cooperate in the joint use of facilities for generation, transmission, and distribution of electric energy.

(4) Cooperative electric associations shall construct and maintain their facilities in a careful and safe fashion so as to minimize hazards to either persons or property.

(5) Cooperative electric associations shall continue to file with the public utilities commission those items required by sections 40-2-111, 40-3-110, and 40-5-106 (2) and shall comply with section 40-2-124 (3) and (4). The records and accounts of cooperative electric associations shall be kept in accordance with procedures established by the commission pursuant to section 40-4-111.

(6) If a cooperative electric association has an immediate shutoff policy, such association shall have provisions for an immediate appeal of such policy to the board of directors.

(7) The board of directors of a cooperative electric association shall adopt all necessary rules and regulations to comply with the provisions of this part 1.

(8) Any conflict arising out of this section shall be resolved by the public utilities commission in accordance with the hearing procedures established in article 6 of this title.

**Source:** **L. 83:** Entire article added, p. 1570, § 1, effective July 1. **L. 86:** (7) amended, p. 1162, § 7, effective May 27; (5) amended, p. 1223, § 38, effective May 30. **L. 2005:** (5) amended, p. 239, § 3, effective August 8.

**40-9.5-108. Public meetings - definition.** (1) All meetings of a cooperative electric association are declared to be open meetings and open to the members, consumers, and news media at all times; but such association, by a two-thirds affirmative vote of the board members present, may go into executive session for consideration of documents or testimony given in confidence, but such association shall not make final policy decisions or adopt or approve any resolution, rule, regulation, or formal action, any contract, or any action calling for the payment of money at any session which is closed to the members, consumers, and news media.

(1.5) All meetings of a generation and transmission association are declared to be open meetings and open to the members, consumers, and news media at all times; but such association, by a two-thirds affirmative vote of the board members present, may go into executive session for consideration of documents or testimony given in confidence.

(2) (a) Before a board of directors convenes in executive session pursuant to subsection (1) or (1.5) of this section, the board shall announce the general topic of the executive session.

(b) At every regular meeting of the board of directors of an association or a generation and transmission association, members of the association shall be given an opportunity to address the board on any matter concerning the policies and business of the association. The board may place reasonable, viewpoint-neutral restrictions on the amount and duration of public comment.

(c) Written minutes shall be made of all meetings of the board of directors of an association or a generation and transmission association. The minutes shall be posted on the website of the association or generation and transmission association as soon as they have been approved and shall remain posted until at least six months after the date of the meeting. Upon request by a member of the board, that member's own vote on any issue shall be noted in the minutes.

(3) Any action taken contrary to the provisions of this section shall be null and void and without force or effect.

(4) As used in this section, "generation and transmission association" means a nonprofit generation and transmission electric association that provides wholesale electric service directly to Colorado cooperative electric associations that are its members.

**Source:** **L. 83:** Entire article added, p. 1570, § 1, effective July 1. **L. 2010:** (2) amended, (HB 10-1098), ch. 424, p. 2194, § 1, effective August 11. **L. 2021:** (1.5) and (4) added and (2) amended, (HB 21-1131), ch. 65, p. 261, § 2, effective September 7.

**40-9.5-108.5. Public posting of documents.** (1) Each cooperative electric association shall post on the association's website the following information:

(a) The association's current rates; and

(b) The association's net metering requirements.

(2) Each cooperative electric association shall keep and make available on request to a member of the association all financial audits of the association conducted in the last three fiscal years.

**Source:** **L. 2021:** Entire section added, (HB 21-1131), ch. 65, p. 262, § 3, effective September 7.

**40-9.5-109. Regulations governing consumer complaints.** The board of directors of each cooperative electric association shall adopt regulations which specify a procedure for members and consumers to register complaints about and be given an opportunity to be heard by the board on the rates charged by such association, the manner in which the electric service is provided, and proposed changes in the rates or regulations. Such regulations may be amended whenever deemed appropriate by the board.

**Source:** **L. 83:** Entire article added, p. 1570, § 1, effective July 1. **L. 85:** Entire section amended, p. 1299, § 3, effective May 31. **L. 93:** Entire section amended, p. 2072, § 34, effective July 1.

**40-9.5-109.5. Election policy - adoption - publication - contents.** (1) The board of directors of each cooperative electric association shall adopt a written policy governing the election of directors. The association shall post the policy on the association's website, provide notice of the policy at the time a person becomes a member, and provide a copy of the policy to a member upon request. The election policy shall contain true and complete information on the following subjects:

(a) The procedure and timing for a member to become a candidate for the board of directors and the process by which elections for the board of directors are held;

(b) The qualifications for candidates and requirements for appearing on the ballot;

(c) The date of the election, which shall be fixed, posted on the association's website, and otherwise publicized no less than six months before the election;

(d) Who is entitled to vote in an election, including how joint members may vote; and

(e) How a member may obtain and cast a ballot.

(2) In addition to the requirements of subsection (1) of this section, information on how to become a candidate and the schedule for elections shall be posted on the association's website and otherwise publicized based on a member's preferred method of communication no less than two months before petitions to become a candidate are due.

(3) The deadline to return ballots shall be posted on the website at least two months before the deadline and shall remain so posted until after the election.

**Source:** **L. 2010:** Entire section added, (HB 10-1098), ch. 424, p. 2194, § 2, effective August 11. **L. 2021:** IP(1), (2), and (3) amended and (1)(d) and (1)(e) added, (HB 21-1131), ch. 65, p. 262, § 4, effective September 7.

**40-9.5-109.7. Electronic participation - meetings - elections conducted by mail or electronic means - definition.** (1) A cooperative electric association may adopt provisions in its bylaws authorizing members to participate electronically in member meetings of the association.

(2) (a) Notwithstanding section 7-55-110 or any other provision of law to the contrary, a cooperative electric association may adopt provisions in its bylaws authorizing members to vote electronically in an election of directors of the board or in an election on any matter requiring a vote of the membership. If authorized by its bylaws, the association may establish a secure and verifiable electronic transmission system through which a member may apply for, receive, and return a ballot in an election.

(b) As used in this section, "secure and verifiable electronic transmission system" means a system that saves and is capable of producing the records necessary to audit the operation of the electronic transmission, including a paper record of all ballots sent and received.

(3) Notwithstanding section 7-55-119, a member who registers in person or electronically at any cooperative electric association meeting or who casts a vote through mail ballot or a secure electronic transmission system if authorized by the association's bylaws is considered present in person for the purpose of determining a quorum for action by the membership.

(4) Notwithstanding any other provision of law, a cooperative electric association may adopt provisions in its bylaws allowing directors on the board of directors to participate and vote electronically in meetings of the board of directors. A meeting of the board of directors that is conducted electronically must allow members of the association an opportunity to address the board in accordance with section 40-9.5-108 (2)(b).

**Source:** **L. 2021:** Entire section added, (HB 21-1131), ch. 65, p. 263, § 5, effective September 7.

**40-9.5-110. Board of directors of cooperative electric associations - nomination - elections.** (1) (a) A nomination for director on the board of directors of a cooperative electric association may be made by written petition signed by at least fifteen members of such association, and filed with the board of directors of such association no later than sixty days prior to the date of the election. Any petition so filed shall designate the name of the nominee and the term for which nominated. The name of a nominee shall appear on the ballot if the nominating petition is in apparent conformity with this section as determined by the secretary of the board. Nomination and election of directors by districts, if provided for in the bylaws of the association, shall be permitted.

(b) Each candidate for a position on the board of directors is entitled to receive a membership list in an electronic format upon receipt and verification of a valid petition. The membership list must include the names and addresses of all members, including all joint members, as they appear in the association's records. Candidates shall use such lists only for purposes of the election and shall return or destroy them immediately after the election.

(c) All board members shall make available to association members some means for direct contact, whether by telephone, electronic mail, or regular mail. Information on how to contact each board member by one or more of these methods shall be available on the association website.

(2) (a) (I) Each member of the association is entitled to vote in the election of directors on the board of directors. In the case of a joint membership, any one joint member may cast the vote for the membership. A member may vote in person at a meeting held for such purpose, by mail, or by electronic means if authorized by the association's bylaws. A member who has voted by mail or by electronic means is not entitled to vote at the meeting.

(II) Mail voting must be in writing on ballots provided by the association. The mail ballot shall be voted by the member, deposited in a return envelope, which must be signed by the voting member, and mailed back to the association or to an independent third party with whom the association has contracted for the storage and counting of ballots in accordance with subsection (2)(c) of this section. For the ballot of a joint membership, the ballot envelope mailed to the joint member must include the name of each eligible voter. Any one of the joint members may cast the ballot. The joint member who casts the ballot shall sign the return envelope.

(III) An association may provide a secrecy sleeve or inner envelope to conceal the markings on a mail ballot in the return envelope. A mail ballot returned in a signed return envelope but without the markings concealed is nonetheless valid and shall be counted.

(b) The order of names on the ballot shall be determined randomly in a manner that does not automatically assign the top line to the incumbent.

(c) The board of directors shall, when practicable, arrange for an independent third party to oversee the storage and counting of ballots. If this is not practicable, then ballots shall be collected and stored in a manner that protects the privacy of their content. All candidates for the board of directors shall be given the opportunity to be present to observe the counting of the ballots; except that, if the association has contracted with an independent third party to collect and count ballots, the ballots must be delivered to the association under seal promptly after the count and, upon the request of any candidate, made available to the candidate for inspection.

(3) Voting for directors on the board of directors by proxy or cumulative voting is prohibited.

(4) Neither the association nor the board of directors shall endorse or oppose the candidacy of an incumbent board member or other candidate for a position on the board. During the two months immediately preceding the election, board members shall not send individual newsletters using the association's resources.

**Source:** **L. 83:** Entire article added, p. 1571, § 1, effective July 1. **L. 85:** (2) amended, p. 1302, § 4, effective April 5. **L. 2010:** Entire section amended, (HB 10-1098), ch. 424, p. 2195, § 3, effective August 11. **L. 2016:** (2)(a) and (2)(c) amended, (SB 16-055), ch. 46, p. 109, § 1, effective August 10. **L. 2021:** (1)(a), (1)(b), and (2)(a) amended, (HB 21-1131), ch. 65, p. 263, § 6, effective September 7.

**40-9.5-110.5. Directors - required policies.** (1) The board of each cooperative electric association shall adopt written policies concerning:

(a) The compensation provided to directors on the board of directors, including information on any authorized per diem amounts, and the value of any other benefits, services, or goods that directors receive;

(b) The requirements and procedures for a director on the board of directors to disclose in writing any conflicts of interest. At a minimum, an association's policy must require disclosure when a decision before the board could provide directly and as a proximate result of the decision a financial or other material benefit to:

(I) The director, if the benefit is unique to that director and not shared by similarly situated cooperative members;

(II) A parent, grandparent, spouse, partner in a civil union, child, or sibling of the director, if the benefit is unique to that person and not shared by similarly situated cooperative members; or

(III) An entity in which the director is an officer or director or has a financial interest unique to that director.

(2) (a) Subject to subsection (2)(b) of this section, a director on the board of directors shall at all times fulfill the director's duty of loyalty to the association and shall not allow a conflict of interest to impair the director's loyalty to the association.

(b) Notwithstanding any other law to the contrary, if an individual is a director on the board of directors of both a distribution cooperative electric association and a generation and transmission cooperative electric association, the director owes fiduciary duties to both associations and shall not be required to give priority to a fiduciary duty the director owes to one association over the duties the director owes to the other association.

**Source:** **L. 2021:** Entire section added, (HB 21-1131), ch. 65, p. 264, § 7, effective September 7.

**40-9.5-111. Notice of meeting - agenda.** (1) Notice of the time and place of a meeting of the board of directors and a copy of the agenda for such meeting shall be posted in every service office maintained by the association at least ten days before the meeting. The agenda shall specifically designate the issues or questions to be discussed, or the actions to be taken, at the meeting. Copies of the agenda shall be available at each service office for members and consumers.

(2) The date, time, location, and agenda of every meeting of the board of directors shall be posted on the association's website no less than ten days before the meeting in the case of regular meetings and as soon as the meeting is scheduled in the case of special meetings. If a meeting is postponed or canceled, notice of the postponement or cancellation shall immediately be posted on the website.

**Source:** **L. 83:** Entire article added, p. 1571, § 1, effective July 1. **L. 2010:** Entire section amended, (HB 10-1098), ch. 424, p. 2196, § 4, effective August 11.

**40-9.5-112. Provisions applicable to cooperative electric associations.** (1) Except as otherwise provided in this part 1, the provisions of article 55 of title 7 shall apply to cooperative electric associations. In the case of any irreconcilable conflict between said article 55 and this part 1, this part 1 shall control.

(2) Notwithstanding any provision of article 55 of title 7, a cooperative electric association may authorize joint memberships in its bylaws.

(3) Section 40-4-105 shall apply to cooperative electric associations with respect to crossing of railroad rights-of-way.

**Source:** **L. 83:** Entire article added, p. 1571, § 1, effective July 1. **L. 86:** Entire section amended, p. 1163, § 8, effective May 27. **L. 2002:** Entire section amended, p. 1948, § 4, effective June 8. **L. 2010:** Entire section amended, (HB 10-1098), ch. 424, p. 2197, § 5, effective August 11. **L. 2021:** Entire section amended, (HB 21-1131), ch. 65, p. 265, § 8, effective September 7.

**Cross references:** For the legislative declaration contained in the 2002 act amending this section, see section 1 of chapter 350, Session Laws of Colorado 2002.

**40-9.5-113. Method of reimposing public utilities commission regulation.** Any cooperative electric association may vote no more than once a year to place said association under the regulation of the public utilities commission, as provided in the "Public Utilities Law", articles 1 to 7 of this title. Said question shall only be submitted to the member-consumers of the association if at least five percent of the member-consumers of the association sign a petition requesting such an election and if such signatures are gathered within a six-month period immediately preceding the submission of the petition to the association's board of directors. No petition circulated pursuant to this section shall be valid unless the petition sponsor notifies the board in writing prior to circulation for signatures. Such petition shall be submitted to, and signatures certified by, the board at a regular scheduled meeting. Such certification shall include a determination as to whether the signatures on the petition were gathered within a six-month period immediately preceding the submission of the petition to the board. After the petition has been certified by the board, the commission shall conduct an election within forty-five days on the question. If a majority of the persons voting at the election vote in favor of placing their association under commission regulation, the commission shall reassert its regulation upon determination of the election results.

**Source:** **L. 83:** Entire article added, p. 1571, § 1, effective July 1. **L. 85:** Entire section amended, p. 1302, § 5, effective April 5. **L. 2005:** Entire section amended, p. 330, § 1, effective April 20.

**40-9.5-114. Public utilities commission - fees.** No cooperative electric association which has voted to exempt itself from the "Public Utilities Law", articles 1 to 7 of this title, and to be subject to the provisions of this part 1 shall be required to pay to the public utilities commission the fees imposed by the provisions of article 2 of this title; except that, for any year in which the commission is required, pursuant to section 40-9.5-105 or 40-9.5-113, to act with respect to an exempt cooperative electric association, such exempt association shall pay to the commission actual and necessary costs not to exceed twenty-five percent of the fees that it would have been liable for under the provisions of article 2 of this title if regulated by the commission.

**Source:** **L. 83:** Entire article added, p. 1572, § 1, effective July 1. **L. 85:** Entire section amended, p. 1304, § 1, effective April 30. **L. 86:** Entire section amended, p. 1163, § 9, effective May 27.

**40-9.5-114.5. Applicability of sections 40-9.5-108 to 40-9.5-112.** Sections 40-9.5-108 to 40-9.5-112 apply to all cooperative electric associations, whether regulated under this part 1 or the "Public Utilities Law", articles 1 to 7 of this title 40. Notwithstanding section 40-9.5-102 (1), sections 40-9.5-109, 40-9.5-110.5, and 40-9.5-111 apply to a nonprofit generation and transmission cooperative electric association that provides wholesale electric service directly to Colorado cooperative electric associations that are its members.

**Source:** **L. 85:** Entire section added, p. 1299, § 2, effective May 31. **L. 86:** Entire section amended, p. 1163, § 10, effective May 27. **L. 93:** Entire section amended, p. 2072, § 35, effective July 1. **L. 2021:** Entire section amended, (HB 21-1131), ch. 65, p. 265, § 9, effective September 7.

**40-9.5-115. Repeal of article. (Repealed)**

**Source:** **L. 83:** Entire article added, p. 1572, § 1, effective July 1. **L. 85:** Entire section repealed, p. 1303, § 6, effective April 5.

**40-9.5-116. Investment in public-private transportation facilities.** (1) Notwithstanding any provision of law to the contrary, the board of directors of a cooperative electric association may consider investing in one or more of the following:

(a) Any public-private initiative with the department of transportation, as defined in section 43-1-1201 (3), C.R.S.;

(b) Bonds issued for turnpikes in accordance with part 2 of article 3 of title 43, C.R.S.;

(c) Repealed.

(d) Any other public-private initiative program for transportation system projects in Colorado authorized by law.

(2) The board of directors of a cooperative electric association may give preference to the investments described in subsection (1) of this section if such investments are in the interest of the cooperative electric association's members and are consistent with sound investment policy.

**Source:** **L. 98:** Entire section added, p. 446, § 8, effective August 5. **L. 2005:** (1)(c) repealed, p. 289, § 41, effective August 8.

**Cross references:** For the legislative declaration contained in the 1998 act enacting this section, see section 1 of chapter 154, Session Laws of Colorado 1998.

**40-9.5-117. Surcharge for underground conversion of facilities.** The board of directors of a cooperative electric association may adopt a resolution to impose a surcharge on those consumers within the service area of the cooperative electric association who derive a direct benefit from the conversion of overhead electric and communication facilities to underground locations. Such surcharge shall be limited to costs related to the conversion of overhead electric and communication facilities to underground locations.

**Source:** **L. 99:** Entire section added, p. 373, § 3, effective April 22.

**40-9.5-118. Net metering - rules.** (1) **Definitions.** For purposes of this section, unless the context otherwise requires:

(a) "Customer-generator" means an end-use electricity customer that generates electricity on the customer's side of the meter using eligible energy resources.

(b) "Eligible energy resources" has the meaning established in section 40-2-124.

(2) Each cooperative electric association shall allow a customer-generator's retail electricity consumption to be offset by the electricity generated from eligible energy resources on the customer-generator's side of the meter that are interconnected with the facilities of the cooperative electric association, subject to the following:

(a) **Monthly excess generation.** If a customer-generator generates electricity in excess of the customer-generator's monthly consumption, all such excess energy, expressed in kilowatt-hours, shall be carried forward from month to month and credited at a ratio of one to one against the customer-generator's energy consumption, expressed in kilowatt-hours, in subsequent months.

(b) **Annual excess generation.** Within sixty days after the end of each annual period, or within sixty days after the customer-generator terminates its retail service, the cooperative electric association shall account for any excess energy generation, expressed in kilowatt-hours, accrued by the customer-generator and shall credit such excess generation to the customer-generator in a manner deemed appropriate by the cooperative electric association.

(c) **Nondiscriminatory rates.** A cooperative electric association shall provide net metering service at nondiscriminatory rates.

(d) **Interconnection standards.** A cooperative electric association and a customer-generator shall comply with the interconnection standards and insurance requirements established in the rules promulgated by the public utilities commission pursuant to section 40-2-124; except that the cooperative electric association may reduce or waive any of the insurance requirements, and except that the public utilities commission shall initiate a rule-making proceeding no later than October 1, 2008, for the purpose of addressing cooperative electric association system issues in its small generator interconnection procedures. A cooperative electric association shall not prevent or unreasonably burden the installation of a net metering system if such system includes protective equipment that prevents any export of customer-generated electricity from the customer's side of the meter.

(e) (I) **Size specifications.** Each cooperative electric association shall allow:

(A) Residential customer-generators to generate electricity subject to net metering up to ten kilowatts; and

(B) Commercial or industrial customer-generators to generate electricity subject to net metering up to twenty-five kilowatts.

(II) Each cooperative electric association may allow customer-generators to generate electricity subject to net metering in amounts in excess of the minimum amounts specified in subparagraph (I) of this paragraph (e). If the cooperative electric association denies interconnection to a customer-generator that has requested interconnection of a system with a capacity of twenty-five kilowatts or larger, the association shall provide a written technical or economic explanation of such denial to the customer.

(3) The cooperative electric association and the customer-generator shall indemnify, defend, and save the other party harmless from any and all damages, losses, or claims, including claims and actions relating to injury to or death of any person or damage to property, demand, suits, recoveries, costs and expenses, court costs, attorney fees, and all other obligations by or to third parties, arising out of or resulting from the other party's action or failure to act in relation to any obligations under this section, except in cases of gross negligence or intentional wrongdoing by the indemnified party.

**Source:** **L. 2008:** Entire section added, p. 188, § 2, effective August 5.

PART 2

SERVICE TERRITORIES WITHIN MUNICIPALITIES

OWNING AND OPERATING ELECTRIC UTILITIES

**40-9.5-201. Legislative declaration.** The general assembly hereby finds and declares that the provisions of article XXV of the Colorado constitution allow the public utilities commission to establish exclusive service territories for utilities as provided in article 5 of this title and that it has been the policy of the state of Colorado to establish exclusive service territories for cooperative electric associations. The general assembly further finds and declares that, if a cooperative electric association has been granted an exclusive service territory that is within a municipality that operates an electric utility or within an area annexed by a municipality that operates an electric utility, the municipality has taken private property and shall pay just compensation for the electric distribution facilities and certificate of public convenience and necessity of the association located within the municipality. Therefore, it is declared to be a matter of statewide concern and to be the purpose of this part 2 to establish a procedure to be followed when the certificated service territory of a cooperative electric association is included within a municipality that operates an electric utility or within an area annexed by a municipality that operates an electric utility.

**Source:** **L. 86:** Entire part added, p. 1159, § 1, effective May 27.

**40-9.5-202. Definitions.** As used in this part 2, unless the context otherwise requires:

(1) "Cooperative electric association" shall have the same meaning as in section 40-9.5-102.

(2) "Electric distribution facilities" means all or any portion of the electric lines and facilities of a cooperative electric association used or capable of being used in serving ultimate consumers, but the term does not include transmission lines, feeder lines, and substation facilities, or portions thereof, which are necessary for the integration and operation of portions of the association's electric system which are located outside a municipality or the area annexed by a municipality, nor does the term include transformers, meters, and associated metering equipment.

(3) "Municipality" means a statutory or home rule town, city, or city and county.

**Source:** **L. 86:** Entire part added, p. 1160, § 1, effective May 27.

**40-9.5-203. Service rights and facilities of cooperative electric associations within municipalities or within areas to be annexed by municipalities which own and operate electric utilities.** (1) Notwithstanding any provision to the contrary, if a cooperative electric association has certificated service territory within a municipality which after May 27, 1986, commences operation of its own electric utility or has certificated service territory within an area annexed after May 27, 1986, by a municipality which owns and operates an electric utility, the municipality shall pay just compensation for the electric distribution facilities of the cooperative electric association located within the territory, together with the association's certificate of public convenience and necessity constituting its rights to serve such territory.

(2) No later than thirty days prior to final action on each annexation ordinance, the municipality shall notify the affected cooperative electric association in writing of the boundaries of the municipality or the annexed area within which certificated service territory of the association is included and shall indicate such boundaries or area on appropriate maps.

**Source:** **L. 86:** Entire part added, p. 1160, § 1, effective May 27.

**40-9.5-204. Just compensation for service rights and facilities by municipality.** (1) The just compensation for electric distribution facilities and service rights shall be:

(a) The present-day reproduction cost, new, of the electric distribution facilities being acquired, less depreciation computed on a straight-line basis over thirty-five years with such depreciation being limited to one-half of such cost; and

(b) An amount equal to the cost of constructing any necessary facilities to reintegrate the system of the cooperative electric association located outside the municipality or the area annexed by the municipality after detaching the electric distribution facilities to be sold; and

(c) An annual amount, payable each year for a period of ten years following the date of purchase, equal to twenty-five percent of the revenues received by the municipality from the sale of electric power to the services within such municipality which were previously served by the cooperative electric association; and

(d) An annual amount equal to five percent of the revenues received by the municipality from the sale of electric power to the additional services that come into existence in the affected area, for each year for a period of ten years following the date of acquisition.

(2) If the cooperative electric association and the municipality cannot agree on the amount to be paid pursuant to subsection (1) of this section, either party may bring an action for condemnation or inverse condemnation in the district court for the county in which the property is located to determine the amount to be paid pursuant to the factors stated in subsection (1) of this section. During the pendency of any such action, the municipality shall deposit with the court the amount the municipality has offered to be paid the cooperative electric association, and, upon said payment, the municipality shall have the right to serve all electric customers within the annexed area.

**Source:** **L. 86:** Entire part added, p. 1160, § 1, effective May 27.

**40-9.5-205. Purchase by cooperative electric association of electric distribution facilities and service rights of municipality.** If any municipality changes its boundaries so as to exclude from its corporate limits any territory previously served by a cooperative electric association, such municipality shall give, within thirty days, written notice to the association of such exclusion of territory, and the cooperative electric association, within one hundred twenty days after receipt of such notice, shall purchase the municipality's electric distribution facilities and service rights within the excluded area. Section 40-9.5-204 shall apply to acquisitions by a cooperative electric association pursuant to this section.

**Source:** **L. 86:** Entire part added, p. 1161, § 1, effective May 27.

**40-9.5-206. Provisions on purchase nonexclusive - no effect on existing contracts.** (1) Nothing contained in this part 2 shall prohibit a municipality and a cooperative electric association from buying, selling, or exchanging electric distribution facilities, service rights, and other rights, property, and assets by mutual agreement.

(2) Nothing in this part 2 shall impair the obligations of existing contracts.

**Source:** **L. 86:** Entire part added, p. 1161, § 1, effective May 27.

**40-9.5-207. Applicability.** (1) This part 2 shall apply to all cooperative electric associations which have electric distribution facilities, franchises, certificates of public convenience and necessity, rights-of-way, or appurtenances to facilities which are included in the boundaries of a municipality which after May 27, 1986, commences operation of its own electric utility or are included in an area annexed by a municipality which owns and operates an electric utility.

(2) Notwithstanding any statutory provision to the contrary, the procedures in this part 2 relating to the allocation and conveyance of property and property rights of any cooperative electric association to any municipality or of any municipality to any cooperative electric association shall be exclusively available to such municipality and to such cooperative electric association.

**Source:** **L. 86:** Entire part added, p. 1161, § 1, effective May 27.

PART 3

NET METERING FOR CUSTOMER-GENERATORS

OF COOPERATIVE ELECTRIC ASSOCIATIONS

**40-9.5-301 to 40-9.5-306. (Repealed)**

**Source:** **L. 2008:** Entire part repealed, p. 188, § 1, effective August 5.

**Editor's note:** This part 3 was added in 2002. For amendments to this part 3 prior to its repeal in 2008, consult the Colorado statutory research explanatory note beginning on page vii in the front of this volume.

**ARTICLE 9.7**

Colorado Clean Energy

Development Authority

**40-9.7-101 to 40-9.7-123. (Repealed)**

**Source:** **L. 2012:** Entire article repealed, (HB 12-1315), ch. 224, p. 984, § 55, effective July 1.

**Editor's note:** This article was added in 2007. For amendments to this article prior to its repeal in 2012, consult the 2011 Colorado Revised Statutes and the Colorado statutory research explanatory note beginning on page vii in the front of this volume.

**ARTICLE 9.8**

Microgrids for Community Resilience

**40-9.8-101. Short title.** The short title of this article 9.8 is the "Microgrids for Community Resilience Act".

**Source: L. 2022:** Entire article added, (HB 22-1013), ch. 304, p. 2198, § 1, effective August 10.

**40-9.8-102. Legislative declaration.** (1) The general assembly hereby finds and declares that:

(a) Severe weather or natural disaster events can affect an electric utility's ability to deliver uninterrupted electricity throughout its service territory, particularly in rural areas;

(b) In the rural areas of the state in which many cooperative electric associations operate, interruptions in the delivery of electric service present significant threats to the community anchor institutions located in those areas;

(c) Use of microgrids can help increase a community's resilience regarding severe weather or natural disaster events that can affect the electric grid by providing the community with an alternative, reliable source of electricity that is not dependent on the electric grid;

(d) Many rural communities lack the resources necessary to develop microgrids; and

(e) Through grants made to cooperative electric associations and municipally owned utilities, associations and municipally owned utilities can invest in microgrid resources in eligible rural communities within their service territories that are at significant risk of severe weather or natural disaster events.

**Source: L. 2022:** Entire article added, (HB 22-1013), ch. 304, p. 2198, § 1, effective August 10.

**40-9.8-103. Definitions - rules.** As used in this article 9.8, unless the context otherwise requires:

(1) "Community anchor institution" means a:

(a) School, as defined in section 24-37.5-902 (10);

(b) Library;

(c) Hospital or other health-care facility licensed or certified pursuant to section 25-1.5-103;

(d) Law enforcement, emergency medical service provider, or other public safety agency;

(e) Government office;

(f) Community organization facility at which services to at-risk populations such as income-eligible households, seniors, or unhoused persons are provided; or

(g) Other critical community service facilities, as determined by the department by policy.

(2) "Cooperative electric association" or "association" has the meaning set forth in section 40-9.5-102 (1).

(3) "Department" means the department of local affairs created in section 24-1-125.

(4) "Distributed energy resource" means an electric generation resource, including a renewable energy resource or renewable energy storage, that is located on a property within an electric utility's service territory and that is interconnected to the electric grid.

(5) "Division" means the division of local government created in section 24-32-103.

(6) "Eligible rural community" means a rural community:

(a) That is at significant risk of experiencing severe weather or natural disaster events; and

(b) In which one or more community anchor institutions are located.

(7) "Energy office" means the Colorado energy office created in section 24-38.5-101.

(8) "Grant program" means the microgrids for community resilience grant program created in section 40-9.8-104 (1)(a).

(9) "Island mode" means an electric generation system that is not connected to the electric grid and can operate independent of the grid.

(10) "Microgrid" means a group of interconnected electric loads and distributed energy resources with clearly defined electrical boundaries that:

(a) Functions as a single, controllable entity with respect to the electric grid; and

(b) Can be connected to or disconnected from the electric grid to enable it to operate either in grid-connected mode or in island mode.

(11) "Office" means the Colorado resiliency office created in section 24-32-121.

(12) "Renewable energy" has the meaning set forth in section 40-1-102 (11).

(13) "Renewable energy storage" means an energy storage system, as defined in section 40-2-130 (2)(a).

(14) "Severe weather or natural disaster events" includes, but is not limited to, snowstorms, freezes, wildfires, tornadoes, high winds, and floods.

**Source: L. 2022:** Entire article added, (HB 22-1013), ch. 304, p. 2199, § 1, effective August 10.

**40-9.8-104. Microgrids for community resilience grant program - creation - grant application process - report - repeal.** (1) (a) (I) The microgrids for community resilience grant program is hereby created in the division to provide grants for cooperative electric associations and municipally owned utilities to purchase microgrid resources for eligible rural communities located within their service territories. The division, in collaboration with the office and energy office, shall award grants from the money that the general assembly appropriates to the department for use by the division for the grant program, as well as any money received from federal sources that may be used for the grant program. The department may apply for, receive, and distribute federal money for the grant program, and may seek, accept, and expend gifts, grants, and donations from private and public resources.

(II) In addition to collaborating with the division regarding the awarding of grants pursuant to subsection (1)(a)(I) of this section, the energy office shall advise the division on criteria to consider in awarding grants, review copies of grant applications, and advise the division based on the energy office's review of the grant applications.

(III) The division, office, energy office, and department may use a portion of the grant program money for administrative purposes in an amount not to exceed the amount of money required to cover their direct and indirect costs in administering the grant program.

(b) To administer the grant program, the division, in collaboration with the office and the energy office, shall develop a grant application process and, on or before January 1, 2023, post information about the process, including any application form developed and deadlines set, on the department's website. The division shall begin accepting applications after it posts the information about the application process on the department's website. The division shall continue to accept applications until all of the grant money is awarded.

(c) Only cooperative electric associations and municipally owned utilities that serve eligible rural communities are eligible to apply for a grant under the grant program.

(2) As part of its grant application, an applicant must:

(a) Identify one or more eligible rural communities within the applicant's service territory for which the applicant plans to utilize microgrid resources to increase the community's resilience regarding interruptions to the electric grid that can be caused by severe weather or natural disaster events; and

(b) Submit with the application a plan detailing how the applicant will utilize microgrid resources in one or more eligible rural communities identified in the application pursuant to subsection (2)(a) of this section.

(3) In awarding grants, the division, in collaboration with the office and energy office, shall consider the following with regard to one or more eligible rural communities that an applicant identifies in its grant program application:

(a) Each eligible rural community's degree of exposure to severe weather or natural disaster events;

(b) The nature of each eligible rural community's interests that are at risk from severe weather or natural disaster events;

(c) The availability of alternative resources to meet the needs of each eligible rural community if faced with a severe weather or natural disaster event;

(d) The opportunity for the utility to promote energy efficiency and demand-side management programs; and

(e) The financial resources of each eligible rural community to mitigate the risks.

(4) In awarding grants, the division, in collaboration with the office and energy office, shall prioritize microgrids with a higher reliance on nonfossil-fuel-based generation.

(5) On or before December 1, 2023, and on or before December 1 of each year thereafter, the division shall submit a report summarizing the grants awarded in the previous twelve months through the grant program, including:

(a) The number of grants awarded; and

(b) For each grant awarded:

(I) The amount awarded;

(II) The location of the eligible rural community or communities for which the grant will be used; and

(III) Information concerning the grantee's progress in developing microgrid resources, including a description of the microgrid resources being developed and the kilowatt-hours that the microgrid resources are or will be capable of generating.

(6) The division shall publish the annual report on the department's website and furnish copies of the report to the house of representatives energy and environment committee and the senate transportation and energy committee, or their successor committees.

(7) This section is repealed, effective September 1, 2026.

**Source: L. 2022:** Entire article added, (HB 22-1013), ch. 304, p. 2200, § 1, effective August 10.

**Motor Carriers and Intrastate Telecommunications Services**

**ARTICLE 10**

Motor Vehicle Carriers

**40-10-101 to 40-10-120. (Repealed)**

**Source:** **L. 2011:** Entire article repealed, (HB 11-1198), ch. 127, p. 416, § 2, effective August 10.

**Editor's note:** This article was numbered as article 9 of chapter 115, C.R.S. 1963. For amendments to this article prior to its repeal in 2011, consult the 2010 Colorado Revised Statutes and the Colorado statutory research explanatory note beginning on page vii in the front of this volume.

**Cross references:** For current provisions concerning common carriers, see article 10.1 of this title.

**ARTICLE 10.1**

Motor Carriers

**Editor's note:** This article is similar to former articles 10, 11, 13, 14, and 16 of this title as they existed prior to 2011. For a detailed comparison, see the comparative tables located in the back of the index.

PART 1

GENERAL PROVISIONS

**40-10.1-101. Definitions.** As used in this article 10.1, unless the context otherwise requires:

(1) "Advertise" means to advise, announce, give notice of, publish, or call attention to by use of any oral, written, or graphic statement made in a newspaper or other publication, on radio, television, or any electronic medium, or contained in any notice, handbill, sign, including signage on a vehicle, flyer, catalog, or letter, or printed on or contained in any tag or label attached to or accompanying any article of personal property.

(1.5) "Authorized or interested person" means:

(a) The vehicle owner, authorized operator, or authorized agent of the owner of the vehicle;

(b) The lienholder of the vehicle or agent of the lienholder of the vehicle; or

(c) If the owner signs a release authorizing an insurance company to act on behalf of the owner, the insurance company or agent of the insurance company providing insurance coverage on the vehicle.

(2) "Certificate" means the certificate of public convenience and necessity issued to a common carrier under part 2 of this article.

(3) "Commission" means the public utilities commission of the state of Colorado.

(4) "Common carrier" means a common carrier as defined in section 40-1-102; except that the term does not include:

(a) A contract carrier as defined in this section;

(b) A motor carrier of passengers under part 3 of this article 10.1; or

(c) A motor carrier of passengers providing large-market taxicab service under part 7 of this article 10.1.

(4.5) "Common parking area" means any part of the following areas that are normally used for parking, such as the side of a street or parking spaces, that an owner does not have the right to exclude other residents of the following from using for parking:

(a) A condominium, as defined in section 38-33.3-103 (9);

(b) A cooperative, as defined in section 38-33.3-103 (10);

(c) A multifamily building, which is also known as an apartment complex, with separate living quarters that are rented or leased separately; or

(d) A mobile home park, as defined in section 38-12-201.5 (6).

(5) "Compensation" means any money, property, service, or thing of value charged or received or to be charged or received, whether directly or indirectly.

(6) "Contract carrier" means every person, other than a common carrier or a motor carrier of passengers under part 3 of this article, who, by special contract, directly or indirectly affords a means of passenger transportation over any public highway of this state; except that the term does not include a transportation network company, as defined in section 40-10.1-602 (3), or a transportation network company driver, as defined in section 40-10.1-602 (4).

(6.5) "Drop fee" means a fee a towing operator charges to unhook a vehicle from a tow truck.

(7) "Fixed points" and "established route" mean points or a route between or over which any common carrier usually or ordinarily operates or holds out to operate any motor vehicle, even though there may be departures from such points or route, whether such departures are periodic or irregular.

(8) "Household goods" means the personal effects and property used or to be used in a dwelling, when a part of the equipment or supply of such dwelling, and similar property if the transportation of such effects and property is:

(a) Arranged and paid for by the householder; except that "household goods" does not include property moving from a factory or store, other than property that the householder has purchased with intent to use in his or her dwelling and that is transported at the request of, and the transportation charges are paid to the mover by, the householder; or

(b) Arranged and paid for by another party.

(8.5) "Immobilize", "immobilization", or "immobilizing" means the application without the consent of an authorized or interested person of a device intended to prevent the normal operation of a motor vehicle.

(9) "Intrastate commerce" means transportation for compensation by motor vehicles over the public highways between points in this state.

(9.5) "Large-market taxicab service" means indiscriminate passenger transportation for compensation in a taxicab on a call-and-demand basis, within and between points in the counties of Adams, Arapahoe, Boulder, Broomfield, Denver, Douglas, El Paso, Jefferson, Larimer, and Weld, and between those points and all points within the state of Colorado, with the first passenger in the taxicab having exclusive use of the taxicab unless the passenger agrees to multiple loadings.

(10) "Motor carrier" means any person owning, controlling, operating, or managing a motor vehicle that provides transportation in intrastate commerce pursuant to this article; except that the term does not include a transportation network company, as defined in section 40-10.1-602 (3), or a transportation network company driver, as defined in section 40-10.1-602 (4).

(11) "Motor vehicle" or "vehicle" means any automobile, truck, tractor, motor bus, or other self-propelled vehicle or a trailer designed to be drawn by a self-propelled vehicle.

(12) "Mover" means a motor carrier that provides the transportation or shipment of household goods.

(13) "Nonconsensual towing", "nonconsensual tow", "towed nonconsensually", "nonconsensually tow", or "towed without consent" means the transportation of a vehicle by tow truck from private property if the transportation is performed without the prior consent of:

(a) The owner of the vehicle, authorized operator of the vehicle, or agent of the owner of the vehicle;

(b) The lienholder of the vehicle or agent of the lienholder, unless the vehicle is being towed for the purpose of repossession under a lien agreement; or

(c) If the owner signs a release authorizing an insurance company to act on behalf of the owner, the insurance company or agent of the insurance company providing insurance coverage on the vehicle.

(14) "Permit" means the permit issued to a contract carrier under part 2 of this article 10.1, to a motor carrier under part 3, 4, 5, or 7 of this article 10.1, or to a vehicle immobilization company under part 8 of this article 10.1.

(15) "Person" means any individual, firm, partnership, corporation, company, association, joint stock association, or other legal entity and any person acting as or in the capacity of lessee, trustee, or receiver thereof, whether appointed by a court or otherwise.

(16) "Public highway" means every street, road, or highway in this state over which the public generally has a right to travel.

(17) "Shipper" means a person who uses the services of a mover to transport or ship household goods.

(18) "Taxicab" means a motor vehicle with a seating capacity of eight or less, including the driver, operated in taxicab service.

(19) "Taxicab service" means passenger transportation in a taxicab on a call-and-demand basis, with the first passenger therein having exclusive use of the taxicab unless such passenger agrees to multiple loadings.

(20) "Towing carrier" means a motor carrier that:

(a) Provides, as one of its primary functions, the towing of motor vehicles by use of a tow truck; and

(b) May also provide storage of towed vehicles.

(21) "Tow truck" means a motor vehicle specially designed or equipped for transporting another motor vehicle by means of winches, cables, pulleys, or other equipment for towing, pulling, or lifting such other motor vehicle from one place to another.

(22) (a) "Vehicle immobilization company" means a private person that immobilizes a motor vehicle of another person.

(b) "Vehicle immobilization company" does not include a municipality, a county, a city and county, or other political subdivision of the state.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 395, § 1, effective August 10. **L. 2014:** (6) and (10) amended, (SB 14-125), ch. 323, p. 1409, § 3, effective June 5. **L. 2018:** IP, (4), and (14) amended and (9.5) added, (HB 18-1320), ch. 363, p. 2165, § 4, effective August 8. **L. 2019:** (22) added, (SB 19-236), ch. 359, p. 3312, § 19, effective May 30. **L. 2022:** (1.5), (4.5), and (6.5) added and (13) amended, (HB 22-1314), ch. 416, p. 2935, § 7, effective August 10. **L. 2025:** (8.5) added and (11), (14), and (22) amended, (HB 25-1117), ch. 391, p. 2200, § 2, effective June 3.

**Editor's note:** Section 5 of chapter 391 (HB 25-1117), Session Laws of Colorado 2025, provides that the act changing this section applies to violations committed on or after June 3, 2025.

**Cross references:** For the legislative declaration in HB 25-1117, see section 1 of chapter 391, Session Laws of Colorado 2025.

**40-10.1-102. Powers of commission.** (1) The commission has the power to and shall administer and enforce this article 10.1, including:

(a) The right to inspect the motor vehicles, facilities, and records and documents, regardless of the format, of the motor carriers and persons involved;

(b) The authority to administratively set the application, filing, annual operating, and other fees for motor carriers pursuant to section 40-10.1-111; and

(c) The authority to administratively set permit fees for each transportation network company pursuant to section 40-10.1-606 (2).

(2) The Colorado state patrol has the power to monitor and enforce compliance with the certificate and permit requirements of this article and article 10.5 of this title.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 397, § 1, effective August 10. **L. 2012:** (2) amended, (HB 12-1019), ch. 135, p. 465, § 7, effective July 1. **L. 2023:** (1) amended, (SB 23-187), ch. 220, p. 1142, § 1, effective May 18.

**40-10.1-103. Subject to control by commission.** (1) All common carriers and contract carriers are declared to be public utilities within the meaning of articles 1 to 7 of this title and are declared to be affected with a public interest and subject to this article and articles 1 to 7 of this title, including the regulation of all rates and charges pertaining to public utilities, so far as applicable, and other laws of this state not in conflict therewith.

(2) Except as provided in subsection (1) of this section, motor carriers are not public utilities under this title, but are declared to be affected with a public interest and are subject to regulation to the extent provided in this article, in section 40-2-110.5, in article 6 of this title, and in article 7 of this title except sections 40-7-113.5, 40-7-116.5, and 40-7-117. The term "public utility", when used in articles 6 and 7 of this title, includes all motor carriers.

(3) Transportation network companies, as defined in section 40-10.1-602 (3), are not common carriers, contract carriers, or motor carriers under this title, but are declared to be affected with a public interest and are subject to regulation to the extent provided in part 6 of this article.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 397, § 1, effective August 10. **L. 2014:** (3) added, (SB 14-125), ch. 323, p. 1409, § 4, effective June 5.

**40-10.1-104. Compliance.** A person shall not operate or offer to operate as a motor carrier in this state except in accordance with this article.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 398, § 1, effective August 10.

**40-10.1-105. Transportation not subject to regulation.** (1) The following types of transportation are not subject to regulation pursuant to this article 10.1:

(a) A ridesharing arrangement, as defined in section 39-22-509 (1)(a)(II), C.R.S.;

(b) The transportation of children to and from school, school-related activities, and school-sanctioned activities to the extent that the transportation is provided by vehicles owned or directly leased by a school or school district or the school or school district's transportation contractors; except that this subsection (1)(b) does not apply to transportation network company services provided under a contract between a transportation network company and a school or school district;

(c) A private individual who transports a neighbor or friend on a trip;

(d) Transportation by hearses, ambulances, secure transportation, as defined in section 25-3.5-103 (11.4), or other emergency vehicles;

(e) Transportation by motor vehicles designed and used for the nonemergency transportation of individuals with disabilities as defined in section 42-7-510 (2)(b), C.R.S.;

(f) An amusement ride consisting of a towed vehicle that is incapable of operating under its own power, the principal purpose of which is to carry individuals over short distances for their enjoyment and by which the provision of a transportation service is only incidental;

(g) People service transportation and volunteer transportation pursuant to article 1.1 of this title;

(h) Transportation by vehicles operated upon fixed rails;

(i) Transportation of property, except transportation provided by a towing carrier or a mover;

(j) Transportation performed by the federal government, a state, or any agency or political subdivision of either, whether through an intergovernmental agreement, contractual arrangement, or otherwise; except that this subsection (1)(j) does not apply to transportation network company services provided under a contract between a transportation network company and the federal government, a state, or any agency or political subdivision of either.

(k) Transportation of repossessed property by a secured creditor or assignee, or by a repossessor on behalf of a secured creditor or assignee, when repossessing pursuant to section 4-9-629; and

(l) Transportation by motor vehicles when those motor vehicles are being used for nonmedical transportation and nonemergency medical transportation provided through medicaid pursuant to section 25.5-1-802.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 398, § 1, effective August 10. **L. 2021:** IP(1) and (1)(d) amended, (HB 21-1085), ch. 355, p. 2313, § 7, effective June 27; IP(1), (1)(j), and (1)(k) amended and (1)(l) added, (HB 21-1206), ch. 381, p. 2552, § 2, effective June 29. **L. 2022:** (1)(b) and (1)(j) amended, (SB 22-144), ch. 267, p. 1939, § 2, effective May 27.

**Editor's note:** Amendments to subsection IP(1) by HB 21-1085 and HB 21-1206 were harmonized.

**40-10.1-106. Commission to make rules and prescribe rates.** (1) The commission has the authority and duty to prescribe such reasonable rules covering the operations of motor carriers as may be necessary for the effective administration of this article, including rules on the following subjects:

(a) Ensuring public safety, financial responsibility, consumer protection, service quality, and the provision of services to the public;

(b) The circumstances under which a towing carrier may perform a nonconsensual tow of a motor vehicle, the responsibilities and facilities of the towing carrier for the care or storage of the motor vehicle and its contents, and the minimum and maximum rates and charges to be collected by the towing carrier for the nonconsensual towing and storage of the motor vehicle. In setting the rates and charges pursuant to this section, the commission may require towing carriers performing nonconsensual tows to submit financial statements or other financial information to determine the costs associated with the performance of nonconsensual towing and any motor vehicle storage incident thereto.

(c) The administration of the fingerprint-based criminal history record checks required by section 40-10.1-110.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 399, § 1, effective August 10.

**40-10.1-107. Financial responsibility - filing.** (1) Each motor carrier shall maintain and file with the commission evidence of financial responsibility in such sum, for such protection, and in such form as the commission may by rule require as the commission deems necessary to adequately safeguard the public interest.

(2) The financial responsibility required by subsection (1) of this section must be in the form of a liability insurance policy issued by an insurance carrier or insurer authorized to do business in this state, or a surety bond issued by a company authorized to do business in this state, or proof of self-insurance.

(3) An insurance policy, surety bond, or self-insurance pursuant to subsection (2) of this section shall be kept continuously effective during the life of a certificate or permit and the commission shall require such evidence of continued validity as the commission deems necessary.

(4) No termination of an insurance policy or surety bond is valid unless the insurer or surety has notified both the holder of the policy or bond and the commission at least thirty days before the effective date of the termination.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 399, § 1, effective August 10.

**40-10.1-108. Commission to make safety rules.** (1) The commission has the authority and duty to establish, for motor carriers subject to parts 2, 3, and 7 of this article 10.1, reasonable rules to promote safety of operation.

(2) For the purpose of carrying out this section pertaining to safety, the commission may obtain the assistance of any agency of the United States or of this state having special knowledge of any matter necessary to promote the safety of operation and equipment of motor vehicles. In adopting such rules, the commission shall use as general guidelines the standards contained in the current rules and regulations of the United States department of transportation relating to safety regulations, qualifications of drivers, driving of motor vehicles, parts and accessories, recording and reporting of accidents, hours of service of drivers, and inspection and maintenance of motor vehicles.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 400, § 1, effective August 10. **L. 2018:** (1) amended, (HB 18-1320), ch. 363, p. 2165, § 5, effective August 8.

**40-10.1-109. Motor carrier compliance with safety rules.** (1) A motor carrier subject to part 2, 3, or 7 of this article 10.1 shall comply with the safety rules adopted by the commission pursuant to section 40-10.1-108.

(2) A motor carrier operating a motor vehicle that is defined as a commercial vehicle in section 42-4-235 (1)(a), C.R.S., shall comply with the safety rules adopted by the department of public safety pursuant to section 24-33.5-203 (1)(b), C.R.S., in addition to the rules adopted by the commission under subsection (1) of this section.

(3) Nothing in subsection (1) or (2) of this section diminishes the authority of the commission, the department of public safety, a peace officer, or any other agent of government to enforce the laws of this state.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 400, § 1, effective August 10. **L. 2018:** (1) amended, (HB 18-1320), ch. 363, p. 2165, § 6, effective August 8.

**40-10.1-110. Record check - rules.** (1) (a) An individual who wishes to drive: A taxicab for a motor carrier that is the holder of a certificate to provide taxicab service issued under part 2 of this article 10.1; a motor vehicle for a motor carrier that is the holder of a permit to operate as a charter bus, children's activity bus, luxury limousine, or off-road scenic charter under part 3 of this article 10.1; or a motor vehicle for a motor carrier that is the holder of a permit to operate as a large-market taxicab service under part 7 of this article 10.1 must have the individual's fingerprints taken by a local law enforcement agency or any third party approved by the Colorado bureau of investigation for the purpose of obtaining a fingerprint-based criminal history record check.

(b) If an approved third party takes the individual's fingerprints, the fingerprints may be electronically captured using Colorado bureau of investigation-approved livescan equipment. Third-party vendors shall not keep the individual's information for more than thirty days unless requested to do so by the individual. The individual shall submit payment for the fingerprints and for actual costs of the record check at the time the fingerprints are submitted to the Colorado bureau of investigation.

(c) Upon receipt of fingerprints and payment for the costs, the Colorado bureau of investigation shall conduct a state and national fingerprint-based criminal history record check using records of the Colorado bureau of investigation and the federal bureau of investigation and shall forward the results of the criminal history record check to the commission.

(1.5) When the results of a fingerprint-based criminal history record check of an individual performed pursuant to this section reveal a record of arrest without a disposition, the commission shall require the individual to submit to a name-based judicial record check, as defined in section 22-2-119.3 (6)(d). The individual shall pay the costs associated with a name-based judicial record check.

(2) An individual whose fingerprints are checked in accordance with subsection (1) of this section may, pending the results of the criminal history record check, drive the motor vehicles for the motor carrier described in subsection (1) of this section for up to ninety days after the fingerprints are forwarded to the Colorado bureau of investigation or until the commission receives the results of the check, whichever occurs first. The commission may temporarily extend the ninety-day period, in accordance with section 24-33.5-412 (7), based on a delay in processing criminal history record checks by the Colorado bureau of investigation or on other exigent circumstances beyond the commission's control. Upon the commission's receipt of the results, the individual may resume driving motor vehicles for the motor carrier described in subsection (1) of this section, so long as the driving does not violate applicable law and does not occur while the individual has a criminal conviction that disqualifies the individual from driving a motor vehicle in accordance with subsection (3) of this section.

(3) An individual whose record is checked pursuant to this section is disqualified and prohibited from driving motor vehicles for the motor carrier described in subsection (1) of this section if the record check reflects that:

(a) The individual is not of good moral character, as determined by the commission based on the results of the check;

(b) (I) The individual has been convicted of a felony or misdemeanor involving moral turpitude.

(II) As used in this paragraph (b), "moral turpitude" includes any unlawful sexual offense against a child, as defined in section 18-3-411, C.R.S., or a comparable offense in any other state or in the United States.

(c) Within the two years immediately preceding the date the record check is completed, the individual was:

(I) Convicted in this state of driving under the influence, as defined in section 42-4-1301 (1)(f), C.R.S.; driving with excessive alcoholic content, as described in section 42-4-1301 (2)(a), C.R.S.; or driving while ability impaired, as defined in section 42-4-1301 (1)(g), C.R.S.; or

(II) Convicted of a comparable offense in any other state or in the United States.

(4) The commission shall consider the information resulting from the record check in its determination as to whether the individual has met the standards set forth in section 24-5-101 (2).

(5) An individual whose fingerprints were checked pursuant to subsection (1) of this section shall, as a condition of continued qualification to drive a motor vehicle for a motor carrier, resubmit a set of his or her fingerprints to the commission in accordance with the commission's rules.

(6) Each motor carrier described in subsection (1) of this section shall ensure driver compliance with this section and with commission rules promulgated pursuant to this section. Nothing in this subsection (6) makes a driver an employee of the motor carrier.

(7) The commission shall, consistent with the requirements of this section, promulgate rules concerning the employment of, contracting with, and retention of an individual whose record is checked pursuant to this section, and the frequency and circumstances requiring resubmission of fingerprints.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 400, § 1, effective August 10. **L. 2013:** (2) amended, (SB 13-192), ch. 129, p. 431, § 1, effective April 19; (3)(c)(I) amended, (HB 13-1325), ch. 331, p. 1887, § 20, effective May 28. **L. 2016:** (1) amended, (HB 16-1097), ch. 186, p. 655, § 1, effective May 20. **L. 2018:** (1) amended, (HB 18-1320), ch. 363, p. 2165, § 7, effective August 8. **L. 2019:** (1.5) added, (HB 19-1166), ch. 125, p. 558, § 50, effective April 18; (1) and (2) amended, (SB 19-236), ch. 359, p. 3313, § 20, effective May 30. **L. 2021:** (1)(a) amended, (HB 21-1206), ch. 381, p. 2553, § 3, effective June 29. **L. 2022:** (1.5), IP(3), IP(3)(c), (4), and (7) amended, (HB 22-1270), ch. 114, p. 533, § 54, effective April 21.

**40-10.1-111. Filing, issuance, and annual fees - fee setting by the commission.** (1) A motor carrier shall pay the commission the following fees in amounts set administratively by the commission with approval of the executive director of the department of regulatory agencies:

(a) The filing fee for an application for a temporary authority, certificate, or permit under part 2 of this article 10.1 or for an extension, amendment, transfer, or lease of a temporary authority, certificate, or permit and the fee for issuance of a temporary authority, certificate, or permit under part 2 of this article 10.1;

(b) The annual filing fee for a permit to operate under part 7 of this article 10.1 to provide large-market taxicab service;

(c) The filing fee for a permit to operate under part 4 or part 8 of this article 10.1;

(d) The annual filing fee for a permit to operate under part 5 of this article 10.1;

(e) The filing fee for a temporary permit to operate as a mover pursuant to section 40-10.1-502 (5)(a);

(e.5) The filing fee for a permit to operate pursuant to part 3 of this article 10.1; and

(f) The annual fee for each motor vehicle a motor carrier owns, controls, operates, or manages.

(2) Except for a mover holding a permit issued under part 5 of this article 10.1 and a motor carrier that has paid a fee pursuant to article 10.5 of this title 40, a motor carrier shall not operate any motor vehicle in intrastate commerce unless the motor carrier has paid the annual fees required by subsection (1)(f) of this section. The annual fees apply on a calendar year basis and are creditable only to the specific vehicles for which the fees have been paid.

(3) Administratively set fees must be based on the appropriation made for the purposes specified in section 40-2-110 (2)(a)(I), subject to the approval of the executive director of the department of regulatory agencies, such that the revenue generated from all motor carrier fees approximates the direct and indirect costs of the commission in the supervision and regulation of motor carriers.

(4) The commission shall transmit all fees collected under this section to the state treasurer, who shall credit them to the public utilities commission motor carrier fund created in section 40-2-110.5.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 402, § 1, effective August 10. **L. 2012:** (1)(c) amended, (HB 12-1327), ch. 217, p. 931, § 1, effective May 24. **L. 2018:** IP(1) and (1)(b) amended, (HB 18-1320), ch. 363, p. 2166, § 8, effective August 8. **L. 2019:** (1)(c)(I) amended, (SB 19-236), ch. 359, p. 3333, § 28, effective May 30. **L. 2022:** (1)(c)(I) amended, (HB 22-1314), ch. 416, p. 2936, § 8, effective August 10. **L. 2023:** (1) and (2) amended, (SB 23-187), ch. 220, p. 1142, § 2, effective May 18.

**Editor's note:** (1) Section 6 of chapter 217, Session Laws of Colorado 2012, provides that the act amending subsection (1)(c) applies to towing carriers that applied for permits on, before, or after May 24, 2012.

(2) Subsection (1)(c)(II)(B) provided for the repeal of subsection (1)(c)(II), effective July 1, 2014. (See L. 2012, p. 931.)

**40-10.1-112. Commission may take action against certificate or permit.** (1) Except as specified in subsection (3) of this section, the commission, at any time, by order duly entered, after hearing upon notice to the motor carrier and upon proof of violation, may issue an order to cease and desist or may suspend, revoke, alter, or amend any certificate or permit issued to the motor carrier under this article for the following reasons:

(a) A violation of this article or of any term or condition of the motor carrier's certificate or permit;

(b) Exceeding the authority granted by a certificate or permit;

(c) A violation or refusal to observe any of the proper orders or rules of the commission;

(d) For a towing carrier, a violation of any of the provisions set forth in part 18 or 21 of article 4 of title 42, C.R.S., or a conviction, guilty plea, or plea of nolo contendere to a felony;

(e) For a mover, failure or refusal to abide by the terms of an arbitrator's award under section 40-10.1-507, or failure to satisfy the requirements for a new or renewed permit under section 40-10.1-502.

(2) Any person may file a complaint against a motor carrier for a violation of this article or a rule adopted under this article. The complainant may request any relief that the commission, in its authority, may grant, including an order to cease and desist, suspension or revocation of the motor carrier's certificate or permit, or assessment of civil penalties. Upon proof of violation, the commission may issue an order to cease and desist, suspend or revoke the motor carrier's certificate or permit, assess civil penalties as provided in article 7 of this title, or take any other action within the commission's authority. In assessing civil penalties under this subsection (2), the commission is not constrained by the procedural requirements of section 40-7-116.

(3) Notwithstanding the notice and hearing provisions of subsection (1) of this section, the commission shall summarily suspend the certificate or permit of any motor carrier for failure to maintain effective insurance or surety bond coverage and file evidence of the same in accordance with section 40-10.1-107 and rules adopted pursuant thereto. The commission shall reinstate such summarily suspended certificate or permit within a time period specified in, and in accordance with, the rules of the commission.

(4) A motor carrier whose certificate or permit has been revoked for cause more than twice is not eligible for another such certificate or permit for at least two years after the date of the third such revocation. In the case of an entity, the two-year period of ineligibility also applies to all principals, officers, and directors of the entity, whether or not any such principal, officer, or director applies individually or as a principal, officer, or director of the same or a different entity. As used in this subsection (4), "revoked for cause" does not include a revocation for failure to carry the required insurance unless it is shown that the person knowingly operated without insurance.

(5) Any commission action under subsection (1) or (2) of this section must conform to the provisions and procedures specified in article 6 of this title. The motor carrier has all the rights to the opportunity for a hearing, review, and appeal as to such order or ruling of the commission as are now provided by articles 1 to 7 of this title. No appeal from or review of any order or ruling of the commission supersedes or suspends such order or rulings unless specifically ordered by the proper court.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 403, § 1, effective August 10.

**40-10.1-113. Penalty for violations.** Any person who provides transportation in intrastate commerce without first obtaining a certificate or permit, violates any of the terms thereof, fails or refuses to make any return or report required by the commission, denies to the commission access to the books and records of such person, or makes any false return or report commits a class 2 misdemeanor.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 404, § 1, effective August 10. **L. 2021:** Entire section amended, (SB 21-271), ch. 462, p. 3298, § 701, effective March 1, 2022.

**40-10.1-114. Penalty for violation of article.** (1) Every motor carrier and every officer, agent, or employee of a motor carrier and every other person who violates or fails to comply with or who procures, aids, or abets in the violation of this article, who fails to obey, observe, or comply with any order, decision, or rule of the commission adopted under this article, or who procures, aids, or abets any person in such failure to obey or observe such order, decision, or rule commits a class 2 misdemeanor and shall be punished as provided in section 18-1.3-501, C.R.S.

(2) An individual who is employed by or who contracts with a motor carrier and who operates a motor vehicle for the motor carrier's business in violation of section 40-10.1-110 commits a petty offense and shall be punished as provided in section 18-1.3-503.

(3) Each day of a continuing violation of this article constitutes a separate offense.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 404, § 1, effective August 10. **L. 2021:** (2) amended, (SB 21-271), ch. 462, p. 3298, § 702, effective March 1, 2022.

**40-10.1-115. Jurisdiction of courts.** The district court or, within its jurisdiction, the county court of any county in or through which a motor carrier operates has jurisdiction in all matters arising under this article on account of the operations of such motor carrier except as otherwise provided in this article and excepting those matters expressly delegated to the commission; and it is the duty of the district attorney for the county having jurisdiction to prosecute all violations of this article.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 404, § 1, effective August 10.

**40-10.1-116. Commission to notify local authorities - procedure.** (1) Whenever the commission is of the opinion that a motor carrier is failing or omitting to do anything required of it by law or by any order, decision, rule, direction, or requirement of the commission or is acting or is about to act or permitting an act or about to permit an act in violation of the law or of any order, decision, rule, direction, or requirement of the commission, the commission shall request the attorney general of the state or the district attorney of any district to commence an action or proceeding in the district court in and for the county or city and county in which the cause or some part thereof arose or in which the motor carrier complained of maintains a principal place of business or resides. Such action or proceeding must be conducted in accordance with section 40-7-104; except that references in section 40-7-104 to the attorney general include any district attorney bringing the action or proceeding.

(2) Appellate review may be obtained in the supreme court concerning a final judgment in an action or proceeding under this section in the same manner and with the same effect, subject to this article, as appellate review of judgments of the district court in other actions for mandamus or injunction.

(3) (a) A person injured by the noncompliance of a motor carrier with this article 10.1 or any other provision of law or an order, decision, rule, direction, or requirement of the commission may apply to a court of competent jurisdiction for the enforcement thereof, and the court has jurisdiction to enforce obedience thereto by injunction or other proper process, mandatory or otherwise, and to restrain the motor carrier and its officers, agents, employees, or representatives from further disobedience thereof, or to enjoin upon them obedience to the same, and any person so injured has cause of action in damages and is privileged to pursue the usual and proper remedies as in any other case.

(b) Subsection (3)(a) of this section creates an independent cause of action, which is not subject to administrative exhaustion, against a towing carrier that violated this article 10.1 or any other provision of law or an order, decision, rule, direction, or requirement of the commission.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 405, § 1, effective August 10. **L. 2024:** (3) amended, (HB 24-1051), ch. 292, p. 1991, § 10, effective August 7.

**40-10.1-117. Limited regulation of transportation network companies.** Notwithstanding any other provision of law, transportation network companies, as defined in section 40-10.1-602 (3), are governed exclusively under part 6 of this article.

**Source:** **L. 2014:** Entire section added, (SB 14-125), ch. 323, p. 1409, § 5, effective June 5.

**40-10.1-118. Certificated taxi carrier parity report - recommendations - legislative declaration - repeal. (Repealed)**

**Source:** **L. 2021:** Entire section added, (SB 21-260), ch. 250, p. 1404, § 22, effective June 17.

**Editor's note:** Subsection (3) provided for the repeal of this section, effective July 1, 2024. (See L. 2021, p. 1404.)

**Cross references:** For the legislative declaration in SB 21-260, see section 1 of chapter 250, Session Laws of Colorado 2021.

PART 2

MOTOR CARRIERS OF PASSENGERS -

COMMON CARRIERS AND CONTRACT CARRIERS

**40-10.1-201. Certificate required.** (1) A person shall not operate or offer to operate as a common carrier in intrastate commerce without first having obtained from the commission a certificate declaring that the present or future public convenience and necessity requires or will require such operation.

(2) The fact that a person carries on operations, in whole or in part, between substantially fixed points or over established routes, or under contracts with more than one person, or by making repeated or periodic trips is prima facie evidence that the person is a common carrier and subject to this part 2 and part 1 of this article.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 405, § 1, effective August 10.

**40-10.1-202. Permit required - legislative declaration.** (1) (a) A person shall not operate or offer to operate as a contract carrier in intrastate commerce without first obtaining a permit for such operation from the commission. As used in this part 2, "permit" does not include a permit under part 3, 4, or 5 of this article.

(b) The general assembly hereby declares that the business of contract carriers is affected with a public interest and that the safety and welfare of the public traveling upon the highways, the preservation and maintenance of the highways, and the proper regulation of common carriers using the highways require the regulation of contract carriers to the extent provided in this article, for which purposes the commission is vested with the authority to issue a permit to a contract carrier and may attach to such permit and to the exercise of the rights and privileges granted by the permit such terms and conditions as are reasonable.

(2) No permit, nor any extension or enlargement of an existing permit, shall be granted by the commission if, in the commission's judgment, the proposed operation of any such contract carrier will impair the efficient public service of any authorized common carrier then adequately serving the same territory over the same general highway route. The commission shall give written notice of any application for a permit to all persons interested in or affected by the issuance of the permit or any extension or enlargement thereof, pursuant to section 40-6-108 (2).

(3) Nothing contained in this article compels a contract carrier to be or become a common carrier or subjects a contract carrier to the laws or liability applicable to a common carrier.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 406, § 1, effective August 10.

**40-10.1-203. Rules for issuance of certificate - standing to protest - judicial review - legislative declaration.** (1) The commission has the power to issue a certificate to a common carrier or to issue it for the partial exercise only of the privilege sought, and may attach to the exercise of the rights granted by the certificate such terms and conditions as, in the commission's judgment, the public convenience and necessity may require.

(2) (a) The granting of a certificate to operate a taxicab service within and between counties with a population of less than seventy thousand, based on the most recent available federal census figures, is governed by the doctrine of regulated monopoly.

(b) (I) The granting of a certificate to operate a taxicab service within and between those counties with a population of seventy thousand or greater that are not served by a large-market taxicab service pursuant to part 7 of this article 10.1, based on the most recent available federal census figures, is not an exclusive grant or monopoly, and the doctrine of regulated competition applies.

(II) The general assembly finds, determines, and declares that nothing in this subsection (2) requires or prohibits a taxicab company applying for a certificate to form a labor union nor requires any taxicab driver to join a labor union.

(c) (I) (A) Repealed.

(B) Notwithstanding any provision of this section to the contrary, the holder of a certificate of public convenience and necessity that contains authority to operate as a taxicab between points within the state of Colorado shall also be deemed to hold taxicab authority to pick up passengers from any point in the state of Colorado and transport the passengers back to the certificate holder's authorized area when the certificate holder has dropped off passengers in close proximity to that point. The provisions of this sub-subparagraph (B) do not apply when a taxicab drops off a passenger at any airport in this state.

(II) The holder of a certificate that contains authority to operate a taxicab service to points in the city and county of Denver also holds taxicab service authority from points in the city and county of Denver to all points within the common carrier's base area, defined as that geographic area in which such common carrier may provide point-to-point taxicab service.

(III) The commission shall amend, by order and without notice or hearing, any existing taxicab service certificate by removing all language authorizing large-market taxicab service offered in accordance with part 7 of this article 10.1.

(3) When a request for reconsideration of a written recommended decision under this section has been made by filing exceptions pursuant to section 40-6-109 and the commission has rendered a final decision on the exceptions as provided in article 6 of this title 40, any party to the proceeding may, within thirty days after the final decision, apply directly to a district court in this state for judicial review pursuant to section 40-6-115. For purposes of judicial review, a decision of the commission on exceptions is final on the date the decision is served on the parties to the proceeding.

**Source:** **L. 2011:** (2)(c)(I) amended, (SB 11-180), ch. 249, p. 1085, § 1, effective June 2; entire article added, (HB 11-1198), ch. 127, p. 406, § 1, effective August 10. **L. 2015:** (2)(b)(II) amended, (HB 15-1316), ch. 339, p. 1376, § 1, effective August 5. **L. 2018:** (2)(b), (2)(c)(III), and (3) amended and (2)(c)(I)(A) repealed, (HB 18-1320), ch. 363, p. 2166, § 9, effective August 8.

**Editor's note:** Subsection (2)(c)(I) was numbered as § 40-10-105 (2)(d)(I) in Senate Bill 11-180 (see L. 2011, p. 1085). That provision was harmonized with subsection (2)(c)(I) as it appears in House Bill 11-1198.

**40-10.1-204. Temporary authority.** (1) To enable the provision of common carrier or contract carrier service for which there appears to be an immediate and urgent need to any point or within a territory having no such service capable of meeting the need, the commission may, in its discretion and without hearings or other proceedings, grant temporary authority for such service by a common carrier or a contract carrier, as the case may be. Such temporary authority, unless suspended or revoked for good cause, is valid for such time as the commission specifies, but for not more than an aggregate of one hundred eighty days, unless for good cause shown the commission extends the temporary authority for a period which may extend until a final administrative decision is rendered. A grant of temporary authority or an extension thereof creates no presumption that corresponding permanent authority will be granted thereafter.

(2) Pending the determination of an application filed with the commission for approval of an acquisition of stock of a common carrier or contract carrier, a consolidation or merger of two or more such carriers, or a purchase, lease, or contract to operate the properties of one or more such carriers, the commission may, in its discretion and without hearings or other proceedings, grant temporary approval for a period not exceeding one hundred eighty days for the operation of the carrier or its properties sought to be acquired by the person proposing in such pending application to acquire the properties or stock, if it appears that failure to grant such temporary approval may result in destruction of or injury to the carrier or its properties sought to be acquired, or may interfere substantially with their future usefulness in the performance of adequate and continuous service to the public. For good cause shown, the commission may extend such temporary approval for a period which may extend until a final administrative decision is rendered. Temporary approval or an extension thereof does not create a presumption that the application will be granted.

(3) Common carrier or contract carrier service rendered under temporary authority or approval is subject to all applicable provisions of this title and to the rules and requirements of the commission. The maximum time period of any temporary authority or approval is not subject to extension or renewal.

(4) The commission shall not issue a temporary authority or approval unless, under such general rules as the commission may prescribe governing the application and notice thereof to interested or affected common carriers, all interested or affected carriers have been given at least five days' notice of the filing of the application and an opportunity to protest the granting thereof. If the commission determines that an emergency exists, it may issue temporary authority or approval at once by making specific reference in its order to the circumstances constituting the emergency, in which case no notice need be given, but any such emergency authority or approval expires no later than thirty days after it was issued.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 407, § 1, effective August 10.

**40-10.1-205. Transfer of certificate or permit.** (1) A certificate or permit, or rights obtained under a certificate or permit, that are held, owned, or obtained by any common carrier or contract carrier may be sold, assigned, leased, encumbered, or transferred as other property, subject to prior authorization by the commission.

(2) Absent other facts, the fact that a common carrier or contract carrier conducts operations with independent contractors does not in and of itself constitute a lease or transfer of the certificate.

(3) An existing certificate or permit shall not be transferred unless the fitness of the transferee is established to the satisfaction of the commission.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 408, § 1, effective August 10.

**40-10.1-206. Rates - limitations.** (1) It is unlawful for any common carrier to carry or advertise that it will carry any individuals at rates different from those it has on file with the commission for such carriage.

(2) A contract carrier shall not destroy or impair, through discrimination or unfair competition, the service or business of any common carrier or the integrity of the state's regulation of any such service or business; and to that end, the commission is authorized and directed to prescribe minimum rates, fares, and charges to be collected by contract carriers when competing with duly authorized common carriers, which rates, fares, and charges must not be less than the rates prescribed for common carriers for substantially the same or similar service.

(3) In accordance with this article and such rules as the commission may prescribe, every contract carrier subject to this article shall file with the commission, within such time and in such form as the commission may designate, and shall keep on file with the commission, at all times, schedules showing rates, charges, and collections, collected or enforced or to be collected or enforced, that in any manner affect or relate to the operations of any such contract carrier; and the commission has full power to change, amend, or alter any such tariff or, after hearing, fix the rates of any contract carrier subject to this article that competes with a common carrier.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 409, § 1, effective August 10.

**40-10.1-207. Taxicab license plates - rules.** (1) (a) The commission shall either:

(I) Create a document that a person authorized to provide taxicab services under this article may use to verify to the department of revenue or the department's authorized agent that the person is so authorized; or

(II) Create a system to electronically verify to the department of revenue or the department's authorized agent that the person is authorized to provide taxicab services under this part 2.

(b) Upon request, the commission shall provide the document to the person with such authority or the electronic verification to the department of revenue or the department's authorized agent.

(2) The commission may promulgate rules to implement this section and to enforce section 42-3-236, C.R.S.

(3) Repealed.

**Source:** **L. 2011:** Entire section added, (HB 11-1234), ch. 142, p. 496, § 4, effective July 1.

**Editor's note:** Subsection (3)(b) provided for the repeal of subsection (3), effective July 1, 2012. (See L. 2011, p. 496.)

PART 3

MOTOR CARRIERS OF PASSENGERS - LIMITED REGULATION

**40-10.1-301. Definitions.** As used in this part 3, unless the context otherwise requires:

(1) "Charter basis" means on the basis of a contract for transportation whereby a person agrees to provide exclusive use of a motor vehicle to a single chartering party for a specific period of time during which the chartering party has the exclusive right to direct the operation of the vehicle, including selection of the origin, destination, route, and intermediate stops.

(2) "Charter bus" means a motor vehicle with a minimum seating capacity of thirty-three, including the driver, that is hired to transport a person or group of persons traveling from one location to another for a common purpose. A charter bus does not provide regular route service from one location to another.

(3) "Chartering party" means a person or group of persons who share a personal or professional relationship whereby all such persons are members of the same affiliated group, including a family, business, religious group, social organization, or professional organization. "Chartering party" does not include groups of unrelated persons brought together by a carrier, transportation broker, or other third party.

(4) "Children's activity bus" means a motor vehicle that transports groups of eight or more children, eighteen years of age or younger, and any adults over eighteen years of age accompanying or participating with the group, to or from activities that are sponsored by nonprofit organizations entitled to a tax exemption under the federal "Internal Revenue Code of 1986", as amended, or the transportation of children to and from school, school-related activities, or school-sanctioned activities to the extent that such transportation is not provided by the school or school district or the school or school district's transportation contractors.

(5) "Commercial location" means a place where goods or services are bought, sold, or exchanged.

(6) "Fire crew transport" means a motor vehicle that transports people engaged in fighting wildfires.

(7) "Luxury limousine" means a chauffeur-driven, luxury motor vehicle as defined by the commission by rule.

(8) "Luxury limousine service" means a specialized, luxurious transportation service provided on a prearranged, charter basis. "Luxury limousine service" does not include taxicab service or any service provided between fixed points over regular routes at regular intervals.

(9) to (11) Repealed.

(12) "Off-road scenic charter" means a motor vehicle that transports passengers, on a charter basis, to scenic points within Colorado, originating and terminating at the same location and using a route that is wholly or partly off of paved roads. "Off-road scenic charter" does not include the transport of passengers to commercial locations.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 409, § 1, effective August 10. **L. 2016:** (9) amended and (10), (11), and (12) added, (HB 16-1097), ch. 186, p. 655, § 2, effective May 20. **L. 2021:** (9) to (11) repealed, (HB 21-1206), ch. 381, p. 2553, § 4, effective June 29.

**Cross references:** For the "Internal Revenue Code of 1986", see title 26 of the United States Code.

**40-10.1-302. Permit requirements.** (1) (a) A person shall not operate or offer to operate a charter bus, children's activity bus, fire crew transport, luxury limousine, or off-road scenic charter in intrastate commerce without first having obtained a permit therefor from the commission in accordance with this part 3.

(b) A person may apply for a permit under this part 3 to the commission in such form and with such information as the commission may require. A permit is valid for one year after the date of issuance.

(2) (a) Except as otherwise provided in subsection (3) of this section, the commission shall issue a permit to a motor carrier of passengers under this part 3 upon completion of the application and compliance with the financial responsibility requirements of this article.

(b) Repealed.

(3) A person whose permit has been revoked for cause is not eligible for another permit for two years after the date of revocation. If an entity's permit has been revoked, the two-year ineligibility also applies to the entity's principals, officers, directors, and members of the entity, except for a revocation for failure to carry insurance unless the person knowingly operated a motor carrier without insurance.

(4) In order to obtain a permit under this section, an applicant must have each vehicle operated under the permit inspected within the immediately preceding twenty days by a qualified mechanic in accordance with rules promulgated by the commission. The applicant must also attach a report showing each vehicle passed inspection.

(5) Effective July 1, 2016, any existing permit issued pursuant to this part 3 expires on the anniversary of its issuance.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 410, § 1, effective August 10. **L. 2013:** (2) amended and (3) and (4) added, (SB 13-189), ch. 365, p. 2127, § 3, effective June 5. **L. 2016:** (1) and (2) amended and (5) added, (HB 16-1097), ch. 186, p. 656, § 3, effective May 20. **L. 2021:** (1)(a) amended and (2)(b) repealed, (HB 21-1206), ch. 381, p. 2553, § 5, effective June 29.

**40-10.1-303. Livery license plates - rules.** (1) The commission shall either:

(a) Create a document that a person authorized to provide luxury limousine service under this article may use to verify to the department of revenue or its authorized agent that the person provides such service; or

(b) Create a system to electronically verify to the department of revenue or its authorized agent that the person is authorized to provide luxury limousine service under this article.

(2) Upon request, the commission shall provide the document to the person with such authority or the electronic verification to the department of revenue or its authorized agent.

(3) The commission may promulgate rules to implement this section and to enforce section 42-3-235, C.R.S.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 411, § 1, effective August 10.

**40-10.1-304. Revocation of permit for failure to pay fine.** (1) If a carrier that holds a permit under this part 3 fails to pay a fine or civil penalty imposed under this article 10.1 or a rule issued under this article 10.1 within the time prescribed for payment, and not before the decision imposing the fine or civil penalty becomes a final decision by the commission, the carrier's permit is revoked immediately. Any of the following are disqualified from applying for a permit for thirty-six months after the date the fine or civil penalty is due:

(a) The carrier;

(b) Any owner, principal, officer, member, partner, or director of the carrier; and

(c) Any other entity owned or operated by that owner, principal, officer, member, partner, or director.

(2) This disqualification is in addition to and not in lieu of any other penalty or disqualification, including the period of disqualification specified in section 40-10.1-112 (4).

**Source:** **L. 2013:** Entire section added, (SB 13-189), ch. 365, p. 2127, § 4, effective June 5. **L. 2017:** IP(1) amended, (SB 17-180), ch. 281, p. 1532, § 4, effective August 9.

PART 4

MOTOR CARRIERS OF TOWED MOTOR VEHICLES

**40-10.1-401. Permit requirements - rules.** (1) (a) A person shall not operate or offer to operate as a towing carrier in intrastate commerce without first having obtained a permit therefor from the commission in accordance with this article.

(b) A person may apply for a permit under this part 4 to the commission in such form and with such information as the commission may require. Permits are valid for one year after the date of issuance.

(2) (a) (I) The commission may deny an application for or suspend, revoke, or refuse to renew a permit under this part 4 of a person that has, within the immediately preceding five years, been convicted of, or pled guilty or nolo contendere to, a felony or a towing-related offense. The commission may also deny an application under this part 4 or suspend, revoke, or refuse to renew the permit of a towing carrier based upon a determination that the towing carrier or any of its owners, principals, officers, members, partners, or directors has not satisfied a civil penalty arising out of an administrative or enforcement action brought by the commission.

(II) A towing carrier that applies for a permit or that applies to renew a permit shall disclose to the commission each person that is identified as a principal in accordance with rules promulgated by the commission.

(b) The commission may deny an application for or suspend, revoke, or refuse to renew a permit of a towing carrier under this part 4 based on a determination that it is not in the public interest for the towing carrier to possess a permit. The determination is subject to appeal in accordance with commission rules. It is rebuttably presumed that a towing carrier's possession of a permit is not in the public interest if the towing carrier has willfully and repeatedly failed to comply with this article 10.1 or part 18 or 21 of article 4 of title 42.

(3) (a) Except as otherwise provided in subsection (2) of this section and section 40-10.1-112 (4), the commission shall issue a permit to a towing carrier upon completion of the application and the filing of proof of workers' compensation insurance coverage in accordance with the "Workers' Compensation Act of Colorado", articles 40 to 47 of title 8, C.R.S., and with the financial responsibility requirements of this article and may attach to the permit and to the exercise of the rights granted by the permit such restrictions, terms, and conditions, including altering the rates and charges of the applicant, as are reasonably deemed necessary for the protection of the property of the public.

(b) If a towing carrier violates this article 10.1, any other applicable provision of law, or any rule or order of the commission issued under this article 10.1 and as a result is ordered by a court or by the commission to pay a fine or civil penalty that the towing carrier subsequently fails to pay in full within the time prescribed for payment, and not before the decision imposing the fine or civil penalty becomes a final decision by the commission, then:

(I) The towing carrier's permit is revoked immediately; and

(II) The towing carrier, its owners, principals, officers, members, partners, and directors, and any other entity owned or operated by one or more of those owners, principals, officers, members, partners, or directors, may be disqualified from obtaining or renewing any operating authority under this article for a period of five years after the date on which the fine or civil penalty was due. The period of disqualification pursuant to this subparagraph (II) is in addition to, and not in lieu of, and does not affect, any other penalty or period of disqualification, including the period of disqualification specified in section 40-10.1-112 (4).

(c) A towing carrier's facilities and vehicles are subject to inspection by the commission and by authorized personnel of the Colorado state patrol, which shall promptly report to the commission concerning any violations revealed by an inspection.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 411, § 1, effective August 10. **L. 2012:** Entire section amended, (HB 12-1327), ch. 217, p. 931, § 2, effective May 24. **L. 2017:** IP(3)(b) and (3)(b)(I) amended, (SB 17-180), ch. 281, p. 1533, § 5, effective August 9. **L. 2022:** (2) amended, (HB 22-1314), ch. 416, p. 2936, § 9, effective August 10. **L. 2024:** (2) amended, (HB 24-1051), ch. 292, p. 1985, § 1, effective August 7.

**Editor's note:** Section 6 of chapter 217, Session Laws of Colorado 2012, provides that the act amending this section applies to towing carriers that applied for permits on, before, or after May 24, 2012.

**40-10.1-402. Verification of authority - notice of requirement for designated license plates - rules.** (1) (a) The commission shall either:

(I) Create a document that a person authorized to operate as a towing carrier under this article may use to verify to the department of revenue or the department's authorized agent that the person is so authorized; or

(II) Create a system to electronically verify to the department of revenue or the department's authorized agent that the person is authorized to provide towing services under this part 4.

(b) Upon request, the commission shall provide the document to the person with such authority or the electronic verification to the department of revenue or the department's authorized agent.

(2) The commission may promulgate rules to implement this section and to enforce section 42-3-235.5, C.R.S.

(3) Repealed.

**Source:** **L. 2012:** Entire section added, (HB 12-1327), ch. 217, p. 933, § 3, effective May 24.

**Editor's note:** (1) Section 6 of chapter 217, Session Laws of Colorado 2012, provides that the act adding this section applies to towing carriers that applied for permits on, before, or after May 24, 2012.

(2) Subsection (3)(b) provided for the repeal of subsection (3), effective July 1, 2013.

**40-10.1-403. Towing task force - creation - conflict of interest - rules - report - repeal.** (1) The towing task force is hereby created within the department of regulatory agencies.

(2) Repealed.

(2.5) (a) Beginning November 1, 2021, the task force consists of fourteen members, appointed as follows:

(I) One member appointed by the governor to represent the commission;

(II) One member appointed by the chief of the Colorado state patrol;

(III) One member appointed by the governor to represent a towing association within the state with experience in consensual towing;

(IV) One member appointed by the governor to represent nonconsensual towing carriers;

(V) One member appointed by the governor to represent mobile home owners in the state;

(VI) One member appointed by the governor to represent an association of motor carriers within Colorado as consumers of towing services;

(VII) One member appointed by the attorney general with experience enforcing the "Colorado Consumer Protection Act", article 1 of title 6;

(VIII) One member appointed by the governor to represent people with disabilities;

(IX) One member who insures towing operations appointed by the governor to represent insurance companies within the state;

(X) One member appointed by the governor to represent common interest communities;

(XI) One member appointed by the governor to represent local law enforcement agencies;

(XII) One member who owns private property and contracts for towing services appointed by the governor to represent consumers of towing services; and

(XIII) Two members appointed by the governor to represent communities that might be disproportionately affected by nonconsensual towing, such as communities of color, immigrant communities, elderly communities, and rural communities.

(b) A member appointed to the task force before November 1, 2021, may continue to serve on the task force on and after November 1, 2021, to serve the remainder of the member's term if the member continues to represent one of the groups required to be represented on the task force as of November 1, 2021, in accordance with subsection (2.5)(a) of this section.

(c) If a member is unable to attend a meeting of the task force, the member may designate a person to fulfill the member's duties in lieu of the member for the meeting.

(3) (a) The members of the task force serve four-year terms; except that the members appointed or reappointed under subsections (2.5)(a)(I) to (2.5)(a)(VII) of this section serve initial terms of two years.

(b) The members shall elect a chair from among their membership. The chair shall set the times and frequency of the task force's meetings; except that the task force shall meet no fewer than two times per year.

(3.5) (a) A member shall notify the task force and abstain from voting if:

(I) The member will financially benefit from, or has a financial interest in a person that will benefit from, a rate-setting recommendation made by the task force; or

(II) The task force is advising the commission about a complaint, and the member is the subject of the complaint or has a financial interest in a person that is the subject of the complaint.

(b) A member does not have a conflict of interest if the member benefits merely from belonging to a class that is affected by the rate setting described in subsection (3.5)(a)(I) of this section.

(4) (a) When promulgating or amending rules concerning rate regulation of tow carriers, the commission shall consult with the task force.

(b) At the discretion of the commission, the staff of the commission shall consult with the task force concerning investigations of overcharges made by towing carriers in violation of this title.

(c) The commission shall consider the recommendations of the task force.

(d) (I) By December 1 of each year, the commission shall make a report to the house of representatives transportation and local government committee, the house of representatives business affairs and labor committee, the senate business, labor, and technology committee, and the senate transportation and energy committee, or any successor committees. The report must:

(A) Address the fees charged for and complaints arising from nonconsensual tows;

(B) Contain the recommendations, including rule changes, of the task force, whether the recommendations were implemented with or without modification, and an analysis of the reasons why the commission made these decisions;

(C) Include the analysis required in subsection (5)(c) of this section;

(D) Include the task force's definitions of consensual tow and nonconsensual tow;

(E) Include the range of dollar amounts considered when setting all rates related to charges by towing carriers for nonconsensual tows, including information considered for the minimum and maximum rates for all fees charged, the formulas for determining the actual cost and market rate for the final fees set for all rates, a summary of any public comment or feedback provided related to the rates set, and any other information the task force took into consideration when establishing all rates;

(F) Include the times, including the shortest, mean, median, mode, and longest, to settle complaints made to the commission;

(G) Include the categories of complaints and the number of complaints in each category; and

(H) Include a list of the towing carriers that have been issued a permit, the number of valid complaints against each carrier, and the action taken by the commission in response to each valid complaint.

(II) This subsection (4)(d) is repealed, effective September 1, 2026.

(e) By September 1, 2025, the commission shall promulgate rules requiring each towing carrier to provide, as a condition of permit issuance or renewal on or after a date specified in the rules, any information needed to prepare the report required by subsection (4)(d)(I) of this section.

(f) The commission may promulgate rules to collect other information required as part of the towing carrier permitting process. The information required by rule may include the annual volume of tows by category, the current pricing per category of tow for all fees charged, and the number of tow trucks each towing carrier operates.

(5) The task force has the following duties and powers:

(a) To make comprehensive recommendations to the commission about the maximum rates that may be charged for the recovery, towing, and storage of a vehicle that has been towed without the owner's consent. The task force shall make comprehensive recommendations to the commission about the maximum rates after July 1, 2022, but no later than November 1, 2022.

(b) To advise the commission or the staff of the commission concerning investigations of overcharges made by towing carriers in violation of this title.

(c) To analyze and make recommendations to the commission about nonconsensual towing rates charged to the public. In analyzing nonconsensual rates, the task force shall take into account current consensual towing market rates and their relationship to nonconsensual towing rates.

(6) This section is repealed, effective September 1, 2035. Before the repeal, the task force is scheduled for review in accordance with section 2-3-1203.

**Source:** **L. 2014:** Entire section added, (HB 14-1031) ch. 14, p. 125, § 1, effective August 6. **L. 2021:** (2), (3), (4)(c), (5)(a), and (6) amended and (2.5) and (4)(d) added, (HB 21-1283), ch. 472, p. 3384, § 3, effective July 7. **L. 2022:** (4)(d)(I)(C), (4)(d)(I)(D), (4)(d)(I)(E), (4)(d)(I)(F), (4)(d)(I)(G), (4)(d)(I)(H), and (5)(c) added and (5)(a) amended, (HB 22-1314), ch. 416, p. 2937, § 10, effective August 10. **L. 2024:** (3.5), (4)(e), and (4)(f) added and (4)(d)(II) amended, (HB 24-1051), ch. 292, p. 1986, § 2, effective August 7. **L. 2025:** (6) amended, (SB 25-175), ch. 321, p. 1691, § 2, effective August 6.

**Editor's note:** Subsection (2)(b) provided for the repeal of subsection (2), effective November 1, 2021. (See L. 2021, p. 3384.)

**40-10.1-404. Repeal of part - subject to review.** (1) This part 4 is repealed, effective September 1, 2030. Before the repeal, this part 4 is scheduled for review in accordance with section 24-34-104 and subsection (2) of this section.

(2) In conducting its review in accordance with section 24-34-104 (5) and in considering the factors set forth in section 24-34-104 (6)(b), the department of regulatory agencies shall consider the following in evaluating the performance of the commission with regard to regulating towing carriers:

(a) With regard to complaints filed with the commission about towing services:

(I) The number and nature of complaints filed each year; and

(II) How the commission handles the complaints and how the complaints are resolved; and

(b) Whether the towing industry and consumers would benefit from dispute resolution regarding complaints and whether such dispute resolution is being used in any other states.

(3) Repealed.

**Source:** **L. 2021:** Entire section added, (HB 21-1283), ch. 472, p. 3386, § 4, effective July 7. **L. 2022:** (3) repealed, (SB 22-212), ch. 421, p. 2986, § 88, effective August 10. **L. 2024:** (1) amended, (HB 24-1051), ch. 292, p. 1990, § 8, effective August 7.

**40-10.1-405. Nonconsensual tows - rights of owners, operators, and lienholders - rules.** (1) **Towing fees.** (a) Towing carriers shall prominently display at their place of business and on any website of the towing carrier the current maximum rates permitted by rule of the commission for each tow service provided by the towing carrier. The sign must include the following statement: "The maximum permitted rate is based upon rules of the public utilities commission, and if there are concerns or questions about these rates or the towing carrier, then call the public utilities commission consumer affairs hotline at 303-894-2070."

(b) (I) A towing carrier shall accept:

(A) Cash;

(B) Major credit cards; and

(C) Other forms of payment required by rule of the commission.

(II) The commission shall promulgate a rule defining what qualifies as a major credit card for the purposes of this subsection (1)(b).

(c) A towing carrier shall not:

(I) Charge storage fees for any twenty-four-hour period during which the towing carrier did not store the vehicle, but the towing carrier may charge, in accordance with section 42-4-2103 (3)(c), a prorated fee for any part of a twenty-four-hour period the towing carrier stored the vehicle; and

(II) Charge or retain any fees not identified in the rules of the commission for the nonconsensual tow of a vehicle from private property.

(2) **Towing carrier document vehicle's condition and reason for tow - adequate illumination.** (a) Before a towing carrier connects a towing vehicle to a vehicle without consent, the towing carrier shall document the vehicle's condition and the reason for the tow by:

(I) Taking at least four photographs of the vehicle, with at least one photograph taken from the front, one photograph taken from the rear, one photograph taken from the driver's side, and one photograph taken from the passenger's side. These photographs must:

(A) Show the entire vehicle from the required angle;

(B) Have the vehicle fill at least three-fourths of the photograph, measured from side to side; and

(C) Be rendered in a resolution of at least two thousand pixels by at least two thousand pixels.

(II) Taking a photograph that shows the reason for the vehicle being towed without consent. The photograph must:

(A) Show the position of the vehicle in relation to the reason, including any sign, that the vehicle was towed; and

(B) Be rendered in a resolution of at least two thousand pixels by at least two thousand pixels.

(b) Upon demand by an authorized or interested person, the towing carrier shall provide copies of the photographs required to be taken pursuant to subsection (2)(a)(I) or (2)(a)(II) of this section.

(c) (I) A rebuttable presumption that a towing carrier damaged a vehicle is created by evidence that:

(A) The towing carrier has failed to produce photographs of the vehicle's condition in compliance with subsection (2)(b) of this section; and

(B) A vehicle has suffered damage.

(II) A towing carrier's failure to produce a photograph of the reason for the tow in compliance with subsection (2)(b) of this section creates a rebuttable presumption that the towing carrier did not have authorization to tow a vehicle.

(d) During business hours or when a vehicle is being released, a towing carrier shall maintain an area at each storage facility with lighting that is adequate to allow a person to inspect a vehicle for damage prior to its release from storage.

(3) **Authorization, signs, and notice required for tows from private property.** (a) A towing carrier shall not nonconsensually tow a vehicle from private property unless:

(I) The vehicle is being repossessed by a creditor with a lien or security interest in the vehicle;

(II) The removal is expressly ordered or authorized by a court order, an administrative order, or a peace officer or by operation of law;

(III) The vehicle blocks a driveway or roadway enough to effectively obstruct a person's access to the driveway or roadway;

(IV) The towing carrier has received documented permission, which must not be automated or preapproved, for each individual tow of the vehicle, within the twenty-four hours immediately preceding the tow, from the following person that must document the permission by signing the form created in accordance with subsection (3)(d)(I) of this section:

(A) The owner of or leaseholder of the private property; except that, if the owner or leaseholder would earn income from the nonconsensual tow, the towing carrier shall not perform the nonconsensual tow but may authorize another towing carrier to perform the nonconsensual tow;

(B) A person subject to the "Colorado Common Interest Ownership Act", article 33.3 of title 38, if the private property is located within the boundaries of the person's area of operation; or

(C) An employee of a person described in subsection (3)(a)(IV)(A) or (3)(a)(IV)(B) of this section or an employee of a property management company retained to collect rent and perform residential services; except that the employee who has a financial interest in or relationship with the towing carrier or a parking lot management company that earns income from managing or controlling parking or permission to park or that earns income from nonconsensual tows shall not grant permission to authorize the tow; or

(V) The towing carrier has received permission for each individual tow.

(b) (I) Except as provided in subsection (3)(b)(IV) of this section, a towing carrier shall not nonconsensually tow a vehicle from a parking space or common parking area without the towing carrier or property owner giving the vehicle owner or operator twenty-four hours' written notice, unless:

(A) The vehicle owner or operator has received two previous notices for parking inappropriately in the same manner;

(B) The vehicle is being repossessed by a creditor with a lien or security interest in the vehicle;

(C) The removal is expressly ordered or authorized by a court order, an administrative order, or a peace officer or by operation of law;

(D) The vehicle blocks a driveway or roadway enough to effectively obstruct a person's access to the driveway or roadway;

(E) The vehicle is parked in violation of section 42-4-1208 (4) or in reserved parking for people with disabilities without displaying an identifying placard or an identifying plate, as those terms are defined in section 42-3-204 (1)(f) and (1)(g), that is currently valid or has been expired for no more than sixty days;

(F) The vehicle is parked in or effectively obstructing a designated and marked fire zone;

(G) The vehicle is occupying without permission or effectively obstructing access to or from an individually designated, rented, or purchased parking space of a resident; or

(H) The vehicle is parked without authorization in a parking lot marked for the exclusive use of residents or invited guests.

(II) The towing carrier or property owner shall provide the notice described in subsection (3)(b)(I) of this section by placing a written notice on the windshield of the vehicle at least twenty-four hours before towing the vehicle.

(III) The notice must state clearly:

(A) That the vehicle will be towed without consent if the vehicle remains parked inappropriately;

(B) A description of the inappropriate parking that has caused the notice to be given;

(C) The time the vehicle will be towed if it is not moved to appropriate parking or the inappropriate parking has been corrected; and

(D) That continuing to park inappropriately in the same manner may lead to the vehicle being towed without notice.

(IV) If the vehicle is parked a third or subsequent time in the same inappropriate manner that caused it to receive previous notices, the towing carrier or property owner need not give the notice required in subsection (3)(b)(I) of this section before towing the vehicle.

(V) For purposes of this subsection (3)(b), a vehicle is parked inappropriately when it is parked in a manner that:

(A) Violates the procedures necessary to obtain authorization to park in the lot or space;

(B) Fails to comply with the property owner's signs or the agreements of the tenants; or

(C) Violates a statute, rule, ordinance, or resolution of the state or a political subdivision of the state.

(c) In order for a towing carrier to conduct a nonconsensual tow, the property owner must have posted signage that:

(I) Is not less than two square feet in size;

(II) Has lettering not less than one inch in height;

(III) Has lettering that contrasts sharply in color with the background on which the letters are placed and contrasts sharply with the structure the signs are placed on;

(IV) Contains the following information in the order listed below:

(A) The restriction or prohibition on parking;

(B) The times of the day and days that the restriction is applicable, but, if the restriction applies twenty-four hours a day, seven days a week, the sign must say "Authorized Parking Only"; and

(C) The name and telephone number of the towing carrier authorized to perform tows from the private property;

(V) Is printed in English and Spanish;

(VI) Is permanently mounted both:

(A) At the entrance to the private property so that the sign faces outward toward the street and is visible before and upon entering the private property; and

(B) Inside the private property so that the sign faces outward toward the parking area;

(VII) Is not obstructed from view or placed in a manner that prevents direct visibility; and

(VIII) Is not placed higher than ten feet or lower than three feet from the surface closest to the sign's placement.

(d) (I) The commission shall create a form that implements subsection (3)(a)(IV) of this section.

(II) The towing carrier must retain for three years the signed form required by subsection (3)(a)(IV) of this section and, upon request, provide the signed form to the vehicle owner.

(e) A towing carrier shall not patrol or monitor property to enforce parking restrictions on behalf of the property owner.

(4) **Notice, disclosures, and towing carrier signs.** (a) In connection with a nonconsensual tow, the towing carrier shall provide, upon request, evidence of the towing carrier's commercial liability insurance coverage, including cargo liability coverage, garage keeper's liability coverage, if applicable, and motor vehicle liability coverage, to an authorized or interested person.

(b) A towing carrier shall maintain a clearly visible sign at the entrance to the storage facility holding a nonconsensually towed vehicle. The sign must:

(I) State the name of the business, telephone number, and hours of operation;

(II) State: "If a vehicle is nonconsensually towed from private property, the authorized or interested person may retrieve the contents of the vehicle even if the authorized or interested person does not pay the towing carrier's fees. If the authorized or interested person fills out the appropriate form, the authorized or interested person may retrieve the vehicle after paying a reduced fee, but the authorized or interested person still owes the towing carrier the balance of those fees."

(III) Be no less than two square feet in size;

(IV) Have lettering not less than two inches in height;

(V) Have lettering that contrasts sharply in color with the background on which the letters are placed; and

(VI) Be printed in English.

(c) Upon request, a towing carrier shall provide to an authorized or interested person an itemized bill showing each charge and the rate for each fee that the authorized or interested person has incurred as a result of a nonconsensual tow.

(d) Upon request, a towing carrier shall disclose accepted forms of payment, including those required to be accepted in accordance with subsection (1)(b) of this section.

(e) If a towing carrier has nonconsensually towed a vehicle from private property, the towing carrier shall give the authorized or interested person that is retrieving the vehicle a written notice of the person's ability to make a complaint to the commission. The notice:

(I) Must be written in a conspicuous typeface and font on the invoice, the receipt, and the bill for the tow; and

(II) Must not be in a typeface or font that is smaller than the other numbers or words on the receipt or bill, as applicable.

(f) (I) A towing carrier shall not perform a nonconsensual tow of a vehicle, other than an abandoned motor vehicle as defined in section 42-4-2102 (1), from private property normally used for parking unless:

(A) Notice of the parking regulations was provided to the vehicle operator when the vehicle entered the private property and parked; and

(B) Notice that any vehicle parked in violation of the regulations is subject to tow at the vehicle owner's expense was provided to the vehicle operator when the vehicle entered the private property and parked.

(II) A property owner with tenants shall provide the notice described in this subsection (4)(f) by issuing each tenant a written document containing any applicable parking regulations before the regulations are adopted or amended or before the person agrees to be a tenant.

(III) Repealed.

(g) The towing carrier shall retain evidence, including photographs of the relevant signs, of giving the notices and disclosures required in subsection (4)(f) of this section for three years after the date of completion of a nonconsensual tow and provide the evidence to the commission or an enforcement official upon request.

(5) **No mechanic's liens on contents.** (a) Notwithstanding section 38-20-105, a towing carrier that nonconsensually tows a vehicle does not have a mechanic's lien on the contents of the vehicle to cover the cost of towing the vehicle.

(b) If an authorized or interested person requests that a towing carrier return the contents of a vehicle that was towed without consent within thirty days after the postmarked date the notice was mailed in accordance with section 42-4-2103 (4) or the date the operator received notice that no record exists for the motor vehicle, the towing carrier shall allow the authorized or interested person to retrieve the vehicle's contents. This subsection (5)(b) does not apply to the contents of a vehicle if the contents of the vehicle are subject to a hold order issued by a court, district attorney, law enforcement agency, or peace officer.

(c) The towing carrier shall immediately retrieve a vehicle that has been nonconsensually towed or allow the authorized or interested person to retrieve the vehicle if:

(I) The owner pays fifteen percent of the fees, not to exceed sixty dollars, owed the towing carrier for the nonconsensual tow; and

(II) The authorized or interested person is not a lienholder or insurance company.

(d) For an authorized or interested person to retrieve a vehicle without paying the towing carrier the total amount owed to the towing carrier, the authorized or interested person must sign a form affirming that the authorized or interested person owes the towing carrier payment for fees that comply with this article 10.1, part 21 of article 4 of title 42, or article 20 of title 38. Knowingly providing false information on the form is unlawful. Signing this form does not prohibit a vehicle owner from filing a complaint with the commission or pursuing other remedies. The towing carrier may use the form to take reasonable actions to collect the debt, including initiating a court action or using a collection agency. The commission shall:

(I) Create the form;

(II) Give the form the following title: "Towed Vehicle Release Notice: Retrieval with Payment Owed"; and

(III) Provide the form on the public utilities commission website for towing carriers to retrieve and use.

(e) A towing carrier shall not require a person to undergo an approval process other than signing the form created pursuant to subsection (5)(d) of this section.

(6) **Releasing the vehicle upon request.** (a) A towing carrier shall release a nonconsensually towed vehicle in accordance with subsection (5)(c) of this section.

(b) A towing carrier shall not assess a drop charge to release the vehicle after the vehicle is hooked up to the tow truck but before the vehicle is removed from the property.

(c) If approached by an authorized or interested person before the vehicle is removed from private property, the towing carrier shall notify the authorized or interested person that the towing carrier is required to release the vehicle upon request of the authorized or interested person.

(d) Upon request by the authorized or interested person, the towing carrier shall stop any tow in progress before the vehicle is removed from private property.

(7) **No towing for expired registration.** Unless the tow is based on an order given by a peace officer, a towing carrier shall not tow a vehicle from private property because the rear license plate of the vehicle or the record obtained using the system described in section 42-4-2103 (3)(c)(III) indicates that the vehicle's registration has expired.

(8) **Towing carrier responsibility.** Repealed.

(9) **Applicability.** This section does not apply to:

(a) A tow ordered by a peace officer or technician directed by a peace officer in the course and scope of the officer's or technician's duties; or

(b) A tow from a parking space that serves a business if:

(I) Repealed.

(II) The parking space is on commercial real estate, as defined in section 38-22.5-102 (2).

**Source: L. 2022:** Entire section added, (HB 22-1314), ch. 416, p. 2938, § 11, effective August 10. **L. 2024:** IP(3)(a)(IV), (3)(a)(IV)(A), (3)(a)(IV)(C), (3)(b)(I)(H), (3)(c), (4)(b)(II), (5)(b), IP(5)(c), and IP(5)(d) amended, (3)(a)(V), (3)(d), (3)(e), and (5)(e) added, and (4)(f)(III), (8), and (9)(b)(I) repealed, (HB 24-1051), ch. 292, p. 1986, § 3, effective August 7.

**40-10.1-406. Failure to comply.** (1) **No fees - return of vehicle.** (a) If a towing carrier fails to comply with this article 10.1, article 20 of title 38, or part 18 or 21 of article 4 of title 42 or any rule promulgated under this article 10.1 or part 18 or 21 of article 4 of title 42, the towing carrier:

(I) Shall not charge or retain any fees or charges for the services performed with respect to the vehicle; and

(II) Shall return to the authorized or interested person any fees it collected with respect to the vehicle.

(b) It is an affirmative defense in any action to collect towing fees that:

(I) The vehicle was towed nonconsensually; and

(II) The towing carrier failed to comply with section 40-10.1-405.

(c) Within forty-eight hours after a tow is determined to have been performed in violation of this article 10.1 or any rules promulgated under this article 10.1, the towing carrier shall return the vehicle back to the location from where it was towed unless:

(I) The authorized or interested person notifies the towing carrier that the person prefers to retrieve the vehicle from the towing carrier's storage facility without charge; or

(II) Returning the vehicle to the location from where the vehicle was towed is not practical, as determined by the commission.

(2) **Attorney fees.** An authorized or interested person seeking reimbursement for damages may recover from the towing carrier reasonable attorney fees if:

(a) The vehicle was towed nonconsensually;

(b) A court holds that:

(I) The towing carrier failed to comply with this article 10.1, article 20 of title 38, or part 18 or 21 of article 4 of title 42 or any rule promulgated under this article 10.1 or part 18 or 21 of article 4 of title 42, and this failure caused damages, including economic damages, to the vehicle owner or lienholder; or

(II) The towing carrier damaged a vehicle while connecting it to a towing vehicle, while possessing the vehicle, or while returning the vehicle to an authorized or interested person; and

(c) The authorized or interested person demanded reimbursement for the suffered damages and the towing carrier refused to reimburse the authorized or interested person for the damages.

(3) **Damages recovered for party in interest.** In a court action arising from a nonconsensual tow, any authorized or interested person may recover the damages suffered by another authorized or interested person from a towing carrier if the person who recovers the damages reimburses the other authorized or interested person for the damages suffered by the authorized or interested person. A court may issue an order implementing this subsection (3).

**Source: L. 2022:** Entire section added, (HB 22-1314), ch. 416, p. 2945, § 11, effective August 10. **L. 2024:** (1)(c) added, (HB 24-1051), ch. 292, p. 1990, § 4, effective August 7.

**40-10.1-407. Records - rules.** (1) A towing carrier shall record the following information for each nonconsensual tow:

(a) The unique serial number of the tow record or invoice;

(b) The name, address, towing carrier permit number, and telephone number of the towing carrier;

(c) The address and telephone number of the storage facility used by the towing carrier;

(d) The make, model, year, complete vehicle identification number, and license plate number, if available, of the towed vehicle;

(e) The origin address of the tow, the destination address of the tow, and the one-way mileage between the two addresses;

(f) The printed name, address, telephone number, and signature of the person authorizing the tow;

(g) The printed name and signature of the tow truck driver;

(h) An itemized invoice of all towing charges assessed;

(i) The signature of the person to whom the vehicle is released; except that the towing carrier may write "refused to sign" if the person to whom the vehicle is released refuses to sign the release document;

(j) The date and time of any of the following, if performed:

(I) Hooking the vehicle to the tow truck;

(II) Unhooking the vehicle from the tow truck;

(III) Completing the tow;

(IV) Notifying the appropriate law enforcement agency;

(V) Placing the vehicle in storage; and

(VI) Releasing the towed vehicle from storage; and

(k) Any other information required by rule of the commission.

(2) A towing carrier shall record the information required to be recorded by subsection (1) of this section before the action to which it refers is performed, unless impracticable due to safety concerns. If the safety concerns delay recording the information required by subsection (1) of this section, the towing carrier shall record the information as soon as reasonably possible.

(3) A towing carrier shall retain the information required in subsection (1) of this section for three years after the tow commenced.

(4) Within forty-eight hours after a request, a towing carrier shall provide the information required to be recorded by subsection (1) of this section to an authorized or interested person.

**Source: L. 2022:** Entire section added, (HB 22-1314), ch. 416, p. 2946, § 11, effective August 10.

**40-10.1-408. Kickbacks prohibited.** A towing carrier shall not pay money or other valuable consideration for the privilege of nonconsensually towing vehicles.

**Source: L. 2022:** Entire section added, (HB 22-1314), ch. 416, p. 2947, § 11, effective August 10.

**40-10.1-409. Violators subject to penalties.** (1) A towing carrier that violates this part 4 is subject to the penalties provided in section 40-10.1-114.

(2) A violation of this part 4 is a deceptive trade practice under section 6-1-105 (1)(ttt) and (1)(eeee) and is subject to enforcement by the attorney general's office or a district attorney or enforcement as described in this section.

**Source: L. 2022:** Entire section added, (HB 22-1314), ch. 416, p. 2947, § 11, effective August 10. **L. 2024:** (2) amended, (HB 24-1051), ch. 292, p. 1990, § 5, effective August 7.

**40-10.1-410. Towing rules.** Upon making a finding that a towing practice harms the public interest, the commission may promulgate rules, as necessary, to stop or change the towing practice that harms the public interest.

**Source: L. 2022:** Entire section added, (HB 22-1314), ch. 416, p. 2948, § 11, effective August 10.

**40-10.1-411. Towing carrier responsibility.** The towing carrier is responsible for the security and safety of the towed vehicle until the vehicle is released to an authorized or interested person.

**Source:** **L. 2024:** Entire section added, (HB 24-1051), ch. 292, p. 1990, § 6, effective August 7.

PART 5

MOTOR CARRIERS OF HOUSEHOLD GOODS

**40-10.1-501. Definitions.** As used in this part 5, unless the context otherwise requires:

(1) "Accessorial service" means any service performed by a mover that results in a charge to the shipper and is incidental to the transportation service, including valuation coverage; preparation of written inventory; equipment, including dollies, hand trucks, pads, blankets, and straps; storage, packing, unpacking, or crating of articles; hoisting or lowering; waiting time; long carry, which is defined as carrying articles excessive distances between the mover's vehicle and the residence; overtime loading and unloading; reweighing; disassembly or reassembly; elevator or stair carrying; boxing or servicing of appliances; and furnishing of packing or crating materials. "Accessorial service" also includes services not performed by the mover but by a third party at the request of the shipper or mover if the charges for such services are to be paid to the mover by the shipper at or prior to the time of delivery.

(2) "Contract" means a written document, approved by the shipper in writing before the performance of any service, that authorizes services from the named mover and lists the services and all costs associated with the transportation of household goods and accessorial services to be performed.

(3) "Estimate" means a written document that sets forth the total cost and the basis of such costs related to a shipper's move, including transportation or accessorial services.

(4) "Storage" means warehousing of the shipper's goods while under the care, custody, and control of the mover.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 412, § 1, effective August 10.

**40-10.1-502. Permit requirements - issuance by ports of entry.** (1) (a) A person shall not operate or offer to operate as a mover in intrastate commerce pursuant to this article, or advertise services as a mover, without first having obtained a permit from the commission in accordance with this part 5.

(b) A mover shall annually apply for a permit under this part 5 to the commission in such form and with such information as the commission may require.

(2) The commission may deny an application under this part 5 or refuse to renew the permit of any mover based upon a determination that the mover, or any of its directors, officers, owners, or general partners has not satisfied a civil penalty arising out of any administrative or enforcement action brought by the commission.

(3) Except as otherwise provided in subsection (2) of this section and section 40-10.1-112 (4), the commission shall issue a permit to a mover upon completion of the application and compliance with the financial responsibility requirements of this article.

(4) A permit is not valid for a mover transacting business at any location other than those designated in its application unless the mover first notifies the commission in writing of any change of location. A permit issued under this section is not assignable, and the mover is not permitted to conduct business under more than one name except as shown on its permit. A mover desiring to change its name or location at a time other than upon renewal of a permit shall notify the commission of such change.

(5) (a) The Colorado state patrol may issue, through a port of entry weigh station created pursuant to article 8 of title 42, C.R.S., a temporary household goods mover permit. The temporary permit is valid for fifteen consecutive days and is not renewable. A mover or its successor who has been issued a temporary permit is not eligible for a subsequent temporary permit.

(b) A temporary permit shall not be approved until the applicant:

(I) Provides evidence of financial responsibility as required by section 40-10.1-107;

(II) Signs a verification, under penalty of perjury as specified in section 24-4-104 (13)(a), C.R.S., that the applicant meets the financial responsibility required by section 40-10.1-107; and

(III) Pays the fees required by section 40-10.1-111 (1)(e) and (1)(f). The Colorado state patrol shall transmit the fees to the state treasurer, who shall credit them to the public utilities commission motor carrier fund pursuant to section 40-10.1-111 (4).

(c) If a mover applied for and received a temporary permit pursuant to this subsection (5), the mover is not subject, during the period covered by the temporary permit, to a penalty for failure to have a permanent permit.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 412, § 1, effective August 10. **L. 2012:** (5)(a) and (5)(b)(III) amended, (HB 12-1019), ch. 135, p. 466, § 8, effective July 1.

**40-10.1-503. Enforcement of carrier's lien.** A mover without a current and valid permit issued under this part 5 is not entitled to acquire or enforce a carrier's lien under section 4-7-307 or 4-7-308, C.R.S.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 413, § 1, effective August 10.

**40-10.1-504. Advertising.** (1) No mover, nor any officer, agent, employee, or representative of the mover, shall advertise a transportation service in a name other than that in which the mover's permit is held.

(2) Each advertisement of a mover shall include the phrase "CO PUC permit no. \_\_\_" and the physical address of the mover.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 413, § 1, effective August 10.

**40-10.1-505. Contracts for service.** (1) At or before the time of commencing work, a mover that provides any moving or accessorial services shall leave with the shipper a contract as specified by the commission containing the information listed in this subsection (1). The contract must be signed and dated by the shipper and the mover and must include:

(a) The name, telephone number, and physical address where the mover's employees are available during normal business hours;

(b) The date the document is prepared and the proposed date of the move;

(c) The name and address of the shipper, the addresses where the goods are to be picked up and delivered, and a telephone number where the shipper may be reached;

(d) The name, telephone number, and physical address of a location where the goods will be held pending further transportation, including situations where the mover retains possession of goods pending resolution of a fee dispute with the shipper;

(e) An itemized breakdown and description of costs or rates and services for transportation and accessorial services to be provided during a move or storage of household goods;

(f) Acceptable forms of payment. A mover shall accept a minimum of two of the following four forms of payment:

(I) Cash;

(II) Cashier's check, money order, or traveler's check;

(III) A valid personal check, showing upon its face the name and address of the shipper or authorized representative; or

(IV) A valid credit card.

(g) Any other items as designated by the rules of the commission.

(2) A mover shall clearly and conspicuously disclose to the shipper in the contract the forms of payments the mover will accept from those categories described in paragraph (f) of subsection (1) of this section.

(3) Each contract must include the phrase "(name of mover) is permitted with the public utilities commission of the state of Colorado as a mover. Permit no. \_\_\_."

(4) At or before the time of commencing work, the mover shall leave with the shipper a consumer advisement. The mover shall retain a copy of the consumer advisement, signed and dated by the shipper, for at least three years and shall make the copy available to the commission upon request. The consumer advisement shall be in substantially the following form:

**Consumer Advisement**

Intrastate movers in Colorado are regulated by the Colorado public utilities commission (PUC). Each mover should have a PUC permit number. You are encouraged to contact the PUC to confirm that the mover you are using is indeed permitted in Colorado.

A mover that is not permitted may **not** *withhold any of your property to enforce payment of money due under the contract ("carrier's lien")*.

A mover must include its PUC permit number, true name, and physical (street) address in all advertisements.

You should be aware that the total price of any household move can change, based on a number of factors that may include at least the following:

● Additional services you request at the time of the move;

● Additional items to be moved that were not included in the mover's original estimate;

● Changes to the location or accessibility of building entrances, at either end of the move, that were not included in the mover's original estimate; and

● Changes to the previously agreed date of pickup or delivery.

You should also be aware that, in case of a dispute between you and the mover, Colorado has an arbitration process available to resolve the dispute without going to court.

If you have any questions, you are encouraged to call the PUC for guidance on your rights and obligations.

I acknowledge that I have been given a copy of this consumer advisement to keep for my records.

Signed \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (shipper).

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 414, § 1, effective August 10.

**40-10.1-506. Delivery and storage of household goods.** (1) A mover shall relinquish household goods to a shipper and shall place the goods inside a shipper's dwelling unless the shipper has not tendered payment in the amount specified in a contract signed and dated by the shipper. A mover shall not refuse to relinquish prescription medicines, medical equipment, medical devices, or goods for use by children, including children's furniture, clothing, or toys, under any circumstances.

(2) A mover shall not refuse to relinquish household goods to a shipper or fail to place the goods inside a shipper's dwelling based on the mover's refusal to accept an acceptable form of payment.

(3) A mover that lawfully refuses to relinquish a shipper's household goods may place the goods in storage until payment is tendered; however, the mover shall notify the shipper of the location where the goods are stored and the amount due within five days after receipt of a written request for that information from the shipper, which request shall include the address where the shipper may receive the notice. A mover shall not require a prospective shipper to waive any rights or requirements under this section.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 416, § 1, effective August 10.

**40-10.1-507. Binding arbitration.** In the event of a dispute between a mover and a shipper concerning the amount charged for services or concerning lost or damaged goods, the mover shall offer the shipper the opportunity to participate in binding arbitration under the uniform rules for better business bureau binding arbitration or a substantially similar binding arbitration process promulgated by the council of better business bureaus, incorporated, or its successor organization. If the shipper accepts the offer to arbitrate, the mover shall participate in good faith in the arbitration process and shall agree to be bound by the arbitrator's award.

**Source:** **L. 2011:** Entire article added, (HB 11-1198), ch. 127, p. 416, § 1, effective August 10.

**40-10.1-508. Revocation of permit for failure to pay fine.** (1) If a mover that holds a permit under this section fails to pay a fine or civil penalty imposed under this part 5 or a rule issued under this article 10.1 within the time prescribed for payment, and not before the decision imposing the fine or civil penalty becomes a final decision by the commission, the permit is revoked immediately. Any of the following are disqualified from applying for a permit for thirty-six months after the date the fine or civil penalty is due:

(a) The mover;

(b) Any owner, principal, officer, member, partner, or director of the mover; and

(c) Any other entity owned or operated by that owner, principal, officer, member, partner, or director.

(2) This disqualification is in addition to and not in lieu of any other penalty or disqualification, including the period of disqualification specified in section 40-10.1-112 (4).

**Source:** **L. 2013:** Entire section added, (SB 13-189), ch. 365, p. 2127, § 5, effective June 5. **L. 2017:** IP(1) amended, (SB 17-180), ch. 281, p. 1533, § 6, effective August 9.

**40-10.1-509. Outreach - fund - transfer - repeal.** (1) The moving outreach fund is created in the state treasury. The fund consists of one-half the penalties collected from movers and credited to the fund under section 40-7-112. The commission shall use the fund to educate consumers about their rights and the responsibilities of movers under this part 5. This outreach includes public service announcements about the licensing of movers. Money in the fund and any interest earned on money in the fund remains in the fund and does not revert to the general fund at the end of any fiscal year.

(2) (a) On June 30, 2025, the state treasurer shall transfer five thousand nine hundred sixty-three dollars from the moving outreach fund to the outdoor recreation economic development cash fund created in section 24-48.5-129 (4)(a).

(b) This subsection (2) is repealed, effective July 1, 2026.

**Source:** **L. 2013:** Entire section added, (SB 13-189), ch. 365, p. 2127, § 5, effective June 5. **L. 2025:** Entire section amended, (HB 25-1215), ch. 312, p. 1634, § 14, effective May 30.

**Cross references:** For the legislative declaration in HB 25-1215, see section 1 of chapter 312, Session Laws of Colorado 2025.

PART 6

TRANSPORTATION NETWORK COMPANIES

**Law reviews:** For article, "Über Problems: Ride-Sharing Exclusions in Personal Automobile Insurance Policies", see 47 Colo. Law. 46 (Aug.-Sept. 2018).

**40-10.1-601. Short title.** This article shall be known and may be cited as the "Transportation Network Company Act".

**Source:** **L. 2014:** Entire part added, (SB 14-125), ch. 323, p. 1409, § 6, effective June 5.

**40-10.1-602. Definitions.** As used in this part 6, unless the context otherwise requires:

(1) "Personal vehicle" means a vehicle that is used by a transportation network company driver in connection with providing services for a transportation network company that meets the vehicle criteria set forth in this part 6.

(2) "Prearranged ride" means a period of time that begins when a driver accepts a requested ride through a digital network, continues while the driver transports the rider in a personal vehicle, and ends when the rider departs from the personal vehicle.

(2.5) "School" means a public school that enrolls students in any of the grades of kindergarten through twelfth grade.

(2.6) "Student" means an individual enrolled in a school.

(3) "Transportation network company" means a corporation, partnership, sole proprietorship, or other entity, operating in Colorado, that uses a digital network to connect riders to drivers for the purpose of providing transportation. A transportation network company does not provide taxi service, transportation service arranged through a transportation broker, ridesharing arrangements, as defined in section 39-22-509 (1)(a)(II), C.R.S., or any transportation service over fixed routes at regular intervals. A transportation network company is not deemed to own, control, operate, or manage the personal vehicles used by transportation network company drivers. A transportation network company does not include a political subdivision or other entity exempted from federal income tax under section 115 of the federal "Internal Revenue Code of 1986", as amended.

(4) "Transportation network company driver" or "driver" means an individual who uses his or her personal vehicle to provide services for riders matched through a transportation network company's digital network. A driver need not be an employee of a transportation network company.

(5) "Transportation network company rider" or "rider" means a passenger in a personal vehicle for whom transport is provided, including:

(a) An individual who uses a transportation network company's online application or digital network to connect with a driver to obtain services in the driver's vehicle for the individual and anyone in the individual's party; or

(b) Anyone for whom another individual uses a transportation network company's online application or digital network to connect with a driver to obtain services in the driver's vehicle.

(6) (a) "Transportation network company services" or "services" means the provision of transportation by a driver to a rider with whom the driver is matched through a transportation network company.

(b) "Transportation network company services" or "services" does not include services provided using vehicles owned or leased by a political subdivision or other entity exempt from federal income tax under section 115 of the federal "Internal Revenue Code of 1986", as amended.

(c) "Transportation network company services" or "services" includes services provided under a contract between a transportation network company and a political subdivision or other entity exempt from federal income tax under section 115 of the federal "Internal Revenue Code of 1986", as amended.

**Source:** **L. 2014:** Entire part added, (SB 14-125), ch. 323, p. 1409, § 6, effective June 5. **L. 2022:** (2.5) and (2.6) added and (6) amended, (SB 22-144), ch. 267, p. 1938, § 1, effective May 27.

**40-10.1-603. Limited regulation.** Transportation network companies are governed exclusively by this part 6, except as otherwise provided in article 6 of title 25.5. A transportation network company is not subject to the commission's rate, entry, operational, or common carrier requirements, other than those requirements expressly set forth in this part 6.

**Source:** **L. 2014:** Entire part added, (SB 14-125), ch. 323, p. 1411, § 6, effective June 5. **L. 2022:** Entire section amended, (HB 22-1114), ch. 396, p. 2823, § 7, effective August 10.

**Cross references:** For the legislative declaration in HB 22-1114, see section 1 of chapter 396, Session Laws of Colorado 2022.

**40-10.1-604. Registration - financial responsibility of transportation network companies - primary liability insurance - insurance protection against uninsured motorists.** (1) A transportation network company shall comply with the filing requirements of part 3 and the registered agent requirement of part 7 of article 90 of title 7, C.R.S.

(2) A transportation network company shall file with the commission documentation evidencing that the transportation network company or the driver has secured primary liability insurance coverage for the driver for incidents involving the driver during a prearranged ride. Coverage for incidents involving a driver during a prearranged ride must be in the amount of at least one million dollars per occurrence. The insurance policy must provide coverage at all times the driver is engaged in a prearranged ride. This subsection (2) becomes effective ninety days after June 5, 2014.

(2.5) On and after August 10, 2022, for each transportation network company driver, the driver's transportation network company shall file with the commission, in a manner prescribed by the commission, documentation evidencing that the transportation network company has secured insurance coverage against damage caused by uninsured motorists, as described in section 10-4-609, for the driver and for each transportation network company rider in the driver's personal vehicle for incidents involving the driver during a prearranged ride. Such coverage must be in the amounts of at least two hundred thousand dollars per person and four hundred thousand dollars per occurrence. The insurance policy must provide coverage to drivers and riders at all times the driver is engaged in a prearranged ride.

(3) For the period of time when a driver is logged into a transportation network company's digital network but is not engaged in a prearranged ride, the following insurance requirements apply:

(a) Repealed.

(b) On or before January 15, 2015, and thereafter, a driver or a transportation network company on the driver's behalf shall maintain a primary automobile insurance policy that:

(I) Recognizes that the driver is a transportation network company driver and covers the driver's provision of transportation network company services while the driver is logged into the transportation network company's digital network;

(II) Meets at least the minimum coverage of at least fifty thousand dollars to any one person in any one accident, one hundred thousand dollars to all persons in any one accident, and for property damage arising out of the use of the motor vehicle to a limit, exclusive of interest and costs, of thirty thousand dollars in any one accident; and

(III) Is one of the following:

(A) Full-time coverage similar to the coverage required by commission rules promulgated under section 40-10.1-107 (1);

(B) An insurance rider to, or endorsement of, the driver's personal automobile insurance policy required by the "Motor Vehicle Financial Responsibility Act", article 7 of title 42, C.R.S.; or

(C) A corporate liability insurance policy purchased by the transportation network company that provides primary coverage for the period of time in which a driver is logged into the digital network.

(c) Repealed.

(d) If a transportation network company purchases an insurance policy under this subsection (3), it shall provide documentation to the commission evidencing that the transportation network company has secured the policy. If the responsibility is placed on a driver to purchase insurance under this subsection (3), the transportation network company shall verify that the driver has purchased an insurance policy under this subsection (3).

(4) A driver's personal automobile insurance policy that complies with part 6 of article 4 of title 10, C.R.S., is sufficient to satisfy the compulsory insurance requirements thereof. An insurance policy required by subsection (2) or subsection (3) of this section:

(a) May be placed with an insurer licensed under title 10, C.R.S., or with a surplus lines insurer authorized under article 5 of title 10, C.R.S.; and

(b) Need not separately satisfy the requirements of part 6 of article 4 of title 10, C.R.S.

(5) Nothing in this section requires a personal automobile insurance policy to provide coverage for the period of time in which a driver is logged into a transportation network company's digital network.

(6) If more than one insurance policy provides valid and collectible coverage for a loss arising out of an occurrence involving a motor vehicle operated by a driver, the responsibility for the claim must be divided on a pro rata basis among all of the applicable policies. This equal division of responsibility may only be modified by the written agreement of all of the insurers of the applicable policies and the owners of those policies.

(7) In a claims coverage investigation, a transportation network company shall cooperate with an insurer that also insures the driver's transportation network company vehicle, including the provision of relevant dates and times during which an incident occurred that involved the driver while the driver was logged into a transportation network company's digital network.

(8) Nothing in this section modifies or abrogates any otherwise applicable insurance requirements set forth in title 10, C.R.S.

(9) If a transportation network company's insurer makes a payment for a claim covered under comprehensive coverage or collision coverage, the transportation network company shall cause its insurer to issue the payment directly to the business repairing the vehicle or jointly to the owner of the vehicle and the primary lienholder on the covered vehicle. The commission shall not assess any fines as a result of a violation of this subsection (9).

**Source:** **L. 2014:** Entire part added, (SB 14-125), ch. 323, p. 1411, § 6, effective June 5. **L. 2022:** (2.5) added, (3)(c) repealed, and (7) amended, (HB 22-1089), ch. 169, p. 1036, § 1, effective August 10.

**Editor's note:** Subsection (3)(a) provided for the repeal of subsection (3)(a), effective July 1, 2015. (See L. 2014, p. 1411.)

**40-10.1-605. Operational requirements - rules.** (1) The following requirements apply to the provision of services:

(a) A driver shall not provide services unless a transportation network company has matched the driver to a rider through a digital network. A driver shall not solicit or accept the on-demand summoning of a ride, otherwise known as a "street hail".

(b) A transportation network company shall make available to prospective riders and drivers the method by which the transportation network company calculates fares or the applicable rates being charged and an option to receive an estimated fare.

(c) Upon completion of a prearranged ride, a transportation network company shall transmit to the rider an electronic receipt, either by electronic mail or via text message, documenting:

(I) The point of origin and destination of the prearranged ride;

(II) The total duration and distance of the prearranged ride;

(III) The total fare paid, including the base fare and any additional charges incurred for distance traveled or duration of the prearranged ride; and

(IV) The driver's first name and telephone number.

(d) Before permitting a person to act as a driver on its digital network, a transportation network company shall confirm that the person has self-certified to the transportation network company through the transportation network company's online application or digital network that he or she is physically and mentally fit to drive, is at least twenty-one years of age, and possesses:

(I) A valid driver's license;

(II) Proof of automobile insurance; and

(III) Proof of a Colorado vehicle registration.

(IV) (Deleted by amendment, L. 2021.)

(e) A driver shall not offer or provide transportation network company services for more than twelve consecutive hours.

(f) A transportation network company shall implement an intoxicating substance policy for drivers that disallows any amount of intoxication of the driver while providing services. The transportation network company shall include on its website and mobile device application software a notice concerning the transportation network company's intoxicating substance policy.

(g) (I) A transportation network company shall conduct or have a certified mechanic conduct a safety inspection of a prospective driver's vehicle before it is approved for use as a personal vehicle and shall have periodic inspections of personal vehicles conducted thereafter, at intervals of at least one inspection per year. A safety inspection shall include an inspection of:

(A) Foot brakes;

(B) Emergency brakes;

(C) Steering mechanism;

(D) Windshield;

(E) Rear window and other glass;

(F) Windshield wipers;

(G) Headlights;

(H) Tail lights;

(I) Turn indicator lights;

(J) Stop lights;

(K) Front seat adjustment mechanism;

(L) The opening, closing, and locking capability of the doors;

(M) Horn;

(N) Speedometer;

(O) Bumpers;

(P) Muffler and exhaust system;

(Q) Tire conditions, including tread depth;

(R) Interior and exterior rear-view mirrors; and

(S) Safety belts.

(II) Effective ninety days after June 5, 2014, the commission may also conduct inspections of personal vehicles.

(h) A personal vehicle must:

(I) Have at least four doors; and

(II) Be designed to carry no more than eight passengers, including the driver.

(i) A transportation network company shall make the following disclosure to a prospective driver in the prospective driver's terms of service:

**While operating on the transportation network company's digital network, your personal automobile insurance policy might not afford liability coverage, depending on the policy's terms.**

(j) (I) A transportation network company shall make the following disclosure to a prospective driver in the prospective driver's terms of service:

**If the vehicle that you plan to use to provide transportation network company services for our transportation network company has a lien against it, you must notify the lienholder that you will be using the vehicle for transportation services that may violate the terms of your contract with the lienholder.**

(II) The disclosure set forth in subparagraph (I) of this paragraph (j) must be placed prominently in the prospective driver's written terms of service, and the prospective driver must acknowledge the terms of service electronically or by signature.

(k) A transportation network company shall make available to a rider a customer support telephone number on its digital network or website for rider inquiries.

(l) The disclosure requirements set forth in this subsection (1) take effect on July 1, 2014.

(m) (I) A transportation network company shall not disclose to a third party any personally identifiable information concerning a user of the transportation network company's digital network unless:

(A) The transportation network company obtains the user's consent to disclose personally identifiable information;

(B) Disclosure is necessary to comply with a legal obligation; or

(C) Disclosure is necessary to protect or defend the terms and conditions for use of the service or to investigate violations of the terms and conditions.

(II) The limitation on disclosure does not apply to the disclosure of aggregated user data and other information about the user that is not personally identifiable.

(n) Any taxicab company or shuttle company authorized by the commission under this article may convert to a transportation network company model or may set up a subsidiary or affiliate transportation network company. In converting to a transportation network company model or setting up a transportation network company subsidiary or affiliate, a taxicab company or shuttle company authorized by the commission under this article may completely or partially suspend its certificate of public convenience and necessity issued under section 40-10.1-201. During the period of suspension of its certificate of public convenience and necessity, a taxicab company, shuttle company, or a subsidiary or affiliate of a taxicab company or shuttle company is exempt from taxi or shuttle standards under this article, the standards concerning the regulation of rates and charges under article 3 of this title, and any commission rules regarding common carriers promulgated under this article or article 3 of this title.

(o) Each transportation network company shall require that each personal vehicle providing transportation network company services display an exterior marking that identifies the personal vehicle as a vehicle for hire.

(p) A transportation network company that, for remuneration from a school or school district, provides services for students to or from a school, school-related activities, or school-sanctioned activities shall enter into a contract with the appropriate school or school district that may include specific provisions for the safety of student passengers, as determined by the school or school district.

(q) A transportation network company that, for remuneration from a school or school district, provides services for students to or from a school, school-related activities, or school-sanctioned activities shall use a technology-enabled integrated solution that provides end-to-end visibility into the ride for the transportation network company, the student's legal guardian, and the person that scheduled the ride. This solution must allow for global positioning system monitoring of the ride in real time for safety-related anomalies.

(r) A transportation network company that, for remuneration from a school or school district, provides services for students to or from a school, school-related activities, or school-sanctioned activities shall ensure that each driver providing the service receives training in mandatory reporting requirements, safe driving practices, first aid and cardiopulmonary resuscitation, education on special considerations for transporting students with disabilities, emergency preparedness, and safe pick-up and drop-off procedures. The transportation network company, not the driver, shall pay the cost of providing the training. No later than September 1, 2022, the commission shall, in coordination with the department of education, promulgate rules providing for the approval of the training used, and the transportation network company must have the training approved by the commission.

(2) A transportation network company or a third party shall retain true and accurate inspection records for at least fourteen months after an inspection was conducted for each personal vehicle used by a driver.

(3) (a) Before a person is permitted to act as a driver through use of a transportation network company's digital network, the person shall:

(I) Obtain a criminal history record check pursuant to the procedures set forth in section 40-10.1-110 as supplemented by the commission's rules promulgated under section 40-10.1-110 or through a privately administered national criminal history record check, including the national sex offender database; and

(II) If a privately administered national criminal history record check is used, provide a copy of the criminal history record check to the transportation network company.

(b) A driver shall obtain a criminal history record check in accordance with subparagraph (I) of paragraph (a) of this subsection (3) every five years while serving as a driver.

(c) (I) A person who has been convicted of or pled guilty or nolo contendere to driving under the influence of drugs or alcohol in the previous seven years before applying to become a driver shall not serve as a driver. If the criminal history record check reveals that the person has ever been convicted of or pled guilty or nolo contendere to any of the following felony offenses, the person shall not serve as a driver:

(A) An offense involving fraud, as described in article 5 of title 18, C.R.S.;

(B) An offense involving unlawful sexual behavior, as defined in section 16-22-102 (9), C.R.S.;

(C) An offense against property, as described in article 4 of title 18, C.R.S.; or

(D) A crime of violence, as described in section 18-1.3-406, C.R.S.

(II) A person who has been convicted of a comparable offense to the offenses listed in subparagraph (I) of this paragraph (c) in another state or in the United States shall not serve as a driver.

(III) A transportation network company or a third party shall retain true and accurate results of the criminal history record check for each driver that provides services for the transportation network company for at least five years after the criminal history record check was conducted.

(IV) A person who has, within the immediately preceding five years, been convicted of or pled guilty or nolo contendere to a felony shall not serve as a driver.

(4) (a) Before permitting an individual to act as a driver on its digital network, a transportation network company shall obtain and review a driving history research report for the individual.

(b) An individual with the following moving violations shall not serve as a driver:

(I) More than three moving violations in the three-year period preceding the individual's application to serve as a driver; or

(II) A major moving violation in the three-year period preceding the individual's application to serve as a driver, whether committed in this state, another state, or the United States, including vehicular eluding, as described in section 18-9-116.5, C.R.S., reckless driving, as described in section 42-4-1401, C.R.S., and driving under restraint, as described in section 42-2-138, C.R.S.

(c) A transportation network company or a third party shall retain true and accurate results of the driving history research report for each driver that provides services for the transportation network company for at least three years.

(5) If any person files a complaint with the commission against a transportation network company or driver, the commission may inspect the transportation network company's records as reasonably necessary to investigate and resolve the complaint.

(6) (a) A transportation network company shall provide services to the public in a nondiscriminatory manner, regardless of: Geographic location of the departure point or destination once the driver and rider have been matched through the digital network; race; ethnicity; gender; sexual orientation, as defined in section 2-4-401 (13.5); gender identity, as defined in section 2-4-401 (3.5); gender expression, as defined in section 2-4-401 (3.4); or disability that could prevent customers from accessing transportation. A driver shall not refuse to transport a passenger unless:

(I) The passenger is acting in an unlawful, disorderly, or endangering manner;

(II) The passenger is unable to care for himself or herself and is not in the charge of a responsible companion; or

(III) The driver has already committed to providing a ride for another rider.

(b) A transportation network company shall not impose additional charges for providing services to persons with physical or mental disabilities because of those disabilities.

(c) A driver shall permit a service animal to accompany a rider on a prearranged ride.

(d) If a rider with physical or mental disabilities requires the use of the rider's mobility equipment, a driver shall store the mobility equipment in the vehicle during a prearranged ride if the vehicle is reasonably capable of storing the mobility equipment. If the driver is unable to store a rider's mobility equipment in the driver's vehicle, the driver shall refer the rider to another driver or transportation service provider with a vehicle that is equipped to accommodate the rider's mobility equipment.

(7) (a) A transportation network company is not liable for a driver's violation of subsection (6) of this section unless the driver's violation has been previously reported to the transportation network company in writing, and the transportation network company has failed to reasonably address the alleged violation. The commission shall afford a transportation network company the same due process rights afforded transportation providers in defending against civil penalties assessed by the commission.

(b) The commission may assess a civil penalty up to five hundred fifty dollars under this subsection (7).

(8) Within ten days of receiving a complaint about a driver's alleged violation of subsection (6) of this section, the commission shall report the complaint to the transportation network company for which the driver provides services.

(9) A driver shall immediately report to the transportation network company any refusal to transport a passenger pursuant to paragraph (a) of subsection (6) of this section, and the transportation network company shall annually report all such refusals to the commission in a form and manner determined by the commission.

(10) A transportation network company shall not use a driver to provide services for students to or from a school, school-related activities, or school-sanctioned activities for remuneration from a school or school district if the driver has been convicted of or pled guilty or nolo contendere to an offense described in section 22-32-109.8 (6.5).

**Source:** **L. 2014:** Entire part added, (SB 14-125), ch. 323, p. 1413, § 6, effective June 5. **L. 2021:** (1)(d) amended, (SB 21-260), ch. 250, p. 1405, § 23, effective June 17; IP(6)(a) amended, (HB 21-1108), ch. 156, p. 899, § 48, effective September 7. **L. 2022:** (1)(p) to (1)(r) and (10) added, (SB 22-144), ch. 267, p. 1939, § 3, effective May 27.

**Cross references:** For the legislative declaration in SB 21-260, see section 1 of chapter 250, Session Laws of Colorado 2021. For the legislative declaration in HB 21-1108, see section 1 of chapter 156, Session Laws of Colorado 2021.

**40-10.1-606. Permit required for transportation network companies - annual permit fee - penalty for violation - rules.** (1) A person shall not operate a transportation network company in Colorado without first having obtained a permit from the commission.

(2) (a) Repealed.

(b) On and after January 1, 2024, the commission shall issue a permit to each transportation network company that meets the requirements of this part 6 and pays an annual permit fee to the commission in an amount that the commission sets administratively with approval of the executive director of the department of regulatory agencies and that does not exceed one hundred eleven thousand two hundred fifty dollars. Before increasing a permit fee pursuant to this subsection (2)(b), the commission shall notify transportation network companies in writing of the increased fee at least thirty days before the increased fee takes effect.

(c) The commission may adopt rules establishing different tiers of permit fees to be set administratively for distinct types of transportation network companies based on the commission's consideration of market factors, including:

(I) A transportation network company's market share in the areas in which it operates;

(II) The number of years that a transportation network company has operated in the state;

(III) Whether a newly formed transportation network company entering the market is:

(A) An affiliate or a subsidiary of an existing motor carrier;

(B) A taxicab company or shuttle company that has converted to a transportation network company pursuant to section 40-10.1-605 (1)(n); or

(C) A new entity that has not previously been a motor carrier and is not an affiliate or a subsidiary of a motor carrier; and

(IV) The transportation network company's ownership structure.

(d) In establishing different tiers of permit fees by rule pursuant to subsection (2)(c) of this section, the commission shall ensure that the revenue generated from all transportation network company permit fees approximates the direct and indirect costs of the commission in the supervision and regulation of transportation network companies.

(e) If the commission adopts rules to establish different tiers of permit fees by rule pursuant to subsection (2)(c) of this section, the commission shall publish the criteria that it used to establish the different tiers of permit fees on the commission's website.

(3) The commission shall determine the form and manner of application for a transportation network company permit.

(4) The commission may take action against a transportation network company as set forth in section 40-10.1-112, including issuing an order to cease and desist and suspending, revoking, altering, or amending a permit issued to the transportation network company.

(5) (a) For a violation of this part 6 or a failure to comply with a commission order, decision, or rule issued under this part 6, a transportation network company is subject to the commission's authority under sections 40-7-101, 40-7-112, 40-7-113, 40-7-115, and 40-7-116.

(b) The commission shall not assess a penalty against a driver.

(6) The commission may deny an application under this part 6 or refuse to renew the permit of a transportation network company based on a determination that the transportation network company has not satisfied a civil penalty arising out of an administrative or enforcement action brought by the commission.

**Source:** **L. 2014:** Entire part added, (SB 14-125), ch. 323, p. 1419, § 6, effective June 5. **L. 2023:** (2) amended, (SB 23-187), ch. 220, p. 1143, § 3, effective May 18.

**Editor's note:** Subsection (2)(a)(II) provided for the repeal of subsection (2)(a), effective January 1, 2024. (See L. 2023, p. 1143.)

**40-10.1-607. Fees - transportation network company fund - creation.** The commission shall transmit all fees payable to and collected by the commission pursuant to this part 6 to the state treasurer, who shall credit the fees to the transportation network company fund, which is hereby created in the state treasury. The money in the fund is continuously appropriated to the commission for the purposes set forth in this part 6. All interest earned from the deposit and investment of money in the fund is credited to the fund. Any money not expended at the end of the fiscal year remains in the fund and does not revert to the general fund or any other fund.

**Source:** **L. 2014:** Entire part added, (SB 14-125), ch. 323, p. 1420, § 6, effective June 5. **L. 2021:** Entire section amended, (SB 21-260), ch. 250, p. 1405, § 24, effective June 17.

**Cross references:** For the legislative declaration in SB 21-260, see section 1 of chapter 250, Session Laws of Colorado 2021.

**40-10.1-607.5. Fees - enterprise per ride fees - collection - distribution of fee proceeds - enterprise per ride fees fund - rules - definitions.** (1) As used in this section, unless the context otherwise requires:

(a) "Air pollution mitigation per ride fee" means the air pollution mitigation per ride fee imposed by the nonattainment area air pollution mitigation enterprise as required by section 43-4-1303 (7).

(b) Repealed.

(c) "Clean fleet per ride fee" means the clean fleet per ride fee imposed by the clean fleet enterprise created in section 25-7.5-103 (1)(a) as required by section 25-7.5-103 (7).

(d) "Enterprise per ride fees" means the clean fleet per ride fee and the air pollution mitigation per ride fee.

(2) For prearranged rides requested and accepted during state fiscal year 2022-23 or any subsequent state fiscal year, each transportation network company shall pay to the department of revenue, at the time and in the manner prescribed by the department, the enterprise per ride fees, which, for the purpose of minimizing compliance costs for transportation network companies and administrative costs for the state, the department shall collect on behalf of the enterprises.

(3) The department of revenue shall transmit all net enterprise per ride fee revenue to the state treasurer, who shall credit the net revenue as follows:

(a) All net clean fleet per ride fee revenue shall be credited to the clean fleet enterprise fund created in section 25-7.5-103 (5); and

(b) All net air pollution mitigation per ride fee revenue shall be credited to the nonattainment area air pollution mitigation enterprise fund created in section 43-4-1303 (5).

(4) When collecting the enterprise per ride fees, the department of revenue shall retain an amount that does not exceed the total cost of collecting, administering, and enforcing the enterprise per ride fees and shall transmit the amount retained to the state treasurer, who shall credit it to the enterprise per ride fees fund, which is hereby created in the state treasury. All money in the enterprise per ride fees fund is continuously appropriated to the department of revenue to defray the costs incurred by the department in collecting, enforcing, and administering the enterprise per ride fees.

(5) The collection, administration, and enforcement of the enterprise per ride fees collected as required by subsection (2) of this section shall be performed by the executive director of the department of revenue in the same manner as the collection, administration, and enforcement of state taxes pursuant to article 21 of title 39. The department of revenue may promulgate rules to implement this section.

**Source:** **L. 2021:** Entire section added, (SB 21-260), ch. 250, p. 1406, § 25, effective June 17. **L. 2025:** (1)(b) repealed, (SB 25-300), ch. 428, p. 2459, § 67, effective August 6.

**Cross references:** For the legislative declaration in SB 21-260, see section 1 of chapter 250, Session Laws of Colorado 2021.

**40-10.1-608. Rules.** (1) The commission may promulgate rules consistent with this part 6, including rules concerning administration, fees, and safety requirements.

(2) The commission may promulgate rules requiring a transportation network company to maintain and file with the commission evidence of financial responsibility and proof of the continued validity of the insurance policy, surety bond, or self-insurance, but shall not require a transportation network company to file a copy of the insurance policy.

(3) (a) In addition to any other rules authorized in this part 6, the commission shall coordinate with the department of education to promulgate rules implementing minimum safety standards for transportation network companies, personal vehicles, and transportation network company drivers when engaging in services provided under a contract with a school or school district. The commission shall promulgate the rules by September 1, 2022.

(b) At least once every three years, the commission shall, in consultation with the department of education, review and, if necessary, update the rules promulgated in accordance with this subsection (3) as reasonably necessary to ensure safe student transportation.

(c) Nothing in this subsection (3) prohibits a school or school district from setting higher standards for transporting a student to or from a school, school-related activity, or school-sanctioned activity.

**Source:** **L. 2014:** Entire part added, (SB 14-125), ch. 323, p. 1420, § 6, effective June 5. **L. 2022:** (3) added, (SB 22-144), ch. 267, p. 1940, § 4, effective May 27.

**40-10.1-609. Reporting requirements - rules.** (1) A transportation network company shall, within a reasonable time as determined by rules of the commission, notify the commission of any safety or security incidents that involve providing services for students to or from a school, school-related activities, or school-sanctioned activities. The transportation network company shall send the same notice to each school or school district with which the transportation network company has entered into a contract to provide services to students to or from a school, school-related activities, or school-sanctioned activities.

(2) (a) By September 1, 2022, the commission shall promulgate rules requiring a transportation network company to report information related to driver background checks, insurance coverage, and data reporting, consistent with the type of service provided, as it relates to service for students. In promulgating the rules, the commission shall coordinate with the department of education.

(b) At least once every three years, the commission shall, in consultation with the department of education, review and, if necessary, update the rules promulgated in accordance with this subsection (2).

**Source: L. 2022:** Entire section added, (SB 22-144), ch. 267, p. 1940, § 5, effective May 27.

PART 7

LARGE-MARKET TAXICAB SERVICES

**40-10.1-701. Legislative declaration.** (1) The general assembly finds and declares that:

(a) Nothing in this part 7 requires or prohibits a motor carrier applying for a permit pursuant to section 40-10.1-702 (1)(a) to form a labor union nor requires any large-market taxicab service driver to join a labor union; and

(b) If a motor carrier previously obtained a certificate of public convenience and necessity to provide taxicab service pursuant to section 40-10.1-201 and the certificate remains valid at a time that the motor carrier subsequently obtains a permit to operate large-market taxicab service under this part 7, the motor carrier's certificate constitutes a devalued asset for the motor carrier.

**Source: L. 2018:** Entire part added, (HB 18-1320), ch. 363, p. 2167, § 10, effective August 8.

**40-10.1-702. Large-market taxicab service - permit required - rules.** (1) (a) On and after January 1, 2019, a person shall not operate or offer to operate large-market taxicab service in intrastate commerce without first having obtained a permit to operate large-market taxicab service from the commission in accordance with this part 7.

(b) A person may apply for a permit in a form and manner prescribed by the commission.

(c) A permit issued pursuant to this section is valid for one year after the date of issuance.

(2) Except as provided in section 40-10.1-704, the commission shall issue a permit to a motor carrier of passengers upon completion of the application filed pursuant to subsection (1) of this section, the payment of a fee determined by the commission, compliance with the financial responsibility requirements established by rule by the commission pursuant to section 40-10.1-107, and submission of current rate information pursuant to section 40-10.1-705.

(3) In order to obtain a permit under this section, an applicant must demonstrate that each vehicle operated under the permit has been inspected within the immediately preceding twelve months by a qualified mechanic in accordance with rules promulgated by the commission.

(4) (a) Except as provided in subsection (4)(b) of this section, a motor carrier providing large-market taxicab service must have at least twenty-five vehicles in its fleet at all times.

(b) In El Paso, Larimer, and Weld counties, a motor carrier providing large-market taxicab service must have at least ten vehicles in its fleet at all times.

(5) For each county served by a motor carrier providing large-market taxicab service pursuant to this part 7, the commission shall by rule determine the maximum rate that a motor carrier providing large-market taxicab service may charge its passengers.

**Source: L. 2018:** Entire part added, (HB 18-1320), ch. 363, p. 2168, § 10, effective August 8.

**40-10.1-703. Large-market taxicab service license plates - rules.** (1) The commission shall create either a document or an electronic system that a person authorized to provide large-market taxicab service under this part 7 may use to verify to the department of revenue or the department's authorized agent that the person provides large-market taxicab service.

(2) Upon request, the commission shall:

(a) If the commission creates a document pursuant to subsection (1) of this section, provide the document to the person authorized to provide large-market taxicab service; or

(b) If the commission creates an electronic system pursuant to subsection (1) of this section, provide the electronic verification to the department of revenue or its authorized agent.

(3) The commission may promulgate rules to implement this section and to enforce section 42-3-236.

**Source: L. 2018:** Entire part added, (HB 18-1320), ch. 363, p. 2168, § 10, effective August 8.

**40-10.1-704. Permit revocation.** (1) If a motor carrier that holds a permit under this part 7 fails to comply with a final commission decision that assesses a fine or civil penalty pursuant to section 40-7-113 for a violation of this article 10.1 or a rule adopted pursuant to this article 10.1, the motor carrier's permit is revoked immediately. Any of the following persons are disqualified from applying for a permit for twenty-four months after the date of the permit revocation:

(a) The motor carrier;

(b) An owner, principal, officer, member, partner, or director of the motor carrier; and

(c) Any other entity owned or operated by an owner, principal, officer, member, partner, or director of the motor carrier.

(2) The disqualification set forth in subsection (1) of this section does not apply to revocation based on a failure to carry insurance unless the person knowingly operated the motor carrier without insurance.

(3) The disqualification set forth in subsection (1) of this section is in addition to and not in lieu of any other penalty or disqualification, including the period of disqualification specified in section 40-10.1-112 (4).

**Source: L. 2018:** Entire part added, (HB 18-1320), ch. 363, p. 2169, § 10, effective August 8.

**40-10.1-705. Rates - limitations - rules.** (1) Except as provided in subsections (2) and (3) of this section, large-market taxicab services are not subject to rate limitations imposed under part 2 of this article 10.1.

(2) (a) A motor carrier operating a large-market taxicab service shall file with the commission, in the form and manner that the commission may designate, a schedule showing the rates, charges, and collections that the motor carrier collects, enforces, or intends to collect or enforce that affect or relate to the motor carrier's large-market taxicab service operations.

(b) The commission shall not limit the number or frequency of rate schedules that a motor carrier may file with the commission pursuant to subsection (2)(a) of this section.

(c) Unless a filed rate schedule exceeds the maximum rate set by the commission by rule pursuant to section 40-10.1-702 (5), the commission shall not reject a rate schedule filed with the commission unless the schedule was not filed in the form and manner designated by the commission pursuant to subsection (2)(a) of this section. The commission shall not amend any rate schedule filed with the commission pursuant to this section.

(3) It is unlawful for a motor carrier operating a large-market taxicab service to carry or advertise that it will carry individuals in a manner contrary to the filing required under subsection (2)(a) of this section.

(4) The commission may promulgate rules consistent with this section to implement the system of schedule filings required by this section.

**Source: L. 2018:** Entire part added, (HB 18-1320), ch. 363, p. 2169, § 10, effective August 8.

PART 8

VEHICLE IMMOBILIZATION COMPANIES

**Editor's note:** Section 5 of chapter 391 (HB 25-1117), Session Laws of Colorado 2025, provides that the act changing this part applies to violations committed on or after June 3, 2025.

**Cross references:** For the legislative declaration in HB 25-1117, see section 1 of chapter 391, Session Laws of Colorado 2025.

**40-10.1-801. Permit requirements - fund.** (1) (a) A person shall not operate or offer to operate as a vehicle immobilization company in intrastate commerce without first having obtained a permit from the commission in accordance with this article 10.1.

(b) A person may apply for a permit under this part 8 to the commission in the form and with the information as the commission requires. Permits are valid for one year after the date of issuance.

(2) (a) (I) The commission may deny an application for or suspend, revoke, or refuse to renew a permit issued under this part 8 of a person who has, within the immediately preceding five years, been convicted of, pled guilty to, or pled nolo contendere to a felony or immobilization-related offense. The commission may also deny an application for or suspend, revoke, or refuse to renew a permit of a vehicle immobilization company based upon a determination that the vehicle immobilization company or any of its owners, principals, officers, members, partners, or directors has not satisfied a civil penalty arising out of an administrative or enforcement action brought by the commission.

(II) A vehicle immobilization company that applies for a permit or that applies to renew a permit shall disclose to the commission each person that is an owner of, principal of, officer of, member of, partner of, or director of the vehicle immobilization company in accordance with rules adopted by the commission.

(b) The commission may deny an application for or suspend, revoke, or refuse to renew a permit of a vehicle immobilization company based on a determination that it is not in the public interest for the vehicle immobilization company to possess a permit. The determination is subject to appeal in accordance with commission rules. A vehicle immobilization company's possession of a permit is rebuttably presumed to be not in the public interest if the vehicle immobilization company has willfully and repeatedly failed to comply with this article 10.1.

(3) (a) Except as otherwise provided in subsection (2) of this section and section 40-10.1-112 (4), the commission shall issue a permit to a vehicle immobilization company upon completion of the application and the filing of proof of workers' compensation insurance coverage in accordance with the "Workers' Compensation Act of Colorado", articles 40 to 47 of title 8, and with the financial responsibility requirements of this title 40 and may attach to the permit and to the exercise of the rights granted by the permit any restrictions, terms, and conditions, including altering the rates and charges of the applicant, as are reasonably deemed necessary for the protection of the property of the public.

(b) If a vehicle immobilization company violates this article 10.1, any other applicable provision of law, or a commission rule adopted or commission order issued under this article 10.1 and as a result is ordered by a court or by the commission to pay a fine or civil penalty that the vehicle immobilization company subsequently fails to pay in full within the time prescribed for payment, and not before the decision imposing the fine or civil penalty becomes a final decision by the commission, then:

(I) The vehicle immobilization company's permit is revoked; and

(II) The vehicle immobilization company, its owners, principals, officers, members, partners, and directors, and any other entity owned or operated by one or more of those owners, principals, officers, members, partners, or directors, may be disqualified from obtaining or renewing any operating authority under this title 40 for a period of five years after the date on which the fine or civil penalty was due. The period of disqualification described in this subsection (3)(b)(II) is in addition to, and not in lieu of, and does not affect any other penalty or period of disqualification, including the period of disqualification specified in section 40-10.1-112 (4).

(c) A vehicle immobilization company's facilities and vehicles are subject to inspection by the commission and by authorized personnel of the Colorado state patrol, which agency shall promptly report to the commission concerning any violations revealed by an inspection.

(4) The commission may adopt rules as necessary and reasonable to implement this part 8, rules regarding signage and drop fees, and rules requiring a vehicle immobilization company to maintain and file with the commission evidence of financial responsibility and proof of the continued validity of the financial responsibility.

(5) There is created in the state treasury the vehicle booting cash fund, referred to in this subsection (5) as the "fund", consisting of any fee revenue collected by the commission pursuant to this part 8 and credited by the state treasurer into the fund and any other money that the general assembly may appropriate or transfer to the fund. The money in the fund is continuously appropriated to the commission for its implementation of this part 8. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the fund to the fund.

**Source:** **L. 2019:** Entire part added, (SB 19-236), ch. 359, p. 3314, § 21, effective May 30. **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2201, § 3, effective June 3.

**40-10.1-802. Vehicle immobilization company document vehicle's condition and reason for immobilization - adequate illumination.** (1) Before a vehicle immobilization company immobilizes a vehicle, the company shall document the vehicle's condition and the reason for the immobilization by:

(a) Taking at least one photograph with a resolution of at least two thousand pixels by at least two thousand pixels that shows the vehicle immobilization device and the entire portion of the vehicle to which it is attached; and

(b) Taking at least one photograph that shows the reason for the vehicle being immobilized. The photograph must:

(I) Show the position of the vehicle in relation to the reason, including any sign, that the vehicle was immobilized; and

(II) Be rendered in a resolution of at least two thousand pixels by at least two thousand pixels.

(2) (a) Upon demand by an authorized or interested person, the vehicle immobilization company shall provide copies of the photographs required to be taken by subsection (1) of this section to the authorized or interested person.

(b) (I) A rebuttable presumption that a vehicle immobilization company damaged a vehicle is created by evidence that:

(A) The vehicle immobilization company has failed to produce photographs of the vehicle's condition in compliance with subsection (2)(a) of this section; and

(B) The vehicle has suffered damage.

(II) A vehicle immobilization company's failure to produce a photograph of the reason for the immobilization in compliance with subsection (2)(a) of this section creates a rebuttable presumption that the vehicle immobilization company did not have authorization to immobilize a vehicle.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2203, § 3, effective June 3.

**40-10.1-803. Vehicle immobilization company must display name.** (1) (a) A vehicle immobilization company shall display the name of the company, the permit number, and a phone number of the company on each company vehicle used in immobilization.

(b) The display required in subsection (1)(a) of this section must be displayed:

(I) On each side of the company vehicle in plain view; and

(II) When immobilizing a vehicle, driving to immobilize a vehicle, or driving from immobilizing a vehicle, but the display need not be permanently affixed to the company vehicle.

(c) The lettering on the display required in subsection (1)(a) of this section must be:

(I) Legible during daylight hours from a minimum distance of fifty feet; and

(II) At least three inches tall.

(2) The representative of a vehicle immobilization company shall have business identification visibly worn at all times while immobilizing a vehicle or accepting payment.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2203, § 3, effective June 3.

**40-10.1-804. Immobilization - multiple devices.** If a vehicle has been immobilized by a vehicle immobilization company, another vehicle immobilization company shall not immobilize the vehicle until the first immobilization device has been removed. If a vehicle immobilization company applies more than one immobilization device to a vehicle, the company shall not charge more than once for the removal of all the immobilization devices.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2204, § 3, effective June 3.

**40-10.1-805. Immobilization requirements and limitations - notice to vehicle owner or operator required.** (1) (a) A vehicle immobilization company shall not immobilize a vehicle on private property unless:

(I) The immobilization is expressly ordered or authorized by a court order, an administrative order, or a peace officer or by operation of law; or

(II) The vehicle immobilization company has received documented permission, which must not be automated or preapproved, for each individual immobilization, within the twenty-four hours immediately preceding the immobilization, from the following person that must document the permission by signing the form created in accordance with subsection (1)(b)(I) of this section:

(A) The owner of or leaseholder of the private property; except that, if the owner or leaseholder would earn income from the immobilization, the vehicle immobilization company shall not perform the immobilization but may authorize another vehicle immobilization company to perform the immobilization;

(B) A person subject to the "Colorado Common Interest Ownership Act", article 33.3 of title 38, if the private property is located within the boundaries of the person's area of operation; or

(C) An employee of a person described in subsection (1)(a)(II)(A) or (1)(a)(II)(B) of this section or an employee of a property management company retained to collect rent and perform residential services; except that the employee who has a financial interest in or relationship with the vehicle immobilization company or a parking lot management company that earns income from managing or controlling parking or permission to park or that earns income from immobilizations shall not grant permission to authorize the immobilization.

(b) (I) The commission shall create a form that implements subsection (1)(a)(II) of this section.

(II) The vehicle immobilization company must retain for three years after the immobilization the signed form required by subsection (1)(a)(II) of this section and, upon request, provide the signed form to the authorized or interested person.

(2) A property owner with tenants shall issue each tenant a written document containing any applicable parking regulations before the regulations are adopted or amended or before the person agrees to be a tenant.

(3) (a) Except as provided in subsection (3)(d) of this section, a vehicle immobilization company shall not immobilize a vehicle in a parking space or common parking area without the vehicle immobilization company or property owner giving the vehicle owner or operator twenty-four hours' written notice, unless the vehicle owner or operator has received a previous notice for parking inappropriately in the same manner.

(b) The vehicle immobilization company or property owner shall provide the notice required in subsection (3)(a) of this section by placing a written notice on the windshield of the vehicle at least twenty-four hours before immobilizing the vehicle.

(c) The notice required in subsection (3)(a) of this section must state clearly:

(I) That the vehicle will be immobilized if the vehicle remains parked inappropriately;

(II) A description of the inappropriate parking that has caused the notice to be given;

(III) The date and time the vehicle will be immobilized if it is not moved to appropriate parking or the inappropriate parking has not been corrected; and

(IV) That continuing to park inappropriately in the same manner may lead to the vehicle being immobilized without notice.

(d) (I) A vehicle immobilization company or property owner need not give the notice required in subsection (3)(a) of this section before immobilizing the vehicle if the vehicle immobilization company gives the notice required in subsection (3)(d)(II) of this section and if:

(A) The vehicle is parked a second or subsequent time in the same inappropriate manner that caused it to receive previous notices;

(B) The vehicle is parked in or effectively obstructing a fire hydrant or a designated and marked fire zone;

(C) The vehicle is parked in violation of section 42-4-1208 (4) or in reserved parking for people with disabilities without displaying an identifying placard or an identifying plate, as those terms are defined in section 42-3-204 (1)(f) and (1)(g), that is currently valid or has been expired for no more than sixty days;

(D) The immobilization is expressly ordered or authorized by a court order, an administrative order, or a peace officer or by operation of law;

(E) The vehicle significantly blocks a driveway or roadway enough to effectively obstruct a person's access to the driveway or roadway;

(F) The vehicle is parked in an individually designated, rented, or purchased parking space of a resident; or

(G) The vehicle is parked in a parking lot marked for the exclusive use of residents; except that the notice required in subsection (3)(a) of this section is required for parking spaces that are designated as visitor parking.

(II) To immobilize a vehicle under subsection (3)(d)(I) of this section, the vehicle immobilization company must place a notice on the immobilized vehicle that contains the phone number of the company, the normal operating hours of the company, and the phone number to contact the company outside of normal operating hours.

(e) For purposes of this subsection (3), a vehicle is parked inappropriately when it is parked in a manner that:

(I) Violates the procedures necessary to obtain authorization to park in the lot or space;

(II) Fails to comply with the property owner's signs or the agreements of the tenants; or

(III) Violates a statute, rule, ordinance, or resolution of the state or a political subdivision of the state.

(4) (a) A vehicle immobilization company shall not immobilize a vehicle on private property normally used for parking unless:

(I) Notice of the parking regulations was provided to the vehicle operator upon entering the private property and parking the vehicle; and

(II) Notice that a vehicle parked in violation of the regulations is subject to immobilization at the vehicle owner's expense was provided to the vehicle operator upon entering the private property and parking the vehicle.

(b) A property owner with tenants shall provide the notice described in this subsection (4) by issuing each tenant a written document containing the applicable parking regulations before the regulations are adopted or amended or before the person agrees to be a tenant.

(5) Unless the immobilization is based on an order given by a peace officer, a vehicle immobilization company shall not immobilize a vehicle on private property because the rear license plate of the vehicle or the record obtained using the system described in section 42-4-2103 (3)(c)(III) indicates that the vehicle's registration has expired.

(6) A vehicle immobilization company shall not immobilize a vehicle because the vehicle is inoperable if the vehicle is owned by a resident and is parked in the resident's designated, rented, or purchased parking space or driveway or in a mobile home lot that is leased or owned by the resident.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2204, § 3, effective June 3.

**40-10.1-806. Signage required to immobilize a vehicle - effective date.** (1) In order for a vehicle immobilization company to immobilize a vehicle, the property owner must have posted signage that:

(a) Is not less than two square feet in size;

(b) Has lettering not less than one inch in height;

(c) Has lettering that contrasts sharply in color with the background on which the letters are placed and contrasts sharply with the structure the signs are placed on;

(d) Contains the following information in the order listed below:

(I) The restriction or prohibition on parking;

(II) The times of the day and days that the restriction is applicable, but, if the restriction applies twenty-four hours per day, seven days per week, the sign must say "Authorized Parking Only";

(III) Notice that violating the regulation subjects the violating vehicle to be immobilized at the vehicle owner's expense; and

(IV) The name and telephone number of the vehicle immobilization company authorized to perform immobilizations on the private property;

(e) Is printed in English and Spanish;

(f) Is permanently mounted both:

(I) At each entrance to the private property so that the sign faces outward toward the street and is visible before and upon entering the private property; and

(II) Inside the private property so that the sign faces outward toward the parking area;

(g) Is not obstructed from view or placed in a manner that prevents direct visibility;

(h) Is not placed higher than ten feet or lower than three feet from the surface closest to the sign's placement;

(i) Has the same number of signs as the number of lampposts if the parking area has more than ten freestanding lampposts on the property, and:

(I) A sign is posted on each lamppost; or

(II) A sign is posted upright in conspicuous locations evenly distributed across the parking area.

(2) The signage required by this section may be combined with the signage required in section 40-10.1-405.

(3) (a) This section is effective January 1, 2026.

(b) This subsection (3) is repealed, effective July 2, 2026.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2207, § 3, effective June 3.

**40-10.1-807. Patrolling prohibited.** A vehicle immobilization company shall not patrol or monitor property to enforce parking restrictions on behalf of a property owner.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2208, § 3, effective June 3.

**40-10.1-808. Insurance must be provided.** In connection with an immobilization, a vehicle immobilization company shall provide, upon request, evidence of the vehicle immobilization company's commercial liability insurance coverage, including motor vehicle liability coverage, to an authorized or interested person.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2208, § 3, effective June 3.

**40-10.1-809. Payment requirements - itemized bills.** (1) (a) A vehicle immobilization company shall immediately accept payment if offered in cash or by valid major credit card. Upon payment, the vehicle immobilization company shall release the vehicle to an authorized or interested person.

(b) A vehicle immobilization company shall disclose accepted forms of payment, including those forms required to be accepted in accordance with subsection (1)(a) of this section.

(2) A vehicle immobilization company shall provide to an authorized or interested person an itemized bill showing each charge and the rate for each fee incurred as a result of an immobilization and any fee that caused the immobilization.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2208, § 3, effective June 3.

**40-10.1-810. Release requirements - notice - private property - release for nonconsensual tow.** (1) If a vehicle immobilization company has immobilized a vehicle on private property, the vehicle immobilization company shall give the authorized or interested person that is having the vehicle released a written notice of the person's ability to make a complaint to the commission. The notice:

(a) Must be written in a conspicuous typeface and font on the invoice, receipt, and bill for releasing the vehicle; and

(b) Must not be in a typeface or font that is smaller than the other numbers or words on the invoice, receipt, or bill, as applicable.

(2) A vehicle immobilization company shall release the motor vehicle to an authorized or interested person either:

(a) Within one hundred twenty minutes after being contacted by the authorized or interested person outside of the vehicle immobilization company's normal business hours; or

(b) Within ninety minutes after being contacted by the authorized or interested person during the vehicle immobilization company's normal business hours.

(3) A vehicle immobilization company shall immediately release a vehicle and remove the immobilization device without charge to a towing carrier when evidence is presented that the towing carrier has authorization to conduct a nonconsensual tow or law-enforcement-directed tow.

(4) (a) A vehicle immobilization company may remotely release an immobilization device from a vehicle. The vehicle immobilization company shall retrieve the immobilization device within one hundred twenty minutes after releasing it.

(b) The driver of a remotely released vehicle shall move the immobilization device from the road so that it is not a hazard to vehicles or pedestrians unless the driver has a physical limitation that makes moving the device unreasonably difficult or impossible. The owner or operator need not return the device to the vehicle immobilization company or a location specified by the vehicle immobilization company.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2209, § 3, effective June 3.

**40-10.1-811. Partial-payment release - partial charge - form required.** (1) (a) A vehicle immobilization company shall immediately release an immobilized vehicle if:

(I) The authorized or interested person pays at least sixty dollars of the amount owed to the vehicle immobilization company for the immobilization;

(II) The authorized or interested person is not a lienholder or insurance company; and

(III) The authorized or interested person complies with subsection (1)(b) of this section.

(b) (I) For an authorized or interested person to retrieve a vehicle without paying the vehicle immobilization company the total amount owed to the company, the authorized or interested person must sign a form affirming that the authorized or interested person owes the company payment for fees that comply with this article 10.1 or article 20 of title 38. Knowingly providing false information on the form is unlawful. Signing the form does not prohibit an authorized or interested person from filing a complaint with the commission or pursuing other remedies. The vehicle immobilization company may use the form to take reasonable actions to collect the debt. Reasonable actions include initiating a court action or using a collection agency.

(II) The commission shall:

(A) Create the form;

(B) Title the form: "Immobilized Vehicle Release Notice with Payment Owed"; and

(C) Provide the form on the commission's website for vehicle immobilization companies to retrieve and use.

(c) To release a vehicle in accordance with subsection (1)(a) of this section, a vehicle immobilization company shall not require a person to undergo an approval process, other than signing the form created pursuant to subsection (1)(b) of this section.

(2) (a) A vehicle immobilization company shall charge a reduced release charge in an amount set by the commission to release a vehicle if the vehicle is released after an employee of or agent of the vehicle immobilization company starts to immobilize the vehicle but before the agent or employee leaves the private property.

(b) If approached by an authorized or interested person before the vehicle is immobilized on private property, the vehicle immobilization company shall notify the authorized or interested person that the company is required to release the vehicle upon request of the authorized or interested person and payment of the charge described in subsection (2)(a) of this section.

(c) Upon request by the authorized or interested person and payment of the charge described in subsection (2)(a) of this section, the vehicle immobilization company shall immediately stop an immobilization in progress on private property.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2210, § 3, effective June 3.

**40-10.1-812. Records.** A vehicle immobilization company shall retain evidence, including photographs of the relevant signs and of the vehicle, of giving the notices and disclosures required in sections 40-10.1-802, 40-10.1-805, and 40-10.1-806 for three years after the date of completion of an immobilization and provide the evidence to the commission or an enforcement official upon request.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2211, § 3, effective June 3.

**40-10.1-813. Applicability - exceptions.** (1) Sections 40-10.1-802 to 40-10.1-812 do not apply to:

(a) An immobilization ordered by a peace officer or technician directed by a peace officer in the course and scope of the officer's or technician's duties;

(b) An immobilization in a parking space that serves a business if the parking space is on commercial real estate, as defined in section 38-22.5-102 (2);

(c) An immobilization ordered by a municipality, a county, or a city and county or performed by an agent of, contractor of, or employee of a municipality, a county, or a city and county; or

(d) An immobilization in a parking space that is on federally leased land and that is used for commercial parking purposes.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2211, § 3, effective June 3.

**40-10.1-814. Kickbacks prohibited.** A vehicle immobilization company shall not pay money or provide other valuable consideration for the privilege of immobilizing vehicles.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2211, § 3, effective June 3.

**40-10.1-815. Rules.** The commission may adopt rules as necessary and reasonable to implement this part 8.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2211, § 3, effective June 3.

**40-10.1-816. Violators subject to penalties.** An immobilization in violation of sections 40-10.1-802 to 40-10.1-812 or section 40-10.1-814 by a vehicle immobilization company is a deceptive trade practice under section 6-1-105 (1)(mmmm) and is subject to enforcement by the attorney general's office or a district attorney.

**Source:** **L. 2025:** Entire part amended, (HB 25-1117), ch. 391, p. 2211, § 3, effective June 3.

**ARTICLE 10.5**

Unified Carrier Registration System

**40-10.5-101. Definitions.** As used in this article, unless the context otherwise requires:

(1) "Commission" means the public utilities commission of the state of Colorado.

(2) "Unified carrier registration system" means the unified carrier registration system authorized by section 4305 of the federal "Unified Carrier Registration Act of 2005", 49 U.S.C. sec. 14504a, as amended.

**Source:** **L. 2006:** Entire article added, p. 1093, § 1, effective August 7.

**40-10.5-102. Registration required - rules of commission.** (1) On and after the repeal of sections 40-10-120 and 40-11-115, which occurred on September 25, 2007, a motor carrier, motor private carrier, broker, freight forwarder, leasing company, or other person required to register with the United States department of transportation under the unified carrier registration system:

(a) Shall not engage in, or contract for, any interstate transportation of persons or property on any public highway in this state without first so registering; and

(b) Shall comply with all applicable rules of the commission.

(2) For purposes of carrying out the provisions of this article and relevant federal statutes and rules, the commission:

(a) Shall participate in the uniform carrier registration system;

(b) Is vested with the legal authority to administer the unified carrier registration agreement for the state of Colorado; and

(c) Has the power to promulgate such rules as are necessary for the proper administration and enforcement of this article. Such rules may include, without limitation, rules establishing registration fees and other fees sufficient to cover the direct and indirect costs of administration and enforcement of this article. All fees collected under this article shall be transmitted to the state treasurer, who shall credit them to the public utilities commission motor carrier fund, created in section 40-2-110.5.

**Source:** **L. 2006:** Entire article added, p. 1093, § 1, effective August 7. **L. 2009:** IP(1) amended, (SB 09-292), ch. 369, p. 1983, § 123, effective August 5.

**ARTICLE 11**

Contract Motor Carriers

**40-11-101 to 40-11-117. (Repealed)**

**Source:** **L. 2011:** Entire article repealed, (HB 11-1198), ch. 127, p. 416, § 2, effective August 10.

**Editor's note:** This article was numbered as article 11 of chapter 115, C.R.S. 1963. For amendments to this article prior to its repeal in 2011, consult the 2010 Colorado Revised Statutes and the Colorado statutory research explanatory note beginning on page vii in the front of this volume.

**Cross references:** For current provisions concerning contract carriers, see article 10.1 of this title.

**ARTICLE 11.5**

Independent Contractors - Motor Carriers

**40-11.5-101. Independent contractors - motor carriers.** Notwithstanding article 10.1 of this title, common carriers and contract carriers may use independent contractors.

**Source:** **L. 90:** Entire article added, p. 1762, § 1, effective June 8. **L. 2011:** Entire section amended, (HB 11-1198), ch. 127, p. 424, § 21, effective August 10.

**40-11.5-102. Lease provisions - definitions - rules.** (1) Leases between motor carriers or contract carriers and independent contractors may contain, but need not be limited to, the following provisions:

(a) (I) The independent contractor, working with a certificated taxi or limousine carrier, may either lease a motor vehicle owned by the certificated carrier or may own the motor vehicle and lease it to the certificated carrier, who may release the vehicle to the independent contractor.

(II) The independent contractor, working with a certificated common carrier or contract carrier, other than a certificated taxi or limousine carrier, may own the motor vehicle and lease it to the certificated carrier.

(b) The lease may require the independent contractor to be instructed in the method of the carrier's operation, and to be familiar with federal, state, and municipal statutes, ordinances, and regulations. The lease may further require the certificated carrier or contract carrier to enforce compliance with such federal, state, and municipal statutes, ordinances, and regulations by the independent contractor. Compliance with the provisions of this paragraph (b) shall not affect the status of the independent contractor as an independent contractor for purposes of this article.

(c) The lease may provide for the transportation services to be accomplished personally by the independent contractor.

(d) The lease may provide for uniformity, on the body of the motor vehicle being used, of color and any written displays.

(e) The lease may provide for periodic driver safety training.

(f) The lease may provide for some control over any assistant working with the independent contractor relating to the enforcement of, and compliance with, federal, state, and municipal statutes, ordinances, and regulations.

(g) The lease may establish a specific number of hours to complete a particular shipment of goods and may provide for the creation of shifts which are primarily created to make available transportation equipment on a basis established to meet public need and necessity, and to provide adequate service to the public at all times.

(h) The lease may provide for certain regulations in the event radio telecommunication procedures are used between the certificated carrier or contract carrier and the driver of the vehicle.

(i) The lease may provide that the independent contractor only work for the certificated carrier or contract carrier as a driver during the time the independent contractor is operating the motor vehicle pursuant to the lease.

(j) The lease may prohibit the independent contractor from individually advertising the services being offered while driving for the certificated carrier or contract carrier pursuant to the terms of the lease.

(k) The lease may provide for the carrier to pay the independent contractor's fees when the carrier accepts charge vouchers for services rendered to customers.

(2) The lease may be terminated by any party, but nothing in this section shall be construed as relieving an independent contractor from the obligation of completing an accepted trip.

(3) The lease need not be for a term certain.

(4) Leases containing provisions pursuant to paragraphs (a), (b), (e), (f), (g), (h), and (i) of subsection (1) of this section shall be presumed prima facie evidence of an independent contractor relationship between the parties to the lease. This presumption may be overcome by clear and convincing evidence of an employment relationship between the parties to the lease considering only factors not in the lease. Leases containing the other optional provisions shall not change the characterization of the relationship evidenced by the lease.

(5) (a) Any lease or contract executed pursuant to this section must provide for coverage under workers' compensation or an occupational accident insurance policy that provides similar coverage.

(a.5) If an operator of a commercial vehicle obtains similar coverage pursuant to this subsection (5), then the operator:

(I) Is excluded from the definition of employee for purposes of section 8-40-202 (2);

(II) Shall notify the division of workers' compensation in the department of labor and employment of the election, in a manner determined by the director of the division of workers' compensation by rule; and

(III) Shall, along with the motor carrier and contract carrier, provide proof of the similar coverage upon request to interested parties, including the carrier's workers' compensation insurance provider, the division of workers' compensation, and the division of insurance.

(b) As used in this subsection (5), "similar coverage" means:

(I) Insurance benefits designed for independent contractors and sole proprietors who reject workers' compensation coverage and elect, pursuant to this subsection (5), coverage providing medical, temporary and permanent disability, death and dismemberment, and survivor benefits that are subject to regulation by the division of insurance in the department of regulatory agencies. The specifications of the insurance, including coverages, exclusions, policy limits, and the amount, if any, of any deductibles or copayments, must be filed with the division of insurance. The specifications must meet or exceed standards set by the division of insurance and the standards must specify that the benefits offered by the insurance coverage must be at least comparable to the benefits offered under the workers' compensation system.

(II) For services performed by operators of commercial vehicles, an occupational accident insurance policy that provides a minimum aggregate policy limit of one million five hundred thousand dollars for all benefits paid for the benefit of the operator, including medical, temporary and permanent disability, death and dismemberment, and survivor benefits.

(c) The lease shall provide for the payment of such coverage by either the lessor or lessee. If the lease provides for the lessee to pay for such coverage, proof of coverage shall be maintained by the lessor for the duration of the lease and the lessor shall not have liability for failure of compliance by the lessee.

(d) Notwithstanding any other law, if an operator of a commercial vehicle, a motor carrier, or a contract carrier obtains similar coverage pursuant to this subsection (5), articles 40 to 47 of title 8 do not apply.

(e) Repealed.

(6) (a) As used in this section:

(I) "Commercial vehicle" has the same meaning as set forth in section 42-4-235 (1)(a)(I)(B).

(II) "Operator" means the operator of a commercial vehicle:

(A) Who owns, is purchasing, or is leasing the commercial vehicle from any person other than the motor carrier; and

(B) Is the sole proprietor, owner, or partner of an applicable entity; a shareholder of a corporation where there are no more than two shareholders of the corporation; or a member of the applicable entity.

(b) For the purposes of subsection (6)(a)(II) of this section, the ownership, purchase, or leasing of a commercial vehicle by an applicable entity is deemed ownership, purchase, or leasing of the commercial vehicle by the sole proprietor, owner, or partner of an applicable entity; a shareholder of a corporation where there are no more than two shareholders of the corporation; or a member of the applicable entity.

**Source:** **L. 90:** Entire article added, p. 1762, § 1, effective June 8. **L. 92:** (4) amended and (5) added, p. 1800, § 4, effective June 6. **L. 2004:** (5)(b) amended, p. 906, § 34, effective May 21. **L. 2018:** (5)(a) and (5)(b) amended and (5)(a.5), (5)(d), and (5)(e) added, (SB 18-178), ch. 203, p. 1317, § 1, effective August 8. **L. 2022:** IP(5)(a.5), IP(5)(b), (5)(b)(II), and (5)(d) amended, (5)(e) repealed, and (6) added (SB 22-035), ch. 167, p. 1033, § 2, effective August 10.

**Cross references:** For the legislative declaration in SB 22-035, see section 1 of chapter 167, Session Laws of Colorado 2022.

**ARTICLE 12**

Commercial Carriers - Motor Vehicles

**40-12-101 to 40-12-114. (Repealed)**

**Source:** **L. 78:** Entire article repealed, p. 521, § 8, effective July 1.

**Editor's note:** This article was numbered as article 10 of chapter 115, C.R.S. 1963. For amendments to this article prior to its repeal in 1978, consult the Colorado statutory research explanatory note and the table itemizing the replacement volumes and supplements to the original volume of C.R.S. 1973 beginning on page vii in the front of this volume.

**ARTICLE 13**

Towing Carriers - Motor Vehicles

**40-13-101 to 40-13-112. (Repealed)**

**Source:** **L. 2011:** Entire article repealed, (HB 11-1198), ch. 127, p. 416, § 2, effective August 10.

**Editor's note:** This article was numbered as article 14 of chapter 115, C.R.S. 1963. For amendments to this article prior to its repeal in 2011, consult the 2010 Colorado Revised Statutes and the Colorado statutory research explanatory note beginning on page vii in the front of this volume.

**Cross references:** For current provisions concerning towing carriers, see article 10.1 of this title.

**ARTICLE 14**

Carriers of Household Goods

**40-14-101 to 40-14-114. (Repealed)**

**Source:** **L. 2011:** Entire article repealed, (HB 11-1198), ch. 127, p. 416, § 2, effective August 10.

**Editor's note:** This article was added in 1984, repealed in 1995, and recreated and reenacted in 2003. For amendments to this article prior to its repeal in 2011, consult the 2010 Colorado Revised Statutes and the Colorado statutory research explanatory note beginning on page vii in the front of this volume.

**Cross references:** For current provisions concerning carriers of household goods, see article 10.1 of this title.

**ARTICLE 15**

Intrastate Telecommunications Services

**Editor's note:** This article was added in 1984. This article was repealed and reenacted in 1987, resulting in the addition, relocation, and elimination of sections as well as subject matter. For amendments to this article prior to 1987, consult the Colorado statutory research explanatory note and the table itemizing the replacement volumes and supplements to the original volume of C.R.S. 1973 beginning on page vii in the front of this volume. Former C.R.S. section numbers are shown in editor's notes following those sections that were relocated.

PART 1

GENERAL PROVISIONS

**40-15-101. Legislative declaration.** The general assembly hereby finds, determines, and declares that it is the policy of the state of Colorado to promote a competitive telecommunications marketplace while protecting and maintaining the wide availability of high-quality telecommunications services. Such goals are best achieved by legislation that brings telecommunications regulation into the modern era by guaranteeing the affordability of basic telephone service while fostering free market competition within the telecommunications industry. The general assembly further finds that the technological advancements and increased customer choices for telecommunications services generated by such market competition will enhance Colorado's economic development and play a critical role in Colorado's economic future. However, the general assembly recognizes that the strength of competitive force varies widely between markets and products and services. Therefore, to foster, encourage, and accelerate the continuing emergence of a competitive telecommunications environment, the general assembly declares that flexible regulatory treatments are appropriate for different telecommunications services.

**Source:** **L. 87:** Entire article R&RE, p. 1476, § 1, effective July 2.

**40-15-102. Definitions.** As used in this article 15, unless the context otherwise requires:

(1) Repealed.

(2) "Advanced features" means custom calling features known as speed dialing, 3-way calling, call forwarding, and call waiting.

(3) "Basic local exchange service" or "basic service" means the telecommunications service that provides:

(a) A local dial tone;

(b) Local usage necessary to place or receive a call within an exchange area; and

(c) Access to emergency, operator, and interexchange telecommunications services.

(3.3) "Broadband" or "broadband service" means broadband internet service provided over a broadband network.

(3.5) "Broadband internet service" means a retail service that transmits and receives data from the customer's property or determined point of presence to substantially all internet endpoints. The term includes any capabilities that are incidental to and enable the operation of the broadband internet service.

(3.7) "Broadband network" means the plant, equipment, components, facilities, hardware, and software used to provide broadband internet service at measurable speeds of at least ten megabits per second downstream and one megabit per second upstream or at measurable speeds at least equal to the federal communications commission's definition of high-speed internet access or broadband, whichever is faster, with:

(a) Sufficiently low latency to enable the use of real-time communications, including voice-over-internet-protocol service; and

(b) Either no usage limits or usage limits that are reasonably comparable to those found in urban areas for the same technology.

(4) "Centron and centron-like services" means services which provide custom switching features which include but are not limited to distributive dial tone, select number screening, toll restriction and screening, nonattendant busy out, nonattend and call transfer, and select trunk hunting and screening.

(4.5) "Commercial mobile radio service" or "CMRS" means cellular or wireless service, personal communications service, paging service, radio common carrier service, radio mobile service, or enhanced specialized mobile radio service.

(5) "Commission" means the public utilities commission of the state of Colorado.

(5.5) "Competitive local exchange carrier" or "CLEC" means a local exchange provider that is not the incumbent local exchange carrier in an identified exchange area.

(6) "Deregulated telecommunications services" means telecommunications services not subject to the jurisdiction of the commission pursuant to part 4 of this article.

(6.5) and (6.7) Repealed.

(7) "Emerging competitive telecommunications services" means telecommunications services subject to regulation by the commission pursuant to part 3 of this article.

(8) "Exchange area" means a geographic area established by the commission that is used in providing basic local exchange service.

(8.5) "FCC" means the federal communications commission.

(9) "Functionally equivalent" refers to services or products which perform the same or similar tasks or functions to obtain substantially the same result at reasonably comparable prices.

(9.3) "Incumbent local exchange carrier" or "ILEC" has the meaning set forth in 47 U.S.C. sec. 251 (h).

(9.5) "Incumbent provider" means a provider that offers broadband internet service in an unserved area, but that is not providing a broadband network in that area.

(10) "Information services" has the same meaning as set forth in 47 U.S.C. sec. 153.

(10.5) Repealed.

(11) "Interexchange provider" means a person who provides interexchange telecommunications service.

(12) "Interexchange telecommunications service" means telephone service between exchange areas that is not included in basic local exchange service.

(13) "InterLATA" means telecommunications services between LATAs.

(14) "InterLATA interexchange telecommunications service" means long-distance service between LATAs.

(14.5) "Internet-protocol-enabled service" or "IP-enabled service" means a service, functionality, or application, other than voice-over-internet protocol, that uses internet protocol or a successor protocol and enables an end user to send or receive a voice, data, or video communication in internet protocol format or a successor format, utilizing a broadband connection at the end user's location.

(15) "IntraLATA" means telecommunications service provided within one LATA.

(16) "IntraLATA interexchange telecommunications service" means long-distance service within a LATA.

(17) "LATA" means each local access and transport area which has been designated in this state by the commission. A LATA may encompass more than one contiguous local exchange area in this state which serves common social, economic, or other purposes, even where such area transcends municipal or other local governmental boundaries.

(17.5) Repealed.

(18) "Local exchange provider" or "local exchange carrier" means any person authorized by the commission to provide basic local exchange service.

(19) "New products and services" means any new product or service introduced separately or in combination with other products and services after January 1, 1988, which is not functionally required to provide basic local exchange service and any new product or service which is introduced after January 1, 1988, which is not a repackaged current product or service or a direct replacement for a regulated product or service. Repackaging any product or service deregulated under part 4 of this article with any service regulated under part 2 or 3 of this article shall not be considered a new product or service.

(19.3) Repealed.

(19.5) "Nonoptional operator services" means operator services requiring an operator for individualized call processing or specialized or alternative billing, including, without limitation, credit card calls, calls billed to a third number, collect calls, and person-to-person calls, or operator services to provide telephone services to inmates at correctional facilities, as defined in section 17-42-103 (2).

(20) "Operator services" means services, other than directory assistance, provided either by live operators or by the use of recordings or computer-voice interaction to enable customers to receive individualized and select telephone call processing or specialized or alternative billing functions. "Operator services" includes nonoptional operator services, optional operator services, and operator services necessary for the provision of basic local exchange service.

(20.3) "Operator services necessary for the provision of basic local exchange service" means operator services provided when operator intervention is required to complete a local call or obtain access to emergency services or to directory assistance.

(20.6) "Optional operator services" means operator services not defined in subsection (19.5) or (20.3) of this section, including, without limitation, operator services provided in connection with conference calling, foreign language translation, and voice messaging.

(21) "Premium services" means any enhanced or improved product or service offered by a telecommunications service provider that is not functionally required for the provision of basic local exchange or interexchange service and that the customer may purchase at his or her option.

(22) "Private line service" means any point-to-point or point-to-multipoint service dedicated to the exclusive use of an end user for the transmission of any telecommunications services.

(23) (a) "Private telecommunications network" means a system, including the construction, maintenance, or operation of such system, for the provision of telecommunications service, or any portion of such service, by a person or entity for the sole and exclusive use of such person or entity and not for resale, directly or indirectly.

(b) Repealed.

(c) Construction, maintenance, or operation of a private telecommunications network shall not constitute the provision of public utility service, and such network shall not be subject to any of the provisions of this article or of articles 1 to 7 of this title.

(24) "Regulated telecommunications services" means telecommunications services treated as public utility services subject to the jurisdiction of the commission.

(24.5) "Rural telecommunications provider" means a local exchange provider that meets one or more of the following conditions:

(a) Provides common carrier service to any local exchange carrier study area, as defined by the commission, that does not include either:

(I) Any incorporated place of ten thousand inhabitants or more, or any part thereof, based on the most recently available population statistics of the United States bureau of the census; or

(II) Any territory, incorporated or unincorporated, included in an urbanized area, as defined by the United States bureau of the census as of August 10, 1993;

(b) Provides telephone exchange service, including exchange access, to fewer than fifty thousand access lines;

(c) Provides telephone exchange service to any local exchange carrier study area, as defined by the commission, with fewer than one hundred thousand access lines; or

(d) Has less than fifteen percent of its access lines in communities of more than fifty thousand inhabitants.

(25) "Special access" means any point-to-point or point-to-multipoint service provided by a local exchange provider dedicated to the exclusive use of any interexchange provider for the transmission of any telecommunications services.

(26) "Special arrangements" means custom assemblies of optional manufactured products which allow users to select nonstandard interfaces and switched or dedicated facilities in combinations for select, specialized custom applications, including but not limited to combinations of microwave, coaxial or copper cable, fiber optics, multiplexing equipment, or specialized electronics. "Special arrangements" does not include access.

(27) "Special assemblies" means services provided to customers who require special or nonstandard conditioning for interoffice or intraoffice connections or image-data use interruptions for combination lines.

(28) "Switched access" means the services or facilities furnished by a telecommunications provider to interexchange providers that allow them to use the basic exchange network for origination or termination of interexchange telecommunications service.

(29) "Telecommunications service" and "telecommunications" have the same meaning as set forth in 47 U.S.C. sec. 153.

(30) Repealed.

(31) "Toll service" means a type of telecommunications service, commonly known as long-distance service, that is provided on an intrastate basis and that is:

(a) Not included as a part of basic local exchange service;

(b) Provided between local calling areas; and

(c) Billed to the customer separately from basic local exchange service.

(32) (a) "Unserved area" means an area of the state that:

(I) Lies outside of municipal boundaries or is a city with a population of fewer than seven thousand five hundred inhabitants; and

(II) Consists of households that lack access to at least one provider of a broadband network that uses satellite technology and at least one provider of a broadband network that uses nonsatellite technology.

(b) "Unserved area" also means any portion of a state or interstate highway corridor that lacks access to a provider of a broadband network.

(33) "Voice-over-internet protocol service" or "VoIP service" means a service that:

(a) Enables real-time, two-way voice communications originating from or terminating at a user's location in internet protocol or a successor protocol;

(b) Utilizes a broadband connection from the user's location; and

(c) Permits a user to generally receive calls that originate on the public switched telephone network and to terminate calls to the public switched telephone network.

**Source:** **L. 87:** Entire article R&RE, p. 1477, § 1, effective July 2. **L. 94:** (19.5), (20.3), and (20.6) added and (20) amended, p. 1063, § 1, effective May 4. **L. 95:** (3) amended, p. 756, § 3, effective May 24. **L. 97:** (23) amended, p. 59, § 1, effective March 24. **L. 98:** (30) and (31) added, p. 845, § 3, effective May 26. **L. 2000:** (24.5) added, p. 46, § 1, effective March 10; (20) amended, p. 418, § 1, effective April 14. **L. 2003:** (19.5) and (20.6) amended, p. 2591, § 1, effective June 5. **L. 2005:** (6.5) and (19.3) added, p. 465, § 1, effective July 1. **L. 2014:** (1), (23)(b), and (30) repealed, (5.5) and (8.5) added, and (8), (11), (12), (18), (21), (28), and IP(31) amended, (HB 14-1330), ch. 151, p. 516, § 1, effective May 9; (3), (10), and (29) amended and (4.5), (14.5), and (33) added (HB 14-1329), ch. 150, p. 512, § 1, effective May 9; (3) and (29) amended and (9.3) added (HB 14-1331), ch. 152, p. 523, § 1, effective May 9; (3.3), (3.5), (3.7), (6.7), (9.5), (10.5), (17.5), and (32) added (HB 14-1328), ch. 173, p. 629, § 1, effective May 10. **L. 2018:** IP, IP(3.7), and (32)(a) amended and (19.3) repealed, (SB 18-002), ch. 89, p. 706, § 1, effective August 8. **L. 2020:** (17.5) amended, (HB 20-1137), ch. 241, p. 1162, § 1, effective September 14. **L. 2021:** (19.5) and (20.6) amended, (HB 21-1201), ch. 389, p. 2599, § 4, effective June 30; (6.5), (6.7), (10.5), and (17.5) repealed, (HB 21-1109), ch. 489, pp. 3526, 3528, §§ 4, 9, effective July 7. **L. 2023:** (3.5) amended, (SB 23-183), ch. 139, p. 589, § 9, effective May 1.

**Editor's note:** (1) This section is similar to former § 40-15-101 as it existed prior to 1987.

(2) Amendments to subsection (3) by HB 14-1329 and HB 14-1331 were harmonized.

**40-15-103. Application of part.** The provisions of this part 1 shall apply throughout this article, unless specifically otherwise stated.

**Source:** **L. 87:** Entire article R&RE, p. 1479, § 1, effective July 2.

**40-15-104. Powers of local government.** Nothing in this article shall be construed to supersede any existing powers of a local government.

**Source:** **L. 87:** Entire article R&RE, p. 1479, § 1, effective July 2.

**40-15-105. Nondiscriminatory access charges.** (1) No local exchange provider shall, as to its pricing and provision of access, make or grant any preference or advantage to any person providing telecommunications service between exchanges nor subject any such person to, nor itself take advantage of, any prejudice or competitive disadvantage for providing access to the local exchange network. Access charges by a local exchange provider shall be cost-based, as determined by the commission, but shall not exceed its average price by rate element and by type of access in effect in the state of Colorado on July 1, 1987.

(2) At its option, any rural telecommunications provider may, in lieu of the provisions of subsection (1) of this section, remain under the jurisdiction of the commission pursuant to part 2 of this article. A rural telecommunications provider operating under this subsection (2) may at any time apply to the commission for regulatory relief under section 40-15-203 or 40-15-207. Such rural telecommunications provider, upon the granting of regulatory relief, shall provide access services under the conditions established in subsection (1) of this section; except that the commission shall set the maximum price for access services for such provider.

(3) Contracts for access pursuant to subsection (1) of this section shall be filed with the commission and open to review by other purchasers of such access to assure compliance with the provisions of this section. Prior to such review, the purchaser desiring such review shall execute a nondisclosure agreement as determined by the commission for the protection of business and trade secrets.

**Source:** **L. 87:** Entire article R&RE, p. 1479, § 1, effective July 2. **L. 2000:** (2) amended, p. 47, § 2, effective March 10.

**40-15-106. Cross-subsidization prohibited - illegal restraint of trade.** The price of telecommunications services or products which are not subject to the jurisdiction of the commission shall not be priced below cost by use of subsidization from customers of services and products subject to the jurisdiction of the commission, and any such cross-subsidization is deemed to be an illegal restraint of trade subject to the provisions of article 4 of title 6, C.R.S.

**Source:** **L. 87:** Entire article R&RE, p. 1479, § 1, effective July 2.

**40-15-107. Powers of commission - inspection of books and documents - confidentiality of information obtained through audit.** (1) The commission shall administer and enforce all provisions of this article, and, in addition to any other powers under articles 1 to 7 of this title, the commission has the right to inspect the books and documents of the local exchange provider. The local exchange provider shall supply additional relevant and material information to the commission as needed. In addition, the commission has the right to inspect the books and records of any affiliate of a local exchange provider which provides telecommunications service under part 2, 3, or 4 of this article, if, in the provision of such service, the affiliate uses a plant or incurs costs that are joint and common to the provision of any basic local exchange service of the local exchange provider regulated under part 2 of this article.

(2) (a) Except as otherwise provided in paragraph (b) of this subsection (2), all information, documents, and copies thereof provided to the commission, a commissioner, or any person employed by the commission in connection with an audit, whether such audit is conducted pursuant to this section or pursuant to any other authority granted to the commission by law, shall be given confidential treatment and shall not be made public by the commission or any other person without either:

(I) The prior written consent of the person providing such information, documents, or copies; or

(II) A court order issued pursuant to section 24-72-204 (5), C.R.S.

(b) This subsection (2) shall not be construed to shield from disclosure information, documents, and copies thereof that are in the commission's possession through the exercise of the commission's audit authority and that are otherwise subject to disclosure under the Colorado open records law, part 2 of article 72 of title 24, C.R.S. The commission may consider whether to change the status of reports provided to it on a nonconfidential basis.

(3) Repealed.

**Source:** **L. 87:** Entire article R&RE, p. 1480, § 1, effective July 2. **L. 99:** Entire section amended, p. 184, § 1, effective March 31. **L. 2003:** (3) added, p. 2591, § 2, effective June 5. **L. 2021:** (3) repealed, (HB 21-1201), ch. 389, p. 2599, § 5, effective June 30.

**Editor's note:** This section is similar to former § 40-15-105 as it existed prior to 1987.

**40-15-108. Cost methodologies.** (1) Any local exchange provider which provides facilities or equipment for use by interstate users or providers of telecommunications services shall separate all investments and expenses associated therewith according to applicable federal separations procedures and agreements.

(2) Any provider of telecommunications service which offers both regulated and deregulated telecommunications service shall segregate its intrastate investments and expenses in accordance with allocation methodologies as prescribed by the commission to ensure that deregulated telecommunications services are not subsidized by regulated telecommunications services.

**Source:** **L. 87:** Entire article R&RE, p. 1480, § 1, effective July 2.

**40-15-109. Assurance of interconnections - averaging of rates.** (1) If a local exchange provider does not have interconnection with an interexchange provider, the commission may order any provider of interexchange service in the state to interconnect with the local exchange provider. Nothing in this subsection (1) shall require a rural telecommunications provider to provide interexchange telecommunications service.

(2) All providers of interexchange voice grade telecommunications service shall average their interexchange voice grade rates on a statewide basis. Nothing in this section shall be construed to prohibit volume discounts or other discounts in promotional offerings.

(3) The commission may provide for just and equitable compensation upon application of an interexchange provider subject to subsection (1) or (2) of this section.

**Source:** **L. 87:** Entire article R&RE, p. 1480, § 1, effective July 2. **L. 2000:** (1) amended, p. 47, § 3, effective March 10.

**40-15-110. Provision of regulated and deregulated service.** Nothing in this article shall be construed to preclude a single entity from offering and providing services under parts 2, 3, and 4 of this article.

**Source:** **L. 87:** Entire article R&RE, p. 1480, § 1, effective July 2.

**40-15-111. Regulation of the discontinuation or rearrangement of basic local exchange service - measured or message rate service not required.** (1) Every local exchange provider shall continue to offer and provide basic local exchange service in any exchange area it serves immediately prior to July 2, 1996, unless the commission determines that an alternative provider offers or provides functionally equivalent service to the customers in such exchange area.

(2) Rearrangements of exchange areas shall require a determination by the commission that such rearrangement will promote the public interest and welfare and will not adversely impact the public switched network of the affected local exchange provider or such provider's financial integrity.

(3) Measured or message rate service for end user customers shall not be required in order for such customers to obtain basic local exchange service unless the commission so orders.

(4) A telecommunications provider shall not base its charges for basic local exchange service on the volume or amount of data or voice traffic of an individual subscriber except with the prior approval of the commission following notice and the opportunity for a hearing.

**Source:** **L. 95:** Entire section added, p. 755, § 2, effective May 24. **L. 99:** (2) amended, p. 185, § 2, effective March 31.

**40-15-112. Unauthorized change of telecommunications provider.** (1) No provider of telecommunications service shall request the transfer of a customer's account, wholly or in part, to another provider of the same or a similar telecommunications service unless one or more of the following conditions has been met:

(a) The provider to whom the customer's account is to be transferred has obtained from the customer a document, signed by the customer, that contains a clear, conspicuous, and unequivocal request by the customer for a change of provider; or

(b) The provider to whom the customer's account is to be transferred has obtained the customer's oral authorization for the transfer and can furnish proof of such authorization through verification by an independent third party, electronic records, or any other manner prescribed by the commission by rule.

(2) (a) If the customer is not an individual, a document, authorization, or request referenced in subsection (1) of this section shall be valid only if given by an authorized representative of the customer, who shall provide proof of such authority.

(b) A document shall not be valid under paragraph (a) of subsection (1) of this section if it is presented to the customer for signature in connection with a sweepstakes or other game of chance.

(3) A telecommunications provider who initiates an unauthorized change in a customer's telecommunications provider in violation of this section is liable:

(a) To the customer, the customer's previously selected provider, or both, as determined by the commission, for all intrastate long distance charges, interstate long distance charges, local exchange service charges, provider switching fees, the value of any premiums to which the customer would have been entitled, and other relevant charges incurred by the customer during the period of the unauthorized change; and

(b) To the customer's local exchange provider for the change fees for the unauthorized change and reinstating the customer to the original provider.

**Source:** **L. 98:** Entire section added, p. 843, § 1, effective May 26.

**40-15-113. Unauthorized charge for services.** (1) A provider of telecommunications service shall not engage in the following activities:

(a) Charging a customer for goods or services without the customer's authorization;

(b) Adding charges for goods or services to the customer's bill without the customer's authorization; or

(c) When providing billing services for a telecommunications provider, knowingly or recklessly participating in charging or billing a customer for goods or services without the customer's authorization to add the goods or services to the customer's bill; except that, in accordance with federal law, this paragraph (c) does not apply to a provider of CMRS services.

(2) A customer is not liable for an amount charged in violation of this section.

(3) The commission shall maintain and keep available data on the incidence of complaints in violation of this section.

**Source:** **L. 2001:** Entire section added, p. 121, § 1, effective August 8. **L. 2014:** IP(1) and (1)(c) amended, (HB 14-1330), ch. 151, p. 517, § 2, effective May 9.

PART 2

REGULATED TELECOMMUNICATIONS SERVICES

**40-15-201. Regulation by commission.** (1) For purposes of this part 2, except as otherwise provided in this title, each provider of basic local exchange service is declared to be affected with a public interest and a public utility subject to the provisions of articles 1 to 7 of this title, so far as applicable, including the regulation of all rates and charges pertaining to local exchange companies; except that, if a provider applies for and receives commission approval of an alternative form of regulation, or if a provider is a rural telecommunications provider subject to simplified regulatory treatment under section 40-15-203.5 or 40-15-503 (2)(d), the commission shall not consider the provider's overall rate of return or overall revenue requirements when determining the just and reasonable rate for a particular product or service. The commission may promulgate rules as necessary to implement this part 2.

(2) Basic emergency service is declared to be subject to regulation under this part 2 and subject to potential reclassification under section 40-15-207.

**Source:** **L. 87:** Entire article R&RE, p. 1480, § 1, effective July 2. **L. 94:** (2)(h) added, p. 1064, § 2, effective May 4. **L. 99:** (1), (2)(c), and (2)(f) amended, p. 185, § 3, effective March 31. **L. 2000:** (1) amended, p. 47, § 4, effective March 10. **L. 2014:** Entire section amended, (HB 14-1331), ch. 152, p. 523, § 2, effective May 9.

**Editor's note:** This section is similar to former § 40-15-102 as it existed prior to 1987.

**40-15-202. Certificate required.** (1) No provider of services regulated in this part 2 shall operate in this state except in accordance with the provisions of this part 2.

(2) No provider of services regulated in this part 2 shall operate within this state without first having obtained from the commission a certificate declaring that the present or future public convenience and necessity requires or will require such operation, unless such operation is authorized by section 40-5-102.

(3) The commission is authorized to issue a certificate of public convenience and necessity to a provider of services regulated in this part 2, and the commission may attach to the exercise of the rights granted by said certificate such terms and conditions as, in its judgment, the public convenience and necessity may require.

(4) A provider of services regulated in this part 2 holding a certificate of public convenience and necessity to offer or provide basic local exchange service or a provider of services regulated in this part 2 that had authority lawfully to offer or provide basic local exchange service immediately prior to July 2, 1987, without a certificate of public convenience and necessity shall continue to have such authority without having to make application to the commission for additional or continued authority.

**Source:** **L. 87:** Entire article R&RE, p. 1481, § 1, effective July 2. **L. 93:** Entire section amended, p. 2080, § 50, effective July 1.

**Editor's note:** This section is similar to former § 40-15-103 as it existed prior to 1987.

**40-15-203. Manner of regulation - refraining from regulation.**

(1) to (5) Repealed.

(6) (a) Upon its own motion or application of a provider of telecommunications service regulated under this part 2, the commission may, in lieu of reclassification of a service under section 40-15-207, examine whether it should refrain from regulation and may refrain from regulation for competitive need for specific telecommunications service otherwise subject to its jurisdiction.

(b) The commission shall approve or deny any such application for refraining from regulation for competitive need within one hundred eighty days after the filing of the application; except that the commission may, by order, defer the period within which it must act for one additional period of sixty days. If the commission has not acted on any such application within the appropriate time period permitted, the application shall be deemed granted.

(7) The authority granted the commission pursuant to this section is in addition to, and not a limitation upon, other powers of the commission, and such authority shall not be construed to be the sole or exclusive means by which the commission may refrain from regulation under this title.

(8) Notwithstanding the provisions of this section, no expenses incurred in the solicitation and the provision of services under this section shall be paid, directly or indirectly, by the subscribers of the applicant's regulated services.

**Source:** **L. 87:** Entire article R&RE, p. 1481, § 1, effective July 2. **L. 95:** (1) amended, p. 756, § 4, effective May 24. **L. 2014:** (2), (3), (4), and (5) repealed, (HB 14-1331), ch. 152, p. 524, § 3, effective May 9.

**Editor's note:** (1) This section is similar to former § 40-15-104 as it existed prior to 1987.

(2) Subsection (1)(b) provided for the repeal of subsection (1), effective July 1, 1996. (See L. 95, p. 756.)

**40-15-203.5. Simplified regulatory treatment for rural telecommunications providers.** The commission, with due consideration of the public interest, quality of service, financial condition, and just and reasonable rates, shall grant regulatory treatment that is less comprehensive than otherwise provided for under this article to rural telecommunications providers as defined in section 40-15-102 (24.5). The commission shall issue policy statements and rules and regulations that maintain reasonable regulatory oversight and that consider the cost of regulation in relation to the benefit derived from such regulation. These rules and regulations shall encourage the cost effective deployment and use of modern telecommunications technology. All proposed rules applicable to rural telecommunications providers that come before the commission shall consider the economic impact on rural telecommunications providers and their subscribers. The commission and rural telecommunications providers are encouraged to work together in a cooperative and proactive fashion to implement this section.

**Source:** **L. 93:** Entire section added, p. 2080, § 51, effective July 1. **L. 2000:** Entire section amended, p. 47, § 5, effective March 10.

**40-15-204. Transfer of certificate.** Any certificate of public convenience and necessity issued pursuant to this part 2 may be sold, assigned, leased, encumbered, or transferred as other property only upon authorization by the commission.

**Source:** **L. 87:** Entire article R&RE, p. 1483, § 1, effective July 2.

**Editor's note:** This section is similar to former § 40-15-106 as it existed prior to 1987.

**40-15-205. Violations.** Violations of this part 2 by a telecommunications provider are subject to enforcement and penalties as provided in article 7 of this title.

**Source:** **L. 87:** Entire article R&RE, p. 1483, § 1, effective July 2.

**Editor's note:** This section is similar to former § 40-15-109 as it existed prior to 1987.

**40-15-206. Regulation of the discontinuation or rearrangement of basic local exchange service - measured or message rate service not required. (Repealed)**

**Source:** **L. 87:** Entire article R&RE, p. 1483, § 1, effective July 2. **L. 99:** (2) amended, p. 186, § 4, effective March 31. **L. 2014:** Entire section repealed, (HB 14-1331), ch. 152, p. 526, § 4, effective May 9.

**40-15-207. Reclassification of services and products.** (1) (a) Notwithstanding any other provision of this title, upon its own motion or upon application by any person, the commission shall regulate, pursuant to part 3 of this article, specific telecommunications services regulated under this part 2 upon a finding that there is effective competition in the relevant market for such service and that such regulation under part 3 of this article will promote the public interest and the provision of adequate and reliable service at just and reasonable rates.

(b) In determining whether effective competition for a specific telecommunications service exists, the commission shall make findings, after notice and opportunity for hearing, and shall issue an order based upon consideration of the following factors:

(I) The extent of economic, technological, or other barriers to market entry and exit;

(II) The number of other providers offering similar services in the relevant geographic area;

(III) The ability of consumers in the relevant geographic area to obtain the service from other providers at reasonable and comparable rates, on comparable terms, and under comparable conditions;

(IV) The ability of any provider of such telecommunications service to affect prices or deter competition; and

(V) Such other factors as the commission deems appropriate.

(c) In determining geographic areas under paragraph (b) of this subsection (1), the commission shall not be unduly restrictive.

**Source:** **L. 87:** Entire article R&RE, p. 1484, § 1, effective July 2.

**40-15-208. High cost support mechanism - Colorado high cost administration fund - creation - purpose - operation - rules - report.**  (1) (Deleted by amendment, L. 2008, p. 1703, § 3, effective June 2, 2008.)

(2) (a) (I) The commission is hereby authorized to establish a mechanism for the support of universal service, also referred to in this section as the "high cost support mechanism", which must operate in accordance with rules adopted by the commission. The primary purpose of the high cost support mechanism is to provide financial assistance as a support mechanism to:

(A) Help make basic local exchange service affordable and allow for reimbursement to providers, as specified in subsections (2)(a)(IV) and (4) of this section; and

(B) Provide access to broadband service in unserved and underserved areas pursuant to this section and section 24-37.5-905 only.

(II) The high cost support mechanism shall be supported through a neutral assessment on all telecommunications providers in Colorado.

(III) The commission shall maintain the rate of the high cost support mechanism surcharge at the surcharge rate established as of January 1, 2018; except that, on and after July 1, 2023, the commission may reduce the surcharge rate to ensure that the amount of money collected does not exceed twenty-five million dollars in calendar year 2024.

(IV) The commission shall allocate to the high cost support mechanism account dedicated to broadband deployment, on a quarterly basis and by the end of the month following the previous quarter, the following percentages of the total quarterly amount of high cost support mechanism money collected, minus administrative costs and distributions required under subsection (4) of this section:

(A) to (C) (Deleted by amendment, L. 2024.)

(D) For each quarter in 2022, ninety percent;

(E) For each quarter in 2023 and for each quarter in each subsequent year, one hundred percent.

(V) The nonrural incumbent local exchange carrier will receive, on a quarterly basis and by the end of the month following the previous quarter, the balance of the remaining quarterly high cost support mechanism collections after the distributions required by subsections (2)(a)(IV) and (4) of this section have been made.

(VI) In accordance with subsection (2)(a)(IV) of this section, the commission, in making distributions of high cost support mechanism money in the years 2019 through 2023, shall neither:

(A) Make effective competition determinations; nor

(B) Apply any section of this article 15 that requires an effective competition determination be made or that in any way conflicts with subsections (2)(a)(IV) and (4) of this section with regard to the distributions.

(b) Notwithstanding section 24-1-136 (11)(a)(I), on or before December 1 of each year, the commission shall submit a written report to the committees of reference in the senate and house of representatives that are assigned to hear telecommunications issues, in accordance with section 24-1-136, C.R.S., accounting for the operation of the high cost support mechanism during the preceding calendar year and containing the following information, at a minimum:

(I) The total amount of money that the commission determined should constitute the high cost support mechanism from which distributions would be made;

(II) The total amount of money ordered to be contributed through a neutral assessment collected by each telecommunications service provider;

(III) The basis on which the contribution of each telecommunications service provider was calculated;

(IV) The benchmarks used and the basis on which the benchmarks were determined;

(V) The total amount of money that the commission determined should be distributed from the high cost support mechanism;

(VI) The total amount of money distributed to each telecommunications service provider from the high cost support mechanism;

(VII) The basis on which the distribution to telecommunications service providers was calculated;

(VIII) As to each telecommunications service provider receiving a distribution, the amount received by geographic support area and type of customer, the way in which the benefit of the distribution was applied or accounted for;

(IX) The proposed benchmarks, the proposed contributions to be collected through a neutral assessment on each telecommunications provider, and the proposed total amount of the high cost support mechanism from which distributions are to be made for the following calendar year; and

(X) The total amount of distributions made from the high cost support mechanism, directly or indirectly, and how they are balanced by rate reductions by all providers for the same period and a full accounting of and justification for any difference.

(c) If the report submitted pursuant to paragraph (b) of this subsection (2) contains a proposal for an increase in any of the amounts listed in subparagraph (IX) of said paragraph (b), such increase shall be suspended until March 31 of the following year.

(d) Repealed.

(e) In addition to the annual report submitted under paragraph (b) of this subsection (2) by the commission, the department of regulatory agencies shall include in its presentation to the appropriate legislative committee under the requirements of part 2 of article 7 of title 2, C.R.S., an update on the implementation and administration of the high cost support mechanism.

(3) (a) There is hereby created, in the state treasury, the Colorado high cost administration fund, referred to in this section as the "fund", which shall be used to reimburse the commission and its contractors for reasonable expenses incurred in the administration of the high cost support mechanism, including administrative costs incurred in association with broadband service, as determined by rules of the commission. The general assembly shall appropriate annually the money in the fund that is to be used for the direct and indirect administrative costs incurred by the commission and its contractors. At the end of any fiscal year, all unexpended and unencumbered money in the fund remains in the fund and shall not be credited or transferred to the general fund or any other fund. Only the money in the high cost support mechanism that is necessary for administering the high cost support mechanism shall be transmitted to the state treasurer, who shall credit the same to the fund. All interest derived from the deposit and investment of money in the fund remains in the fund and does not revert to the general fund.

(b) Repealed.

(c) Notwithstanding any provision of paragraph (a) of this subsection (3) to the contrary, on July 31, 2009, the state treasurer shall deduct from the fund an amount equal to the amount transferred to the fund pursuant to Senate Bill 09-272, enacted in 2009, and transfer such amount to the general fund.

(4) Notwithstanding any other provision to the contrary in sections 40-15-207 and 40-15-502 or this section, rural telecommunications providers receiving support from the high cost support mechanism as of January 1, 2017, will continue to receive support, on a quarterly basis and by the end of the month following the previous quarter, at the same level of reimbursement established by averaging the payments received for calendar years 2015 and 2016, beginning on January 1, 2019, and continuing each quarter in each subsequent year. The commission shall administer the high cost support mechanism to ensure compliance with this section.

(5) On or before December 31, 2018, the commission shall establish a plan to eliminate, on an exchange-area-by-exchange-area basis, obligations imposed pursuant to sections 40-15-401 (1)(b)(IV) and 40-15-502 (5)(b) and (6)(a) consistent with the reductions in the high cost support mechanism distributions for basic service pursuant to subsection (2)(a)(IV) of this section.

(6) Repealed.

**Source:** **L. 92:** Entire section added, p. 2126, § 1, effective April 16. **L. 95:** Entire section amended, p. 756, § 5, effective May 24. **L. 98:** Entire section amended, p. 702, § 1, effective July 1. **L. 2001:** IP(2)(b) amended, p. 1181, § 23, effective August 8. **L. 2008:** (1) and (2)(a) amended, p. 1703, § 3, effective June 2. **L. 2009:** (2)(a), (2)(b)(II), (2)(b)(IX), (2)(b)(X), and (3) amended, (SB 09-272), ch. 209, p. 948, § 1, effective May 1; (3) amended, (SB 09-279), ch. 367, p. 1932, § 25, effective June 1. **L. 2013:** (2)(a)(I) amended, (HB 13-1300), ch. 316, p. 1707, § 132, effective August 7. **L. 2014:** (2)(a)(I) amended, (HB 14-1331), ch. 152, p. 526, § 5, effective May 9; (2)(a) and (3)(a) amended and (2)(e) added, (HB 14-1328), ch. 173, p. 630, § 2, effective May 10. **L. 2017:** IP(2)(b) amended, (SB 17-044), ch. 4, p. 8, § 7, effective August 9. **L. 2018:** (2)(a) and (3)(a) amended and (4) to (6) added, (SB 18-002), ch. 89, p. 707, § 2, effective August 8. **L. 2021:** (2)(a)(I)(B) amended, (HB 21-1109), ch. 489, p. 3527, § 6, effective July 7. **L. 2023:** (4) amended, (HB 23-1051), ch. 33, p. 115, § 2, effective August 7. **L. 2024:** (2)(a)(IV) and (4) amended and (6) repealed, (HB 24-1234), ch. 266, p. 1744, § 2, effective August 7; (2)(a)(I)(B) amended, (HB 24-1336), ch. 219, p. 1366, § 7, effective September 1.

**Editor's note:** (1) Subsection (2)(d)(II) provided for the repeal of subsection (2)(d), effective December 31, 1999. (See L. 98, p. 702.)

(2) Amendments to subsection (3) by Senate Bill 09-272 and Senate Bill 09-279 were harmonized.

(3) Subsection (3)(b)(II) provided for the repeal of subsection (3)(b), effective July 1, 2010. (See L. 2009, p. 948.)

(4) Amendments to subsections (2)(a) and (2)(a)(I) by HB 14-1328 and HB 14-1331 were harmonized.

**Cross references:** For the legislative declaration in HB 23-1051, see section 1 of chapter 33, Session Laws of Colorado 2023.

**40-15-209. Net neutrality conditions for internet service providers to receive high cost support mechanism money - definitions.** (1) Except as provided in subsection (3) of this section, an internet service provider that is otherwise eligible to receive money through a grant from the Colorado broadband office pursuant to section 24-37.5-905 or through any state fund established to help finance broadband deployment is not eligible to receive that money if the internet service provider:

(a) Blocks any lawful internet content, applications, services, or devices unless the blocking is conducted in a manner consistent with reasonable network management practices;

(b) Engages in paid prioritization of internet content;

(c) Regulates network traffic by throttling bandwidth or otherwise impairs or degrades lawful internet traffic on the basis of internet content, application, service, or use of a nonharmful device unless the impairment or degradation results solely from the evenhanded application of reasonable network management practices; or

(d) Fails or refuses to disclose, subject to reasonable conditions to protect proprietary information, its network management practices.

(2) (a) If the commission learns from the Colorado broadband office that a federal agency has issued a final order or entered into a settlement or consent decree regarding, or a court of competent jurisdiction has issued a final judgment against, an internet service provider and that the office has determined from the order, decree, or judgment that the internet service provider has engaged in conduct specified in subsection (1) of this section, the commission shall issue a written order to the internet service provider requiring the internet service provider to fully refund any money that the internet service provider received in the twenty-four months preceding the office's determination from the high cost support mechanism pursuant to a grant awarded by the Colorado broadband office under section 24-37.5-905.

(b) An order issued by the commission pursuant to subsection (2)(a) of this section must include an itemized statement of the amount of money that the internet service provider is required to refund and instructions on how to refund the money.

(c) The third-party contractor that maintains the high cost support mechanism shall allocate any money refunded to the high cost support mechanism pursuant to this subsection (2) to the high cost support mechanism account dedicated to broadband deployment, which account is described in section 24-37.5-905.

(d) A requirement that an internet service provider refund money to the high cost support mechanism pursuant to this section does not relieve the internet service provider of any provider-of-last-resort obligations that the internet service provider otherwise has pursuant to this article 15.

(3) An internet service provider is exempt from the obligations set forth in subsections (1) and (2) of this section if the internet service provider engages in any of the practices listed in subsections (1)(a) to (1)(d) of this section in the course of:

(a) Providing, facilitating the provision of, or addressing emergency communications, as permitted or required by law or at the request or direction of authorities serving in law enforcement, public safety, or national security; or

(b) Addressing copyright infringement or other unlawful activity.

(4) As used in this section:

(a) (I) "Broadband internet access service" means a mass-market retail service that provides the capability to transmit and receive data from all or substantially all internet endpoints, including any capabilities that are incidental to and enable the operation of the service, but excluding dial-up internet access service.

(II) "Broadband internet access service" includes services provided over any technology platform, including wire, terrestrial wireless, and satellite.

(b) "Internet service provider" means a provider of broadband internet access service in Colorado.

(c) "Paid prioritization" means the management of an internet service provider's network to directly or indirectly favor some traffic over other traffic, including through the use of techniques such as traffic shaping, prioritization, resource reservation, or other forms of preferential traffic management, either:

(I) In exchange for consideration, monetary or otherwise, from a third party;

(II) To benefit an affiliated entity; or

(III) To disadvantage a competing entity or its affiliates.

(d) "Reasonable network management" means a network management practice that is appropriate and tailored to achieving a legitimate network management purpose, taking into account the particular network architecture and technology of the broadband internet access service.

(e) "Throttling" means the intentional slowing of broadband internet access service.

**Source:** **L. 2019:** Entire section added, (SB 19-078), ch. 210, p. 2213, § 1, effective May 17. **L. 2021:** IP(1), (2)(a), and (2)(c) amended, (HB 21-1109), ch. 489, p. 3527, § 7, effective July 7. **L. 2024:** IP(1), (2)(a), and (2)(c) amended, (HB 24-1336), ch. 219, p. 1367, § 8, effective September 1.

PART 3

EMERGING COMPETITIVE TELECOMMUNICATIONS SERVICE

**40-15-301. Regulation by the commission.** (1) The commission shall regulate the terms and conditions, including rates and charges, under which telecommunications service pursuant to this part 3 is offered and provided to customers exclusively in accordance with the provisions of sections 40-4-101 (1), 40-4-111, 40-4-112, and 40-5-105 and articles 2, 3, 6, and 7 of this title, unless otherwise specified in this article.

(2) Switched access is declared to be initially subject to regulation under this part 3, subject to section 40-15-307.

**Source:** **L. 87:** Entire article R&RE, p. 1484, § 1, effective July 2. **L. 94:** (2)(g) added, p. 1064, § 3, effective May 4. **L. 2000:** (2)(f) amended, p. 418, § 2, effective April 14. **L. 2014:** (2) amended, (HB 14-1329), ch. 150, p. 513, § 2, effective May 9; (2) amended, (HB 14-1331), ch. 152, p. 526, § 6, effective May 9.

**Editor's note:** This section is similar to former § 40-15-102 as it existed prior to 1987.

**40-15-302. Manner of regulation - rules.** (1) (a) The commission shall promulgate rules as may be appropriate to regulate services and products provided pursuant to this part 3. In promulgating such rules, the commission shall consider such alternatives to traditional rate of return regulations as flexible pricing, detariffing, and other such manner and methods of regulation as are deemed consistent with the general assembly's expression of intent pursuant to section 40-15-101. If a provider applies for and receives commission approval of an alternative form of regulation, or if a provider is a rural telecommunications provider subject to simplified regulatory treatment under section 40-15-203.5 or 40-15-503 (2)(d), the commission shall not consider the provider's overall rate of return or overall revenue requirements when determining the just and reasonable rate for a particular product or service. A local exchange provider that does not elect an alternative form of regulation and that is subject to rate of return regulation shall furnish such rate of return information as requested by the commission.

(b) (I) For a rural telecommunications provider subject to simplified regulatory treatment under section 40-15-203.5 or 40-15-503 (2)(d), price ceilings shall be established for all products and services regulated under this part 3 as follows:

(A) For switched access service, prices shall not rise above the level in effect on March 31, 1999; except that price ceilings may be adjusted by the commission to conform to its rules concerning the high cost support mechanism established under section 40-15-208 or to conform to any company filing that is subject to the commission's rate-of-return jurisdiction.

(B) For all other products and services, price ceilings shall be established by reference to the prices for such products and services in effect under an alternative form of regulation approved by the commission.

(II) This paragraph (b) shall not be construed to preclude a rural telecommunications provider from electing traditional rate-of-return regulation or requesting price regulation or another alternative form of regulation under part 5 of this article; and the fact of such election or request shall not be considered in connection with a proceeding to adjust prices for products or services offered under any alternative form of regulation.

(2) The commission shall promulgate rules and regulations for the certification of providers of emerging competitive telecommunications services, but nothing in this part 3 shall require the commission to certificate providers of telecommunications service regulated in this part 3.

(3) Repealed.

(4) A provider of telecommunications service holding a certificate of public convenience and necessity to offer or provide services and products regulated pursuant to this part 3 immediately prior to July 2, 1987, shall continue to have such authority without having to make application to the commission for additional or continued authority.

(5) Repealed.

**Source:** **L. 87:** Entire article R&RE, p. 1485, § 1, effective July 2. **L. 93:** (1) and (2) amended, p. 2081, § 52, effective July 1. **L. 94:** (5) added, p. 1064, § 4, effective May 4. **L. 96:** (5) amended, p. 365, § 1, effective August 7. **L. 99:** (1) amended, p. 186, § 5, effective March 31. **L. 2000:** (1)(a), IP(1)(b)(I), and (1)(b)(II) amended, p. 48, § 6, effective March 10; (5) amended, p. 418, § 3, effective April 14. **L. 2014:** (3) repealed, (HB 14-1331), ch. 152, p. 527, § 7, effective May 9; (5) amended, (HB 14-1330), ch. 151, p. 518, § 3, effective May 9. **L. 2019:** (5) repealed, (SB 19-236), ch. 359, p. 3315, § 22, effective May 30.

**Editor's note:** This section is similar to former § 40-15-104 as it existed prior to 1987.

**40-15-302.5. Resellers of toll services - registration required.** (1) Interexchange providers shall register with the commission in a form satisfactory to the commission. A registration must include, at a minimum, the following information updated within fifteen days after any change:

(a) The interexchange provider's name and complete address;

(b) All names under which the interexchange provider does business;

(c) All names and identification numbers under which the interexchange provider has registered with the Colorado secretary of state or the Colorado department of revenue;

(d) The name, title, address, and telephone number of an authorized representative to whom the commission may make inquiries; and

(e) A toll-free telephone number to which consumer inquiries or complaints may be made.

(2) An interexchange provider that registers in accordance with subsection (1) of this section is exempt from regulation by the commission except as otherwise provided in this section.

(3) For the purpose of enforcing section 40-15-112, the commission may exercise any of the powers conferred under articles 1 to 7 of this title against an interexchange provider and, in cases of complaints filed under section 40-6-108, may order an interexchange provider to make due reparations to the complaining party.

(4) Pursuant to section 24-50-504 (2)(a), C.R.S., the commission shall enter into personal services contracts that create an independent contractor relationship for the administration of this section and section 40-15-112.

**Source:** **L. 98:** Entire section added, p. 844, § 2, effective May 26. **L. 2004:** (4) amended, p. 1703, § 48, effective July 1, 2005. **L. 2014:** IP(1), (1)(a), (1)(b), (1)(c), (2), and (3) amended, (HB 14-1330), ch. 151, p. 518, § 4, effective May 9.

**40-15-303. Transfer of certificate.** Any certificate of public convenience and necessity issued pursuant to this part 3 may be sold, assigned, leased, encumbered, or transferred as other property only upon authorization by the commission.

**Source:** **L. 87:** Entire article R&RE, p. 1485, § 1, effective July 2.

**Editor's note:** This section is similar to former § 40-15-106 as it existed prior to 1987.

**40-15-304. Violations.** Violations of this part 3 by a telecommunications provider are subject to enforcement and penalties as provided in article 7 of this title.

**Source:** **L. 87:** Entire article R&RE, p. 1485, § 1, effective July 2.

**Editor's note:** This section is similar to former § 40-15-109 as it existed prior to 1987.

**40-15-305. Time period for consideration of deregulation of emerging competitive telecommunications service.** (1) (a) Notwithstanding any other provision of this title, upon its own motion or upon application by any person, the commission shall deregulate, pursuant to part 4 of this article, specific telecommunications services subject to this part 3 upon a finding that there is effective competition in the relevant market for such service and that such deregulation will promote the public interest and the provision of adequate and reliable service at just and reasonable rates.

(b) In determining whether effective competition for a specific telecommunications service exists, the commission shall make findings, after notice and opportunity for hearing, and shall issue an order based upon consideration of the following factors as the commission deems applicable in particular cases:

(I) The extent of economic, technological, or other barriers to market entry and exit;

(II) The number of other entities offering similar services;

(III) The ability of consumers to obtain the service from other providers at reasonable and comparable rates, on comparable terms, and under comparable conditions;

(IV) The ability of any provider of such telecommunications service to affect prices or deter competition;

(V) Such other relevant and necessary factors, including but not limited to relevant geographic areas, as the commission deems appropriate.

(c) The commission shall approve or deny any such application for deregulation within one hundred eighty days after the filing of the application; except that the commission may, by order, defer the period within which it must act for one additional period of ninety days upon a finding that the proceeding cannot be completed within one hundred eighty days and that the additional time period is necessary for the commission to adequately and completely fulfill its duty under this subsection (1). If the commission has not acted on any such application within the appropriate time period permitted, the application shall be deemed granted.

(d) In determining geographic areas under paragraph (b) of this subsection (1), the commission shall not be unduly restrictive.

(2) Any telecommunications service or product not defined in part 1 of this article or not already classified pursuant to parts 2 to 4 of this article shall be classified as an emerging competitive telecommunications service under this part 3.

**Source:** **L. 87:** Entire article R&RE, p. 1486, § 1, effective July 2. **L. 2014:** (1)(b)(II) amended, (HB 14-1330), ch. 151, p. 519, § 5, effective May 9.

**Editor's note:** This section is similar to former § 40-15-110 as it existed prior to 1987.

**40-15-306. IntraLATA interexchange services. (Repealed)**

**Source:** **L. 87:** Entire article R&RE, p. 1486, § 1, effective July 2. **L. 2014:** Entire section repealed, (HB 14-1331), ch. 152, p. 527, § 8, effective May 9.

**40-15-307. Switched access.** Switched access shall not be deregulated pursuant to section 40-15-305 prior to the enactment of enabling legislation authorizing such deregulation.

**Source:** **L. 87:** Entire article R&RE, p. 1487, § 1, effective July 2.

**40-15-308. Private line services. (Repealed)**

**Source:** **L. 87:** Entire article R&RE, p. 1487, § 1, effective July 2. **L. 93:** Entire section amended, p. 2081, § 53, effective July 1. **L. 2000:** Entire section repealed, p. 419, § 4, effective April 14.

PART 4

DEREGULATION

**40-15-401. Services, products, and providers exempt from regulation - definition.** (1) The following products, services, and providers are exempt from regulation under this article 15 or under the "Public Utilities Law" of the state of Colorado:

(a) Cable services as defined by section 602 (5) of the federal "Cable Communications Policy Act of 1984";

(b) Basic service; except that:

(I) The high cost support mechanism, as described in sections 40-15-208 and 40-15-502, remains effective to support basic service regardless of the classification of basic service or voice-over-internet protocol service in this part 4;

(II) (A) Until July 1, 2016, each incumbent local exchange carrier shall charge a uniform price for basic service throughout its service territory; except that an incumbent local exchange carrier shall not charge a price for basic service that is more than the price that the carrier charged on December 31, 2013, unless the price charged is lower than the urban rate floor prescribed by the federal communications commission. If a carrier charges less than the urban rate floor, the carrier may increase the price to equal but not exceed the urban rate floor; except that, if the commission orders reductions in intercarrier compensation rates, an incumbent local exchange carrier may increase local rates to recover some or all of the lost revenues associated with the commission's action.

(B) As used in this subparagraph (II), "urban rate floor" means the basic local exchange service rate required to be charged in order to prevent a reduction in federal high cost support.

(III) Until July 1, 2016, each incumbent local exchange carrier remains subject to any obligations as provider of last resort, as established by the commission under section 40-15-502 (6), throughout its service territory;

(IV) On and after July 1, 2016, throughout each geographic area for which the commission provides high cost support mechanism distributions for basic service under sections 40-15-208 and 40-15-502 (5), the commission retains the authority to:

(A) Designate providers of last resort under section 40-15-502 (6);

(B) Determine a maximum price for basic service under section 40-15-502 (3)(b);

(C) Prohibit providers from discontinuing basic service, notwithstanding section 40-15-111; and

(D) Audit, investigate, and enforce compliance with regulation permitted in this section and sections 40-15-208 and 40-15-502 (5);

(V) Providers of basic service remain subject to the following fees and surcharges:

(A) High cost support mechanism assessments calculated under section 40-15-502 (5)(a);

(B) Emergency service surcharges assessed under part 1 of article 11 of title 29, C.R.S., to support 911 service; and

(C) Telecommunications relay service charges assessed under article 17 of this title; and

(VI) If, after July 1, 2018, the commission finds that re-regulation of basic local exchange service is necessary to protect the public interest following a hearing and upon findings of fact and conclusions of law, the commission may regulate basic local exchange service under part 3 of this article.

(c) Commercial mobile radio services;

(d) Repealed.

(e) New products and services other than those included in the definition of basic local exchange service;

(f) Centron and centron-like services;

(g) Special arrangements;

(h) Special assemblies;

(i) Information services;

(j) Optional operator services;

(k) Advanced features;

(l) Special access;

(m) Public coin telephone service;

(n) Retail digital private line service;

(o) Retail private line service with a capacity of at least twenty-four voice grade circuits;

(p) Retail directory assistance;

(p.5) Private telecommunications networks;

(q) Internet-protocol-enabled services;

(r) Voice-over-internet protocol service;

(s) InterLATA toll, except with respect to interexchange provider registration under section 40-15-302.5, complaints of unauthorized charges on a subscriber's bill, or complaints of changing a subscriber's service without the subscriber's consent;

(t) IntraLATA toll, except with respect to interexchange provider registration under section 40-15-302.5, complaints of unauthorized charges on a subscriber's bill, or complaints of changing a subscriber's service without the subscriber's consent; and

(u) Nonoptional operator services.

(2) Nothing in this section affects, modifies, or expands:

(a) An entity's obligations under sections 251 and 252 of the federal "Communications Act of 1934", as amended, and codified in 47 U.S.C. secs. 251 and 252;

(b) Any commission authority over wholesale telecommunications rates, services, agreements, providers, or tariffs;

(c) Any commission authority addressing or affecting the resolution of disputes regarding intercarrier compensation; or

(d) The requirements for the receipt of state or federal financial assistance through a high cost support mechanism.

(3) If a telecommunications service or product is not defined in part 1 of this article and is not classified under part 2 or 3 of this article, the telecommunications service or product is classified as a deregulated telecommunications service under this part 4.

(4) Nothing in this part 4 shall be construed to affect, modify, limit, or expand the commission's authority to regulate basic emergency service.

(5) This section does not affect the establishment or enforcement of standards, requirements, procedures, or procurement policies, applicable to any department, agency, commission, or political subdivision of the state, or to the employees, agents, or contractors of a department, agency, commission, or political subdivision of the state, relating to the protection of intellectual property.

**Source:** **L. 87:** Entire article R&RE, p. 1487, § 1, effective July 2. **L. 93:** (1)(e) amended, p. 2082, § 54, effective July 1. **L. 94:** (1)(j) amended, p. 1064, § 5, effective May 4. **L. 99:** (1)(e) amended and (1)(m) added, p. 187, § 6, effective March 31. **L. 2000:** (1) amended, p. 419, § 5, effective April 14. **L. 2008:** (1)(a) amended, p. 1915, § 133, effective August 5. **L. 2014:** (1)(b) amended and (1)(p.5), (2), (3), (4), and (5) added, (HB 14-1331), ch. 152, p. 527, § 9, effective May 9; (1)(c), (1)(i), (1)(k), and (1)(p) amended, (1)(d) repealed, and (1)(q), (1)(r), (1)(s), (1)(t), (2), (3), (4), and (5) added, (HB 14-1329), ch. 150, p. 514, § 3, effective May 9. **L. 2019:** IP(1), (1)(s), and (1)(t) amended and (1)(u) added, (SB 19-236), ch. 359, p. 3316, § 23, effective May 30. **L. 2021:** (1)(s) and (1)(t) amended, (SB 21-266), ch. 423, p. 2806, § 40, effective July 2.

**Editor's note:** Section 602(5) of the federal "Cable Communications Policy Act of 1984" referenced in subsection (1)(a) was repealed October 25, 1994. For the "Cable Communications Policy Act of 1984", see Pub.L. 98-549.

**Cross references:** For the "Public Utilities Law", see articles 1 to 7 of this title.

**40-15-402. No regulation by the commission - no certificate required.** (1) Nothing in articles 1 to 7 of this title or parts 2 and 3 of this article shall apply to deregulated services and products pursuant to this part 4.

(2) No certificate of public convenience and necessity shall be required for the provision of services under this part 4.

(3) The commission may not reclassify deregulated services or products under this part 4 or services and products deregulated by the commission pursuant to section 40-15-305 (1).

**Source:** **L. 87:** Entire article R&RE, p. 1487, § 1, effective July 2.

**Editor's note:** This section is similar to former § 40-15-108 as it existed prior to 1987.

**40-15-403. General assembly may reregulate.** Any telecommunications service or product deregulated pursuant to this part 4 may be reregulated by action of the general assembly.

**Source:** **L. 87:** Entire article R&RE, p. 1488, § 1, effective July 2.

**40-15-404. Dispute - interconnection or access.** In the event of a dispute between providers of telecommunications services or products deregulated pursuant to this part 4 concerning the terms, conditions, quality, or compensation for the interconnection or access of lines or facilities between providers, any such provider may apply to the commission for resolution of such dispute. After notice and hearing, the commission shall enter its decision resolving any such interconnection or access dispute.

**Source:** **L. 87:** Entire article R&RE, p. 1488, § 1, effective July 2.

PART 5

TELECOMMUNICATIONS POLICY AND PLANNING

**Law reviews:** For article, "Telecommunications Changes: State Opens Local Exchange Service to Competition", see 24 Colo. Law. 2147 (1995).

**40-15-501. Legislative declaration - purpose and scope of part.** (1) The general assembly hereby finds, determines, and declares that competition in the market for basic local exchange service will increase the choices available to customers and reduce the costs of such service. Accordingly, it is the policy of the state of Colorado to encourage competition in this market and strive to ensure that all consumers benefit from such increased competition. The commission is encouraged, where competition is not immediately possible, to utilize other interim marketplace mechanisms wherever possible, with the ultimate goal of replacing the regulatory framework established in part 2 of this article with a fully competitive telecommunications marketplace statewide as contemplated in this part 5.

(2) The general assembly further finds, determines, and declares that:

(a) Wise public policy relating to the telecommunications industry and the other crucial services it provides is in the interest of Colorado and its citizens;

(b) Sound and well-informed decisions need to be made on a continuing basis to ensure that the benefits of existing and new telecommunications services continue to be available to the greatest number of Colorado citizens;

(c) The involvement of telecommunications providers and others with experience and expertise in the area of telecommunications is essential to keep legislators informed of developing technology and evolving markets, thus to avoid costly errors and enhance the efficiency of the state's growing telecommunications network; and

(d) The rural nature of Colorado requires that special rules and support mechanisms be adopted to achieve the goal of ensuring that universal basic local exchange service be available to all residents of the state at reasonable rates. Rules adopted by the commission under this part 5 shall be designed to achieve this goal.

(3) This part 5 is enacted for the following purposes:

(a) To set forth, in concise fashion, the policy of this state in specific subject matter areas within the general topic of telecommunications, both for the guidance of the commission in carrying out its duties under this article and for the information of the citizens of Colorado;

(b) To create a framework for the identification of other subject matter areas should the need arise, the formulation of suggested policies in areas in which a policy direction has not yet been stated, and the reaching of consensus, wherever possible, among parties affected by such policies so as to minimize conflicts, ease the commission's considerable workload, and enhance the efficient delivery of telecommunications services to the public; and

(c) To adapt the regulatory structure of parts 2, 3, and 4 of this article to accommodate multiple providers of telecommunications services and to permit alternate forms of regulation for providers of local exchange service.

**Source:** **L. 95:** Entire part added, p. 746, § 1, effective May 24. **L. 2014:** (3)(c) amended, (HB 14-1331), ch. 152, p. 529, § 10, effective May 9.

**40-15-502. Expressions of state policy.** (1) **Competitive local exchange market.** Local exchange telecommunications markets shall be open to competition, under conditions determined by the commission by rule pursuant to this part 5, on or before July 1, 1996.

(2) **Basic service.** Basic service is the availability of high quality, minimum elements of local exchange telecommunications service, as defined by the commission, at just, reasonable, and affordable rates to all people of the state of Colorado. The commission shall conduct a proceeding no less frequently than every three years to consider the revision of the definition of basic service, with the goal that every citizen of this state shall have access to a wider range of services at rates that are reasonably comparable as between urban and rural areas.

(3) **Universal basic service - affordability of basic service.** (a) The commission shall require the furtherance of universal basic service, toward the ultimate goal that basic service be available and affordable to all citizens of the state of Colorado. The general assembly acknowledges the use of low-income telephone assistance programs, including "life-line" and "link-up", and telecommunications relay services for disabled telephone users to further the goal of universal service. The commission may regulate providers of telecommunications services to the extent necessary to assure that universal basic service is available to all consumers in the state at fair, just, and reasonable rates.

(b) (I) Consistent with the public interest goal of maintaining affordable, just, and reasonably priced basic local exchange service for all citizens of the state, the commission shall structure telecommunications regulation to achieve a transition to a fully competitive telecommunications market with the policy that prices for residential basic local exchange service, including zone charges, if any, do not rise above the levels determined by the commission.

(I.5) In determining the appropriate maximum price for residential basic service for each regulated provider, the commission:

(A) Shall consider the changes since May 24, 1995, in the costs of providing such service;

(B) Shall consider the changes since May 24, 1995, in the nationwide average price for comparable service;

(C) Shall consider flexible-pricing tariff options; and

(D) May, for any affected provider, consider the net revenues derived from other services regulated under part 2 or 3 of this article, with the exception of switched access service, notwithstanding any provision of section 40-15-201 to the contrary. Nothing in this sub-subparagraph (D) shall permit the commission to limit the affected provider's overall rate of return or overall revenues when determining the appropriate maximum price for residential basic service for that provider.

(II) The commission may delay or deny a price increase for residential basic service if a provider is in substantial violation of the commission's rules governing quality of service or held service orders.

(III) This section shall not be construed to prohibit the commission from granting an increase in residential basic local exchange service rates for local exchange carriers under rate-of-return regulation if such increase was approved before May 24, 1995, or if, and to the extent that, such increase is necessary to recover a provider's costs associated with investments for network upgrades made for the purpose of provisioning residential basic local exchange service if such investments are approved or required by the commission and not previously included in the calculation of residential basic local exchange service rates.

(IV) (A) For service provided to residential customers outside the base rate area of a local exchange provider, the commission shall limit rate increases to maintain rates at affordable levels and shall employ universal service funding mechanisms as contemplated in subsection (5) of this section to compensate for the high cost of serving such customers in preference to allowing rate increases.

(B) If there are areas within a provider's base rate area, as determined by the commission, that are receiving subsidies, those areas may continue to receive subsidies or be eligible for funding under the universal service support funding mechanisms at the commission's discretion.

(V) If and when additional elements are included in the definition of basic service as a result of review by the commission under subsection (2) of this section, prices may increase as is reasonably necessary to cover the cost and account for the inclusion of such additional elements.

(4) **Universal access to advanced service.** The general assembly acknowledges the goal of universal access to advanced service to all citizens of this state. The commission shall consider the impact of opening entry to the local exchange market and shall determine whether additional support mechanisms may be necessary to promote this goal if competition for local exchange services fails to deliver advanced services in all areas of the state.

(5) **Universal service support mechanisms.** (a) In order to accomplish the goals of universal basic service, universal access to advanced service under section 24-37.5-905, and any revision of the definition of basic service under subsection (2) of this section, the commission shall create a system of support mechanisms to assist in the provision of basic service and advanced service in high-cost areas. The commission shall fund these support mechanisms equitably and on a nondiscriminatory, competitively neutral basis through assessments, which may include a rate element, on all telecommunications providers in Colorado. A provider's eligibility to receive support for basic service under the support mechanisms is conditioned upon the provider's offering basic service throughout an entire support area.

(b) A provider that offers basic local exchange service throughout an entire support area through use of its own facilities or on a resale basis may be qualified as a provider of last resort.

(c) A provider that fails to pay an assessment due and payable under paragraph (a) of this subsection (5) shall have its certificate revoked after notice and the opportunity for a hearing as provided in article 6 of this title.

(6) **Provider of last resort - duty to follow evolving definition of basic service.** (a) In all relevant geographic areas of the state, as defined by the commission, the commission shall designate at least one provider as the provider of last resort and adopt procedures for changing or terminating such designations. A provider of last resort designation carries the responsibility to offer basic local exchange service to all consumers who request it.

(b) A person holding a certificate of public convenience and necessity to provide basic service shall be subject to the evolving definition of basic service developed by the commission under subsection (2) of this section and the system of financial support for universal service established by the commission under subsection (5) of this section.

(7) **Barriers to entry.** It is the policy of this state that all barriers to entry into the provision of telecommunications services in Colorado be removed as soon as is practicable, subject to the commission's authority to ensure quality of service and other matters as provided in this article.

**Source:** **L. 95:** Entire part added, p. 747, § 1, effective May 24. **L. 98:** (5)(a) amended, p. 705, § 2, effective July 1. **L. 2008:** (3)(b)(I) amended and (3)(b)(I.5) added, p. 1805, § 27, effective July 1. **L. 2014:** (2), (3)(a), (3)(b)(I), (3)(b)(IV)(B), and (4) amended, (HB 14-1330), ch. 151, p. 519, § 6, effective May 9; (5)(a) amended (HB 14-1331), ch. 152, p. 529, § 11, effective May 9; (5)(a) amended (HB 14-1328), ch. 173, p. 632, § 3, effective May 10. **L. 2018:** (5)(a) and (5)(b) amended, (SB 18-002), ch. 89, p. 709, § 3, effective August 8. **L. 2021:** (5)(a) amended, (HB 21-1109), ch. 489, p. 3528, § 8, effective July 7. **L. 2024:** (5)(a) amended, (HB 24-1336), ch. 219, p. 1367, § 9, effective September 1.

**Editor's note:** Amendments to subsection (5)(a) by HB 14-1331 and HB 14-1328 were harmonized.

**40-15-503. Opening of competitive local exchange market - process of negotiation and rule-making - issues to be considered by commission - definition.**

(1) Repealed.

(2) (a) and (b) Repealed.

(c) (I) The commission shall consider changing to forms of price regulation other than rate-of-return regulation for any telecommunications provider that provides services regulated under part 2 or 3 of this article and shall consider the conditions under which such a change may take place to ensure that telecommunications services continue to be available to all consumers in the state at fair, just, and reasonable rates. This paragraph (c) shall not be construed to limit the manner and methods of regulation available under section 40-15-302.

(II) As used in this paragraph (c), "price regulation" means a form of regulation that may contain, without limitation, any of the following elements:

(A) Regulation of the price and quality of services;

(B) Price floors and price ceilings;

(C) Flexibility in pricing between price floors and price ceilings;

(D) Modified tariff requirements;

(E) Incentives for increased efficiency, productivity, and quality of service.

(d) The commission shall adopt rules providing for simplified regulatory treatment for rural telecommunications providers as defined in section 40-15-102 (24.5). Such simplified treatment may include, but shall not be limited to, optional methods of regulatory treatment that reduce regulatory requirements, reduce the financial burden of regulation, and allow pricing flexibility. Such simplified treatment may also allow extensions of time for the implementation of requirements under this part 5 in rural exchanges for which there are no competing basic local exchange providers certified.

(e) Applications for certificates of public convenience and necessity to provide basic local exchange service may be filed with the commission at any time. A person that, on or before January 1, 1995, held a certificate of public convenience and necessity to provide basic local exchange service under part 2 of this article and who still holds the certificate need not reapply to the commission for additional or continued authority. A provider of local exchange services shall not operate in this state without a certificate of public convenience and necessity.

(f) A telecommunications provider that is granted a certificate of public convenience and necessity to provide local exchange telecommunications service in competition with an incumbent provider of local exchange service shall be regulated under part 3 of this article unless the commission determines that the services of such provider are not subject to effective competition from the incumbent local exchange provider.

(g) (I) to (III) Repealed.

(IV) (A) Repealed.

(B) In adopting commission tariffs, the commission shall determine whether the rates, terms, and conditions of sale to be set forth in such tariffs are based on cost and are nondiscriminatory. Such rates, terms, and conditions of sale may include a reasonable profit.

(V) As used in this paragraph (g), "true-up" means recovery of the difference between:

(A) The rates paid under temporary interim tariffs before the adoption of commission tariffs or, if interconnection agreements as contemplated in subparagraph (III) of this paragraph (g) are in effect, the rates paid under temporary interim tariffs before the effective dates of such agreements; and

(B) The rates that would have been paid during the same time period had the commission tariffs or interconnection agreements been in effect instead of such temporary interim tariffs.

(VI) True-up shall be accomplished by means of lump-sum cash payments unless the commission orders another method of payment. If the commission orders a refund or an additional payment to be made at the time of true-up, such refund or additional payment shall be paid with interest at a rate to be determined by the commission.

(VII) Repealed.

(VIII) In all proceedings initiated pursuant to this paragraph (g), the burden of proof shall be on the telecommunications service provider.

(IX) The following entities shall be exempt from the requirements of this paragraph (g):

(A) A basic local exchange provider that serves only rural exchanges of ten thousand or fewer access lines;

(B) As to the interim rates, a college or vocational school as defined in section 23-3-103, C.R.S.

(h) The commission shall require by rule that any telecommunications service provider required to file temporary interim tariffs and, to the extent such a requirement is permissible under federal law, any basic local exchange provider that serves only rural exchanges of ten thousand or fewer access lines and that has received a bona fide request for interconnection shall file advice letters with the commission to place into effect temporary interim tariffs and commission tariffs for unbundled facilities or functions, interconnection, services for resale, or local number portability by such dates certain as the commission may determine by rule.

(3) During the period of negotiation and rule-making as contemplated in this section, the director of the commission may request, on a case-by-case basis, and the commission may grant, extensions to the statutorily directed times for completion of proceedings before the commission; except that no such extension shall be requested for proceedings under this section. During rule-making under this section, the commission may, on its own motion and on a case-by-case basis, grant such extensions; except that no such extension shall be granted for proceedings under this section.

**Source:** **L. 95:** Entire part added, p. 750, § 1, effective May 24. **L. 96:** (2)(g) and (2)(h) added, p. 706, § 1, effective May 15. **L. 2000:** (2)(d) amended, p. 48, § 7, effective March 10. **L. 2013:** (2)(b)(V) amended, (HB 13-1300), ch. 316, p. 1708, § 133, effective August 7. **L. 2014:** (1), (2)(a), (2)(b), (2)(g)(I), (2)(g)(II), (2)(g)(III), (2)(g)(IV)(A), and (2)(g)(VII) repealed and (2)(e) amended, (HB 14-1330), ch. 151, p. 520, § 7, effective May 9. **L. 2019:** (2)(h) amended, (SB 19-236), ch. 359, p. 3316, § 24, effective May 30.

**40-15-503.5. Financial assurance - rules.** (1) The commission may require regulated telecommunications service providers to post a bond or provide other security as a condition of obtaining a certificate, registration, or operating authority, whichever instrument or instruments apply. In setting the amount of the bond or security, the commission may consider the following criteria:

(a) The financial viability of the service provider, as evidenced by its audited financial statements and its general credit history;

(b) The total amount of deposits made by customers to the provider to obtain service and the aggregate amount of prepayments made by customers for monthly regulated service; and

(c) The history of the provider's statutory payment obligations, including those to the Colorado high cost support mechanism, the Colorado telephone relay system, and the Colorado telecommunications utility fund.

(2) The commission may promulgate rules to implement this section and may impose additional criteria consistent with this section.

**Source:** **L. 2003:** Entire section added, p. 1700, § 7, effective May 14. **L. 2013:** (1)(c) amended, (SB 13-194), ch. 89, p. 289, § 3, effective April 1. **L. 2019:** (1)(c) amended, (SB 19-236), ch. 359, p. 3316, § 25, effective May 30.

**40-15-504. Working support group - duties - composition - repeal. (Repealed)**

**Source:** **L. 95:** Entire part added, p. 752, § 1, effective May 24.

**Editor's note:** Subsection (4) provided for the repeal of this section, effective July 1, 1997. (See L. 95, p. 752.)

**40-15-505. Committee on telecommunications policy - creation - duties - repeal. (Repealed)**

**Source:** **L. 95:** Entire part added, p. 753, § 1, effective May 24.

**Editor's note:** Subsection (5) provided for the repeal of this section, effective July 1, 1997. (See L. 95, p. 753.)

**40-15-506. Advisory committee to committee on telecommunications policy - creation - duties - repeal. (Repealed)**

**Source:** **L. 95:** Entire part added, p. 754, § 1, effective May 24.

**Editor's note:** Subsection (3) provided for the repeal of this section, effective July 1, 1997. (See L. 95, p. 754.)

**40-15-507. Funding and appropriations - telecommunications policy development fund - creation - repeal. (Repealed)**

**Source:** **L. 95:** Entire part added, p. 754, § 1, effective May 24.

**Editor's note:** Subsection (2) provided for the repeal of this section, effective July 1, 1996. (See L. 95, p. 754.)

**40-15-508. Local exchange administration fund - repeal. (Repealed)**

**Source:** **L. 95:** Entire part added, p. 755, § 1, effective May 24.

**Editor's note:** Subsection (2) provided for the repeal of this section, effective July 1, 1999. (See L. 95, p. 755.)

**40-15-509. Transfer of certificate.** Any certificate of public convenience and necessity to provide local exchange service may be sold, assigned, leased, encumbered, or transferred as other property only upon authorization by the commission.

**Source:** **L. 95:** Entire part added, p. 755, § 1, effective May 24.

**40-15-509.5. Broadband service - report - broadband deployment board - broadband administrative fund - creation - definitions - rules - repeal. (Repealed)**

**Source:** **L. 2014:** Entire section added, (HB 14-1328), ch. 173, p. 632, § 4, effective May 10. **L. 2016:** (4)(a) amended, (HB 16-1184), ch. 77, p. 200, § 1, effective January 1, 2017. **L. 2017:** (3), (4)(a), and IP(8) amended, (SB 17-306), ch. 365, p. 1907, § 1, effective June 6. **L. 2018:** (10.5) added, (HB 18-1116), ch. 2, p. 24, § 1, effective January 29; (3), (5)(a), (5)(b), IP(5)(c), (5)(c)(II)(C), (5)(c)(III), (5)(c)(IV), (5)(f), (7), IP(8), (8)(a), (8)(c), (8)(d)(I), (8)(e), (8)(j), IP(9)(a), and (11) amended, (4)(b) and (6) repealed, and (5)(g), (8)(c.5), (8.5), (10.7), and (10.9) added, (SB 18-002), ch. 89, p. 710, § 4, effective August 8; (8)(g) amended, (HB 18-1099), ch. 92, p. 731, § 1, effective August 8; (10.6) added, (SB 18-104), ch. 93, p. 734, § 2, effective August 8. **L. 2019:** (8.3) added, (SB 19-078), ch. 210, p. 2215, § 2, effective May 17. **L. 2020:** IP(8), (8)(a), and (8)(b) amended, (HB 20-1137), ch. 241, p. 1162, § 2, effective September 14. **L. 2021:** Entire section repealed, (HB 21-1109), ch. 489, p. 3528, § 9, effective July 7.

**40-15-510. Violations.** Violations of this part 5 by a telecommunications provider are subject to enforcement and penalties as provided in article 7 of this title.

**Source:** **L. 95:** Entire part added, p. 755, § 1, effective May 24.

PART 6

ELECTRIC UTILITY EASEMENTS

**40-15-601. Definitions.** As used in this part 6, unless the context otherwise requires:

(1) "Attached facility" means a broadband facility, as defined in section 38-5.5-102 (2), or a broadband network or any portion of a broadband network, in each case located substantially:

(a) Aboveground and attached to an electric utility's electric service infrastructure; or

(b) Underground in an electric easement and existing before the delivery of notice pursuant to section 40-15-602 (2).

(2) "Broadband affiliate" means a commercial broadband supplier that is a separate legal entity from any electric utility but is controlled by, controls, or is under common control with an electric utility.

(3) "Commercial broadband service" means broadband service, as that term is defined in section 38-5.5-102 (1), or broadband internet service.

(4) (a) "Commercial broadband supplier" means:

(I) A provider of broadband internet service or an existing broadband provider, as that term is defined in section 38-5.5-102 (3), or a person that intends to provide broadband internet service or broadband service; or

(II) A person that directly or indirectly sells, leases, or otherwise transfers attached facilities or a right to install, operate, maintain, or use attached facilities for another person's provision of commercial broadband service or a person that intends to sell, lease, or otherwise transfer attached facilities or a right to install, operate, maintain, or use attached facilities.

(b) "Commercial broadband supplier" does not include an electric utility.

(5) "Electric easement" means a recorded or unrecorded easement, right-of-way under section 38-4-103 or otherwise, or similar right in or to real property, including prescriptive rights, no matter how acquired, held by an electric utility for the siting of electric service infrastructure or for the purpose of delivering electric service, regardless of whether:

(a) The easement or other right is exclusively for the provision of electric service or for use in connection with commercial broadband service, telecommunication service, or another purpose; or

(b) The electric utility or a commercial broadband supplier uses the easement or other right to provide commercial broadband service.

(6) "Electric utility" has the meaning set forth in section 40-42-102 (8); except that the term does not include an investor-owned utility, a municipally owned utility, or a municipally owned power authority.

(7) "Interest holder" means a property owner or other person with an interest in the real property upon which an electric easement is located.

(8) "Memorandum" means a written instrument that includes, at a minimum, the name and address of the electric utility, the date on which the notice was mailed, and the information required to be included in a notice under section 40-15-602 (2)(b)(III) and (2)(b)(IV).

(9) "Notice" means a written letter substantially complying with the requirements set forth in section 40-15-602 (2)(b), which notice shall be deemed delivered on the date postmarked or otherwise time stamped.

(10) "Person" has the meaning set forth in section 40-1-102 (10).

(11) "Property owner" means a person with a recorded fee simple interest in real property upon which an electric easement is located.

(12) "Request for notice" means a written instrument recorded by an interest holder in compliance with the requirements set forth in section 40-15-602 (2)(c).

**Source:** **L. 2019:** Entire part added, (SB 19-107), ch. 424, p. 3704, § 1, effective August 2. **L. 2021:** (6) amended, (SB 21-072), ch. 329, p. 2114, § 3, effective June 24.

**40-15-602. Electric easements - commercial broadband service - broadband affiliates - notice required.** (1) With regard to real property subject to an electric easement, if an electric utility, or any commercial broadband supplier designated by the electric utility to act on its behalf, complies with the notice and filing requirements set forth in subsection (2) of this section, the electric utility holding the electric easement may, subject to subsection (4) of this section and without the consent of an interest holder in the real property subject to the electric easement, take the following actions to the extent not already permitted by the electric easement:

(a) Install, maintain, or own, or permit any commercial broadband supplier, including a broadband affiliate, to install, maintain, or own, an attached facility for operation by a commercial broadband supplier, including a broadband affiliate, in providing commercial broadband service; and

(b) Lease or otherwise provide to a commercial broadband supplier, including a broadband affiliate, any excess capacity of attached facilities for purposes of providing commercial broadband service.

(2) (a) At least thirty days before first exercising its rights under one or both of subsection (1)(a) or (1)(b) of this section with respect to an electric easement or portion of an electric easement, an electric utility or its designated commercial broadband supplier must send notice to each property owner that holds an interest in the real property subject to the electric easement and any other interest holder that has recorded a request for notice and must record a memorandum in the office of the county clerk and recorder in each county in which the electric utility is exercising its rights under subsection (1) of this section. An electric utility or its designated commercial broadband supplier may only commence exercising its rights under subsection (1) of this section upon delivery of sufficient notice.

(b) A letter providing notice pursuant to this subsection (2) must:

(I) Be sent by certified mail from or on behalf of the electric utility to the property owner and any interest holder that has recorded a request for notice at each of the following, as applicable:

(A) The last-known address for the property owner based on the electric utility's records;

(B) The address listed for the property owner in the records of the office of the county assessor; and

(C) The address set forth in a request for notice;

(II) Include the name, address, telephone number, and named point of contact for the electric utility and, if delivered by a commercial broadband supplier designated by the electric utility, the name, address, telephone number, and named point of contact for the designated commercial broadband supplier;

(III) Include the property address; the recording number, if any, of the electric easement or recorded memorandum of the electric easement; a general description of any existing electric service infrastructure currently located in the electric easement; and the approximate location of the electric easement, which need not include a legal description, land title survey, plat, or other designation of the exact boundaries of the electric easement;

(IV) Include:

(A) A citation to this part 6; and

(B) A copy of the language of subsection (1) of this section with an indication of whether the electric utility is exercising rights under one or both of subsection (1)(a) or (1)(b) of this section;

(V) Give an estimated time for the start of installation or construction with regard to any new installation or construction that will occur in connection with the exercise of rights under subsection (1) of this section;

(VI) Include a statement regarding the right and obligation of the electric utility, or its designated commercial broadband supplier, to record a memorandum; and

(VII) Include a statement regarding the statute of limitations for the interest holder to file a claim with respect to the electric utility's exercise of rights.

(c) An interest holder that desires to obtain notice under this part 6 at a specific address may file in the office of the county clerk and recorder for the county in which the real property is situated a request for notice that identifies the interest holder's name and address, the instrument granting the interest holder's interest in the property, and the recording number of the instrument or a recorded memorandum of the instrument.

(3) Upon exercise of the rights set forth in subsection (1) of this section, the rights run with the land and are assignable by the electric utility.

(4) The terms and conditions of a written electric easement apply to an electric utility's uses of the electric easement set forth in subsection (1) of this section, except those terms and conditions that would prohibit the electric utility's exercise of rights under subsection (1) of this section. A prohibition on aboveground electric service infrastructure contained within a written electric easement constitutes a prohibition on aboveground attached facilities. In connection with the exercise of rights under subsection (1) of this section, an electric utility or its designated commercial broadband supplier must comply with any notice requirements contained in a written electric easement held by the electric utility related to entering the real property subject to the electric easement or commencing any construction or installation on the real property.

(5) Nothing in this part 6 requires an electric utility to comply with subsection (2) of this section in order to take any action or exercise any rights under an electric easement that are already permitted within the scope of the electric easement. Unless expressly prohibited by the terms of an electric easement, an electric easement will be deemed to allow an electric utility to install, maintain, or own, or permit a third party to install, maintain, or own for beneficial use by the electric utility, telecommunications facilities and equipment for use in connection with the electric utility's provision of electricity.

**Source:** **L. 2019:** Entire part added, (SB 19-107), ch. 424, p. 3706, § 1, effective August 2.

**40-15-603. Statute of limitations - damages - limitations on damages.** (1) (a) No claim or cause of action against an electric utility or a commercial broadband supplier concerning the electric utility's or commercial broadband supplier's exercise of rights under this part 6 or any actions that the electric utility or commercial broadband supplier takes before August 2, 2019, that, if taken after August 2, 2019, would be authorized under section 40-15-602 (1) may be brought by or on behalf of an interest holder more than two years after the latest of:

(I) August 2, 2019;

(II) The date of delivery of notice pursuant to section 40-15-602 (2); or

(III) The date of recording of a memorandum pursuant to section 40-15-602 (2).

(b) Subsection (1)(a) of this section does not apply to a claim or cause of action based on:

(I) Physical damage to property;

(II) Injury to natural persons; or

(III) Breach of the terms and conditions of a written electric easement as the terms and conditions apply in accordance with section 40-15-602 (4).

(c) Nothing in this section extends the statutory limitation period applicable to a claim or revives an expired claim.

(2) A claim or cause of action to which subsection (1)(a) of this section applies shall not be brought by or on behalf of an interest holder against a commercial broadband supplier for actions that the commercial broadband supplier has taken under section 40-15-602 (2) on behalf of an electric utility. Nothing in this subsection (2) prohibits an electric utility and a commercial broadband supplier from contracting to allocate liability for actions taken under section 40-15-602 (2).

(3) If an interest holder brings a trespass claim, inverse condemnation claim, or any other claim or cause of action to which subsection (1)(a) of this section applies for an electric utility's or commercial broadband supplier's exercise of rights or performance of actions described in section 40-15-602 (1)(a) or (1)(b), the following applies to the claim or cause of action:

(a) The measure of damages for all claims or causes of action to which subsection (1)(a) of this section applies, taken together, is the fair market value of the reduction in value of the interest holder's interest in the real property, as contemplated by section 38-1-121 (1). In determining or providing the fair market value under this subsection (3)(a):

(I) The following shall not be used and are not admissible as evidence in any proceeding:

(A) Profits, fees, or revenue derived from the attached facilities; or

(B) The rental value of the real property interest or the electric easement, including the rental value of any attached facilities or an assembled broadband corridor; and

(II) Consideration must be given to any increase in value to the real property interest resulting from the availability of commercial broadband service to the real property underlying the real property interest that arises from the installation of attached facilities.

(b) The interest holder must make reasonable accommodations for the electric utility or commercial broadband supplier to perform an appraisal or inspection of the real property within ninety days following any written request for an appraisal or inspection. If an interest holder fails to make such accommodations, the electric utility or commercial broadband supplier has no further liability to the interest holder. The electric utility or commercial broadband supplier shall promptly provide to the interest holder a copy of any appraisal performed pursuant to this subsection (3)(b).

(c) Any damages for any claims or causes of action to which subsection (1)(a) of this section applies:

(I) Are limited to those damages that existed at the time that the electric utility or commercial broadband supplier first exercised the rights or performed the actions; and

(II) Shall not be deemed to continue, accrue, or accumulate.

(d) With regard to a claim or cause of action to which subsection (1)(a) of this section applies:

(I) Except for an electric utility's or commercial broadband supplier's failure to comply with section 40-15-602 (2), negligence, or willful misconduct, or in accordance with the terms and conditions of a written electric easement as the terms and conditions apply in accordance with section 40-15-602 (4), an interest holder is not entitled to reimbursement from an electric utility or commercial broadband supplier for the cost of any appraisal, attorney fees, or award for special, consequential, indirect, or punitive damages;

(II) For purposes of this subsection (3)(d), any action or failure to act by an electric utility or commercial broadband supplier in furtherance of the electric utility's or commercial broadband supplier's exercise of rights set forth in section 40-15-602 (1) shall not be deemed negligence or willful misconduct.

(4) By accepting a damage award for any claim or cause of action to which subsection (1)(a) of this section applies, an interest holder shall be deemed to have granted an increase in the scope of the electric easement, equal in duration to the term of the electric easement and subject to section 40-15-602 (4), to the extent of the interest holder's rights in the real property, for all of the uses of the real property and actions set forth in section 40-15-602 (1).

**Source:** **L. 2019:** Entire part added, (SB 19-107), ch. 424, p. 3708, § 1, effective August 2.

**40-15-604. Electric utility obligations.** (1) An electric utility that exercises any rights under section 40-15-602 (1)(a) or (1)(b) for the provision of commercial broadband service shall:

(a) Not discriminate among commercial broadband suppliers, including broadband affiliates, in offering or granting rights to install or attach any attached facilities; or

(b) Charge fees that are nondiscriminatory among commercial broadband suppliers for a substantially similar lease or use of the capacity of attached facilities owned or controlled by the electric utility, but only to the extent an electric utility chooses, in its sole discretion, to offer the lease or use to a particular commercial broadband supplier.

(2) An electric utility that has a broadband affiliate and, if applicable, the broadband affiliate shall:

(a) Charge just and reasonable attachment fees, including recurring fees, that are related to the costs associated with such attachments, such as a just and reasonable share of the carrying costs of the per-pole investment, including ongoing maintenance of the pole based on the portion of the usable space on the pole occupied by the attachment;

(b) Provide all commercial broadband suppliers access to all poles and similar support structures owned by the electric utility or broadband affiliate for the purpose of attaching equipment for the provision of commercial broadband service. Access provided in accordance with this subsection (2)(b) must be provided:

(I) On a just, reasonable, and nondiscriminatory basis; and

(II) Under terms and conditions that are no less favorable than the terms and conditions offered to broadband affiliates, including terms and conditions regarding application requirements, technical requirements, electric lineworker health and safety requirements, administrative fees, timelines, and make-ready requirements; and

(c) Charge fees that are nondiscriminatory among commercial broadband suppliers for a substantially similar lease or use of the capacity of attached facilities owned or controlled by the electric utility or broadband affiliate and that are equal to or less than the fees that the electric utility charges to its broadband affiliates, but only to the extent an electric utility or broadband affiliate chooses, in its sole discretion, to offer the lease or use to a particular commercial broadband supplier.

(3) Subject to the requirements of subsection (1) of this section, nothing in this section requires an electric utility to offer or grant a right to access or use an electric easement or to use attached facilities or electric service infrastructure owned or controlled by the electric utility in a manner that would, in the electric utility's reasonable discretion, materially interfere with the electric utility's construction, maintenance, or use of any electric utility infrastructure for the provision of electric service.

(4) (a) An electric utility with a broadband affiliate shall not unreasonably withhold authorization or delay its decision whether to provide authorization to a commercial broadband supplier to install, maintain, own, operate, or use the commercial broadband supplier's attached facilities on electric service infrastructure owned or controlled by the electric utility. An electric utility may only withhold authorization pursuant to this subsection (4) if the reason for withholding authorization is that:

(I) There is insufficient capacity for the attached facilities; or

(II) Concerns of safety or reliability or generally applicable engineering purposes weigh against granting the authorization.

(b) An electric utility that withholds authorization pursuant to this subsection (4) shall promptly notify the commercial broadband supplier in writing of the reasons for withholding authorization.

(5) An electric utility shall not directly provide retail commercial broadband service but may cause or allow a broadband affiliate to offer retail commercial broadband service. As long as an electric utility maintains its exclusive right to provide electric service to customers within its exclusive service territory, both the electric utility that has a broadband affiliate and the broadband affiliate shall:

(a) Maintain or cause to be maintained an accounting system for the broadband affiliate separate from the electric utility's accounting system, using generally accepted accounting principles or another reasonable and customary allocation method;

(b) Cause a financial audit to be performed by an independent certified public accountant, within two years after commencement of commercial operation of retail commercial broadband service and at least once every two years thereafter, with respect to the broadband affiliate's provision of commercial broadband service, including an audit of the allocation of costs for property and services that are used in both the provision of commercial broadband service and the electric utility's provision of electric service; and

(c) (I) Not cause or allow the electric utility to use its exclusive right to provide electric services within its exclusive territory to cross-subsidize the broadband affiliate or its provision of commercial broadband service, whether by: Below fair market value pricing; payment of capital or operating costs properly charged to the broadband affiliate under applicable accounting rules; or use of any revenue from or subsidy for the provision of electric service to provide commercial broadband service below market value, except in connection with the electric utility's provision of electricity.

(II) Nothing in this subsection (5)(c) prohibits an electric utility from:

(A) Entering into a transaction with a broadband affiliate on terms and conditions substantially similar to those that would be agreed to between two similarly situated parties in an arm's length commercial transaction;

(B) Loaning funds to a broadband affiliate if the interest rate on the loan is no less than the electric utility's lowest cost of capital;

(C) Exchanging services or materials for other services or materials of equivalent value;

(D) Providing reduced-cost commercial broadband service to low-income retail customers; or

(E) Conducting and funding due diligence, operational analysis, entity set-up, and associated noncapital expenditures relating to and prior to the establishment of a broadband affiliate.

(6) Upon request of a commercial broadband supplier, an electric utility and any broadband affiliate subject to this section shall cause an officer of the electric utility and an officer of the broadband affiliate to certify that the electric utility and the broadband affiliate, respectively, are in compliance with this section. If a dispute arises between an electric utility or its broadband affiliate and an unaffiliated commercial broadband supplier:

(a) Regarding matters addressed in this part 6, the parties to the dispute have standing to file a claim or cause of action in any court of competent jurisdiction in the state; and

(b) The following are discoverable and admissible as evidence in court regarding the electric utility's and its broadband affiliate's compliance with this section:

(I) Any certification requested and produced pursuant to this subsection (6);

(II) The terms and conditions applied to the electric utility's or broadband affiliate's offer to or grant of a right to the unaffiliated commercial broadband supplier to install, maintain, own, operate, or use attached facilities; and

(III) Any audit required to be performed pursuant to subsection (5) of this section.

(7) Notwithstanding any provision of this part 6 to the contrary, an electric utility that is subject to regulation under 47 U.S.C. sec. 224, as amended, and the FCC regulations promulgated pursuant to that federal law, is not subject to this section.

(8) Nothing in this part 6:

(a) Subjects an electric utility to regulation by the FCC;

(b) Constitutes an exercise of, or an obligation or intention to exercise, the right of the state under 47 U.S.C. sec. 224 (c) to regulate the rates, terms, and conditions for pole attachments, as defined in 47 U.S.C. sec. 224 (a)(4); or

(c) Constitutes a certification, or an obligation or intention to certify, to the FCC under 47 U.S.C. sec. 224.

**Source:** **L. 2019:** Entire part added, (SB 19-107), ch. 424, p. 3710, § 1, effective August 2.

**ARTICLE 16**

Motor Vehicle Carriers Exempt from

Regulation as Public Utilities

**40-16-101 to 40-16-111. (Repealed)**

**Source:** **L. 2011:** Entire article repealed, (HB 11-1198), ch. 127, p. 416, § 2, effective August 10.

**Editor's note:** This article was added in 1985. For amendments to this article prior to its repeal in 2011, consult the 2010 Colorado Revised Statutes and the Colorado statutory research explanatory note beginning on page vii in the front of this volume.

**Cross references:** For current provisions concerning carriers that are not public utilities, see article 10.1 of this title.

**ARTICLE 16.5**

Carriers of Sludge

**40-16.5-101 to 40-16.5-109. (Repealed)**

**Source:** **L. 95:** Entire article repealed, p. 1211, § 28, effective May 31.

**Editor's note:** This article was added in 1994 and was not amended prior to its repeal in 1995. For the text of this article prior to 1995, consult the Colorado statutory research explanatory note and the table itemizing the replacement volumes and supplements to the original volume of C.R.S. 1973 beginning on page vii in the front of this volume.

**ARTICLE 17**

Telephone Disability Access

**Editor's note:** This article was added in 1989 and was not amended prior to 1992. It was repealed and reenacted in 1992 and was subsequently repealed and reenacted in 2025, resulting in the addition, relocation, and elimination of sections as well as subject matter. For the text of this article prior to 1992, consult the Colorado statutory research explanatory note and the table itemizing the replacement volumes and supplements to the original volume of C.R.S. 1973 beginning on page vii in the front of this volume. Former C.R.S. section numbers are shown in editor's notes following those sections that were relocated in 1992. For amendments to this article prior to its repeal and reenactment in 2025, consult the 2024 Colorado Revised Statutes and the Colorado statutory research explanatory note beginning on page vii in the front of this volume.

**40-17-101. Definitions.** As used in this article 17, unless the context otherwise requires:

(1) "Commission" means the public utilities commission created in section 40-2-101.

(2) "Consumer" means a person who purchases prepaid wireless telecommunications service in a retail transaction.

(3) "Department" means the department of revenue.

(4) "Enterprise" means the communication services for people with disabilities enterprise created in section 26-21-103.5.

(5) "Prepaid telephone disability access charge" or "charge" means the charge imposed by the communication services for people with disabilities enterprise pursuant to section 26-21-103.5 (1)(a)(III).

(6) "Retail transaction" means the purchase of prepaid wireless telecommunications service from a seller for any purpose other than resale.

(7) "Seller" means a person that sells prepaid wireless telecommunications services to another person.

(8) "Service supplier" means a person providing voice telephone access lines to any service user in the state, either directly or by resale.

(9) "Service user" means a person that is provided a voice telephone access line in the state.

(10) "Telephone access line" means a voice grade channel or its equivalent assigned to a residential or commercial end user customer by a service supplier, regardless of the technology used to provide the service.

(11) "Telephone disability access surcharge" or "surcharge" means the surcharge imposed by the communication services for people with disabilities enterprise pursuant to section 26-21-103.5 (1)(a)(II).

**Source:** **L. 2025:** Entire article R&RE, (HB 25-1154), ch. 230, p. 1078, § 15, effective May 22.

**Editor's note:** Prior to its repeal and reenactment in 2025, this section was similar to former § 40-17-101 as it existed prior to 1992.

**40-17-102. Telephone disability access surcharges collected for the enterprise - Colorado telephone users with disabilities fund - created - remittance - rules - repeal.** (1) The commission shall collect, on behalf of the communication services for people with disabilities enterprise, the telephone disability access surcharge to fund the enterprise. The commission shall collaborate with the enterprise to establish the amount of the surcharge once per year.

(2) (a) Each service supplier shall collect the surcharge from its service users. The surcharge is the liability of the service user and not of the service supplier; except that the service supplier is liable to remit all surcharges that the service supplier collects from service users.

(b) The surcharge shall be listed as a separate item that appears on a service user's monthly billing statement.

(3) (a) The service supplier shall remit the collected surcharges to the commission on a monthly basis in a manner established by the commission. The commission shall establish remittance procedures by rule. A service supplier is subject to the penalties and procedures set forth in section 40-17-103 for the failure to collect or correctly remit a surcharge in accordance with this section.

(b) A service supplier may deduct and retain one percent of the surcharges that are collected by the service supplier from its service users.

(c) (I) The state treasurer shall credit the surcharge collections remitted to the commission pursuant to subsection (3)(a) of this section to the Colorado division for the deaf, hard of hearing, and deafblind cash fund created in section 26-21-107 (1). Any surcharge transmitted to the state treasurer that is collected on behalf of the enterprise is excluded from state fiscal year spending.

(II) The commission may retain up to four percent of the collected surcharges necessary to reimburse the commission for its direct and indirect costs of administering the collection and remittance of surcharges for the enterprise, including costs related to conducting audits of service suppliers in accordance with section 40-17-103. Money that the commission retains pursuant to this subsection (3)(c)(II) shall be credited to the Colorado telephone users with disabilities fund, which fund is created in the state treasury. The fund consists of money credited to the fund pursuant to this subsection (3)(c)(II) and any other money that the general assembly may appropriate or transfer to the fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the Colorado telephone users with disabilities fund to the fund.

(4) The surcharge imposed by the enterprise pursuant to section 26-21-103.5 (1)(a)(II) is the only direct communication services for people with disabilities funding obligation imposed upon service users in the state. No tax, fee, surcharge, or other charge to fund the enterprise is imposed by the state, any political subdivision of the state, or any intergovernmental agency upon a seller or consumer with respect to the sale, purchase, use, or provision of a telephone access line in the state.

(5) This section does not apply to prepaid wireless telecommunications services.

(6) The telephone disability access surcharge shall not be imposed on the service supplier or the service users with respect to federally supported lifeline service.

(7) (a) On June 25, 2025, the state treasurer shall transfer two hundred thousand dollars from the fund to the general fund.

(b) This subsection (7) is repealed, effective July 1, 2026.

**Source:** **L. 2025:** Entire article R&RE, (HB 25-1154), ch. 230, p. 1079, § 15, effective May 22; (7) added with relocations, (HB 25-1154), ch. 230, p. 1088, § 31, effective May 22.

**Editor's note:** (1) Prior to its repeal and reenactment in 2025, this section was similar to former § 40-17-102 as it existed prior to 1992.

(2) Subsection (7) was relocated to this section by HB 25-1154 from § 40-17-104 (7), as added by SB 25-264, in 2025.

(3) Section 34(2) of chapter 230 (HB 25-1154), Session Laws of Colorado 2025, provides that the act adding subsection (7), with relocation from & sect; 40-17-104 (7) as added by SB 25-264, takes effect only if SB 25-264 becomes law and takes effect either upon the effective date of HB 25-1154 or SB 25-264, whichever is later. SB 25-264 became law and took effect April 25, 2025, and HB 25-1154 took effect May 22, 2025.

**40-17-103. Service supplier obligations - penalties - audits - rules.** (1) Every service supplier shall collect the telephone disability access surcharge from its service users.

(2) A service supplier is liable only for the surcharge collected pursuant to this article 17 until the surcharge is remitted to the commission. The amount remitted by the service supplier must reflect the actual collections based on the actual telephone access line billed.

(3) A service supplier shall remit the surcharge in accordance with section 40-17-102 and rules adopted by the commission.

(4) (a) The service supplier shall maintain a record of the amount of each surcharge collected and remitted by the service user address for a period of three years after the time the charge is collected and remitted.

(b) If a service supplier fails to timely file a report and remit the surcharge as required by this section, or if a service supplier files an incorrect report or fails to remit the correct amount, the commission shall estimate the amount of the remittance due for the period or periods for which the service supplier is delinquent. The commission shall make the estimate based on the information available. The commission shall compute and assess a penalty equal to fifteen percent of the estimate of the delinquent amount and shall assess interest on the delinquent charges at the rate of one percent each month from the date when due until the date paid.

(c) Except as provided in this section and unless such time is extended by agreement pursuant to subsection (4)(d) of this section, the amount of a delinquent remittance and the penalty and interest owed pursuant to subsection (4)(b) of this section, other than interest accruing thereafter, shall be assessed within three years after the date the incorrect report was filed or the delinquent report was to be filed. The commission shall not file a notice of lien, issue a distraint warrant, institute a suit for collection, or take other action to collect the amount after the expiration of such period unless the commission issues a notice of assessment for the amount within such period or within an extended period pursuant to subsection (4)(d) of this section.

(d) If, before the expiration of the time prescribed for the assessment of delinquent amounts in subsection (4)(c) of this section, the commission and the service supplier consent in writing to an assessment after such time, the amount calculated in accordance with subsection (4)(b) of this section may be assessed at any time prior to the expiration of the period agreed upon. The period agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon. The commission may file a lien against the property of the service supplier for up to one year after the expiration of any such period, unless otherwise specifically provided in this article 17.

(e) The commission may conduct an audit of a service supplier's books and records concerning the collection and remittance of the charges authorized under this article 17. A public inspection of the audit and of documents reviewed in the audit is subject to section 24-72-204. The commission is responsible for expenses the commission may incur to conduct the audit. In connection with audits performed, service suppliers shall make relevant records available to the auditors at no charge. The commission shall adopt rules governing the audit and appeal procedures.

(f) The commission shall deposit any penalties collected or interest in the Colorado division for the deaf, hard of hearing, and deafblind cash fund created in section 26-21-107 (1).

**Source:** **L. 2025:** Entire article R&RE, (HB 25-1154), ch. 230, p. 1080, § 15, effective May 22.

**Editor's note:** Prior to its repeal and reenactment in 2025, this section was similar to former § 40-17-104 as it existed prior to 1992.

**40-17-104. Prepaid telephone disability access charges collected for the enterprise - prepaid telephone disability access charge cash fund - created - remittance - rules.** (1) (a) On and after January 1, 2026, every seller shall collect, on behalf of the enterprise, the prepaid telephone disability access charge from the consumer on each retail transaction occurring in the state. The amount of the prepaid telephone disability access charge shall be disclosed to the consumer on an invoice, a receipt, or other similar document that the seller provides to the consumer. A seller shall elect to either disclose or separately state the charge and not change the election without the written consent of the department. The seller is deemed to have collected the charge notwithstanding the seller's failure to separately disclose or state the charge on an invoice, a receipt, or other similar document that the seller provides the consumer.

(b) For purposes of this section, a retail transaction occurs in Colorado if:

(I) The consumer effects the retail transaction in person at a business location in Colorado;

(II) If subsection (1)(b)(I) of this section does not apply, the product is delivered to the consumer at a Colorado address provided to the seller;

(III) If subsections (1)(b)(I) and (1)(b)(II) of this section do not apply, the seller's records, maintained in the ordinary course of business, indicate that the consumer's address is in Colorado, and the records are not made or kept in bad faith;

(IV) If subsections (1)(b)(I) to (1)(b)(III) of this section do not apply, the consumer gives a Colorado address during the consummation of the sale, including the consumer's payment instrument if no other address is available, and there is no indication that the address is given in bad faith; or

(V) If subsections (1)(b)(I) to (1)(b)(IV) of this section do not apply, the consumer's mobile telephone number is associated with a Colorado location.

(c) The prepaid telephone disability access charge is the liability of the consumer and not of the seller; except that the seller is liable to remit all charges that the seller collects from a consumer as provided in subsection (2) of this section.

(d) The amount of the prepaid telephone disability access charge that is collected by a seller from a consumer is not included in the base for measuring any tax, fee, surcharge, or other charge that is imposed by the state, any political subdivision of the state, or any intergovernmental agency.

(2) (a) The seller shall remit any collected prepaid telephone disability access charges to the department at the times and in the manner provided in part 1 of article 26 of title 39. The department shall establish, by rule, registration and payment procedures that substantially coincide with the registration and payment procedures that apply under part 1 of article 26 of title 39. A seller is subject to the penalties and interest under part 1 of article 26 of title 39 for failure to collect or remit a charge in accordance with this section.

(b) A seller may deduct and retain three and three-tenths percent of the prepaid telephone disability access charges that are collected by a seller from consumers.

(c) The executive director of the department shall collect, administer, and enforce the prepaid telephone disability access charge pursuant to article 21 of title 39. The audit and appeal procedures applicable to the state sales tax pursuant to part 1 of article 26 of title 39 apply to prepaid telephone disability access charges.

(d) The department shall, by rule, establish procedures by which a seller may document that a transaction is not a retail transaction, which procedures must substantially coincide with the procedures for documenting that a sale was wholesale for purposes of the sales tax pursuant to part 1 of article 26 of title 39.

(e) (I) The state treasurer shall credit the prepaid telephone disability access charges remitted to the department pursuant to subsection (2)(a) of this section to the Colorado division for the deaf, hard of hearing, and deafblind cash fund created in section 26-21-107 (1).

(II) The department may retain up to three percent of the collected charges necessary to reimburse the department for its direct costs of administering the collection and remittance of prepaid telephone disability access charges. Money that the department retains pursuant to this subsection (2)(e)(II) shall be credited to the prepaid telephone disability access charge cash fund, which fund is created in the state treasury. The fund consists of money credited to the fund pursuant to this subsection (2)(e)(II) and any other money that the general assembly may appropriate or transfer to the fund. The state treasurer shall credit all interest and income derived from the deposit and investment of money in the prepaid telephone disability access charge cash fund to the fund.

(3) The prepaid telephone disability access charge is the only direct disability communication access funding obligation imposed with respect to prepaid wireless telecommunications service in the state. No tax, fee, surcharge, or other charge to fund disability communication access is imposed by the state, any political subdivision of the state, or any intergovernmental agency upon a seller or consumer with respect to the sale, purchase, use, or provision of prepaid wireless telecommunications service.

(4) The prepaid telephone disability access charge shall not be imposed on the seller or the consumer with respect to federally supported lifeline service.

**Source:** **L. 2025:** (7) added, (SB 25-264), ch. 129, p. 509, § 47, effective April 25; entire article R&RE, (HB 25-1154), ch. 230, p. 1081, § 15, effective May 22.

**Editor's note:** (1) Prior to its repeal and reenactment in 2025, this section was similar to former § 40-17-103 as it existed prior to 1992.

(2) Subsection (7), as added by SB 25-264, was relocated by HB 25-1154 to § 40-17-102 (7) in 2025.

**ARTICLE 17.5**

988 Surcharge and Prepaid Wireless 988 Charge

for the 988 Crisis Hotline

**40-17.5-101. Definitions.** As used in this article 17.5, unless the context otherwise requires:

(1) "988" means the three-digit abbreviated dialing code used to report a behavioral health crisis.

(2) "988 access connection" means any communications service including wireline, wireless cellular, interconnected voice over internet protocol, or satellite in which connections are enabled, configured, or capable of making 988 calls. "988 access connection" does not include facilities-based broadband services. The number of 988 access connections is determined by the configured capacity for simultaneous outbound calling. For example, for a Digital Signal-1 (DS-1) level service or equivalent that is channelized and split into separate channels for voice communications, the number of 988 access connections would be equal to the number of channels capable of making simultaneous calls.

(3) "988 crisis hotline enterprise" or "enterprise" means the 988 crisis hotline enterprise created in section 27-64-103.

(4) "988 surcharge" or "surcharge" means the 988 surcharge imposed by the 988 crisis hotline enterprise pursuant to section 27-64-103 (4)(a).

(5) "Commission" or "public utilities commission" means the public utilities commission of the state of Colorado created in section 40-2-101.

(6) "Consumer" means a person who purchases prepaid wireless telecommunications service in a retail transaction.

(7) "Department" means the department of revenue.

(8) "Person" means any individual; firm; partnership; copartnership; joint venture; association; cooperative organization; corporation, either municipal or private and organized for profit or not; governmental agency; state; county or city and county; political subdivision; state department; commission; board; bureau, fraternal organization, nonprofit organization, estate, trust, business or common law trust, receiver, assignee for the benefit of creditors, trustee, or trustee in bankruptcy; or any other service user.

(9) "Prepaid wireless 988 charge" or "charge" means the charge imposed by the 988 crisis hotline enterprise pursuant to section 27-64-103 (4)(b).

(9.5) "Prepaid wireless telecommunications service", for the purposes of this section, has the same meaning as in section 29-11-101.

(10) "Retail transaction" means the purchase of prepaid wireless telecommunications service from a seller for any purpose other than resale.

(11) "Seller" means a person who sells prepaid wireless telecommunications services to another person.

(12) "Service supplier" means a person providing 988 access connections to any service user in the state, either directly or by resale.

(13) "Service user" means a person who is provided a 988 access connection in the state.

**Source:** **L. 2021:** Entire article added, (SB 21-154), ch. 360, p. 2348, § 2, effective September 7. **L. 2025:** (9.5) added, (SB 25-031), ch. 147, p. 561, § 5, effective August 6.

**40-17.5-102. 988 surcharge - collection - rules.** (1) The commission shall collect, on behalf of the 988 crisis hotline enterprise, the 988 surcharge imposed by the enterprise pursuant to section 27-64-103 (4)(a) to fund the enterprise. The commission shall collaborate with the enterprise to establish the amount of the surcharge for the next calendar year.

(2) Each service supplier shall collect the surcharge from its service users. The surcharge is the liability of the service user and not of the service supplier; except that the service supplier is liable to remit all surcharges that the service supplier collects from service users.

(3) (a) The service supplier shall remit the collected surcharges to the commission on a monthly basis in a manner established by the commission. The commission shall establish remittance procedures by rule. A service supplier is subject to the penalties and procedures in section 40-17.5-103 for the failure to collect or correctly remit a surcharge in accordance with this section.

(b) A service supplier may deduct and retain one percent of the surcharges that are collected by the service supplier from its service users.

(c) (I) The state treasurer shall credit the surcharge collections remitted to the commission pursuant to subsection (3)(a) of this section to the 988 crisis hotline cash fund created in section 27-64-104. Any surcharge transmitted to the state treasurer that is collected on behalf of the 988 crisis hotline enterprise is excluded from state fiscal year spending.

(II) The commission may retain up to four percent of the collected surcharges necessary to reimburse the commission for its direct and indirect costs of administering the collection and remittance of surcharges for the 988 crisis hotline, including costs related to conducting audits of service suppliers in accordance with section 40-17.5-103.

(4) The surcharge imposed by the enterprise pursuant to section 27-64-103 (4)(a) is the only direct 988 funding obligation imposed upon service users in the state. No tax, fee, surcharge, or other charge to fund the 988 crisis hotline is imposed by the state, any political subdivision of the state, or any intergovernmental agency upon a seller or consumer with respect to the sale, purchase, use, or provision of 988 access connection in the state.

(5) This section does not apply to prepaid wireless telecommunications services.

**Source:** **L. 2021:** Entire article added, (SB 21-154), ch. 360, p. 2349, § 2, effective September 7.

**40-17.5-103. Remittance of surcharges - incorrect or delinquent reports - penalties - administrative fees - rules.** (1) Every service supplier shall collect the 988 surcharge by the 988 crisis hotline enterprise pursuant to section 27-64-103 (4)(a) from its service users.

(2) The duty to collect or remit the 988 surcharge commences on January 1, 2022. The 988 surcharge must be stated separately or on the same line item as the 911 surcharge created in section 29-11-102.3. The revenues collected from the 988 and 911 surcharges must not be combined in any way and must be collected and remitted to the commission separately.

(3) A service supplier is liable only for the 988 surcharge collected pursuant to this article 17.5 until it is remitted to the commission. The amount remitted by the service supplier must reflect the actual collections based on the actual 988 access connections billed.

(4) A service supplier shall remit the 988 surcharge in accordance with section 40-17.5-102 and rules adopted by the commission.

(5) (a) The service supplier shall maintain a record of the amount of each 988 surcharge collected and remitted by service user address for a period of three years after the time the charge was collected and remitted.

(b) If a service supplier fails to timely file a report and remit the 988 surcharge as required by this section, or if a service supplier files an incorrect report or fails to remit the correct amount, the commission shall estimate the amount of the remittance due for the period or periods for which the service supplier is delinquent. The commission shall make the estimate based upon the information available. The commission shall compute and assess a penalty equal to fifteen percent of the estimate of the delinquent amount and shall assess interest on the delinquent charges at the rate of one percent each month from the date when due until the date paid.

(c) Except as provided in this section and unless such time is extended by agreement pursuant to subsection (5)(d) of this section, the amount of a delinquent remittance and the penalty and interest owed pursuant to subsection (5)(b) of this section, other than interest accruing thereafter, must be assessed within three years after the date the incorrect report was filed or the delinquent report was to be filed. The commission shall not file a notice of lien, issue a distraint warrant, institute a suit for collection, or take other action to collect the amount after the expiration of such period unless the commission issues a notice of assessment for the amount within such period or within an extended period pursuant to subsection (5)(d) of this section.

(d) If, before the expiration of the time prescribed for the assessment of delinquent amounts in subsection (5)(c) of this section, the commission and the service supplier consent in writing to an assessment after such time, the amount calculated in accordance with subsection (5)(b) of this section may be assessed at any time prior to the expiration of the period agreed upon. The period agreed upon may be extended by subsequent agreements in writing made before the expiration of the period previously agreed upon. The commission may file a lien against the property of the service supplier for up to one year after the expiration of any such period, unless otherwise specifically provided in this article 17.5.

(e) The commission may conduct an audit of a service supplier's books and records concerning the collection and remittance of the charges authorized by this article 17.5. A public inspection of the audit and of documents reviewed in the audit is subject to section 24-72-204. The commission is responsible for expenses the commission may incur to conduct the audit. In connection with audits performed, service suppliers shall make relevant records available to the auditors at no charge. The commission shall promulgate rules governing the audit and appeal procedures.

(f) The commission shall deposit any penalties or interest in the 988 crisis hotline cash fund created in section 27-64-104.

**Source:** **L. 2021:** Entire article added, (SB 21-154), ch. 360, p. 2350, § 2, effective September 7.

**40-17.5-104. Prepaid wireless 988 charge - collection - rules.** (1) (a) The seller shall collect, on behalf of the 988 crisis hotline enterprise, the prepaid wireless 988 charge imposed by the enterprise pursuant to section 27-64-103 (4)(b) from the consumer on each retail transaction occurring in the state. The amount of the prepaid wireless 988 charge shall be either disclosed to the consumer or separately stated or stated on the same line item as the 911 surcharge created in section 29-11-102.3 on an invoice, receipt, or other similar document the seller provides to the consumer. A seller shall elect to either disclose or separately state the charge and shall not change the election without the written consent of the department. The seller is deemed to have collected the charge notwithstanding the seller's failure to separately disclose or state the charge on an invoice, receipt, or other similar document the seller provides to the consumer.

(b) For purposes of this section, a retail transaction occurs in Colorado if:

(I) The consumer effects the retail transaction in person at a business location in Colorado;

(II) If subsection (1)(b)(I) of this section does not apply, the product is delivered to the consumer at a Colorado address provided to the seller;

(III) If subsections (1)(b)(I) and (1)(b)(II) of this section do not apply, the seller's records, maintained in the ordinary course of business, indicate that the consumer's address is in Colorado and the records are not made or kept in bad faith;

(IV) If subsections (1)(b)(I) to (1)(b)(III) of this section do not apply, the consumer gives a Colorado address during the consummation of the sale, including the consumer's payment instrument if no other address is available, and there is no indication that the address is given in bad faith; or

(V) If subsections (1)(b)(I) to (1)(b)(IV) of this section do not apply, the mobile telephone number is associated with a Colorado location.

(c) The prepaid wireless 988 charge is the liability of the consumer and not of the seller; except that the seller is liable to remit all prepaid wireless 988 charges that the seller collects from a consumer as provided in subsection (2) of this section.

(d) The amount of the prepaid wireless 988 charge that is collected by a seller from a consumer is not included in the base for measuring any tax, fee, surcharge, or other charge that is imposed by the state, any political subdivision of the state, or any intergovernmental agency.

(2) (a) The seller shall remit any collected prepaid wireless 988 charges to the department at the times and in the manner provided in part 1 of article 26 of title 39. The department shall establish, by rule, registration and payment procedures that substantially coincide with the registration and payment procedures that apply under part 1 of article 26 of title 39. A seller is subject to the penalties under part 1 of article 26 of title 39 for failure to collect or remit a prepaid wireless 988 charge in accordance with this section.

(b) A seller may deduct and retain three and three-tenths percent of the prepaid wireless 988 charges that are collected by the seller from the consumers.

(c) The audit and appeal procedures applicable to the state sales tax pursuant to part 1 of article 26 of title 39 apply to prepaid wireless 988 charges.

(d) The department shall, by rule, establish procedures by which a seller may document that a transaction is not a retail transaction, which procedures must substantially coincide with the procedures for documenting that a sale was wholesale for purposes of the sales tax pursuant to part 1 of article 26 of title 39.

(e) (I) The state treasurer shall credit the prepaid wireless 988 charges remitted to the department pursuant to subsection (2)(a) of this section to the 988 crisis hotline cash fund created in section 27-64-104.

(II) The department may retain up to three percent of the collected charges necessary to reimburse the department for its direct costs of administering the collection and remittance of prepaid wireless 988 charges.

(3) The prepaid wireless 988 charge imposed pursuant to section 27-64-103 (4)(b) is the only direct 988 funding obligation imposed with respect to prepaid wireless telecommunications service in the state. No tax, fee, surcharge, or other charge to fund the 988 crisis hotline is imposed by the state, any political subdivision of the state, or any intergovernmental agency upon a seller or consumer with respect to the sale, purchase, use, or provision of prepaid wireless telecommunications service.

**Source:** **L. 2021:** Entire article added, (SB 21-154), ch. 360, p. 2351, § 2, effective September 7.

**40-17.5-105. Immunity of providers.** No service provider or service supplier, or any employee or agent thereof, shall be liable for any damages in a civil action for injuries, death, or loss to person or property incurred as a result of any act or omission of such service provider, service supplier, employee, or agent in connection with developing, adopting, implementing, maintaining, enhancing, or providing 988 access connection or service, unless such damage or injury was intentionally caused by or resulted from gross negligence of the provider, supplier, employee, or agent.

**Source:** **L. 2021:** Entire article added, (SB 21-154), ch. 360, p. 2353, § 2, effective September 7.

**RAILROADS**

**ARTICLE 18**

Rail Fixed Guideway System Safety Oversight

**40-18-101. Definitions.** As used in this article 18, unless the context otherwise requires:

(1) Repealed.

(2) "Commission" means the public utilities commission of the state of Colorado.

(3) "Rail fixed guideway system" means any light, heavy, or rapid rail system, monorail, inclined plane, funicular, trolley, or automated guideway used to transport passengers that is not regulated by the federal railroad administration. The term "rail fixed guideway system" does not include funiculars that are passenger tramways as defined in section 12-150-103 (5)(c) and are subject to the jurisdiction of the Colorado passenger tramway safety board created in section 12-150-104.

(4) "System safety program plan" means a document adopted by a transit agency that details its safety policies, objectives, responsibilities, and procedures.

(5) "System safety program standard" means a safety standard developed by the commission in conformance with 49 CFR 674, entitled "State Safety Oversight".

(6) "Transit agency" means an entity operating a rail fixed guideway system.

**Source:** **L. 97:** Entire article added, p. 930, § 1, effective August 6. **L. 2008:** (1) repealed, p. 1807, § 31, effective July 1. **L. 2019:** IP and (3) amended, (HB 19-1172), ch. 136, p. 1733, § 259, effective October 1. **L. 2023:** (5) amended, (HB 23-1301), ch. 303, p. 1844, § 89, effective August 7.

**40-18-102. Rail fixed guideway system safety oversight program - commission may establish.** The commission is authorized to establish an oversight program for the safety and security of rail fixed guideway systems in accordance with section 28 of the "Intermodal Surface Transportation Efficiency Act of 1991", 49 U.S.C. sec. 5330, and the "Moving Ahead for Progress in the 21st Century Act", 49 U.S.C. sec. 5329.

**Source:** **L. 97:** Entire article added, p. 931, § 1, effective August 6. **L. 2013:** Entire section amended, (HB 13-1103), ch. 96, p. 310, § 2, effective August 7.

**40-18-103. Commission to promulgate rules.** (1) The commission shall promulgate rules as are necessary to:

(a) Require, review, approve, and monitor the creation and implementation of a system safety program plan for each rail fixed guideway system operating in Colorado;

(b) Investigate hazardous conditions and accidents on rail fixed guideway systems;

(c) Require corrective action by a transit agency to correct or eliminate hazardous conditions;

(d) Require that system safety program standards comply with the requirements of 49 CFR 674, entitled "State Safety Oversight", at a minimum, and also adequately address the issue of personal security.

(2) The commission shall promulgate rules to establish a system safety oversight program for rail fixed guideway systems operating within the state that, at a minimum, meets the requirements of 49 CFR 674, entitled "State Safety Oversight".

**Source:** **L. 97:** Entire article added, p. 931, § 1, effective August 6. **L. 2008:** (1)(d) amended, p. 1807, § 32, effective July 1. **L. 2023:** (1)(d) and (2) amended, (HB 23-1301), ch. 303, p. 1845, § 90, effective August 7.

**40-18-104. Confidential investigative reports - rules.** The commission may adopt rules making ongoing investigations, as described in section 24-72-204 (2)(a)(IX), or security information, as described in section 24-72-204 (2)(a)(VIII), confidential. If the commission adopts the confidentiality rules, the rules must not make final reports of investigations confidential and must require the timely release of information if public knowledge of the information would protect the public safety, health, or welfare.

**Source:** **L. 97:** Entire article added, p. 931, § 1, effective August 6. **L. 2025:** Entire section amended, (SB 25-052), ch. 21, p. 83, § 1, effective August 6.

**40-18-105. Calculation and assessment of fees.**

(1) Repealed.

(2) (a) At each regular session, the general assembly shall determine the amounts to be expended by the commission from the public utilities commission fixed utility fund created in section 40-2-114 for its administrative expenses under this article, including any additional FTE that may be necessary.

(b) The director of the public utilities commission shall provide written notice to the revisor of statutes once the federal grant moneys made available under the "Moving Ahead for Progress in the 21st Century Act", 49 U.S.C. sec. 5329, have been awarded to the state. This subsection (2) takes effect upon the receipt by the revisor of statutes of such written notice.

**Source:** **L. 97:** Entire article added, p. 931, § 1, effective August 6. **L. 2013:** Entire section amended, (HB 13-1103), ch. 96, p. 310, § 3, effective August 7.

**Editor's note:** (1) The revisor of statutes received the notice referred to in former subsection (1)(b) that caused the repeal of that provision, effective May 1, 2017. (See L. 2013, p. 310.)

(2) The revisor of statutes received the notice referred to in subsection (2)(b) that allowed that provision to become effective May 1, 2017.

**ARTICLE 20**

Organization and Government

PART 1

GENERAL

**40-20-101. Certificate of incorporation.** (1) Any number of persons, not less than five, may associate to form a company for the purpose of constructing and operating a railroad.

(2) The certificate of incorporation, in addition to the matter otherwise required, shall specify as follows:

(a) The places from and to which it is intended to construct the proposed railway;

(b) The time of the commencement and the period of the continuance of such proposed corporation;

(c) The names and places of residence of the several persons forming the association for incorporation; and

(d) In what officers or persons the government of the proposed corporation and the management of its affairs shall be vested.

**Source:** **G.L.** § 298. **G.S.** § 333. **R.S. 08:** § 5410. **C.L.** § 2815. **CSA:** C. 139, § 1. **CRS 53:** § 116-1-1. **C.R.S. 1963:** § 116-1-1. **L. 69:** p. 966, § 1.

**Cross references:** For the disposition of unclaimed freight, see article 13 of title 38; for lien on goods and baggage, see § 38-20-105; for the assessment of railroad property for the purpose of taxation, see article 4 of title 39; for provisions applicable to public utilities generally, see articles 1 to 9.5 of this title.

**40-20-102. Powers of corporation.** (1) Every such corporation, in addition to the powers conferred in articles 101 to 117 of title 7, C.R.S., has the power:

(a) To lay out its road, not exceeding two hundred feet in width, and to construct the same; and for the purpose of cuttings and embankments to take as much more land as may be necessary for the proper construction and security of the railway; and to cut down any standing trees that may be in danger of falling or obstructing the railway, making proper compensation therefor;

(b) To cross, intersect, or connect its railway with any other railway;

(c) To connect at the state line with railroads of other states and territories;

(d) To receive and convey persons and property on its railway;

(e) To erect and maintain all buildings and stations, fixtures, and machinery necessary and convenient for the accommodation, and use of passengers, freights, and business interests or which may be necessary for the construction or operation of said railway;

(f) To regulate the time and manner in which passengers and property shall be transported and the compensation to be paid therefor;

(g) From time to time, to borrow such sums of money as may be necessary for completing, finishing, improving, or operating any such railway, and to issue and dispose of its bonds for any amount so borrowed, and to mortgage its corporate property and franchise to secure the payment of any debt contracted by such corporation for such purposes, in such manner as the shareholders representing a majority of the stock of any such corporation may direct;

(h) Notwithstanding any provision of law to the contrary, to invest in any of the following if such investment is consistent with sound investment policy:

(I) Any public-private initiative with the department of transportation, as defined in section 43-1-1201 (3), C.R.S.;

(II) Bonds issued for turnpikes in accordance with part 2 of article 3 of title 43, C.R.S.;

(III) Repealed.

(IV) Any other public-private initiative program for transportation system projects in Colorado authorized by law.

**Source:** **G.L.** § 301. **G.S.** § 336. **R.S. 08:** § 5411. **C.L.** § 2816. **CSA:** C. 139, § 2. **CRS 53:** § 116-1-2. **C.R.S. 1963:** § 116-1-2. **L. 93:** IP(1) amended, p. 866, § 45, effective July 1, 1994. **L. 98:** (1)(h) added, p. 447, § 9, effective August 5. **L. 2005:** (1)(h)(III) repealed, p. 290, § 42, effective August 8.

**Cross references:** For the legislative declaration contained in the 1998 act enacting subsection (1)(h), see section 1 of chapter 154, Session Laws of Colorado 1998.

**40-20-103. Right-of-way for changed line - sale of right-of-way for public passenger rail service - definitions.** (1) Any railroad company having located its line of road, whether the same is completed or not, may make a new location of its line and may acquire the right-of-way for such new line in the same manner as is now provided for acquiring the right-of-way by the statutes of Colorado; but in acquiring said new right-of-way, the previous right-of-way shall revert to the owner of the land through which said previous right-of-way was granted upon the payment or tendering payment to the railroad company of the amount assessed by the board of appraisers and paid by said railroad company for said previous right-of-way.

(2) (a) Any railroad company may sell its right-of-way for the operation of a public passenger rail service. In such case, the right-of-way shall continue to be used as a public highway only for operation of public passenger rail service for purposes of section 4 of article XV of the state constitution if ownership of the right-of-way is transferred to a public passenger rail service provider, regardless of:

(I) Whether or not an order of abandonment has been issued for the right-of-way by the federal surface transportation board, any successor federal agency, or any court of competent jurisdiction;

(II) The technology used to operate the public passenger rail service; or

(III) Whether ownership of the railroad is public or private.

(b) No rail service provider operating public passenger rail service as authorized by paragraph (a) of this subsection (2) shall be required to offer its right-of-way for use by any other rail service provider by operation of Colorado law after an order of abandonment has been issued.

(3) Nothing in this section shall be construed to affect any vested right of any party.

(4) For purposes of this section, "public passenger rail service" means any passenger service that runs on rails or electromagnetic guideways, including but not limited to:

(a) Commuter or other short-haul railroad passenger service in a metropolitan or suburban area;

(b) High-speed ground transportation systems that connect metropolitan areas; or

(c) Rapid transit operations in an urban area that are not connected to the general railroad system of transportation.

**Source:** **L. 1874:** p. 224, § 1. **G.L.** § 2234. **G.S.** § 2795. **R.S. 08:** § 5519. **C.L.** § 2902. **CSA:** C. 139, § 88. **CRS 53:** § 116-1-3. **C.R.S. 1963:** § 116-1-3. **L. 2010:** Entire section amended, (HB 10-1276), ch. 201, p. 875, § 1, effective August 11.

**Cross references:** For procedure in eminent domain, see articles 1 to 7 of title 38.

**40-20-104. May guarantee bonds and interest.** It is lawful for any railroad company organized, existing, or doing business in the state of Colorado under the laws of the state of Colorado, upon good consideration, to guarantee the payment of any mortgage, mortgage bonds, or interest coupons of any other railroad connecting with said first named railroad. It is also lawful for any such railroad, upon good consideration, to guarantee to said road the payment of interest upon its capital stock.

**Source:** **L. 1887:** p. 369, § 1. **R.S. 08:** § 5412. **C.L.** § 2817. **CSA:** C. 139, § 3. **CRS 53:** § 116-1-4. **C.R.S. 1963:** § 116-1-4.

**40-20-105. Construction started within two years.** If any railway corporation, within two years after its articles of association have been filed and recorded, does not begin the construction of its road and expend thereon twenty percent of the amount of its capital within five years after the date of its organization, its corporate existence and power shall cease; but any such railway corporation at any time may reduce its capital stock in the manner and form provided by the laws of this state, and if twenty percent of the amount of its capital, as so reduced, has at any time been expended in good faith in the construction of its road, then its corporate existence and power shall not cease or be deemed to have ceased.

**Source:** **G.L.** § 303. **G.S.** § 337. **L. 1889:** p. 95 § 1. **R.S. 08:** § 5413. **C.L.** § 2818. **CSA:** C. 139, § 4. **CRS 53:** § 116-1-5. **C.R.S. 1963:** § 116-1-5.

**40-20-106. Directors - election.** At any meeting of the stockholders of any railroad corporation formed under the laws of this state for the election of directors, managers, or trustees, the stockholders may classify the directors in three equal classes, as near as may be, one of which classes shall hold office for one year, one for two years, and one for three years until its successors are respectively elected; and at all subsequent elections, in the event such classification is made, directors shall be elected for three years to fill the places made vacant by the class whose term of office expires at that time.

**Source:** **G.L.** § 319. **G.S.** § 362. **R.S. 08:** § 5414. **C.L.** § 2819. **CSA:** C. 139, § 5. **CRS 53:** § 116-1-6. **C.R.S. 1963:** § 116-1-6.

**Cross references:** For provisions regarding directors and their election, see part 1 of article 108 of title 7.

**40-20-107. Stockholders to fix interest and loans.** At all general meetings of the stockholders, those holding a majority in the value of the stock of any such corporation may fix the rates of interest which shall be paid by the corporation for loans for the construction of such railway and its appendages and the amount of such loans.

**Source:** **G.L.** § 300. **G.S.** § 335. **R.S. 08:** § 5415. **C.L.** § 2820. **CSA:** C. 139, § 6. **CRS 53:** § 116-1-7. **C.R.S. 1963:** § 116-1-7.

**40-20-108. Purchase or lease of other lines - sale.** Any railroad company owning or operating, or formed to own or operate, a line of railroad in this state may lease or purchase other lines of railroad within or without this state which shall connect with the road operated or to be operated by such company, directly or by means of any other line which such company has the right by contract or otherwise, when constructed, to use or operate, and may acquire and may hold the obligations and stock of other companies owning or operating any such line of railroad which such company is so authorized to lease or purchase or with which, under the laws of the state of Colorado, it may be authorized to consolidate, and any railroad corporation may lease or sell its line of railroad to any other company authorized to lease or purchase the same. No line of railroad shall be so leased, purchased, or sold until a meeting of the stockholders of the companies party to such agreement of lease or sale has been called for that purpose in such manner as provided for the annual stockholders' meeting, and the holders of at least two-thirds of the stock of such companies consent thereto or, in the case of a foreign corporation, unless the consent thereto of the stockholders has been obtained to the extent required and in the manner provided by the laws of the place of incorporation. Nothing in this section shall be deemed to authorize the lease, purchase, or sale of competing or parallel lines or to exclude the jurisdiction of this state over the control or regulation of all railroads or parts of the same as are situated within the boundaries of this state.

**Source:** **L. 1899:** p. 313, § 1. **R.S. 08:** § 5418. **C.L.** § 2821. **L. 27:** p. 580, § 1. **CSA:** C. 139, § 7. **CRS 53:** § 116-1-8. **C.R.S. 1963:** § 116-1-8.

**Cross references:** For the call of stockholders' meeting, see §§ 7-107-102 and 7-107-103.

**40-20-109. Dining cars need no license.** No person or corporation shall be required to obtain or pay any town, city, county, or state license or tax within the state of Colorado by reason of furnishing or serving to passengers upon any railroad train meals, luncheons, or refreshments in any hotel car, dining car, or buffet car operated by such person or corporation.

**Source:** **L. 1891:** p. 260, § 1. **R.S. 08:** § 5521. **C.L.** § 2904. **CSA:** C. 139, § 90. **CRS 53:** § 116-1-9. **C.R.S. 1963:** § 116-1-9.

**40-20-110. Title to equipment.** In any written contract for the sale of railroad equipment or rolling stock, deliverable immediately or subsequently, at stipulated periods, by the terms of which the purchase money, in whole or in part, is to be paid in the future, it may be agreed that the title to the property so sold or contracted to be sold shall not pass to or vest in the vendee until the purchase money has been fully paid or that the vendor shall retain a lien thereon for the unpaid purchase money, notwithstanding delivery thereof to and possession by the vendee for a period not to exceed twenty-five years in any one contract, which terms shall be expressed in said contract; but the situs or location of all such property shall, for the purposes of taxation and revenue, be deemed to be within the state of Colorado.

**Source:** **L. 1885:** p. 302, § 1. **L. 05:** p. 305, § 1. **R.S. 08:** § 5523. **C.L.** § 2906. **CSA:** C. 139, § 92. **CRS 53:** § 116-1-10. **C.R.S. 1963:** § 116-1-10.

**40-20-111. Lease may stipulate sale.** In any written contract for the leasing or renting of railroad equipment or rolling stock, it is lawful to stipulate for a conditional sale thereof at the termination of such lease and to stipulate that the rentals received, as paid or when paid in full, may be applied and treated as purchase money and that the title to such property shall not vest in such lessee or vendee until the purchase money has been paid in full, notwithstanding delivery to and possession by such lessee or vendee.

**Source:** **L. 1885:** p. 303, § 2. **R.S. 08:** § 5524. **C.L.** § 2907. **CSA:** C. 139, § 93. **CRS 53:** § 116-1-11. **C.R.S. 1963:** § 116-1-11.

**40-20-112. Execution of contract.** (1) Every such contract, specified in sections 40-20-110 and 40-20-111, shall be good, valid, and effectual, both in law and equity, against all purchasers and creditors, provided:

(a) The contract is acknowledged by the vendee or lessee before some officer authorized by law to take acknowledgments of deeds;

(b) Such instrument is recorded or a copy thereof filed in the office of the secretary of state and in the office of the county clerk and recorder of each of the counties in which the railroad may be operated in this state;

(c) Each locomotive engine or car so sold or contracted to be sold or leased has the name of the vendor or lessor or the assignee of such vendor or lessor plainly placed or marked on each side thereof or otherwise marked so as to indicate the ownership thereof or that the same is covered by such special contract.

**Source:** **L. 1885:** p. 303, § 3. **R.S. 08:** § 5525. **C.L.** § 2908. **CSA:** C. 139, § 94. **CRS 53:** § 116-1-12. **C.R.S. 1963:** § 116-1-12.

**40-20-113. Acknowledgments.** The acknowledgments of such contracts may be made in the form required as to conveyances of real estate.

**Source:** **L. 1885:** p. 303, § 5. **R.S. 08:** § 5527. **C.L.** § 2910. **CSA:** C. 139, § 96. **CRS 53:** § 116-1-13. **C.R.S. 1963:** § 116-1-13.

**Cross references:** For form of real estate conveyance acknowledgments, see § 38-35-101.

**40-20-114. Term of existence - renewal.** No such corporation shall be formed to continue more than fifty years in the first instance, but such corporation may be renewed from time to time, in such manner as may be provided by law, for periods not longer than fifty years.

**Source:** **G.L.** § 299. **G.S.** § 334. **R.S. 08:** § 5419. **C.L.** § 2822. **CSA:** C. 139, § 8. **CRS 53:** § 116-1-14. **C.R.S. 1963:** § 116-1-14.

PART 2

ABANDONMENT OF RAILROAD RIGHTS-OF-WAY

**40-20-201 to 40-20-206. (Repealed)**

**Editor's note:** (1) This part 2 was added in 1996 and was not amended prior to its repeal in 1997. For the text of this part 2 prior to 1997, consult the Colorado statutory research explanatory note and the table itemizing the replacement volumes and supplements to the original volume of C.R.S. 1973 beginning on page vii in the front of this volume.

(2) Section 40-20-206 provided for the repeal of this part 2, effective July 1, 1997. (See L. 96, p. 839.)

PART 3

RAILROAD SAFETY

**40-20-301. Legislative declaration.** (1) The general assembly finds, determines, and declares that:

(a) Railroad transportation is a critical component of Colorado's economy and provides efficient and cost-effective movement of goods across the state and beyond;

(b) Protecting Colorado's residents, ecosystems, and infrastructure from exposure to hazardous materials carried by trains is a top priority of the general assembly;

(c) Trains emit fewer greenhouse gas emissions than other modes of transportation, including truck tractors, trailers, or semitrailers, thereby making trains a desirable climate-conscious option for transporting large volumes of weight and for freight movement;

(d) Colorado's fragile ecosystems, weather extremes, extensive number of hard-to-maintain railroad track miles, and number of communities through which railroads operate necessitate that the state take decisive action to prevent and mitigate potential harm to the environment and Colorado residents from derailments and other accidents;

(e) Railroad tracks frequently bisect communities with populations of Black people, Indigenous people, and other people of color and low-income communities across Colorado, meaning that any derailment will likely disproportionately impact those communities, which necessitates that Colorado take extra precautions to prevent derailments;

(f) The frequency of train accidents involving hazardous materials has increased in the last twenty years. Beginning in 1990, railroads started lobbying for less regulation of the transportation of hazardous materials, and a reduction in regulation resulted in a greater number of derailments. When railroads implemented precision scheduling to increase profits beginning in 2010, the number of derailments involving hazardous materials increased significantly.

(g) The safe and efficient operation of railroads requires several factors, including regularly maintaining railroad tracks and rolling stock, appropriately using technology to detect and address mechanical and other issues, employing experienced and well-paid workers with critical skill sets to recognize and avoid accidents, and limiting the number of cars that trains carry to ensure that trains have reasonable lengths.

(2) The general assembly further finds, determines, and declares that:

(a) Railroads utilize numerous forms of available technology to detect and prevent various equipment failures, including installing wayside detector systems adjacent to a main line;

(b) Two of the most common wayside detector technologies that railroads currently use are hot bearing detectors that use infrared sensors to measure the temperatures of bearings on passing trains and dragging equipment detectors that detect objects dragging along a track;

(c) Using hot bearing detectors and dragging equipment detectors at regular intervals along a railroad track can reduce the risk of derailments, accidents, and other incidents and promote the safe and efficient movement of goods across the state;

(d) These wayside detector systems are highly effective, preventive tools that can alert railroad crews to problems so they can take immediate action to prevent accidents or derailments;

(e) The federal railroad administration recommends but does not require the placement of hot bearing detectors at intervals of forty miles, while railroad experts nationwide have called for significantly greater quantity and density of hot bearing detectors;

(f) The federal railroad administration also recommends but does not require the installation of dragging equipment detectors at intervals of no more than twenty-five miles on railroad tracks on which trains operate at speeds of sixty miles per hour or more, while railroad experts nationwide have called for significantly greater quantity and density of dragging equipment detectors;

(g) The federal railroad administration's recommended spacing distances do not consider the unique and challenging dynamics of operating railroads safely in Colorado, do not adequately prevent accidents and derailments, and do not proactively protect Colorado's residents, communities, and environment from harm;

(h) Railroads are not currently required to disclose where wayside detectors are installed or whether the detectors are operational, nor are they required to consider variable track conditions in the placement of detectors. Without this information, the general assembly, the public utilities commission, and the public are forced to rely only on the assertions of railroads that they are adequately monitoring tracks and trains for problems.

(i) Recent derailments and accidents across the country have highlighted that railroads are not adequately monitoring for problems or taking preventive action, that severe injury to individuals and severe damage to the environment and infrastructure are preventable and unnecessary, and that the general assembly must take action;

(j) Transparency and accountability in railroad operations are critical to ensure the safety of Colorado's residents, protect infrastructure and the environment, and promote long-term sustainability of the state's economy, and it is necessary to require railroad companies to annually report the locations of installed wayside detector systems and train length to the public utilities commission; and

(k) Absent a Colorado-specific recommendation from the federal railroad administration concerning the placement of wayward detector systems, and with no recommendation pending in the immediate future, the general assembly defers to the expert advice of railroad operators.

(3) Therefore, the general assembly hereby enacts this part 3 to:

(a) Promote transparency, accountability, and safety in railroad operations in the state;

(b) Limit greenhouse gas emissions;

(c) Reduce the risk of accidents, derailments, and other incidents associated with railroad transportation; and

(d) Protect the health and well-being of Colorado's residents and ecosystems.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 744, § 1, effective July 1.

**40-20-302. Definitions.** As used in this part 3, unless the context otherwise requires:

(1) "Accident" has the meaning set forth in 49 CFR 225.5.

(2) "Class I railroad" has the meaning set forth in 49 U.S.C. sec. 20102 (1).

(3) "Class II railroad" has the meaning set forth in 49 U.S.C. sec. 20102 (1).

(4) "Class III railroad" has the meaning set forth in 49 U.S.C. sec. 20102 (1).

(5) "Community rail safety advisory committee" means the community rail safety advisory committee created in section 40-20-312.

(5.5) "Corrective action" means an activity conducted to ensure that a railroad track, a car, a locomotive, crossing equipment, signal equipment, or other facility of a railroad is in good condition and that a train runs safely and smoothly.

(6) "Defect" includes, but is not limited to, hot wheel bearings, hot wheels, deficient bearings detected through acoustic means, dragging of equipment, excessive height, excessive weight, a shifted load, a loose hose, improper rail temperature, or a deficient wheel condition.

(7) "Disproportionately impacted community" has the meaning set forth in section 24-4-109 (2)(b)(II).

(8) "Dragging equipment detector" means an electronic device or other technology that monitors a passing train to actively detect and alert operators of the train of the existence of any objects dragging from the train.

(8.5) "Environmentally critical area" means an area or feature that is of significant ecological value, including a:

(a) Stream corridor;

(b) Headwater;

(c) Wetland;

(d) Federal, state, or locally designated public land or natural area site;

(e) Natural heritage priority site;

(f) Habitat of endangered or threatened species;

(g) Large area of a contiguous open space or forest;

(h) Steep slope;

(i) Geological heritage site; or

(j) Groundwater recharge area.

(9) Repealed.

(10) "Hazardous material" has the meaning set forth in 49 CFR 171.8.

(11) "Highway-rail crossing" means:

(a) The point at which any public highway is or will be constructed across the tracks or other facilities of a railroad at, above, or below grade;

(b) The point at which the tracks or other facilities of a railroad are or may be constructed across any public highway at, above, or below grade;

(c) The point at which any public pathway is or will be constructed across private tracks on which any railroad may operate at, above, or below grade; or

(d) The point at which private tracks over which any railroad may operate are or will be constructed across any public pathway at, above, or below grade.

(12) "Hot bearings detector" means an infrared detector located along railroad tracks to detect and alert the operators of a passing train to any overheating of a train's bearings, axles, or wheels.

(13) "Incident" has the meaning set forth in 49 CFR 225.5.

(14) "Main line" means a segment or route of railroad tracks of any railroad over which five million or more gross tons of railroad traffic is transported annually as documented in timetables filed with the federal railroad administration pursuant to 49 CFR 217.7. "Main line" does not include tourist, scenic, historic, or excursion operations as defined in 49 CFR 238.5.

(15) "Passenger rail system" has the meaning set forth in section 32-22-102 (9).

(16) "Pathway crossing" means:

(a) The point at which any public pathway is or will be constructed across the tracks or other facilities of a railroad at, above, or below grade;

(b) The point at which any tracks or other facilities of a railroad are or will be constructed across any public pathway at, above, or below grade;

(c) The point at which any public pathway is or will be constructed across private tracks over which any railroad may operate at, above, or below grade; or

(d) The point at which private tracks over which any railroad may operate are or will be constructed across any public pathway at, above, or below grade.

(17) "Public crossing" means a highway-rail crossing or pathway crossing where the highway or pathway on both sides of the crossing is under the jurisdiction of or is maintained by a state or local road authority and is open to public travel.

(18) "Public utilities commission" or "commission" means the public utilities commission created in section 40-2-101.

(19) "Rail industry safety advisory committee" means the rail industry safety advisory committee created in section 40-20-313.

(20) "Railroad" means a person providing railroad transportation.

(21) "Railroad transportation" means any form of nonhighway ground transportation that runs on rails or electromagnetic guideways. "Railroad transportation" does not include rapid transit operations, public transportation, rail fixed guideway operations, or commuter passenger rail that:

(a) Is in an urban or a suburban area; and

(b) Is not connected to a general or an interstate railroad system.

(22) "Siding" has the meaning set forth in 49 CFR 218.93.

(23) "Train" means a locomotive unit or locomotive units, with or without cars, that require an air brake test pursuant to 49 CFR 232 and 49 CFR 238.

(23.5) "Vulnerable environmental corridor" means a continuous system of open space that serves as a key linkage point for habitat and species, including wildlife or ecological corridors.

(24) "Wayside detector" means an electronic device or a series of connected devices that monitors a passing train to determine whether the train has a defect, including a hot bearings detector and a dragging equipment detector.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 747, § 1, effective July 1. **L. 2025:** (5.5), (8.5), and (23.5) added and (9) amended, (SB 25-162), ch. 420, p. 2371, § 2, effective June 4.

**Editor's note:** (1) For the amendments to subsection (9) in SB 25-162 in effect from June 4, 2025, to July 1, 2025, see chapter 420, Session Laws of Colorado 2025. (L. 2025, p. 2371.)

(2) Subsection (9)(b) provided for the repeal of subsection (9), effective July 1, 2025. (See L. 2025, p. 2371.)

**Cross references:** For the legislative declaration in SB 25-162, see section 1 of chapter 420, Session Laws of Colorado 2025.

**40-20-303. Wayside detector systems - obstructions at public crossings - reports - definition.** (1) On or before January 1, 2025, and on or before January 1 of each year thereafter, a railroad operating any main line in the state shall submit to the public utilities commission a public report that discloses, at a minimum, the following information:

(a) An overview of the types of, general locations of, and spacing between wayside detectors on main lines in Colorado;

(b) A general description of how the wayside detector system promotes safety, including plans to adjust or improve the wayside detector system or review wayside detector technology;

(c) A general description of the process by which defects or other detections are managed in order to provide notice to train operators and others; and

(d) The percentage of time that each type of wayside detector was operational for the previous year.

(2) (a) Except for trains or equipment stopped due to mechanical failure where separation or movement is not possible, the state expects that any train or equipment operating on a main line or siding in the state should be operated in such a manner as to minimize obstruction of emergency vehicles at highway-rail crossings. Upon the approach of an emergency vehicle to any blocked crossing, an emergency vehicle may give warning of its approach by the sounding of sirens, flashing of lights, waving of a flag, or any other warning sufficient to attract attention to the emergency vehicle to allow the train crew to separate the train or equipment and clear the crossing with all possible dispatch to permit the emergency vehicle to pass. If a blocked crossing is not cleared, the entity operating the emergency vehicle or the department of public safety shall request that the railroad immediately take any action, consistent with safe operating procedures, necessary to clear the highway-rail crossing.

(b) The department of public safety shall, and other emergency vehicle operators may, report to the office of rail safety the details of any event in which an emergency vehicle was stopped or delayed by a train blocking a highway-rail crossing, any request that was made to clear the crossing, the resolution of any such request, and any effects that the delay of the emergency vehicle had on the emergency response.

(c) As used in this subsection (2), "emergency vehicle" means:

(I) An ambulance operated by a public authority or by a private person;

(II) A police vehicle;

(III) A fire engine;

(IV) A vehicle operated by a power company, electric company, or other public utility;

(V) A vehicle used for emergency purposes by the federal government of the United States; or

(VI) Any other vehicle that is being operated for the purpose of saving life or property or responding to any public peril.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 749, § 1, effective July 1.

**40-20-304. Emergency operations.** (1) State emergency response authorities may recommend actions necessary to protect railroads, rail workers, and public safety in the event of an emergency such as wildfire, flood, earth movement, or civil disorder, including stopping or rerouting rail traffic if deemed necessary.

(2) A railroad shall respond to a state emergency response authority promptly and work closely with state and local officials during emergencies to coordinate response efforts and ensure the safety of rail personnel and the public.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 750, § 1, effective July 1.

**40-20-305. Incident response requirements.** (1) (a) A railroad operating in Colorado that accommodates high-hazard flammable trains or high-hazard, high-consequence hazardous material shall coordinate with the department of public safety regarding emergency response and spill response capacity and planning. The railroad and the department of public safety shall coordinate regarding the adequacy of caches of equipment, supplies, and available staff to mitigate all hazards likely within the area covered by each cache, including consideration of:

(I) Fire suppression foam and foam systems;

(II) Absorbent materials and containment booms;

(III) Specialized leak mitigation and repair kits;

(IV) Chemical protective clothing;

(V) Personnel decontamination supplies;

(VI) Interoperable communication equipment; and

(VII) Response times.

(b) A railroad shall ensure that local and state first responders have access to the cached equipment necessary to respond to rail incidents.

(c) Resources described in this subsection (1) may be maintained:

(I) As partnerships with federal, state, county, or local agencies, including local fire departments and police departments; or

(II) Pursuant to contracts with other railroads or emergency response entities.

(2) Nothing in this section creates any duty for a local government; except that a local government may agree to assume duties delegated to the local government by a railroad.

(3) A railroad may partner with one or more counties or other regional entities to support regional hazardous materials teams and capabilities.

(4) Each railroad shall coordinate with the department of public safety to conduct at least two hazardous materials response tabletop exercises each year with other federal, regional, state, and local agencies, including at least one scenario involving derailment and release of crude oil or other flammable materials and at least one incident with derailment involving inhalation hazards.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 751, § 1, effective July 1.

**40-20-306. Emergency notifications - accident response - immunity from civil liability - report.** (1) Within thirty minutes after discovering an emergency involving a train, unless communication is impossible, the railroad operating the train shall notify the state's watch center in the department of public safety of the emergency by telephone or another agreed-upon method of communication to ensure that authorities can respond swiftly and appropriately. Emergency conditions that require a railroad to provide such notice include:

(a) Release of any hazardous material;

(b) Death of any individual;

(c) Injury to any individual that requires medical treatment in addition to first aid;

(d) Any fire or risk of fire; and

(e) Property damage amounting to fifty thousand dollars or more.

(2) The notification described in subsection (1) of this section must include:

(a) Details about the nature and severity of the emergency, such as the type of incident, the location of the incident, the potential hazards involved, and any immediate actions taken or required;

(b) The extent of the impact of the emergency, including any injuries, fatalities, property damage, or environmental damage;

(c) Impacts on other surface transportation, including blocked roadways;

(d) If the emergency involves the transportation of hazardous materials, specific information about the materials involved, their quantities, and any potential risks to public safety or the environment;

(e) Response actions taken to mitigate the emergency;

(f) Requests for assistance, including evacuations, containment, and additional resources; and

(g) Any immediate coordination efforts that have taken place with local authorities.

(3) After providing the emergency notification described in subsection (1) of this section, a railroad shall submit follow-up reports to the commission and coordinate response efforts.

(4) (a) Immediately after receiving the emergency notification described in subsection (1) of this section, the state's watch center in the department of public safety shall notify the commission and the office of rail safety of the incident. The notification must include the information listed in subsection (2) of this section.

(b) Within thirty days after receiving the emergency notification described in subsection (4)(a) of this section, the office of rail safety shall notify the community rail safety advisory committee and the rail industry safety advisory committee of the incident. The notification must include the information listed in subsection (2) of this section.

(5) (a) Subject to federal regulations and the most recent edition of the "General Code of Operating Rules" published by the general code of operating rules committee, a crew member of a train operated by a railroad may communicate with first responders during an emergency situation after notifying the railroad dispatch. A crew member has discretion in determining the appropriate response to the emergency situation, including cutting the crossing.

(b) A railroad employee or a crew member of a train operated by a railroad is immune from civil liability and is not liable in civil damages for actions taken in good faith in the course of a response to an emergency situation pursuant to subsection (5)(a) of this section.

(6) (a) On or before February 1, 2026, and on or before February 1 of each year thereafter, the commission shall provide a report to the transportation, housing, and local government committee of the house of representatives and the transportation and energy committee of the senate, or their successor committees, containing the details of the information reported pursuant to subsection (2) of this section.

(b) Notwithstanding section 24-1-136 (11)(a)(I), the reporting requirement described in subsection (6)(a) of this section continues indefinitely.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 752, § 1, effective July 1. **L. 2025:** IP(1) and (4) amended and (5) and (6) added, (SB 25-162), ch. 420, p. 2372, § 3, effective June 4.

**Cross references:** For the legislative declaration in SB 25-162, see section 1 of chapter 420, Session Laws of Colorado 2025.

**40-20-307. Reporting violation to union representative - request for investigation.** (1) A crew member of a train operated by a railroad in the state may report to the crew member's designated union representative:

(a) A violation of any of the safety requirements specified in this part 3;

(b) An injury the crew member or another crew member sustained while operating a train on any track in connection with railroad transportation in the state; or

(c) A death that occurred during the operation of a train.

(2) A designated union representative receiving a report may request an investigation from the office of rail safety.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 753, § 1, effective July 1.

**40-20-308. Violations - penalties - rules.** (1) If a railroad or any officer, agent, or employee of the railroad violates section 40-20-303, the public utilities commission may impose a fine of not less than ten thousand dollars but not more than twenty-five thousand dollars on the railroad. Each day of a continuing violation constitutes a separate violation.

(2) Notwithstanding subsection (1) of this section, the public utilities commission may impose a fine of up to one hundred thousand dollars per violation if the commission finds:

(a) The railroad intentionally or knowingly violated section 40-20-303; or

(b) The railroad's violation was part of a pattern and practice of repeated violations of section 40-20-303.

(3) The public utilities commission shall transfer all fines collected pursuant to subsections (1) and (2) of this section to the state treasurer, who shall credit the fines to the state highway fund created in section 43-1-219.

(4) The public utilities commission shall promulgate rules for the determination, imposition, and appeal of fines under this section.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 753, § 1, effective July 1. **L. 2025:** (3) amended, (SB 25-162), ch. 420, p. 2373, § 4, effective June 4.

**Cross references:** For the legislative declaration in SB 25-162, see section 1 of chapter 420, Session Laws of Colorado 2025.

**40-20-309. Rail district maintenance and safety fund - created - repeal. (Repealed)**

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 753, § 1, effective July 1. **L. 2025:** (4) and (5) added, (SB 25-162), ch. 420, p. 2373, § 5, effective June 4.

**Editor's note:** (1) For the amendments in SB 25-162 in effect from June 4, 2025, to July 1, 2025, see chapter 420, Session Laws of Colorado 2025. (L. 2025, p. 2373.)

(2) Subsection (5) provided for the repeal of this section, effective July 1, 2025. (See L. 2025, p. 2373.)

**Cross references:** For the legislative declaration in SB 25-162, see section 1 of chapter 420, Session Laws of Colorado 2025.

**40-20-309.5. Penalties collected and credited to the state highway fund - expenditure.** (1) Money credited or transferred to the state highway fund pursuant to sections 40-20-308 (3) and 40-20-309 (4) must be expended by the transit and rail division in the department of transportation for the purposes of:

(a) Safety planning and development during the research, development, and construction of a passenger rail system;

(b) Planning, design, construction, or maintenance and operation of safety improvements on any railroad or railroad crossing in the state; and

(c) Completing capital development projects to improve the safety of a passenger rail system.

(2) Money credited or transferred to the state highway fund pursuant to sections 40-20-308 (3) and 40-20-309 (4) is not intended to increase the number of full-time employees of the department of transportation.

**Source:** **L. 2025:** Entire section added, (SB 25-162), ch. 420, p. 2373, § 6, effective June 4.

**Cross references:** For the legislative declaration in SB 25-162, see section 1 of chapter 420, Session Laws of Colorado 2025.

**40-20-310. Training - rules.** (1) On or before July 1, 2025, and at least once every three years thereafter, each railroad shall offer training to each fire department and other first responder organization having jurisdiction along tracks upon which the railroad operates in the state. In satisfying this requirement, a railroad may offer such training simultaneously to more than one fire department and other first responder organization.

(2) The training described in subsection (1) of this section must:

(a) Address the general hazards of hazardous materials, techniques to assess risks posed to the environment and to the safety of emergency responders and the public, factors an incident commander must consider in determining whether to attempt to suppress a fire or to evacuate the public and emergency responders from an area, public notification processes, environmental contamination response, resource coordination, and other strategies for initial response by emergency responders; and

(b) Include safety drills that implement suggested protocols or practices for emergency responders to use to safely accomplish the tasks described in subsection (2)(a) of this section. Each railroad operating trains in Colorado shall conduct at least one oil containment, recovery, and sensitive area protection walk-through; tabletop exercise; or functional exercise involving oil or hazardous substances every year, and at least one full-scale exercise every five years, in coordination with local emergency management organizations and local fire chiefs.

(3) The public utilities commission shall promulgate rules for the implementation of this section, including rules concerning training content, safety drills, communication, and railroad incident response requirements.

(4) In satisfying the requirements of this section, a railroad shall coordinate its efforts with local law enforcement agencies and the hazardous materials section of the Colorado state patrol.

(5) A class II or class III railroad may satisfy the requirements of this section by either:

(a) Entering into an agreement with a class I railroad to be a partner with the class I railroad in its program; or

(b) Adopting the training programs provided by the Short Line Safety Institute.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 754, § 1, effective July 1.

**40-20-311. Office of rail safety - agreement with federal railroad administration - duties of commission - inspections - information gathering - reports - rules - repeal.** (1) The office of rail safety is created with the mission of ensuring freight, passenger, community, and environmental rail safety in the state for the state's unique and delicate terrain, its headwaters, its communities, and its rail workers. The commission shall administer the office in accordance with this article 20.

(2) (a) As soon as is practicable, the commission, on behalf of the state, shall enter into an agreement with the federal railroad administration pursuant to 49 CFR 212 to participate in inspection and investigation activities. Under the agreement, the commission shall secure the authority to address all railroad safety disciplines, including crossings, track, signal and train control, motive power and equipment, operating practices, compliance, and hazardous materials.

(b) If an agreement cannot be reached as described in subsection (2)(a) of this section, the commission, on behalf of the state, shall file an annual certification pursuant to 49 CFR 212.107.

(3) The commission has authority to engage in inspection, investigation, and enforcement activities, as described in 49 CFR 212, to address compliance with federal railroad safety laws and regulations. Notwithstanding any provision of this section, the authority of the commission to engage in inspection, investigation, and enforcement activities pursuant to this section is limited to:

(a) Class I railroads;

(b) Railroads operating any lines that were used by class I railroads as of July 1, 2024; and

(c) Passenger railroads.

(4) The attorney general may bring an action, consistent with 49 CFR 212, to enforce state and federal railroad safety regulations. In bringing such an action, the attorney general shall comply with 49 CFR 212.115.

(5) An interested party may request that the commission investigate an alleged violation of this part 3.

(6) The commission may report an alleged violation of this part 3 or any other safety concern to the federal railroad administration or the federal surface transportation board.

(7) The commission may seek, accept, and expend gifts, grants, and donations and federal grant money to purchase training materials and other equipment as needed for the implementation of this section.

(8) The commission shall regularly engage with railroads, unions representing railroad employees, local governments of counties, special districts, and municipalities that contain railroad lines, first responder organizations, disproportionately impacted communities, and environmental organizations in implementing this section.

(9) The commission is immune from liability for actions performed pursuant to this section, as described in article 10 of title 24.

(10) The office of rail safety shall collect and report information regarding blocked highway-rail crossings in the state, including information regarding emergency vehicles affected by blocked highway-rail crossings.

(11) (a) The office of rail safety shall create a standard process for investigators to use during investigations under this section for determining the appropriate time and method for:

(I) Gathering information about an investigation from railroads, contractors, employees of railroads or representatives of employees of railroads, and others, as determined relevant by the office of rail safety; and

(II) Consulting with railroads, contractors, employees of railroads or representatives of employees of railroads, and others, as determined relevant by the office of rail safety, for technical expertise on the facts of an investigation.

(b) In developing the process required under subsection (11)(a) of this section, the office of rail safety shall include consideration of how to maintain the confidentiality of any entity identified pursuant to subsection (11)(a) of this section if:

(I) The entity requests confidentiality;

(II) The entity was not involved in the accident or incident; and

(III) Maintaining the entity's confidentiality does not adversely affect an investigation by the office of rail safety.

(c) (I) Except as provided in subsection (11)(c)(II) of this section, the office of rail safety may not disclose the name of an employee of a railroad who has provided information about an alleged violation of this part 3 or matters described in subsection (11)(c)(II) of this section unless the office of rail safety obtains the employee's written consent for such disclosure.

(II) The office of rail safety shall disclose to the attorney general or the federal railroad administration the name of an employee described in subsection (11)(c)(I) of this section if the matter is referred to the attorney general or the federal railroad administration for enforcement. Before making such a disclosure, the office of rail safety shall provide reasonable advance notice to the affected employee and to a designated employee representative if such a representative exists.

(d) The office of rail safety shall promulgate rules to protect employees from retaliation for their participation in investigations under this section and shall create a mechanism to accept and resolve complaints regarding violations of the rules, which mechanism is consistent with federal law.

(12) The office of rail safety shall coordinate with the department of transportation, the department of public safety, the department of public health and environment, the department of natural resources, and stakeholders such as railroads, first responders, local governments, metropolitan planning organizations, and labor organizations to identify and implement initiatives and priorities to reduce the frequency of blocked highway-rail crossings, improve emergency preparedness and resilience, and improve rail safety. This may include innovative use of data and technology to prioritize elimination or protection of highway-rail crossings, information sharing, and first responder decision support. The office of rail safety shall also coordinate with the aforementioned entities regarding possible federal grants to improve rail and public safety.

(13) (a) On or before December 1, 2024, the commission, the department of public safety, and the department of transportation shall provide a report to the governor; the transportation, housing, and local government committee of the house of representatives; and the transportation and energy committee of the senate. The report must be developed in consultation with the community rail safety advisory committee and the rail industry safety advisory committee and include:

(I) An assessment of the staffing levels and equipment necessary to ensure railroads' compliance with federal and state rules and regulations and minimize rail safety risks for railroads, facilities, workers, and communities that include rail lines;

(II) An indication that public data not subject to exceptions under the "Colorado Open Records Act", part 2 of article 72 of title 24, will be shared with the community rail safety advisory committee and the rail industry safety advisory committee;

(III) An assessment of data collection and reporting needs to ensure annual reporting on rail safety, including train length, for covered railroads and facilities;

(IV) An assessment of emergency response and cleanup capacity needed for hazardous materials incidents involving railroads;

(V) A quantification of the adequate levels of investment necessary to reduce highway-rail crossing incidents and other risks;

(VI) Mechanisms for ensuring equitable input from members of the public to state agencies regarding rail safety;

(VII) An assessment of best practices for ensuring financial responsibility for response, cleanup, and damages from major rail events, which assessment reviews best practices from other states;

(VIII) A report concerning communication issues impacting rail lines in the state, including communication with state entities such as the department of public safety; communication issues between crews working long trains; and communication from wayside detectors to crews; and

(IX) (A) A legislative proposal concerning the creation of a fee structure or other revenue source, an assessment, and a governance body and an office of rail safety to address the needs described in subsections (13)(a)(I) to (13)(a)(VIII) of this section, which fee structure, assessment, and governance body can be introduced as legislation as soon as the 2025 regular legislative session and begin operating no later than January 1, 2027.

(B) The report must include a recommendation as to which state agency would host the proposed governance body to ensure proper compliance with state and federal law, equitable access to community and worker organizations, and enforcement of safety requirements.

(b) In preparing the report described in subsection (13)(a) of this section, the commission, the department of public safety, and the department of transportation shall consult with the attorney general, the community rail safety advisory committee, the rail industry safety advisory committee, and interested stakeholders, including railroads, unions representing railroad employees, local governments of counties, special districts, municipalities that contain railroad lines, the federal railroad administration, first responder organizations, disproportionately impacted communities, and environmental organizations.

(c) This subsection (13) is repealed, effective July 1, 2026.

(14) The commission may promulgate rules to implement this section.

(15) (a) The office of rail safety shall collect and analyze data to create a more comprehensive understanding of rail safety. The office of rail safety shall work to compile existing data collected by the federal railroad administration and compile additional data on covered railroads and facilities, including:

(I) The average train length and data on trains over eight thousand five hundred feet in length;

(II) Wayside detector information, including information required in wayside detector reporting pursuant to section 40-20-303;

(III) Blocked public crossing locations by United States department of transportation inventory number, duration of blockage, and reason for blockage; and

(IV) Maintenance activity, including:

(A) Car and locomotive maintenance, including how often a defect is identified, the type of defect identified, the corrective action recommended, the corrective action taken, and when corrective action, if necessary, was taken;

(B) Track maintenance, including how often a defect is identified, the type of defect identified, the corrective action recommended, the corrective action taken, and when corrective action, if necessary, was taken;

(C) Signal equipment maintenance, including how often a defect is identified, the type of defect identified, the corrective action recommended, the corrective action taken, and when corrective action, if necessary, was taken; and

(D) Crossing equipment maintenance, including how often a defect is identified, the type of defect identified, the corrective action recommended, the corrective action taken, and when corrective action, if necessary, was taken.

(b) The office of rail safety shall summarize the data collected and analyzed pursuant to subsection (15)(a) of this section and include the summary in the annual report required by subsection (17)(b) of this section. The office of rail safety may determine that certain data is infeasible to collect. The office of rail safety shall consult with the community rail safety advisory committee and the rail industry safety advisory committee regarding any data that the office of rail safety determines is infeasible to collect and shall provide information to the committees as to why certain data may be infeasible to collect.

(16) The office of rail safety shall ensure that data collected pursuant to this section that is not subject to exceptions under the "Colorado Open Records Act", part 2 of article 72 of title 24, is made available to the community rail safety advisory committee and the rail industry safety advisory committee.

(17) (a) Beginning on July 1, 2027, the office of rail safety, in coordination with the department of public safety and the department of public health and environment, shall conduct a comprehensive assessment of the state's ability to respond to a large-scale release of hazardous materials from rail transportation. The assessment must include:

(I) A determination of the number of first responders who are trained to respond to an emergency involving hazardous materials, their locations, and their training levels;

(II) A summary of railroads' existing training provided to first responders, including through the use of virtual training or mobile training cars, and railroads' efforts to encourage enrollment in this training;

(III) An inventory of the equipment available to deploy during an emergency involving hazardous materials, including current locations of hazmat response caches, to identify gaps in hazmat response relating to personnel, training, and equipment;

(IV) Recommendations on ways to increase access to training for volunteer firefighters and incentives for them to attend the training described in section 40-20-310;

(V) A map that identifies environmentally critical areas of the state, vulnerable environmental corridors, and disproportionally impacted communities that are adjacent to routes operated by freight trains and provides information about the types and amounts of hazardous materials generally transported along these routes for the purpose of determining what a large-scale release could involve;

(VI) Recommendations on the types and number of additional caches of equipment and materials necessary to respond to environmentally critical areas and vulnerable environmental corridors for use by local first responders to conduct a safe and effective first response to an incident involving a large-scale release of hazardous materials, along with recommendations as to the best locations in the state at which to store equipment and materials ready for deployment by local first responders;

(VII) The response plans of class I railroads, and the response plans of other emergency response and health entities that are expected to arrive at the site of a large-scale hazardous release prepared to assume responsibility for the containment, collection, cleanup, and remediation of the site, including:

(A) An estimate of the number of personnel and the amount and type of equipment and materials required to address a large-scale release of hazardous materials;

(B) A description of the best routes and the best modes of transportation to be used to transport personnel, equipment, and materials to critical areas of the state; and

(C) An estimate of the amount of time required for personnel, equipment, and materials to be deployed to environmentally critical areas and vulnerable environmental corridors of the state; and

(VIII) Any additional information that assists in the development of comprehensive plans to promptly deploy the state's local resources, immediately followed by the deployment of corporate railroad resources and those of other emergency response and health entities, to contain and collect, to the maximum extent possible, a large-scale release of hazardous materials in critical areas of the state.

(b) On or before December 15, 2029, the office of rail safety shall report to the transportation, housing, and local government committee of the house of representatives and the transportation and energy committee of the senate, or their successor committees, summarizing the assessment conducted pursuant to subsection (17)(a) of this section.

(c) The office of rail safety shall work with the community rail safety advisory committee and the rail industry safety advisory committee and relevant state agencies on implementing the recommendations of the assessment conducted pursuant to subsection (17)(a) of this section and report created pursuant to subsection (17)(b) of this section.

(18) The office of rail safety shall assess the best practices for ensuring financial responsibility for response, cleanup, and damages from major rail events, including reviewing best practices from other states.

(19) The office of rail safety shall monitor and assess communication issues impacting rail lines in the state, including:

(a) Communication with state entities, including the department of public safety;

(b) Communication issues between crews working on trains measuring more than eight thousand five hundred feet in length; and

(c) Communication from wayside detectors to crews.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 755, § 1, effective July 1. **L. 2025:** IP(3), (5), (6), and (9) amended and (15), (16), (17), (18), and (19) added, (SB 25-162), ch. 420, p. 2373, § 7, effective June 4.

**Cross references:** For the legislative declaration in SB 25-162, see section 1 of chapter 420, Session Laws of Colorado 2025.

**40-20-311.5. Rail safety fee - rules - fund created.** (1) (a) Beginning on July 1, 2027, and subject to the deadlines described in subsection (3)(a) of this section, the following types of railroads shall pay an annual fee to cover the office of rail safety's and the commission's direct and indirect costs of implementing the requirements of this article 20:

(I) A class I railroad;

(II) A railroad operating any line that was used by class I railroads as of July 1, 2024, except for a class II railroad or a class III railroad utilizing trackage rights or haulage rights in effect as of July 1, 2024, to operate on a line owned by a class I railroad; and

(III) A passenger rail system.

(b) (I) On or before September 30, 2026, the commission shall determine a methodology, through rule-making, for calculating the annual fee apportionment described in subsection (1)(a) of this section by rule for each railroad type described in subsection (1)(a) of this section operating within the state, totaling no less than the amount required for the office of rail safety to administer and enforce this article 20 and the railroads' related share of the commission's grade crossing safety program responsibilities described in section 40-4-106. The total amount collected pursuant to the annual fee must not exceed two million nine hundred thousand dollars in a calendar year.

(II) The methodology for calculating the annual fee described in subsection (1)(a) of this section may include in the calculation:

(A) The total train miles traveled in Colorado annually;

(B) The total gross ton-miles of freight train cars, contents, and cabooses; and

(C) The total public crossings.

(III) The commission shall consult with and solicit comment from the community rail safety advisory committee and the rail industry safety advisory committee during the rule-making process to establish the fee calculation methodology and yearly calculation of the fee pursuant to this subsection (1).

(IV) (A) The commission shall notify each railroad required to pay the annual fee described in subsection (1)(a) of this section of the amount of the annual fee for the upcoming state fiscal year on or before June 1, 2027, and on or before each June 1 thereafter.

(B) The commission shall send a quarterly invoice to each railroad required to pay the annual fee described in subsection (1)(a) of this section on or before June 1, 2027. Thereafter, the commission shall send a quarterly invoice to each railroad required to pay the annual fee on or before September 1, December 1, March 1, and June 1 of each state fiscal year.

(2) (a) The state treasurer shall credit the fees collected pursuant to this article 20 to the office of rail safety fund, which fund is created in the state treasury. The money in the fund is annually appropriated to the office of rail safety for the purposes set forth in this article 20 and for administering the railroads' share of the commission's grade crossing safety program responsibilities outlined in section 40-4-106. All interest earned from the deposit and investment of money in the fund is credited to the fund.

(b) The office of railroad safety shall not expend money from the rail safety fund on equipment or hiring staff until July 1, 2027.

(3) (a) Each railroad subject to the fee described in subsection (1)(a) of this section shall pay the fee to the commission in equal quarterly installments on or before July 1, October 1, January 1, and April 1 of each state fiscal year.

(b) If a railroad does not pay the fee before a quarterly deadline described in subsection (3)(a) of this section, the commission shall charge the railroad a penalty of ten percent of the installment due plus interest at the rate of one percent per month on the amount of the unpaid installment until the full amount of the installment, penalty, and interest has been paid.

(c) Upon failure, refusal, or neglect of any railroad to pay the fee or any penalty or interest, the attorney general shall commence an action on behalf of the state to collect the amount due.

**Source:** **L. 2025:** Entire section added, (SB 25-162), ch. 420, p. 2377, § 8, effective June 4.

**Cross references:** For the legislative declaration in SB 25-162, see section 1 of chapter 420, Session Laws of Colorado 2025.

**40-20-312. Community rail safety advisory committee - membership - duties - rail safety plan - discrimination, adverse action, retaliation prohibited - repeal.** (1) The community rail safety advisory committee is created.

(2) (a) The community rail safety advisory committee consists of the following members:

(I) One member who represents union workers who work for a class I freight rail line in the state, to be appointed by the speaker of the house of representatives;

(II) One member who represents union workers who work for a class I freight rail line in the state, to be appointed by the president of the senate; except that the member must represent union workers who work for a class I freight line other than the class I freight line whose union workers are represented by the member appointed pursuant to subsection (2)(a)(I) of this section;

(III) One member who represents union workers who work for a class II or III railroad in the state, to be appointed by the governor;

(IV) One member who represents union workers who work for a passenger rail operator, to be appointed by the speaker of the house of representatives;

(V) One member who represents a disproportionately impacted community, to be appointed by the president of the senate;

(VI) One member who represents a statewide environmental organization, to be appointed by the governor; and

(VII) One member who represents an organization with a mission to collaborate with environmental organizations and union representatives, to be appointed by the speaker of the house of representatives.

(b) The appointing authorities described in subsection (2)(a) of this section shall make the initial appointments on or before August 1, 2024.

(c) The members of the community rail safety advisory committee each serve terms of three years; except that:

(I) The members of the community rail safety advisory committee initially appointed pursuant to subsections (2)(a)(VI) and (2)(a)(VII) of this section shall each serve an initial term of one year; and

(II) The members of the community rail safety advisory committee initially appointed pursuant to subsections (2)(a)(III), (2)(a)(IV), and (2)(a)(V) of this section shall each serve an initial term of two years.

(d) Members of the community rail safety advisory committee serve at the pleasure of their respective appointing authorities.

(e) Members of the community rail safety advisory committee may serve an unlimited number of terms.

(3) Members of the community rail safety advisory committee who are not compensated for acting in official job roles may receive per diem compensation from the office of rail safety created in section 40-20-311. Members of the community rail safety advisory committee may be reimbursed for expenses incurred while performing the members' duties.

(4) An employer shall not discriminate, take adverse action, or retaliate against an employee in response to the employee:

(a) Serving in good faith on the community rail safety advisory committee; or

(b) Raising a reasonable concern about a possible workplace violation of government safety rules, or about an otherwise significant workplace threat to safety, to the employer, the employer's agent, another employee, a government agency, or the public if the employer controls the workplace conditions giving rise to the alleged violation or threat.

(5) The community rail safety advisory committee is repealed, effective September 1, 2034. Before the repeal, the community rail safety advisory committee is scheduled for review in accordance with section 2-3-1203.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 759, § 1, effective July 1.

**40-20-313. Rail industry safety advisory committee - membership - duties - rail safety plan - repeal.** (1) The rail industry safety advisory committee is created.

(2) (a) The rail industry safety advisory committee consists of the following nine members, each to be appointed by the governor:

(I) Two members who represent operators of class I railroads operating freight rail lines;

(II) One member who represents a class II or class III railroad in the state;

(III) One member who represents a railroad that operates a passenger rail line;

(IV) Two members who represent first responder organizations; and

(V) Three members with expertise concerning rail safety, rail operations, emergency response, or transportation regulation.

(b) The governor shall make the initial appointments on or before August 1, 2024.

(c) The members of the rail industry safety advisory committee each serve terms of three years; except that:

(I) The members of the rail industry safety advisory committee initially appointed pursuant to subsections (2)(a)(I) and (2)(a)(II) of this section shall each serve an initial term of one year; and

(II) The members of the rail industry safety advisory committee initially appointed pursuant to subsections (2)(a)(III) and (2)(a)(IV) of this section shall each serve an initial term of two years.

(d) Members of the rail industry safety advisory committee serve at the pleasure of the governor.

(e) Members of the rail industry safety advisory committee may serve an unlimited number of terms.

(3) Members of the rail industry safety advisory committee who are not compensated for acting in official job roles may receive per diem compensation from the office of rail safety created in section 40-20-311. Members of the rail industry safety advisory committee may be reimbursed for expenses incurred while performing their duties.

(4) The rail industry safety advisory committee is repealed, effective September 1, 2034. Before the repeal, the rail industry safety advisory committee is scheduled for review in accordance with section 2-3-1203.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 760, § 1, effective July 1. **L. 2025:** (3) amended, (SB 25-162), ch. 420, p. 2379, § 9, effective June 4.

**Cross references:** For the legislative declaration in SB 25-162, see section 1 of chapter 420, Session Laws of Colorado 2025.

**40-20-314. Enforcement.** The public utilities commission shall conduct periodic compliance reviews to ensure each railroad is in compliance with this part 3.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 761, § 1, effective July 1.

**40-20-315. Severability.** If any provision of this part 3 or the application of this part 3 to any person or circumstance is held invalid, such invalidity does not affect other provisions or applications of this part 3 that can be given effect without the invalid provision or application, and to this end the provisions of this part 3 are declared to be severable.

**Source:** **L. 2024:** Entire part added, (HB 24-1030), ch. 161, p. 761, § 1, effective July 1.

**ARTICLE 21**

General Offices

**40-21-101. Domestic railroads - headquarters.** Every railroad company chartered by this state shall keep and maintain permanently its general offices within the state of Colorado at the place named in its charter for the location of its general offices; and, if no certain place is named in its charter where its general offices shall be located and maintained, said railroad company shall keep and maintain its general offices at the place within this state where it contracts or agrees for a valuable consideration to locate its general offices; and, if said railroad company has not contracted or agreed for a valuable consideration to maintain its general offices at any certain place within this state, such general offices shall be located and maintained at such place on its line in this state as said railroad company may designate.

**Source:** **L. 09:** p. 471, § 1. **C.L.** § 2824. **CSA:** C. 139, § 10. **CRS 53:** § 116-2-1. **C.R.S. 1963:** § 116-2-1. **L. 2000:** Entire section amended, p. 218, § 6, effective March 29.

**40-21-102. Officials at general offices.** It is the duty of said railroad company to keep and maintain at the place within this state where its said general offices are located the office of its president or vice-president, secretary, treasurer, local treasurer, auditor, general freight agent, traffic manager, general manager, general superintendent, general passenger and ticket agent, chief engineer, superintendent of motive power and machinery, master mechanic, master of transportation, fuel agent, and general claim agent; and each of its general offices, by whatsoever name known, shall be so kept and maintained at said place. This article shall apply to every person who performs the duties of any of said offices, by whatever title known, and the railroad company shall not be allowed to have any of the offices usually known as general offices at any other place than the place where it is required by this article to keep its general offices. Where the principal shops of any company are situated on its line in the state at a place other than the place where its general offices are located, the superintendent of motive power and machinery and the master mechanic, either or both, may have his office and residence at the place where such principal shops are located. The public utilities commission of the state of Colorado, where it is made to appear that any officer other than the general officers of any railroad company can more conveniently perform his duties by residing at some place on the line in Colorado other than the place where the general offices are situated, by order entered on its record may authorize any such officer so to reside and keep his office at such place.

**Source:** **L. 09:** p. 472, § 2. **C.L.** § 2825. **CSA:** C. 139, § 11. **CRS 53:** § 116-2-2. **C.R.S. 1963:** § 116-2-2.

**40-21-103. Violation of article - penalty.** Each railroad company chartered by this state or owning, operating, or controlling any line of railroad within this state which violates any of the provisions of this article shall forfeit to the state of Colorado the charter or right by which it operates its railroad in this state and be subject to a penalty of not less than five hundred dollars nor more than five thousand dollars for each and every day in which it violates any of the provisions of this article, to be recovered by suit in the name of the state of Colorado prosecuted by the district attorney of any judicial district in which any violation occurs to recover the penalty provided in this section for such violation. Any money recovered from any railroad company under the provisions of this article shall be paid into the state treasury and become a part of the available public school fund.

**Source:** **L. 09:** p. 473, § 3. **C.L.** § 2826. **CSA:** C. 139, § 12. **CRS 53:** § 116-2-3. **C.R.S. 1963:** § 116-2-3. **L. 2000:** Entire section amended, p. 218, § 7, effective March 29.

**ARTICLE 22**

Consolidation

**40-22-101. Consolidation of roads - restrictions.** It is lawful for any railroad company or corporation, organized or existing under the laws of this state, and whose line or road is made or is in the process of construction to the boundary line of the state or to any point either in or out of the state, under authority of its laws, to merge and consolidate its capital stock, franchises, and property into and with the capital stock, franchises, and property of any other railroad company or corporation organized and existing under the laws of any adjoining state whenever the two or more railroads of the companies or corporations so to be consolidated form a continuous line of railroad with each other or by means of any intervening railroad; and roads running to the bank of a river which is not bridged shall be held to be continuous. Nothing in this article shall be taken to authorize the consolidation of any company or corporation of this state with that of any other state, unless the laws of such other state authorize such consolidation; but parallel or competing lines of railroad shall not be consolidated.

**Source:** **L. 1883:** p. 117, § 1. **G.S.** § 353. **R.S. 08:** § 5421. **C.L.** § 2827. **CSA:** C. 139, § 13. **CRS 53:** § 116-3-1. **C.R.S. 1963:** § 116-3-1. **L. 2002:** Entire section amended, p. 1006, § 3, effective August 7.

**40-22-102. Conditions necessary for consolidation.** (1) Said consolidation shall be made under the conditions, provisions, and restrictions and with the powers as follows:

(a) The directors of the several corporations proposing to consolidate may enter into a joint agreement, under the corporate seal of each company, for the consolidation of said companies and railroads, and prescribing the terms and conditions thereof, the mode of carrying the same into effect, the name of the new corporation, the number and names of the directors and other officers thereof, who shall be the first directors and officers and their places of residence, the number of shares of the capital stock, the principal place of business of the new company in each state or territory traversed by its line of railway, and such other provisions as may be required by law to be inserted in an original certificate of incorporation, the manner of converting the capital stock of each of said companies into that of the new corporation, and how and when directors and officers shall be chosen, with such other details as they shall deem necessary to perfect such new organization and the consolidation of said companies and railroads.

(b) Said agreement shall be submitted to the stockholders of each of the companies or corporations, at a meeting thereof, called separately, for the purpose of taking the same into consideration; due notice of the time and place of holding such meeting, and the object thereof, shall be given by written or printed notices, addressed to each of the persons in whose names the capital stock of said companies stands on the books thereof, and delivered to such persons respectively or sent to them by mail when their post-office addresses are known to the company and also by a general notice published in some newspaper in the city, town, or county where such company has its principal office or place of business. At the said meeting of stockholders, the agreement of the said directors shall be considered and a vote by ballot taken for the adoption or rejection of the same, each share entitling the holder thereof to one vote; and said ballots shall be cast in person or by proxy, and, if a majority of all the votes of all the stockholders are for the adoption of said agreement, that fact shall be certified thereon by the secretaries of the respective companies under the seals thereof. The agreement so adopted, or a certified copy thereof, shall be filed in the office of the secretary of state and shall be deemed the agreement and act of consolidation of the said companies. A copy of said agreement and act of consolidation, duly certified by the secretary of state under the seal thereof, shall be evidence of the existence of said new corporation; but, if the mode of ratifying said agreement of consolidation in such other state or territory varies from the mode prescribed in this section, such agreement may be ratified by the railroad company or corporation of such other state or territory in the mode prescribed by the laws thereof.

**Source:** **L. 1883:** p. 118, § 2. **G.S.** § 354. **R.S. 08:** § 5422. **C.L.** § 2828. **CSA:** C. 139, § 14. **CRS 53:** § 116-3-2. **C.R.S. 1963:** § 116-3-2.

**Cross references:** For publication of legal notices, see part 1 of article 70 of title 24.

**40-22-103. Result of consolidation.** Upon making and perfecting the agreement and act of consolidation and filing the same or a copy with the secretary of state, the several corporations which are parties thereto shall be deemed to be one corporation by the name provided in said agreement, possessing within this state all the rights, privileges, and franchises, and subject to all the restrictions, disabilities, and duties of each of such corporations so consolidated.

**Source:** **L. 1883:** p. 119, § 3. **G.S.** § 355. **R.S. 08:** § 5423. **C.L.** § 2829. **CSA:** C. 139, § 15. **CRS 53:** § 116-3-3. **C.R.S. 1963:** § 116-3-3.

**Cross references:** For merger and consolidation of domestic corporations, see article 111 of title 7.

**40-22-104. Property of each transferred.** (1) Upon the consummation of said act of consolidation, all the rights, privileges, and franchises of each of said corporations, parties to the same, and all the property, real, personal, and mixed, and all debts due on whatever account, as well as stock subscriptions and other things in action, belonging to each of such corporations shall be deemed to be transferred to and vested in such new corporation without further act or deed. All property, all rights-of-way, and every other interest shall be as effectually the property of the new corporation as they were of the former corporations.

(2) The title to real estate, either by deed or otherwise, under the laws of this state or of the United States, vested in any of such corporations, shall not be deemed to revert or be in any way impaired by reason of this article, nor shall the lien, operation, or effect of any trust deed or mortgage executed by any of the corporations so consolidating be in any way divested, impaired, or affected. The new corporation shall have the right to execute any future trust deed or mortgage upon its property, as shall be provided in the agreement of consolidation, not inconsistent with the laws of this state, and all debts, liabilities, and duties of either of said companies shall attach to said new corporation, and be enforced against it, to the same extent as if said debts, liabilities, and duties had been incurred or contracted by it.

**Source:** **L. 1883:** p. 120, § 4. **G.S.** § 356. **R.S. 08:** § 5424. **C.L.** § 2830. **CSA:** C. 139, § 16. **CRS 53:** § 116-3-4. **C.R.S. 1963:** § 116-3-4.

**40-22-105. Offices - one in this state.** Such new company, as soon as convenient after such consolidation, shall establish such offices as may be desired, one of which shall be at some point in this state on the line of its road, and may change the same to any other point in this state at pleasure, giving public notice thereof in some newspaper published in this state.

**Source:** **L. 1883:** p. 120, § 5. **G.S.** § 357. **R.S. 08:** § 5425. **C.L.** § 2831. **CSA:** C. 139, § 17. **CRS 53:** § 116-3-5. **C.R.S. 1963:** § 116-3-5.

**Cross references:** For the duty of railroad companies to maintain general offices in this state, see § 40-21-101.

**40-22-106. Consolidation of domestic and foreign corporation.** If any railroad company organized under the laws of this state consolidates with any railroad company organized under the laws of any other state or of the United States, the same shall not become a foreign corporation, and the courts of this state shall retain jurisdiction in all cases which may arise, as if said consolidation had not taken place.

**Source:** **L. 1883:** p. 121, § 6. **G.S.** § 358. **R.S. 08:** § 5426. **C.L.** § 2832. **CSA:** C. 139, § 18. **CRS 53:** § 116-3-6. **C.R.S. 1963:** § 116-3-6.

**40-22-107. Taxation.** The portion of the road of such consolidated company in this state and all its real estate and other property shall be subject to like taxation and assessed in the same manner and with like effect as property of other railroad companies within this state.

**Source:** **L. 1883:** p. 121, § 7. **G.S.** § 359. **R.S. 08:** § 5427. **C.L.** § 2833. **CSA:** C. 139, § 19. **CRS 53:** § 116-3-7. **C.R.S. 1963:** § 116-3-7.

**Cross references:** For the taxation of railroads, see article 4 of title 39.

**ARTICLE 23**

Reorganization

**40-23-101. Right to reorganize.** Whenever the railroads, property, and franchises of any railroad company, organized and existing under the laws of this state, are sold and conveyed under or by virtue of any power contained in any trust deed or mortgage or pursuant to the judgment or decree of any court of competent jurisdiction, it is lawful to organize a railroad company under the laws of this state for the purpose of purchasing, maintaining, operating, extending, or completing the railroads, property, and franchises so sold and conveyed.

**Source:** **L. 1885:** p. 150, § 1. **R.S. 08:** § 5428. **C.L.** § 2834. **CSA:** C. 139, § 20. **CRS 53:** § 116-4-1. **C.R.S. 1963:** § 116-4-1. **L. 2008:** Entire section amended, p. 1807, § 33, effective July 1.

**40-23-102. Power of company so organized.** The railroad company so organized has the power to acquire and purchase the property and franchises so sold and conveyed, and to take, hold, exercise, and enjoy all the estate, franchises, rights, powers, privileges, and claims or demands at law or in equity of the corporation whose property and franchises have been so sold and conveyed; and, in payment of the price therefor, such railroad company may issue its capital stock and bonds and may mortgage its property and franchises with such classification of capital stock and bonds as may be agreed upon by and between such railroad company and the parties who may be beneficially interested or who may have the ownership and control of such property and franchises.

**Source:** **L. 1885:** p. 150, § 2. **R.S. 08:** § 5429. **C.L.** § 2835. **CSA:** C. 139, § 21. **CRS 53:** § 116-4-2. **C.R.S. 1963:** § 116-4-2.

**ARTICLE 24**

Electric and Street Railroads

**40-24-101. Street railway - consent necessary.** Nothing in articles 20 to 33 of this title shall be construed to allow the construction of any street or other railroad or other structure or substructure for any purpose on, below, or elevated above the surface of the ground of any street or alley within the limits of any such city or town by any corporation or person without the consent of the local authorities of such city or town; but no such consent, however enacted or expressed, on any consideration whatever shall operate to relieve or protect any person or corporation constructing any such street or other railroad or structure or substructure against any claim for damages to private property which otherwise, without such consent, might be lawfully maintained against such person or corporation.

**Source:** **G.L.** § 219. **G.S.** § 266. **L. 1885:** p. 152, § 1. **R.S. 08:** § 5420. **C.L.** § 2823. **CSA:** C. 139, § 9. **CRS 53:** § 116-5-1. **C.R.S. 1963:** § 116-5-1. **L. 77:** Entire section amended, p. 1240, § 2, effective July 1.

**40-24-102. Grant right-of-way - condemnation.** The boards of county commissioners in their respective counties in the state of Colorado, with the written consent of a majority of the holders of property (measured by the front foot) abutting on each side of such county roads, have the power to grant to any person, company, corporation, or association outside of cities and towns the right-of-way and franchise for the construction, operation, or maintenance of any electric railroad over, along, and across any county road in their respective counties, upon the terms and conditions provided in section 40-24-103; and, when necessary to enter upon and use private property in the construction and operation of such roads, such person, company, corporation, or association has the same power of operation and condemnation that the railroad companies have.

**Source:** **L. 07:** p. 407, § 1. **R.S. 08:** § 5432. **C.L.** § 2836. **CSA:** C. 139, § 22. **CRS 53:** § 116-5-2. **C.R.S. 1963:** § 116-5-2.

**Cross references:** For condemnation of rights-of-way, see article 2 of title 38.

**40-24-103. Petition for right-of-way.** Any person, company, corporation, or association desiring in good faith to construct, maintain, and operate an electric railroad over, along, or across any county road within any county in this state may petition the board of county commissioners of such county for a franchise and right-of-way for the construction, maintenance, and operation of an electric railroad. The board of county commissioners, in accordance with the conditions provided in this section, may grant said right-of-way and franchise for a period not exceeding twenty years. Before any such person, company, association, or corporation commences the construction of any such electric railroad, there shall be filed with and approved by the board of county commissioners of any such county specifications and surveys with maps, showing all grades and curves of such proposed line of road, together with the exact location and description of all tracks, culverts, bridges, and poles, and the difference, if any, in all grades between such county road and the said proposed line of railroad. Before such specifications, surveys, or maps shall be so approved, at least ten days' public notice of the filing thereof shall be given by such board of county commissioners by publication in some newspaper of general circulation in such county and by the posting of a copy thereof in the office of the county clerk and recorder of such county.

**Source:** **L. 07:** p. 407, § 2. **R.S. 08:** § 5433. **C.L.** § 2837. **CSA:** C. 139, § 23. **CRS 53:** § 116-5-3. **C.R.S. 1963:** § 116-5-3.

**40-24-104. Railroad to maintain and keep joint road and bridges in good repair.** Any person, company, corporation, or association to whom any such right-of-way and franchise is granted shall construct and maintain its railroad on either side of the county road, and, at its own expense and in good substantial manner, shall strengthen and repair all bridges and culverts on said county road which are used or occupied jointly by said electric railroad and the traveling public, and, thereafter during the existence of said franchise, shall contribute and pay not less than one-half of the necessary expense of keeping said bridges and culverts in good repair, and shall pay all expense of keeping public and private crossings planked and in good repair, and, at its own expense, shall widen to not less than twenty-four feet all bridges, culverts, cuts, and embankments on said public highway which are used or occupied jointly by said electric railroad and the traveling public.

**Source:** **L. 07:** p. 408, § 3. **R.S. 08:** § 5434. **C.L.** § 2838. **CSA:** C. 139, § 24. **CRS 53:** § 116-5-4. **C.R.S. 1963:** § 116-5-4.

**40-24-105. New bridges - construction and maintenance.** Whenever it becomes necessary to build or construct any new bridges or culverts on any county road over or along which any person, company, corporation, or association is operating and maintaining an electric railroad, said person, company, corporation, or association shall pay to the party constructing or erecting the same one-half of the expense for the erection and construction of the bridges or culverts which are used jointly by the public and said railroad and shall thereafter pay one-half of the necessary expense of keeping said bridges or culverts used jointly by the public and said railroad in good repair; and the county in which said county road is situated shall contribute and pay out of the county road fund the other one-half of the expense for the construction and maintenance thereafter of any such culverts or bridges. Said bridges or culverts shall be constructed under the joint supervision of the owner or operator of said electric railroad and the board of county commissioners of such county.

**Source:** **L. 07:** p. 409, § 4. **R.S. 08:** § 5435. **C.L.** § 2839. **CSA:** C. 139, § 25. **CRS 53:** § 116-5-5. **C.R.S. 1963:** § 116-5-5.

**40-24-106. Width of joint bridges.** Any bridge or culvert constructed upon any county road or public highway which is to be used jointly by any electric railroad and the traveling public shall not be less than twenty-four feet in width.

**Source:** **L. 07:** p. 409, § 5. **R.S. 08:** § 5436. **C.L.** § 2840. **CSA:** C. 139, § 26. **CRS 53:** § 116-5-6. **C.R.S. 1963:** § 116-5-6.

**40-24-107. Forfeiture of right-of-way - cause.** Whenever any person, company, corporation, or association obtains a franchise and right-of-way to operate an electric railroad over or along any county road in any county in this state and fails, refuses, or neglects, for a period of six months after the granting of any such franchise, to commence the work of constructing such electric railroad and in good faith to continuously prosecute the construction thereof to a final completion or fails, refuses, or neglects to operate or maintain said railroad in good condition and in good faith, for a period of one year at any one time after the granting of said franchise or right-of-way, such person, company, corporation, or association or its assigns shall forfeit all its right, title, and interest in and to such franchise and right-of-way, and the same shall become null and void; and it shall be the duty of the board of county commissioners of the county granting such franchise and the district attorney of the judicial district in which the county is situated to immediately institute the proper legal proceedings to cancel said franchise and all right, title, and interest of said person, company, corporation, or association or its assigns to use or occupy any portion of said county road.

**Source:** **L. 07:** p. 409, § 6. **R.S. 08:** § 5437. **C.L.** § 2841. **CSA:** C. 139, § 27. **CRS 53:** § 116-5-7. **C.R.S. 1963:** § 116-5-7.

**Cross references:** For the penalty for failure of railroad company to commence construction, see § 40-20-105.

**40-24-108. Railroad subject to assignment.** Any person, company, corporation, or association obtaining any right-of-way or franchise to construct, operate, and maintain an electric railroad along, over, and across any county road within such county has the right to assign and transfer such franchise and right-of-way to any other person, company, corporation, or association, and the person, company, corporation, or association taking such franchise and right-of-way shall be subject to all the requirements and provisions of sections 40-24-102 to 40-24-108.

**Source:** **L. 07:** p. 410, § 7. **R.S. 08:** § 5438. **C.L.** § 2842. **CSA:** C. 139, § 28. **CRS 53:** § 116-5-8. **C.R.S. 1963:** § 116-5-8.

**40-24-109. Protection of employees from weather. (Repealed)**

**Source:** **L. 01:** p. 379, § 1. **R.S. 08:** § 5439. **C.L.** § 2843. **CSA:** C. 139, § 29. **CRS 53:** § 116-5-9. **C.R.S. 1963:** § 116-5-9. **L. 2000:** Entire section repealed, p. 219, § 8, effective March 29.

**40-24-110. Motormen to have unobstructed view - trailing car excepted. (Repealed)**

**Source:** **L. 01:** p. 379, § 2. **R.S. 08:** § 5440. **C.L.** § 2844. **CSA:** C. 139, § 30. **CRS 53:** § 116-5-10. **C.R.S. 1963:** § 116-5-10. **L. 2000:** Entire section repealed, p. 219, § 8, effective March 29.

**40-24-111. Each day an offense - penalty. (Repealed)**

**Source:** **L. 01:** p. 380, § 3. **R.S. 08:** § 5441. **C.L.** § 2845. **CSA:** C. 139, § 31. **CRS 53:** § 116-5-11. **C.R.S. 1963:** § 116-5-11. **L. 2000:** Entire section repealed, p. 219, § 8, effective March 29.

**ARTICLE 25**

Express Business

**40-25-101 to 40-25-103. (Repealed)**

**Source:** **L. 2000:** Entire article repealed, p. 219, § 8, effective March 29.

**Editor's note:** This article was numbered as article 6 of chapter 116, C.R.S. 1963, and was not amended prior to its repeal in 2000. For the text of this article prior to 2000, consult the 1999 Colorado Revised Statutes.

**ARTICLE 26**

Railroad Tickets

**40-26-101 to 40-26-109. (Repealed)**

**Source:** **L. 2000:** Entire article repealed, p. 219, § 8, effective March 29.

**Editor's note:** This article was numbered as article 7 of chapter 116, C.R.S. 1963. For amendments to this article prior to its repeal in 2000, consult the Colorado statutory research explanatory note and the table itemizing the replacement volumes and supplements to the original volume of C.R.S. 1973 beginning on page vii in the front of this volume.

**ARTICLE 27**

Killing Stock - Fencing

**40-27-101. Owner driving stock on track.** If the owner of any stock drives any stock on the line of the track of any railway company or corporation, with intent to injure such company or corporation, and if said stock is killed or injured, the owner shall not receive any damages from the railroad company or corporation therefor, and shall be liable to such company or corporation for all damage such company or corporation may suffer in consequence of said act, and commits a class 6 felony and shall be punished as provided in section 18-1.3-401, C.R.S.; but nothing in this section shall be construed to prevent any person from allowing his or her stock to pasture on the lands adjacent to the line of such railroads or to drive his or her stock over or across any such track at suitable times and places.

**Source:** **G.L.** § 2573. **G.S.** § 2808. **R.S. 08:** § 5475. **C.L.** § 2858. **CSA:** C. 139, § 44. **CRS 53:** § 116-8-1. **C.R.S. 1963:** § 116-8-1. **L. 77:** Entire section amended, p. 887, § 75, effective July 1, 1979. **L. 89:** Entire section amended, p. 853, § 147, effective July 1. **L. 2002:** Entire section amended, p. 1559, § 360, effective October 1.

**Editor's note:** The effective date for amendments made to this section by chapter 216, L. 77, was changed from July 1, 1978, to April 1, 1979, by chapter 1, First Extraordinary Session, L. 78, and was subsequently changed to July 1, 1979, by chapter 157, § 23, L. 79. See People v. McKenna, 199 Colo. 452, 611 P.2d 574 (1980).

**Cross references:** For the legislative declaration contained in the 2002 act amending this section, see section 1 of chapter 318, Session Laws of Colorado 2002.

**40-27-102. Fence right-of-way - cattle guards.** (1) Every railway company or corporation whose lines or roads, or any part thereof, are open for use, within six months after the lines of such railways or any part thereof are open, except at the crossings of public roads and highways and within the limits of incorporated towns and cities or the yard limits of established stations, shall erect and thereafter maintain fences on the sides of their roads, or the part thereof open to use, where the same pass through, along, or adjoining enclosed or cultivated fields or unenclosed lands, with openings and gates therein to be hung and have latches and hinges, so that they may be opened and shut at all necessary farm crossings of the road, for the use of the proprietors or owners of the land adjoining such railroad, and shall construct and maintain at all public road crossings good and sufficient cattle guards.

(2) Such fences, gates, and cattle guards for the protection of livestock shall be constructed as defined in section 35-46-101 (1), C.R.S., and shall be amply sufficient to prevent horses, mules, asses, and cattle from getting on said railroads; and, so long as such fences and guards, or any part thereof, are not sufficient or not in sufficiently good repair to accomplish the objective for which they are intended, such railroad corporation shall be liable for any and all damages which are done by the agent, employees, engines, trains, or cars of any other corporation permitted and running over and upon their said railroad to any such cattle, horses, asses, or mules thereon. When such fences, gates, and guards have been built and duly made and are kept in good and sufficient repair, such railroad corporation shall not be liable for any such damages unless the same were occasioned by the negligence or carelessness of such railway company or corporation or the assignee or lessee thereof.

(3) Where gates are constructed and maintained at farm crossings, opening into enclosed pastures or cultivated fields, it is the duty of the owner or occupant of such fields or pastures so provided with gates to see that such gates are kept closed at all times when not actually in use, and where it is shown that any such gate has been left open, the owner or occupant of such lands shall be held responsible for any stock killed or damaged because of such open gate.

**Source:** **L. 11:** p. 400, § 1. **C.L.** § 2863. **CSA:** C. 139, § 49. **CRS 53:** § 116-8-2. **C.R.S. 1963:** § 116-8-2.

**40-27-103. Liability for injury to stock.** Any railroad company running or operating its roads in this state and failing to fence on both sides thereof against livestock running at large at all points shall be absolutely liable to the owners of any such livestock killed, injured, or damaged by their agents, employees, engines, or cars or by the agents, employees, engines, or cars belonging to any other railroad company or corporation running over and upon such road.

**Source:** **L. 11:** p. 401, § 2. **C.L.** § 2864. **CSA:** C. 139, § 50. **CRS 53:** § 116-8-3. **C.R.S. 1963:** § 116-8-3.

**40-27-104. Compliance prima facie defense.** Any railway company or corporation or the assignee or lessee thereof whose road is enclosed with good and sufficient fences, gates, and cattle guards, as provided in section 40-27-102, capable of keeping such animals from being upon such road may plead and prove the same as a defense to any action under sections 40-27-102 to 40-27-113 for any killing, damaging, or injury to such animals occurring within such enclosure; but such plea or fact shall not be held to preclude the owner or his agent from showing that such killing, damage, or injury was caused by the negligence or carelessness of such railway company or corporation or the assignee or lessee thereof, for the purpose of showing liability notwithstanding such fencing.

**Source:** **L. 11:** p. 402, § 3. **C.L.** § 2865. **CSA:** C. 139, § 51. **CRS 53:** § 116-8-4. **C.R.S. 1963:** § 116-8-4.

**40-27-105. Burden of proof.** The killing or injury of any animal by a railway company or corporation shall be prima facie evidence of the negligence of said railway company or corporation, and every railway company or corporation in this state and every assignee or lessee thereof shall be liable to pay to the owner the full value of each animal killed and all damages to each animal injured by the engines or cars of such railway company or corporation in this state or the assignee or lessee thereof unless the railway company or corporation, by competent evidence, shall affirmatively show that such killing or wounding was not caused by the negligence of such railway company or corporation or the assignee or lessee thereof. On the trial of all actions for damages arising under this article, in order to admit evidence of absence of negligence, the defendants shall first be held to show a compliance with sections 40-27-102 to 40-27-113 in relation to the erection and maintenance of fences, gates, and cattle guards.

**Source:** **L. 11:** p. 402, § 4. **C.L.** § 2866. **CSA:** C. 139, § 52. **CRS 53:** § 116-8-5. **C.R.S. 1963:** § 116-8-5.

**40-27-106. Engineer to notify agent - inspection.** (1) Whenever any cattle, sheep, horses, mules, or asses are killed or injured by any train, engine, or car upon any railway in this state, it is the duty of the engineer operating the engine, train, or car to notify the station agent at the first station at which the train stops after the killing or wounding or the superintendent or other proper official at the end of the division where the engineer's run ends. Should none of the employees of the train be aware of such killing or wounding, then it is the duty of any employee of the railway who becomes aware of such accident to notify the station agent at the nearest station to the point where the accident occurred.

(2) It is the duty of the railroad company, through its station agent or such other official as may be designated, upon receipt of the information of the killing or wounding of any such livestock by any engine, train, or car, as soon as may be, to notify the section foreman upon whose section the accident occurred and also the nearest inspector of the state board of stock inspection commissioners.

(3) It is the duty of the section foreman upon receiving the information to go to the point where the animal was killed or injured as soon as may be and there inspect the same, securing a full description of the animal together with any brands or marks that are upon the same and such other details as may serve to determine the ownership of such animal.

(4) It is the duty of said stock inspector, as soon as may be after receiving said notice, to go to the point where the animal was killed or injured and there inspect the same, securing a full description of the animal together with any brands or marks that may be on the same and such other details as may serve to determine ownership of such animal. It is also the duty of the inspector to estimate as nearly as possible the probable value of said animal if killed or the amount of damages if injured.

(5) Should the animal be so badly injured that it is in great suffering and cannot live or recover, it is the duty of either the stock inspector or the section foreman upon inspection to immediately kill the animal. If through any cause such an authorized inspector does not appear to inspect such animal so killed within thirty-six hours after such killing, it is the duty of the section foreman to remove the hide of said animal and preserve the same until it has been inspected by such inspector, and thereafter the carcass of such animal shall be disposed of by the railroad company, without prejudice to its rights, in such manner as it may determine.

**Source:** **L. 11:** p. 402, § 5. **C.L.** § 2867. **CSA:** C. 139, § 53. **CRS 53:** § 116-8-6. **C.R.S. 1963:** § 116-8-6.

**Cross references:** For the creation of a state board of stock inspection commissioners, see article 41 of title 35.

**40-27-107. Reports of inspector and foreman.** After making such examination it is the duty of the stock inspector to immediately forward a report to the secretary of the state board of stock inspection commissioners showing all the facts in regard to the killing or wounding of said animal, together with a full description and the estimated value of same, and it is the duty of the foreman of the section to likewise make a similar report to the claim agent of said railroad company or corporation or the assignee or lessee thereof.

**Source:** **L. 11:** p. 403, § 6. **C.L.** § 2868. **CSA:** C. 139, § 54. **CRS 53:** § 116-8-7. **C.R.S. 1963:** § 116-8-7.

**40-27-108. Notification of owner and claim agent.** (1) Upon receipt of the information from any authorized stock inspector of the killing or wounding of any animal by any railroad company or by its engine, cars, or trains, it is the duty of the secretary of the state board of stock inspection commissioners to notify the owner of said animal so killed or injured, informing him of the facts and the estimated value placed upon said animal by the stock inspector, and he shall also send a copy of this report to the claim agent or other authorized official of the railway company responsible for said killing or injuring.

(2) Should the secretary be unable to determine from the description furnished by the stock inspector the owner or probable owner of such animal so killed or injured, he shall cause an advertisement to be placed in a newspaper published in the county where said killing or wounding occurred, describing the animal so killed or injured, giving the marks or brands appearing on said animal, if any, and notifying the owner to appear within six months of the date of such killing or injuring and make claim for said animal. Said advertisement shall appear for two consecutive weeks. The cost of such advertisement shall be paid out of the brand inspection fund of the state board of stock inspection commissioners and shall be deducted from the amount of damages that may be awarded against the railway company or corporation. Should no claim be made for any animal so advertised, the cost of such advertising shall be paid by the railroad company responsible for such killing or injuring and shall be deposited in the brand inspection fund of said board.

**Source:** **L. 11:** p. 404, § 7. **C.L.** § 2869. **CSA:** C. 139, § 55. **CRS 53:** § 116-8-8. **C.R.S. 1963:** § 116-8-8. **L. 2002:** (2) amended, p. 1007, § 4, effective August 7.

**40-27-109. Proof of ownership and value.** (1) The owner or duly authorized agent of the owner of any animal so killed or injured by any railway company within this state, within thirty days after notice of such killing or injuring, shall make proof that he was the owner or authorized agent of the owner of the animal so killed or injured or that he is the owner of the recorded brand found upon the animal so killed or damaged at the time of such killing or damaging, and said proof may be delivered to the secretary of the state board of stock inspection commissioners who shall notify said railway company or corporation or the assignee or lessee thereof and make demand that said railway company pay to the said state board of stock inspection commissioners for the benefit of the owner the estimated value of said animal if killed or the estimated amount of damages if injured, which shall be settlement in full of all claim for such damage. The secretary of the state board of stock inspection commissioners shall give a receipt in full of said money when received and shall deposit the same in the brand inspection fund of said board, and after paying any advertising charges that may be due against said amount, the balance shall be paid out on voucher to the owner or authorized agent of the owner entitled to receive same.

(2) Should the owner or authorized agent of the owner of any such animal so killed or injured be dissatisfied with the estimated value placed upon such animal by the stock inspector, he may file with the said state board of stock inspection commissioners a claim for such amount of damage he thinks is justly due, and he has the right to produce such evidence in support of his claim as he may think necessary at any regular meeting of said board. Should the railroad company or corporation against whom such claim is made be dissatisfied with the estimated value placed upon any animal so killed or injured, it also has the right, through its claim agent or other authorized officer, to appear before the said state board of stock inspection commissioners at any regular meeting of said board and present such evidence as it may desire in support of its contention.

**Source:** **L. 11:** p. 404, § 8. **C.L.** § 2870. **CSA:** C. 139, § 56. **CRS 53:** § 116-8-9. **C.R.S. 1963:** § 116-8-9.

**40-27-110. Value of animal - finding of board.** Whenever any owner of any animal so killed or wounded or any railroad company or corporation or the assignee or lessee thereof submits any such claim for killing or damaging of livestock to the state board of stock inspection commissioners for determination as to what damage if any shall be paid by said railroad company, the finding of said state board of stock inspection commissioners in regard thereto shall be considered as an arbitration thereof. The finding of said board shall be final and shall also be so accepted by the said owner or his authorized agent or by said railroad company or corporation, and the state board of stock inspection commissioners shall have the right to make such investigation, through its inspectors or otherwise, as it may think necessary in order to determine the just and equitable amount that should be paid as damages or it may determine that no damages shall be paid, as the facts may warrant.

**Source:** **L. 11:** p. 405, § 9. **C.L.** § 2871. **CSA:** C. 139, § 57. **CRS 53:** § 116-8-10. **C.R.S. 1963:** § 116-8-10.

**40-27-111. Owner declining estimate.** Should any owner of any animal so killed or wounded by any railroad company decline to accept the estimated value of such animal or the estimated amount of such damage as fixed by the stock inspector or to submit the same to the arbitration of the said board, within six months he shall file sworn proof and affidavit of his claim with the station agent of such railroad company or corporation, and the railway company or corporation or the assignee or lessee thereof shall pay to such person delivering such demand the actual value of said animal if killed or the actual amount of damage if injured. If such claim for damages and such proof of ownership is not presented to the station agent of said railway company or corporation within six months of the date of such killing or injuring, it shall thereafter be forever barred.

**Source:** **L. 11:** p. 406, § 10. **C.L.** § 2872. **CSA:** C. 139, § 58. **CRS 53:** § 116-8-11. **C.R.S. 1963:** § 116-8-11.

**40-27-112. Time for payment and suit.** In case such railway company or corporation or the assignee or lessee thereof fails for thirty days after demand made therefor by the owner of any animal or his agent or attorney to pay such owner or his agent or attorney the value of said animal as claimed, then such owner, within six months from date of filing claim, may sue and recover the same from such railroad company or corporation or the assignee or lessee thereof in any court of competent jurisdiction in the county in which said animal was killed or injured, together with the legal interest thereon from the date such animal was killed or injured. Any person having a claim arising under the provisions of sections 40-27-102 to 40-27-113 may assign same in writing to any other claimant or person for value or for the purpose of suit, who shall thereupon have all the rights and remedies of the assignor; but, in case it becomes necessary on the part of any owner to establish claim for any animal so killed or injured in a court of competent jurisdiction, he shall have the right to establish the actual and market value of such animal or the actual damage so sustained.

**Source:** **L. 11:** p. 406, § 11. **C.L.** § 2873. **CSA:** C. 139, § 59. **CRS 53:** § 116-8-12. **C.R.S. 1963:** § 116-8-12.

**40-27-113. Evidence destroyed - penalty.** Any person who in any way conceals the evidence of the killing or wounding of any animal by any railroad train, engine, or cars on any railroad in this state or who in any way destroys or covers up the evidence that may lead to the identification of any animal so killed or injured commits a class 2 misdemeanor.

**Source:** **L. 11:** p. 407, § 12. **C.L.** § 2874. **CSA:** C. 139, § 60. **CRS 53:** § 116-8-13. **L. 63:** p. 340, § 57. **C.R.S. 1963:** § 116-8-13. **L. 2021:** Entire section amended, (SB 21-271), ch. 462, p. 3298, § 703, effective March 1, 2022.

**40-27-114. Care of animals injured.** Whenever any horse, cow, or other animal is injured by a train or otherwise on the right-of-way of any railroad company, it is the duty of trackwalkers, section men, brakemen, conductors, firefighters, engineers, and other employees of said company to care for such animal at once and report the facts to the nearest station agent and then notify the state board of stock inspection commissioners. It is the duty of the agent to give immediate notice, when possible, of the condition of such animal to the owner or the owner's agent whose duty it is forthwith upon receipt of notice to have such animal properly cared for. When immediate notice to the owner is not possible, it is the duty of the station agent to have such injured animal properly cared for without delay.

**Source:** **L. 05:** p. 286, § 1. **R.S. 08:** § 5497. **C.L.** § 2875. **CSA:** C. 139, § 61. **CRS 53:** § 116-8-14. **C.R.S. 1963:** § 116-8-14. **L. 97:** Entire section amended, p. 1031, § 64, effective August 6.

**40-27-115. Admission of liability - waiver of claim.** No act of the said railroad company, its employees or agent, or the owner of such injured animal shall be held to be an admission of liability or responsibility on the part of the said company for the injury of the said animal nor a waiver or relinquishment by said owner of any right or claim to damages from said company.

**Source:** **L. 05:** p. 286, § 2. **R.S. 08:** § 5498. **C.L.** § 2876. **CSA:** C. 139, § 62. **CRS 53:** § 116-8-15. **C.R.S. 1963:** § 116-8-15.

**ARTICLE 28**

Crossings

**40-28-101 to 40-28-105. (Repealed)**

**Source:** **L. 2000:** Entire article repealed, p. 219, § 8, effective March 29.

**Editor's note:** This article was numbered as article 9 of chapter 116, C.R.S. 1963, and was not amended prior to its repeal in 2000. For the text of this article prior to 2000, consult the 1999 Colorado Revised Statutes.

**ARTICLE 29**

Safety Appliances

**40-29-101. Switch lights.** Any railroad or railway company owning or operating within this state any line or branch of railroad connecting with any main line of railroad by means of a switch shall provide such switch with a reflector signal or with a suitable light such as is commonly used for such purposes and, if a light is provided, shall keep the same lighted from sunset on each and every calendar day of the year until sunrise on the following day.

**Source:** **L. 03:** p. 405, § 1. **R.S. 08:** § 5504. **C.L.** § 2882. **CSA:** C. 139, § 68. **L. 45:** p. 545, § 1. **CRS 53:** § 116-10-1. **C.R.S. 1963:** § 116-10-1.

**40-29-102. Violation - penalty.** Any railroad or railway company which violates, or permits to be violated, any of the provisions of section 40-29-101, or any officer, agent, or employee of such railroad or railway company who violates, or permits to be violated, any of the provisions of said section shall be fined not more than three hundred dollars for each violation.

**Source:** **L. 03:** p. 405, § 2. **R.S. 08:** § 5505. **C.L.** § 2883. **CSA:** C. 139, § 69. **CRS 53:** § 116-10-2. **C.R.S. 1963:** § 116-10-2.

**40-29-103. Jurisdiction of county courts.** The county court has jurisdiction of any offense under sections 40-29-101 and 40-29-102.

**Source:** **L. 03:** p. 405, § 3. **R.S. 08:** § 5506. **C.L.** § 2884. **CSA:** C. 139, § 70. **CRS 53:** § 116-10-3. **C.R.S. 1963:** § 116-10-3. **L. 64:** p. 307, § 267.

**40-29-104. Blocking switch rails, guardrails, wing rails, and split rails. (Repealed)**

**Source:** **L. 1897:** p. 258, § 1. **R.S. 08:** § 5507. **C.L.** § 2885. **CSA:** C. 139, § 71. **CRS 53:** § 116-10-4. **C.R.S. 1963:** § 116-10-4. **L. 2000:** Entire section repealed, p. 219, § 8, effective March 29.

**40-29-105. Prima facie evidence of neglect. (Repealed)**

**Source:** **L. 1897:** p. 258, § 2. **R.S. 08:** § 5508. **C.L.** § 2886. **CSA:** C. 139, § 72. **CRS 53:** § 116-10-5. **C.R.S. 1963:** § 116-10-5. **L. 2000:** Entire section repealed, p. 219, § 8, effective March 29.

**40-29-106. Locomotive headlights - exceptions.** It is the duty of every railroad corporation, receiver, or lessee thereof operating any line of railroad in this state to equip all locomotive engines used in the transportation of trains over said railroad with headlights of not less than twelve hundred candle power, measured without the aid of a reflector; but this section and section 40-29-107 shall not apply to locomotive engines which are regularly employed in yard service, known as switch engines; engines running for a distance of not more than sixteen miles within the limits of this state to complete their runs; those used exclusively between sunrise and sunset; nor engines going to or returning from repair shops when ordered to such shops for repair.

**Source:** **L. 13:** p. 516, § 1. **C.L.** § 2887. **CSA:** C. 139, § 73. **CRS 53:** § 116-10-6. **C.R.S. 1963:** § 116-10-6.

**40-29-107. Violation - penalty.** Any railroad company or the receiver or lessee thereof doing business in the state of Colorado which violates the provisions of section 40-29-106 shall be liable to the state of Colorado for a penalty of not less than one hundred dollars nor more than one thousand dollars for each and every locomotive not so equipped, counting each train hauled by such locomotive a separate and distinct offense, and such penalties shall be recovered and suit brought in the name of the state of Colorado in a court of proper jurisdiction in any county in or through which such line of railroad may be operated.

**Source:** **L. 13:** p. 516, § 2. **C.L.** § 2888. **CSA:** C. 139, § 74. **CRS 53:** § 116-10-7. **C.R.S. 1963:** § 116-10-7.

**40-29-108. Track motorcars - lights, windshield, and wiper - top. (Repealed)**

**Source:** **L. 57:** p. 601, § 1. **CRS 53:** § 116-10-8. **L. 59:** p. 634, § 1. **C.R.S. 1963:** § 116-10-8. **L. 2000:** Entire section repealed, p. 219, § 8, effective March 29.

**40-29-109. Violations - penalty - exception. (Repealed)**

**Source:** **L. 57:** p. 602, § 2. **CRS 53:** § 116-10-9. **L. 59:** p. 635, § 2. **C.R.S. 1963:** § 116-10-9. **L. 2000:** Entire section repealed, p. 219, § 8, effective March 29.

**40-29-110. Duties of commission.** For the purpose of protecting the health and safety of employees of railroads, the public utilities commission of Colorado shall prescribe standards of safety.

**Source:** **L. 57:** p. 603, § 1. **CRS 53:** § 116-10-10. **C.R.S. 1963:** § 116-10-10. **L. 2000:** Entire section amended, p. 219, § 9, effective March 29.

**40-29-111. Compliance.** (1) It is the duty of all persons engaged in the operation of railroads to comply with any regulation or order of the commission issued under the provisions of section 40-29-110 and to furnish any information required by the commission for purposes of section 40-29-110. The provisions of said section shall not apply to any caboose operated on tracks of less than standard gauge nor to any caboose used only in yard service.

(2) The commission or its authorized agent may, during reasonable hours, enter the place of operation of any person engaged in the operation of railroads for the purpose of ascertaining whether the standards prescribed by authority of section 40-29-110 are being complied with.

**Source:** **L. 57:** p. 603, § 2. **CRS 53:** § 116-10-11. **C.R.S. 1963:** § 116-10-11. **L. 2000:** (1) amended, p. 219, § 10, effective March 29.

**40-29-112. Complaint - hearing. (Repealed)**

**Source:** **L. 57:** p. 604, § 3. **CRS 53:** § 116-10-12. **C.R.S. 1963:** § 116-10-12. **L. 2000:** Entire section repealed, p. 219, § 8, effective March 29.

**40-29-113. Order. (Repealed)**

**Source:** **L. 57:** p. 604, § 4. **CRS 53:** § 116-10-13. **C.R.S. 1963:** § 116-10-13. **L. 2000:** Entire section repealed, p. 219, § 8, effective March 29.

**40-29-114. Penalty. (Repealed)**

**Source:** **L. 57:** p. 604, § 5. **CRS 53:** § 116-10-14. **C.R.S. 1963:** § 116-10-14. **L. 2000:** Entire section repealed, p. 219, § 8, effective March 29.

**40-29-115. Extension of time. (Repealed)**

**Source:** **L. 57:** p. 604, § 6. **CRS 53:** § 116-10-15. **C.R.S. 1963:** § 116-10-15. **L. 2000:** Entire section repealed, p. 219, § 8, effective March 29.

**40-29-116. Highway-rail crossing signalization fund created - annual appropriation - repeal.** (1) The highway-rail crossing signalization fund is hereby created in the state treasury, in order to promote the public safety and to provide for the payment of the costs of installing, reconstructing, and improving automatic and other safety appliance signals or devices at crossings at grade of public highways or roads over the tracks of any railroad or street railway corporation in this state. None of the money in the highway-rail crossing signalization fund shall be used to pay any part of the cost of the installation, reconstruction, or improvement of any such signals or devices at any crossing when any part of such cost will be paid from money available under any federal or federal-aid highway act.

(2) For the 2016-17 fiscal year, the sum of two hundred forty thousand dollars is appropriated from the highway users tax fund created in section 43-4-201 (1)(a), C.R.S., to the highway-rail crossing signalization fund as authorized by section 43-4-201 (3)(a)(VI), C.R.S. Pursuant to section 40-2-114 (1)(a)(II), for the 2017-18 fiscal year and for each fiscal year thereafter, the lesser of three percent of the fees collected under section 40-2-113 or an amount of the fees equal to two hundred forty thousand dollars plus a cumulative inflation adjustment of two percent for each fiscal year beginning with the 2017-18 fiscal year is credited to the highway-rail crossing signalization fund. Notwithstanding section 24-36-114 (1), C.R.S., any interest earned on the deposit and investment of money in the highway-rail crossing signalization fund shall remain in the fund and shall not be credited or transferred to the general fund or any other fund. Such earned interest money are hereby continuously appropriated to the public utilities commission for use for the purposes of the highway-rail crossing signalization fund.

(3) (a) Notwithstanding any other provision of this section, on July 1, 2020, the state treasurer shall transfer one million seven thousand one hundred seventy-six dollars from the highway-rail crossing signalization fund to the general fund.

(b) Notwithstanding any other provision of this section to the contrary, on June 30, 2025, the state treasurer shall transfer seven hundred thousand dollars from the highway-rail crossing signalization fund to the general fund.

(c) This subsection (3) is repealed, effective July 1, 2026.

**Source:** **L. 2003:** Entire section added, p. 1701, § 10, effective May 14. **L. 2008:** Entire section amended, p. 1807, § 34, effective July 1. **L. 2016:** (2) amended, (SB 16-087), ch. 217, p. 832, § 2, effective June 6. **L. 2020:** (3) added, (HB 20-1406), ch. 178, p. 814, § 22, effective June 29. **L. 2025:** (3) amended, (SB 25-264), ch. 129, p. 509, § 48, effective April 25.

**ARTICLE 30**

Fire Guards

**40-30-101. Fire guard by plowing.** Every railroad corporation operating its lines of road or any part thereof within this state, between the fifteenth day of July and the first day of November of each and every year, upon each side of its line of road, shall plow as a fire guard a continuous strip of not less than six feet in width, which said strip of land shall run parallel with said line of railroad and be plowed in such a good and workmanlike manner as to effectually destroy and cover up the vegetation thereon and be sufficient to prevent the spread of fire. In addition thereto all such railroad corporations shall cause to be burned, between said dates, all the grass and vegetation lying between the said plowed strips and the track of said road, and the outer line of said strip of plowed land shall be upon the outer line of such corporation's right-of-way or, if upon land owned by said corporation, one hundred feet on either side from the center of the road. Such fire guard to be so plowed need not be constructed within the limits of any town or city, nor along the line of a railroad running through the mountains, nor in other lands where plowing would be impracticable, but the provisions respecting the burning of a strip on each side shall be duly conformed with whenever any vegetation is found along such line of road. The boards of county commissioners of the various counties of the state shall prescribe for their respective counties where the plowing of such fire guard and burning shall be done.

**Source:** **L. 1874:** p. 224, § 1. **G.L.** § 2235. **L. 1879:** p. 73, § 1. **L. 1883:** p. 198, § 1. **G.S.** § 2796. **R.S. 08:** § 5509. **C.L.** § 2889. **CSA:** C. 139, § 75. **CRS 53:** § 116-11-1. **C.R.S. 1963:** § 116-11-1.

**40-30-102. Penalty for noncompliance.** Any railroad company failing to comply with the provisions of section 40-30-101 shall be liable to pay a penalty of two hundred dollars for each and every mile or fractional part thereof of such strip of land it neglects to plow on either side of the line of its road in this state, in each and every year, the same to be collected in an action of debt in any court of competent jurisdiction in the name of the people of the state of Colorado, and when collected it shall be paid into the school fund of the county wherein the cause of action accrued. The action shall be brought within the time period prescribed in section 13-80-101, C.R.S.

**Source:** **L. 1874:** p. 225, § 2. **G.L.** § 2236. **G.S.** § 2797. **R.S. 08:** § 5510. **C.L.** § 2890. **CSA:** C. 139, § 76. **CRS 53:** § 116-11-2. **C.R.S. 1963:** § 116-11-2. **L. 86:** Entire section amended, p. 705, § 18 effective July 1.

**40-30-103. Liability of railroad company.** Every railroad company operating its line of road, or any part thereof, within this state shall be liable for all damages by fires that are set out or caused by operating any such line of road, or any part thereof, in this state, whether negligently or otherwise. Such damages may be recovered by the party damaged by a proper action in any court of competent jurisdiction; but said action shall be brought by the party injured within two years next ensuing after it accrues. The liability imposed in this section shall inure solely in favor of the owner or mortgagee of the property so damaged or destroyed by fire, and the same shall not pass by assignment or subrogation to any insurance company that has written a policy thereon.

**Source:** **L. 03:** p. 404, § 1. **R.S. 08:** § 5512. **C.L.** § 2892. **CSA:** C. 139, § 78. **CRS 53:** § 116-11-3. **C.R.S. 1963:** § 116-11-3.

**ARTICLE 31**

Overcharges

**40-31-101. Railroad company claim agent.** Every railroad corporation or the lessee or receiver thereof or other person operating the same doing business in this state shall have and keep an agent or other person residing and having his office in the principal city or town along its line within the state whose duty it is and who is fully authorized by such railroad company to adjust and settle all claims for overcharge collected within this state and for all loss or damage. Any railroad corporation or the lessee or receiver thereof or other person so doing business in this state who fails to have and keep such agent or representative within such city or town shall be subject to a penalty of three thousand dollars for each and every month during which said railroad company or the lessee or receiver thereof or other person fails to have and keep said agent, which said penalty shall be recovered by the attorney general for the use of the state in an action commenced for that purpose in any court of competent jurisdiction of this state.

**Source:** **L. 1881:** p. 204, § 1. **G.S.** § 2799. **R.S. 08:** § 5513. **C.L.** § 2893. **CSA:** C. 139, § 79. **CRS 53:** § 116-12-1. **C.R.S. 1963:** § 116-12-1.

**Cross references:** For the lien of common carrier on goods and baggage, see § 38-20-105; for the general claim agent being required to have headquarters at general offices, see § 40-21-102.

**40-31-102. Overcharges - recovery - damages.** (1) All overcharges made by any such railroad corporation or the lessee or receiver thereof or other person operating the same and all claims for loss or damage shall be paid by the representative of such railroad corporation or the lessee or receiver thereof or other person operating the same, appointed as provided in section 40-31-101, within sixty days after the same has been duly presented to such representative or agent for settlement accompanied by the expense bill of the freight on which such overcharge has been made or loss or damage suffered, together with a statement, properly verified, of the amount of such overcharge, loss, or damage. If any such railroad corporation or the lessee or receiver thereof or other person operating the same fails to refund the amount of such overcharge, loss, or damage within the time aforesaid, the person or corporation so suffering the same may recover from the railroad company or the lessee or receiver thereof or other person operating the same so in default the sum of one hundred dollars for each month and fraction of a month during which said company or the lessee or receiver thereof or other person operating the same is in default, which said sum may be recovered by the parties so aggrieved or their assignees in any court of competent jurisdiction.

(2) In any suit brought under this section, service upon such agent or representative of said railroad company or the lessee or receiver thereof or other person operating the same shall be deemed and held proper service upon such railroad company or the lessee or receiver thereof or other person operating the same; but the claimant shall not recover such penalty unless he recovers a larger amount in a court than the sum tendered him by such railroad corporation, agent, representative, lessee, or receiver or other person.

**Source:** **L. 1881:** p. 205, § 2. **G.S.** § 2800. **R.S. 08:** § 5514. **C.L.** § 2894. **CSA:** C. 139, § 80. **CRS 53:** § 116-12-2. **C.R.S. 1963:** § 116-12-2.

**ARTICLE 32**

Employees

**40-32-101. Working hours of trainmen. (Repealed)**

**Source:** **L. 01:** p. 233, § 1. **R.S. 08:** § 5515. **C.L.** § 2895. **CSA:** C. 139, § 81. **CRS 53:** § 116-13-1. **C.R.S. 1963:** § 116-13-1. **L. 2000:** Entire section repealed, p. 219, § 11, effective March 29.

**40-32-102. Violation - penalty. (Repealed)**

**Source:** **L. 01:** p. 233, § 2. **R.S. 08:** § 5516. **C.L.** § 2896. **CSA:** C. 139, § 82. **CRS 53:** § 116-13-2. **C.R.S. 1963:** § 116-13-2. **L. 2000:** Entire section repealed, p. 219, § 11, effective March 29.

**40-32-103. Telegraph operators - qualifications. (Repealed)**

**Source:** **L. 1891:** p. 280, § 1. **R.S. 08:** § 5517. **C.L.** § 2897. **CSA:** C. 139, § 83. **CRS 53:** § 116-13-3. **C.R.S. 1963:** § 116-13-3. **L. 96:** Entire section repealed, p. 564, § 27, effective April 24.

**40-32-104. Violation - penalty. (Repealed)**

**Source:** **L. 1891:** p. 280, § 2. **R.S. 08:** § 5518. **C.L.** § 2898. **CSA:** C. 139, § 84. **CRS 53:** § 116-13-4. **C.R.S. 1963:** § 116-13-4. **L. 96:** Entire section repealed, p. 564, § 28, effective April 24.

**40-32-104.5. Railroad peace officer - defined - scope of authority - responsibility and liability of railroad.** (1) As used in this section, "railroad peace officer" means any person who is employed by a class I railroad corporation operating within the state of Colorado to protect and investigate offenses against the railroad corporation.

(2) A class I railroad corporation may employ a railroad peace officer to protect and investigate offenses against the corporation. Such railroad peace officer, while engaged in the conduct of his or her employment, shall possess and exercise all the powers vested in a peace officer of this state, pursuant to sections 16-2.5-101 and 16-2.5-142, C.R.S. Such authority shall be exercised only in the protection of persons, including on-duty employees, who are located on the class I railroad corporation's property and in the protection of all real and personal property in the current physical possession of such railroad corporation. Such authority may include engaging in immediate pursuit. In the exercise of his or her duties, the railroad peace officer shall have the power to arrest for violation of laws upon railroad property; except that he or she shall be required to notify the appropriate local law enforcement agency before applying for any warrant or lodging any criminal complaint unless the arrest is pursuant to section 40-32-107.

(3) The class I railroad corporation employing the railroad peace officer shall be solely responsible for any liability resulting from acts or omissions of the railroad peace officer which arise within the scope and course of his employment.

**Source:** **L. 87:** Entire section added, p. 1489, § 2, effective April 30. **L. 2000:** (2) amended, p. 219, § 12, effective March 29. **L. 2003:** (2) amended, p. 1627, § 55, effective August 6.

**40-32-105. Conductors to have police powers. (Repealed)**

**Source:** **L. 13:** p. 436, § 1. **C.L.** § 2899. **CSA:** C. 139, § 85. **CRS 53:** § 116-13-5. **C.R.S. 1963:** § 116-13-5. **L. 2000:** Entire section repealed, p. 219, § 11, effective March 29.

**40-32-106. Eject disorderly passengers.** When any passenger is guilty of disorderly conduct, or uses any obscene language to the annoyance and vexation of passengers and refuses to desist therefrom when requested by the conductor, the conductor is authorized to stop the train at any station and eject such passenger from the train, using only such force as may be necessary, and may command the assistance of the employees of the railroad company to assist in such removal; but nothing in this section shall relieve any railroad company from liability for damages to any passenger for an unwarranted exercise of such power by any such conductor.

**Source:** **L. 13:** p. 436, § 2. **C.L.** § 2900. **CSA:** C. 139, § 86. **CRS 53:** § 116-13-6. **C.R.S. 1963:** § 116-13-6. **L. 2000:** Entire section amended, p. 219, § 13, effective March 29.

**40-32-107. Arrest and take before county court.** When any passenger is guilty of any crime or misdemeanor upon any train, a railroad peace officer of such train may arrest such passenger, take such passenger before any county court in any county in which such crime or misdemeanor was committed, and file a complaint charging such passenger with such crime or misdemeanor.

**Source:** **L. 13:** p. 437, § 3. **C.L.** § 2901. **CSA:** C. 139, § 87. **CRS 53:** § 116-13-7. **C.R.S. 1963:** § 116-13-7. **L. 64:** p. 307, § 268. **L. 2000:** Entire section amended, p. 220, § 14, effective March 29.

**40-32-108. Duties of commission.** The commission shall establish standards for the employment of railroad peace officers relating to education or experience in law enforcement.

**Source:** **L. 57:** p. 606, § 1. **CRS 53:** § 116-13-8. **C.R.S. 1963:** § 116-13-8. **L. 87:** (2) added, p. 1490, § 3, effective April 30. **L. 2000:** Entire section amended, p. 220, § 15, effective March 29.

**40-32-109. Compliance. (Repealed)**

**Source:** **L. 57:** p. 606, § 2. **CRS 53:** § 116-13-9. **C.R.S. 1963:** § 116-13-9. **L. 2000:** Entire section repealed, p. 219, § 11, effective March 29.

**40-32-110. Complaint - hearing. (Repealed)**

**Source:** **L. 57:** p. 607, § 3. **CRS 53:** § 116-13-10. **C.R.S. 1963:** § 116-13-10. **L. 2000:** Entire section repealed, p. 219, § 11, effective March 29.

**40-32-111. Order. (Repealed)**

**Source:** **L. 57:** p. 607, § 4. **CRS 53:** § 116-13-11. **C.R.S. 1963:** § 116-13-11. **L. 2000:** Entire section repealed, p. 219, § 11, effective March 29.

**40-32-112. Penalty. (Repealed)**

**Source:** **L. 57:** p. 607, § 5. **CRS 53:** § 116-13-12. **C.R.S. 1963:** § 116-13-12. **L. 2000:** Entire section repealed, p. 219, § 11, effective March 29.

**40-32-113. Extension of time. (Repealed)**

**Source:** **L. 57:** p. 607, § 6. **CRS 53:** § 116-13-13. **C.R.S. 1963:** § 116-13-13. **L. 2000:** Entire section repealed, p. 219, § 11, effective March 29.

**ARTICLE 33**

Damages to Employees

**40-33-101. Damages for injury of employee.** Every common carrier by railroad in the state of Colorado shall be liable in damages to any person suffering injury while he is employed by such carrier in or about the transporting or handling of any freight, property, passengers, engine, locomotive, or other vehicle upon the tracks of such carrier, or in case of the death of such employee, to his personal representative for the benefit of the surviving widow, or husband, children, parents, or dependents of such employee, for such injury or death resulting in whole or in part from the negligence of any of the officers, agents, or employees of such employer, or by reason of any defect or insufficiency due to the employer's negligence.

**Source:** **L. 37:** p. 512, § 1. **CSA:** C. 139, § 87(1). **CRS 53:** § 116-14-1. **C.R.S. 1963:** § 116-14-1.

**40-33-102. Contributory negligence no bar.** In all actions brought against any such common carrier under or by virtue of any of the provisions of this article to recover damages for personal injury to the employee, or where such injuries have resulted in his death, the fact that the employee may have been guilty of contributory negligence shall not bar a recovery, but the damages shall be diminished by the jury in proportion to the amount of negligence attributable to such employee; but no such employee who may be injured or killed shall be held to have been guilty of contributory negligence in any case where the violation by such employer of any state or federal statute enacted for the safety of employees contributed to the injury or death of such employee.

**Source:** **L. 37:** p. 513, § 2. **CSA:** C. 139, § 87(2). **CRS 53:** § 116-14-2. **C.R.S. 1963:** § 116-14-2.

**40-33-103. Employee does not assume risks.** In any action brought against any common carrier under or by virtue of any of the provisions of this article to recover damages for injuries to, or the death of, any of its employees, such employee shall not be held to have assumed the risks of his employment in any case where such injury or death resulted in whole or in part from the negligence of any of the officers, agents, or employees of such carrier, or by reason of any defect or insufficiency, due to its negligence, in its cars, engines, appliances, machinery, track, roadbed, works, boats, wharves, or other equipment.

**Source:** **L. 37:** p. 513, § 3. **CSA:** C. 139, § 87(3). **CRS 53:** § 116-14-3. **C.R.S. 1963:** § 116-14-3.

**40-33-104. Jury question.** In any action brought against any such common carrier under or by virtue of any of the provisions of this article, to recover damages for injury to, or the death of, any of its employees, the question as to whether the negligence or violation of law claimed to have caused or contributed to the injury or death of such employee did in substance cause or contribute to such injury or death, and the question as to whether such negligence or violation of law was the proximate cause of such injury or death shall, in all cases, be for the determination of the jury.

**Source:** **L. 37:** p. 513, § 4. **CSA:** C. 139, § 87(4). **CRS 53:** § 116-14-4. **C.R.S. 1963:** § 116-14-4.

**40-33-105. Presumptive evidence.** In all actions brought against any such common carrier under or by virtue of any of the provisions of this article to recover damages for personal injury to the employee, or where such injuries have resulted in his death, the fact of any such injury or death occurring to such employee and arising out of and in the course of his employment shall be presumptive evidence of the want of reasonable skill and care on the part of such carrier and its agents, servants, and employees in reference to such injury or death unless and until rebutted.

**Source:** **L. 37:** p. 514, § 5. **CSA:** C. 139, § 87(5). **CRS 53:** § 116-14-5. **C.R.S. 1963:** § 116-14-5.

**40-33-106. Attempts to exempt carrier from liability void.** Any contract, rule, regulation, or stratagem whatsoever, the purpose or intent of which is to enable any common carrier to exempt itself from any liability created by this article, shall to that extent be void; but in any action brought against any such common carrier under or by virtue of any of the provisions of this article, such carrier may set off therein any sum it has contributed or paid to any insurance, relief benefit, or indemnity that may have been paid to the injured employee, or the person entitled thereto on account of the injury or death for which said action was brought.

**Source:** **L. 37:** p. 514, § 6. **CSA:** C. 139, § 87(6). **CRS 53:** § 116-14-6. **C.R.S. 1963:** § 116-14-6.

**40-33-107. Definitions.** As used in this article, unless the context otherwise requires:

(1) "Common carrier" includes the receiver or other persons or corporations charged with the duty of management and operation of the business of a common carrier.

**Source:** **L. 37:** p. 514, § 7. **CSA:** C. 139, § 87(7). **CRS 53:** § 116-14-7. **C.R.S. 1963:** § 116-14-7.

**40-33-108. Right of action survives.** Any right of action given by this article, to a person suffering injury shall survive to his personal representative, for the benefit of the surviving widow or husband and children of such employee, and, if none, then of such employee's parents; and, if none, then of the next of kin dependent upon such employee, but in such cases there shall be only one recovery for the same injury.

**Source:** **L. 37:** p. 514, § 8. **CSA:** C. 139, § 87(8). **CRS 53:** § 116-14-8. **C.R.S. 1963:** § 116-14-8.

**40-33-109. Right of action limited.** No action shall be maintained under this article, unless commenced within the time period prescribed in section 13-80-102, C.R.S.

**Source:** **L. 37:** p. 515, § 9. **CSA:** C. 139, § 87(9). **CRS 53:** § 116-14-9. **C.R.S. 1963:** § 116-14-9. **L. 86:** Entire section amended, p. 705, § 19, effective July 1.

**GEOTHERMAL HEAT**

**ARTICLE 40**

Geothermal Heat Suppliers

**Cross references:** For the "Colorado Geothermal Resources Act", see article 90.5 of title 37.

**40-40-101 to 40-40-106. (Repealed)**

**Source:** **L. 2023:** Entire article repealed, (HB 23-1252), ch. 166, p. 762, § 6, effective August 7.

**Editor's note:** This article 40 was added in 1983 and was not amended prior to its repeal in 2023. For the text of this article 40 prior to 2023, consult the 2022 Colorado Revised Statutes and the Colorado statutory research explanatory note beginning on page vii in the front of this volume.

**ENERGY IMPACTS**

**ARTICLE 41**

Colorado Energy Impact Bond Act

**40-41-101. Short title.** The short title of this article 41 is the "Colorado Energy Impact Bond Act".

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3317, § 26, effective May 30.

**40-41-102. Definitions.** As used in this article 41, unless the context otherwise requires:

(1) "Adjustment mechanism" means a formula-based mechanism for making automatic adjustments to CO-EI charges authorized in a financing order and for making any adjustments that are necessary to correct for overcollection or undercollection of such charges or otherwise ensure the timely and complete payment of the CO-EI bonds and all financing costs.

(2) "Ancillary agreement" means any bond, insurance policy, letter of credit, reserve account, surety bond, interest rate lock or swap arrangement, hedging arrangement, liquidity or credit support arrangement, or other financial arrangement entered into in connection with CO-EI bonds that is designed to promote the credit quality and marketability of the CO-EI bonds or to mitigate the risk of an increase in interest rates.

(3) "Assignee" means any person to which an interest in CO-EI property is sold, assigned, transferred, or conveyed, other than as security, and any successor to or subsequent assignee of such a person.

(4) "Bondholder" means any holder or owner of CO-EI bonds.

(5) "CO-EI bonds" means Colorado energy impact bonds that are low-cost corporate securities, such as senior secured bonds, debentures, notes, certificates of participation, certificates of beneficial interest, certificates of ownership, or other evidences of indebtedness or ownership that have a scheduled maturity date as determined reasonable by the commission but not later than thirty-two years following issuance, that are rated "AA" or "AA2" or better by at least one major independent credit rating agency at the time of pricing, and that are issued by an electric utility or an assignee pursuant to a financing order, the proceeds of which are used, directly or indirectly, to recover, finance, or refinance commission-approved CO-EI costs and financing costs.

(6) "CO-EI charge" means a charge in an amount authorized by the commission in a financing order in order to provide a source of revenue solely to repay, finance, or refinance CO-EI costs and financing costs that are imposed on and are a part of all customer bills and are collected in full by the electric utility to which the financing order applies, its successors or assignees, or a collection agent through a nonbypassable charge that is separate and apart from the electric utility's base rates.

(7) (a) "CO-EI costs" means:

(I) (A) At the option of and upon petition by an electric utility, and as approved by the commission, any of the pretax costs that the electric utility has incurred or will incur that are caused by, associated with, or remain as a result of the retirement of an electric generating facility located in the state.

(B) As used in this subsection (7), "pretax costs", if approved by the commission, include, but are not limited to, the unrecovered capitalized cost of a retired electric generating facility, costs of decommissioning and restoring the site of the electric generating facility, and other applicable capital and operating costs, accrued carrying charges, deferred expenses, reductions for applicable insurance and salvage proceeds and the costs of retiring any existing indebtedness, fees, costs, and expenses to modify existing debt agreements or for waivers or consents related to existing debt agreements.

(II) Amounts for assistance to affected workers and communities if approved by the commission;

(III) Pretax costs that an electric utility has previously incurred related to the commission-approved closure of an electric generating facility occurring before May 30, 2019; and

(IV) As approved by the commission, any of the pretax costs associated with the implementation of an approved program or project to mitigate the effects of extreme weather, wildfires, climate change, or other hazards, including but not limited to the costs associated with an electric utility's wildfire mitigation plan that has been approved by the commission.

(b) "CO-EI costs" do not include any monetary penalty, fine, or forfeiture assessed against an electric utility by a government agency or court under a federal or state environmental statute, rule, or regulation.

(8) "CO-EI property" means:

(a) All rights and interests of an electric utility or successor or assignee of an electric utility under a financing order for the right to impose, bill, collect, and receive CO-EI charges as it is authorized to do solely under the financing order and to obtain periodic adjustments to such CO-EI charges as provided in the financing order; and

(b) All revenue, collections, claims, rights to payments, payments, money, or proceeds arising from the rights and interests specified in subsection (8)(a) of this section, regardless of whether such revenue, collections, claims, rights to payment, payments, money, or proceeds are imposed, billed, received, collected, or maintained together with or commingled with other revenue, collections, rights to payment, payments, money, or proceeds.

(9) "CO-EI revenue" means all revenue, receipts, collections, payments, money, claims, or other proceeds arising from CO-EI property.

(10) "Commission" means the public utilities commission of the state of Colorado.

(11) "Customer" means a person that takes electric distribution or electric transmission service from an electric utility or its successors or assignees under commission-approved rate schedules or pursuant to special contracts for consumption of electricity in the state. The term includes a customer's successors and assignees.

(12) "Electric utility" means an entity operating for the purpose of supplying electricity to the public for domestic, mechanical, or public uses and includes an investor-owned electric utility subject to regulation under articles 1 to 7 of this title 40, a municipally owned utility, and a cooperative electric association.

(13) "Financing costs" means, if approved by the commission in a financing order, costs to issue, service, repay, or refinance CO-EI bonds, whether incurred or paid upon issuance of the CO-EI bonds or over the life of the CO-EI bonds, and includes:

(a) Principal, interest, and redemption premiums that are payable on CO-EI bonds;

(b) Any payment required under an ancillary agreement and any amount required to fund or replenish a reserve account or other accounts established under the terms of any indenture, ancillary agreement, or other financing document pertaining to CO-EI bonds;

(c) Any other costs related to issuing, supporting, repaying, refunding, and servicing CO-EI bonds, including, but not limited to, servicing fees, accounting and auditing fees, trustee fees, legal fees, consulting fees, financial advisor fees, administrative fees, placement and underwriting fees, capitalized interest, rating agency fees, stock exchange listing and compliance fees, security registration fees, filing fees, information technology programming costs, and any other demonstrable costs necessary to otherwise ensure and guarantee the timely payment of CO-EI bonds or other amounts or charges payable in connection with CO-EI bonds;

(d) Any taxes and license fees imposed on the revenue generated from the collection of a CO-EI charge;

(e) Any state and local taxes, including franchise, sales and use, and other taxes or similar charges, including, but not limited to, regulatory assessment fees, whether paid, payable, or accrued; and

(f) Any costs incurred by an electric utility to pay the commission's costs of engaging specialized counsel and expert consultants experienced in securitized electric utility ratepayer-backed bond financing similar to CO-EI bonds as authorized by section 40-41-107 (3).

(14) "Financing order" means an order of the commission issued pursuant to section 40-41-106 that grants, in whole or in part, an application filed pursuant to section 40-41-103 and that authorizes the issuance of CO-EI bonds in one or more series, the imposition, charging, and collection of CO-EI charges, and the creation of CO-EI property.

(15) "Financing party" means a holder of CO-EI bonds and trustees, collateral agents, any party under an ancillary agreement, or any other person acting for the benefit of a holder of CO-EI bonds.

(16) "Financing statement" has the same meaning as set forth in section 4-9-102 (39).

(17) "Nonbypassable" means that the payment of a CO-EI charge may not be avoided by any future or existing customer located within an electric utility service area as such service area existed as of the date of the financing order or, if the financing order so provides, as such service area may be expanded, even if the customer elects to purchase electricity from a supplier other than the electric utility.

(18) "Successor" means, with respect to any legal entity, another legal entity that succeeds by operation of law to the rights and obligations of the first legal entity pursuant to any bankruptcy, reorganization, restructuring, other insolvency proceeding, merger, acquisition, consolidation, or sale or transfer of assets, whether any of these occur due to a restructuring of the electric power industry or otherwise. Solely for the purpose of implementing this article 41, "successor" does not include any municipally owned electric utility established and providing retail electric service before the date on which CO-EI bonds are issued pursuant to a financing order relating to electric generating facilities that serve or previously served the service area of the municipally owned electric utility.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3317, § 26, effective May 30. **L. 2025:** (7)(a)(III) amended and (7)(a)(IV) added, (SB 25-007), ch. 281, p. 1459, § 4, effective May 29.

**40-41-103. Financing orders - application requirements.** (1) An electric utility, in its sole discretion, may apply to the commission for a financing order as authorized by this section.

(2) (a) An investor-owned or other regulated electric utility may file an application for approval to issue CO-EI bonds in one or more series, impose, charge, and collect CO-EI charges, and create CO-EI property related to:

(I) The retirement of an electric generating facility in Colorado that has previously been approved by the commission; or

(II) Other programs or projects as approved by the commission, including programs or projects to mitigate the effects of extreme weather, wildfires, climate change, or other hazards.

(b) An electric utility that is not regulated may file an application for approval to issue CO-EI bonds in one or more series, impose, charge, and collect CO-EI charges, and create CO-EI property related to:

(I) The retirement of an electric generating facility in Colorado; or

(II) Other programs or projects as approved by the commission, including programs or projects to mitigate the effects of extreme weather, wildfires, climate change, or other hazards.

(c) The commission shall take final action to approve, deny, or modify any application for a financing order as described in subsection (2)(a) or (2)(b) of this section in a final order issued in accordance with the commission's rules for addressing applications.

(d) Notwithstanding any other provision of law, the commission shall not approve the issuance of, nor shall an electric utility issue, CO-EI bonds to finance the payment of damages for a wildfire or other liability of the electric utility.

(3) (a) An application for a financing order must include the following information:

(I) A description of the CO-EI costs that the applicant proposes to recover with the proceeds of the CO-EI bonds;

(II) An estimate of the financing costs related to the CO-EI bonds;

(III) An estimate of the CO-EI charges necessary to pay the CO-EI costs and all financing costs, and the period over which such costs will be recovered, including the proposed scheduled and final maturity of the CO-EI bonds;

(IV) A proposed methodology for allocating the revenue requirement for the CO-EI charge among customer classes, including special contract customers;

(V) A description of the nonbypassable CO-EI charge required to be paid by customers within the electric utility's service area for recovery of CO-EI costs and a proposed adjustment mechanism reflecting the allocation methodology referred to in subsection (3)(a)(IV) of this section;

(VI) An estimate of the timing of the issuance of the CO-EI bonds or series of bonds; and

(VII) An estimate of the net projected cost savings or a demonstration of how the issuance of CO-EI bonds and the imposition of CO-EI charges would avoid or significantly mitigate rate impacts to customers as compared with traditional methods of financing and recovering CO-EI costs from customers.

(b) In addition to furnishing the information specified in subsection (3)(a) of this section, an applicant shall:

(I) Specify a future rate-making process to reconcile any difference between the CO-EI costs financed by CO-EI bonds and the final CO-EI costs incurred by the utility or the assignee. The reconciliation may affect the electric utility's base rates or any rider adopted pursuant to section 40-41-104 (4), but shall not affect the amount of the bonds or the associated CO-EI charges paid by customers.

(II) Provide direct testimony supporting the application.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3320, § 26, effective May 30. **L. 2021:** (2)(a) and (2)(b) amended and (2)(d) added, (SB 21-272), ch. 220, p. 1162, § 10, effective June 10.

**40-41-104. Issuance of financing orders.** (1) Following notice and hearing on an application for a financing order as required by the commission's rules, practice, and procedure, the commission may issue a financing order if the commission finds that:

(a) The CO-EI costs described in the application related to the retirement of the electric generating facilities are reasonable;

(b) The proposed issuance of CO-EI bonds and the imposition and collection of CO-EI charges:

(I) Are just and reasonable;

(II) Are consistent with the public interest;

(III) Constitute a prudent and reasonable mechanism for the financing of the CO-EI costs described in the application; and

(IV) Will provide substantial, tangible, and quantifiable net present value savings or other benefits to customers that are greater than the benefits that would have been achieved absent the issuance of CO-EI bonds; and

(c) The provisions of the financing order will ensure that the proposed structuring, marketing, and pricing of the CO-EI bonds will:

(I) Materially lower overall costs to customers or avoid or mitigate rate impacts to customers relative to traditional methods of financing and recovering CO-EI costs from customers; and

(II) Achieve the maximum net present value of customer savings, as determined by the commission in a financing order, consistent with market conditions at the time of sale and the terms of the financing order.

(2) The financing order must:

(a) Determine the maximum amount of CO-EI costs that may be financed from proceeds of CO-EI bonds authorized to be issued by the financing order;

(b) Approve a methodology for allocating the revenue requirement for the CO-EI charge among customer classes;

(c) Describe the proposed customer billing mechanism for CO-EI charges and include a finding that the mechanism is just and reasonable;

(d) Describe and estimate the financing costs that may be recovered through CO-EI charges and the period over which the costs may be recovered, subject to section 40-41-105;

(e) Determine whether the proposed structuring, expected pricing, and financing costs of CO-EI bonds have a significant likelihood of lowering overall costs to customers or avoiding or significantly mitigating rate impacts to customers as compared with traditional methods of financing and recovering CO-EI costs from customers. A financing order must provide detailed findings of fact addressing cost-effectiveness and associated rate impacts upon customers and customer classes.

(f) Require the imposition and collection of the nonbypassable CO-EI charges authorized under a financing order for the period specified in subsection (2)(d) of this section;

(g) Describe the CO-EI property that may be created in favor of the utility and its successors and assignees and that will be used to pay, and secure the payment of, the CO-EI bonds and financing costs authorized in the financing order;

(h) Authorize and approve an adjustment mechanism reflecting the allocation methodology specified in subsection (2)(b) of this section;

(i) Authorize the applicant electric utility to finance CO-EI costs through the issuance of one or more series of CO-EI bonds. An electric utility is not required to secure a separate financing order for each issuance of CO-EI bonds or for each scheduled phase of the previously approved retirement of electric generating facilities approved in the financing order.

(j) Include any additional findings or conclusions deemed appropriate by the commission;

(k) Specify the degree of flexibility afforded to the electric utility in establishing the terms and conditions of the CO-EI bonds, including, but not limited to, repayment schedules, expected interest rates, and other financing costs;

(l) Specify the timing of actions required by the order, including:

(I) The timing of issuance of the CO-EI bonds, independent of the schedule of retirement of the electric generating facility;

(II) The energy assistance funds, if included in the bond issue, may be transferred to a third-party entity designated by the commission to administer transition assistance on behalf of displaced workers and affected communities no later than the date on which the electric generating facility ceases operation; and

(III) The applicant electric utility files to reduce its rates as required in subsection (4) of this section simultaneously with the inception of the CO-EI charges and independently of the schedule of closing and decommissioning of the electric generating facility; and

(m) Specify a future rate-making process to reconcile any difference between the actual CO-EI costs financed by CO-EI bonds and the final CO-EI costs incurred by the utility or the assignee. The reconciliation may affect the electric utility's base rates or any rider adopted pursuant to subsection (4) of this section, but shall not affect the amount of the bonds or the associated CO-EI charges paid by customers.

(3) A financing order issued to an electric utility must permit and may require the creation of an electric utility's CO-EI property pursuant to subsection (2)(g) of this section to be conditioned upon, and simultaneous with, the sale or other transfer of the CO-EI property to an assignee and the pledge of the CO-EI property to secure CO-EI bonds.

(4) A financing order must require the applicant electric utility, simultaneously with the inception of the collection of CO-EI charges, to reduce its rates through a reduction in base rates or by a negative rider on customer bills in an amount equal to the revenue requirement associated with the utility assets being financed by CO-EI bonds.

(5) If the voters of a local government or school district have approved projects, the costs of which are expected to be paid for from property taxes that are directly impacted by the retirement of an electric generating facility pursuant to the terms of a financing order, the financing order must provide for the payment of community assistance to the local government in an amount equal to the costs of the voter-approved projects that were expected to be paid from the revenue sources directly impacted by the retirement of an electric generating facility pursuant to the terms of the financing order, including the costs of financing such projects, including but not limited to the payment of bonds, notes, or other multiple-fiscal year obligations or financed purchase of an asset or certificate of participation agreements that have been issued or entered into to pay the costs of such projects. Any payment of community assistance shall be reduced on an equivalent basis to the extent that property tax is derived from new electric infrastructure developed in the same impacted community.

(6) In a financing order, the commission may include any conditions that are necessary to promote the public interest and may grant relief that is different from that which was requested in the application so long as the relief is within the scope of the matters addressed in the commission's notice of the application.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3321, § 26, effective May 30. **L. 2021:** (5) amended, (HB 21-1316), ch. 325, p. 2062, § 79, effective July 1.

**40-41-105. Effect of financing order.** (1) A financing order remains in effect until the CO-EI bonds issued as authorized by the financing order have been paid in full and all financing costs relating to the CO-EI bonds have been paid in full.

(2) A financing order remains in effect and unabated notwithstanding the bankruptcy, reorganization, or insolvency of the electric utility to which the financing order applies or any affiliate of the electric utility or successor entity or assignee.

(3) Subject to judicial review as provided for in section 40-41-108, a financing order is irrevocable. Therefore, notwithstanding section 40-6-112 (1), the commission may not reduce, impair, postpone, or terminate CO-EI charges approved in a financing order or impair CO-EI property or the collection or recovery of CO-EI revenue.

(4) Notwithstanding subsection (3) of this section, upon the request of an electric utility or at the request of parties in the commission proceeding, the commission may commence a proceeding and issue a subsequent financing order that provides for refinancing, retiring, or refunding CO-EI bonds issued pursuant to the original financing order if:

(a) The commission makes all of the findings specified in section 40-41-104 (1) with respect to the subsequent financing order; and

(b) The subsequent financing order does not impair in any way the covenants and terms of the CO-EI bonds to be refinanced, retired, or refunded.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3324, § 26, effective May 30.

**40-41-106. Effect on commission jurisdiction - rules.** (1) Except as otherwise provided in subsection (2) of this section, if the commission issues a financing order to an electric utility, the commission shall not, in exercising its powers and carrying out its duties pursuant to this article 41:

(a) Consider the CO-EI bonds issued pursuant to the financing order to be debt of the electric utility other than for income tax purposes;

(b) Consider the CO-EI charges paid under the financing order to be revenue of the electric utility;

(c) Consider the CO-EI costs or financing costs specified in the financing order to be the regulated costs or assets of the electric utility; or

(d) Determine any prudent action taken by an electric utility that is consistent with the financing order to be unjust or unreasonable.

(2) Nothing in subsection (1) of this section:

(a) Prevents or precludes the commission from investigating the compliance of an electric utility with the terms and conditions of a financing order and requiring compliance with the financing order; or

(b) Prevents or precludes the commission from imposing regulatory sanctions against a regulated electric utility for failure to comply with the terms and conditions of a financing order or the requirements of this article 41.

(3) The commission may not refuse to allow the recovery of any costs associated with the retirement of electric generating facilities by an electric utility solely because the electric utility has elected to recover those costs through traditional rate-making methods or to finance those activities through a financing mechanism other than CO-EI bonds, whether or not a financing order with respect to such costs has been applied for by the utility or issued by the commission.

(4) The commission may adopt rules to implement this article 41.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3325, § 26, effective May 30.

**40-41-107. Electric utility customer protection.** (1) In addition to any other authority of the commission:

(a) The commission may attach such conditions to the approval of a financing order as the commission deems appropriate to maximize the benefits and minimize the risks of the transaction to customers, directly impacted Colorado workers and communities, and the electric utility;

(b) The commission shall specify in the financing order a process to structure, market, and price CO-EI bonds, including the selection of the underwriter or underwriters, in a manner consistent with the public interest and the legal obligations of the electric utility;

(c) The commission shall review and determine the reasonableness of all proposed up-front and ongoing financing costs; and

(d) The commission has the authority required to perform comprehensive due diligence in its evaluation of an application for a financing order and has the authority to oversee the process used to structure, market, and price CO-EI bonds.

(2) Within one hundred twenty days after the issuance of CO-EI bonds, the applicant shall file with the commission information regarding the actual up-front issuance costs of the CO-EI bonds. The commission shall review, on a reasonably comparable basis, such information to determine if the issuance resulted in the lowest overall costs that were reasonably consistent with both market conditions at the time of the pricing and the terms of the financing order. The commission may disallow incremental up-front issuance costs in excess of the lowest overall costs by requiring the electric utility to make a credit in an amount equal to the excess of actual issuance costs incurred, and paid for out of CO-EI bond proceeds, and the lowest overall issuance costs as determined by the commission. The commission may not make adjustments to the CO-EI charges for any such excess up-front issuance costs.

(3) In performing its responsibilities under this article 41, the commission may engage outside consultants and counsel, selected by the commission, who are experienced in securitized electric utility ratepayer-backed bond financing similar to CO-EI bonds. These outside consultants and counsel have a duty of loyalty solely to the commission, must not have any financial interest in the CO-EI bonds, and shall not participate in the underwriting or secondary market trading of the CO-EI bonds. The expenses associated with any engagement shall be paid by the applicant utility and shall be included as financing costs and included in the CO-EI charge, are not an obligation of the state, and are assigned solely to the transaction.

(4) If an electric utility's application for a financing order is denied or withdrawn or for any reason no CO-EI bonds are issued, any costs of retaining expert consultants and counsel on behalf of the commission, as authorized by subsection (3) of this section and approved by the commission, shall be paid by the applicant electric utility and shall be eligible for recovery by the electric utility, including carrying costs, in the electric utility's future rates.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3326, § 26, effective May 30.

**40-41-108. Judicial review of financing orders.** A financing order is a final order of the commission. Notwithstanding section 40-6-115 (5) specifying proper venue for petition filings, a party aggrieved by the issuance of a financing order may petition for suspension and review of the financing order only in the district court for the city and county of Denver. In the case of any petition for suspension and review, the court shall proceed to hear and determine the action as expeditiously as practicable and shall give the action precedence over other matters not accorded similar precedence by law.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3327, § 26, effective May 30.

**40-41-109. Electric utilities - duties - rate impact notice to customers.** (1) The electric bills of an electric utility that has obtained a financing order and caused CO-EI bonds to be issued:

(a) Must explicitly reflect that a portion of the charges on the bill represents CO-EI charges approved in a financing order issued to the electric utility and, if the CO-EI property has been transferred to an assignee, must include a statement that the assignee is the owner of the rights to CO-EI charges and that the electric utility or other entity, if applicable, is acting as a collection agent or servicer for the assignee;

(b) Must include the CO-EI charge on each customer's bill as a separate line item titled "energy impact assistance charge" and may include both the rate and the amount of the charge on each bill. The failure of an electric utility to comply with this subsection (1) does not invalidate, impair, or affect any financing order, CO-EI property, CO-EI charge, or CO-EI bonds, but may subject the electric utility to penalties under applicable commission rules.

(c) Must explain to customers in an annual filing with the commission the rate impact that financing the retirement of electric generating facilities will have on customer rates.

(2) An electric utility that has obtained a financing order and caused CO-EI bonds to be issued must demonstrate in an annual filing with the commission that CO-EI bond proceeds are applied solely to the repayment of CO-EI costs and that CO-EI revenues are applied solely to the repayment of CO-EI bonds and other financing costs in accordance with the financing order. The cost of such annual filing is a financing cost recoverable by the electric utility from the CO-EI charge.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3327, § 26, effective May 30.

**40-41-110. CO-EI property.** (1) CO-EI property that is described in a financing order constitutes an existing present property right or interest in an existing present property right even though the imposition and collection of CO-EI charges depends on the electric utility to which the financing order is issued performing its servicing functions relating to the collection of CO-EI charges and on future electricity consumption. The property right or interest exists regardless of whether the revenues or proceeds arising from the CO-EI property have been billed, have accrued, or have been collected and notwithstanding the fact that the value or amount of the property right or interest is dependent on the future provision of service to customers by the electric utility or a successor or assignee of the electric utility.

(2) CO-EI property described in a financing order exists until all CO-EI bonds issued pursuant to the financing order are paid in full and all financing costs and other costs of the CO-EI bonds have been recovered in full.

(3) All or any portion of CO-EI property described in a financing order issued to an electric utility may be transferred, sold, conveyed, or assigned to a successor or assignee that is wholly owned, directly or indirectly, by the electric utility and is created for the limited purpose of acquiring, owning, or administering CO-EI property or issuing CO-EI bonds as authorized by the financing order. All or any portion of CO-EI property may be pledged to secure CO-EI bonds issued pursuant to a financing order, amounts payable to financing parties and to counterparties under any ancillary agreements, and other financing costs. Each transfer, sale, conveyance, assignment, or pledge by an electric utility or an affiliate of an electric utility is a transaction in the normal course of business for purposes of section 40-5-105 (1)(a).

(4) If an electric utility defaults on any required payment of charges arising from CO-EI property described in a financing order, a court, upon application by an interested party and without limiting any other remedies available to the applying party, shall order the sequestration and payment of the revenue arising from the CO-EI property to the financing parties. Any such financing order remains in full force and effect notwithstanding any reorganization, bankruptcy, or other insolvency proceedings with respect to the electric utility or its successors or assignees.

(5) The interest of a transferee, purchaser, acquirer, assignee, or pledgee in CO-EI property specified in a financing order issued to an electric utility, and in the revenue and collections arising from that property, is not subject to setoff, counterclaim, surcharge, or defense by the electric utility or any other person or in connection with the reorganization, bankruptcy, or other insolvency of the electric utility or any other entity.

(6) A successor to an electric utility, whether pursuant to any reorganization, bankruptcy, or other insolvency proceeding or whether pursuant to any merger or acquisition, sale, other business combination, or transfer by operation of law, as a result of electric utility restructuring or otherwise, shall perform and satisfy all obligations of, and has the same duties and rights under a financing order as, the electric utility to which the financing order applies and shall perform the duties and exercise the rights in the same manner and to the same extent as the electric utility, including collecting and paying to any person entitled to receive them the revenues, collections, payments, or proceeds of CO-EI property described in the financing order.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3328, § 26, effective May 30.

**40-41-111. CO-EI bonds - legal investments - not public debt - pledge of state.** (1) Banks, trust companies, savings and loan associations, insurance companies, executors, administrators, guardians, trustees, and other fiduciaries may legally invest any money within their control in CO-EI bonds. Public entities, as defined in section 24-75-601 (1), may invest public funds in CO-EI bonds only if the CO-EI bonds satisfy the investment requirements established in part 6 of article 75 of title 24.

(2) CO-EI bonds issued as authorized by a financing order are not debt of or a pledge of the faith and credit or taxing power of the state, any agency of the state, or any county, municipality, or other political subdivision of the state. Holders of CO-EI bonds have no right to have taxes levied by the state or by any county, municipality, or other political subdivision of the state for the payment of the principal or interest on CO-EI bonds. The issuance of CO-EI bonds does not directly, indirectly, or contingently obligate the state or a political subdivision of the state to levy any tax or make any appropriation for payment of principal or interest on the CO-EI bonds.

(3) (a) The state pledges to and agrees with holders of CO-EI bonds, any assignee, and any financing parties that the state will not:

(I) Take or permit any action that impairs the value of CO-EI property; or

(II) Reduce, alter, or impair CO-EI charges, except through application of the adjustment mechanism, that are imposed, collected, and remitted for the benefit of holders of CO-EI bonds, any assignee, and any financing parties, until any principal, interest, and redemption premium payable on CO-EI bonds, all financing costs, and all amounts to be paid to an assignee or financing party under an ancillary agreement are paid in full.

(b) A person who issues CO-EI bonds may include the pledge specified in subsection (3)(a) of this section in the CO-EI bonds, ancillary agreements, and documentation related to the issuance and marketing of the CO-EI bonds.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3329, § 26, effective May 30.

**40-41-112. Assignee or financing party not automatically subject to commission regulation.** An electric utility, assignee, or financing party that is not already regulated by the commission does not become subject to commission regulation solely as a result of engaging in any transaction authorized by or described in this article 41.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3329, § 26, effective May 30.

**40-41-113. Effect of other laws and judicial decisions.** (1) If any provision of this article 41 conflicts with any other law regarding the attachment, assignment, perfection, effect of perfection, or priority of any security interest in or transfer of CO-EI property, the provision of this article 41 governs to the extent of the conflict.

(2) Effective on the date that CO-EI bonds are first issued, if any provision of this article 41 is held to be invalid or is invalidated, superseded, replaced, repealed, or expires, that occurrence does not affect any action allowed under this article 41 that was lawfully taken by the commission, an electric utility, an assignee, a collection agent, a financing party, a bondholder, or a party to an ancillary agreement before the occurrence, and any such action remains in full force and effect.

(3) Nothing in subsection (1) or (2) of this section precludes an electric utility for which the commission has initially issued a financing order from applying to the commission for:

(a) A subsequent financing order amending the financing order as authorized by section 40-41-105 (4); or

(b) Approval of the issuance of CO-EI bonds to refund all or a portion of an outstanding series of CO-EI bonds.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3330, § 26, effective May 30.

**40-41-114. Choice of law.** The laws of this state govern the validity, enforceability, attachment, perfection, priority, and exercise of remedies with respect to the transfer of an interest or right or creation of a security interest in any CO-EI property, CO-EI charge, or financing order.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3330, § 26, effective May 30.

**40-41-115. Security interests in CO-EI property.** (1) The creation, perfection, and enforcement of any security interest in CO-EI property to secure the repayment of the principal of and interest on CO-EI bonds, amounts payable under any ancillary agreement, and other financing costs are governed by this section and not by the "Uniform Commercial Code", title 4, to the extent of any conflict.

(2) The description or indication of CO-EI property in a transfer or security agreement and a financing statement is sufficient only if the description or indication refers to this article 41 and the financing order creating the CO-EI property.

(3) (a) A security interest in CO-EI property is created, valid, and binding as soon as all of the following events have occurred:

(I) The financing order that describes the CO-EI property is issued;

(II) A security agreement is executed and delivered; and

(III) Value is received for the CO-EI bonds.

(b) Once a security interest in CO-EI property is created under subsection (3)(a) of this section, the security interest attaches without any physical delivery of collateral or any other act. The lien of the security interest is valid, binding, and perfected against all parties having claims of any kind in tort, contract, or otherwise against the person granting the security interest, regardless of whether such parties have notice of the lien, upon the filing of a financing statement with the secretary of state. The secretary of state shall maintain a financing statement filed pursuant to this subsection (3)(b) in the same manner in which the secretary maintains and in the same record-keeping system in which the secretary maintains financing statements filed pursuant to article 9 of title 4. The filing of any financing statement pursuant to this subsection (3)(b) is governed by article 9 of title 4 regarding the filing of financing statements.

(4) A security interest in CO-EI property is a continuously perfected security interest and has priority over any other lien, created by operation of law or otherwise, which may subsequently attach to the CO-EI property unless the holder of the security interest has agreed in writing otherwise.

(5) The priority of a security interest in CO-EI property is not affected by the commingling of CO-EI property or CO-EI revenue with other money. An assignee, bondholder, or financing party has a perfected security interest in the amount of all CO-EI property or CO-EI revenue that is pledged for the payment of CO-EI bonds even if the CO-EI property or CO-EI revenue is deposited in a cash or deposit account of the electric utility in which the CO-EI revenue is commingled with other money, and any other security interest that applies to the other money does not apply to the CO-EI revenue.

(6) Neither a subsequent order of the commission amending a financing order as authorized by section 40-41-105 (4), nor application of an adjustment mechanism as authorized by section 40-41-104 (2)(h), affects the validity, perfection, or priority of a security interest in or transfer of CO-EI property.

**Source:** **L. 2019:** Entire article added, (SB 19-236), ch. 359, p. 3330, § 26, effective May 30.

**40-41-116. Sales of CO-EI property.** (1) (a) A sale, assignment, or transfer of CO-EI property is an absolute transfer and true sale of, and not a pledge of or secured transaction relating to, the seller's right, title, and interest in, to, and under the CO-EI property if the documents governing the transaction expressly state that the transaction is a sale or other absolute transfer. A transfer of an interest in CO-EI property may be created only when all of the following have occurred:

(I) The financing order creating and describing the CO-EI property has become effective;

(II) The documents evidencing the transfer of the CO-EI property have been executed and delivered to the assignee; and

(III) Value is received.

(b) Upon the filing of a financing statement with the secretary of state, a transfer of an interest in CO-EI property is perfected against all third persons, including any judicial lien or other lien creditors or any claims of the seller or creditors of the seller, other than creditors holding a prior security interest, ownership interest, or assignment in the CO-EI property previously perfected in accordance with this subsection (1) or section 40-41-115. The secretary of state shall maintain a financing statement filed pursuant to this subsection (1)(b) in the same manner in which the secretary maintains and in the same record-keeping system in which the secretary maintains financing statements filed pursuant to article 9 of title 4. The filing of any financing statement pursuant to this subsection (1)(b) is governed by article 9 of title 4 regarding the filing of financing statements.

(2) The characterization of a sale, assignment, or transfer as an absolute transfer and true sale and the corresponding characterization of the property interest of the assignee is not affected or impaired by the existence or occurrence of any of the following:

(a) Commingling of CO-EI revenue with other money;

(b) The retention by the seller of:

(I) A partial or residual interest, including an equity interest, in the CO-EI property, whether direct or indirect, or whether subordinate or otherwise; or

(II) The right to recover costs associated with taxes, franchise fees, or license fees imposed on the collection of CO-EI revenue;

(c) Any recourse that the purchaser may have against the seller;

(d) Any indemnification rights, obligations, or repurchase rights made or provided by the seller;

(e) An obligation of the seller to collect CO-EI revenues on behalf of an assignee;

(f) The treatment of the sale, assignment, or transfer for tax, financial reporting, or other purposes;

(g) Any subsequent financing order amending a financing order as authorized by section 40-41-105 (4); or

(h) Any application of an adjustment mechanism as authorized by section 40-41-104 (2)(h).

**Source:** Entire article added, (SB 19-236), ch. 359, p. 3331, § 26, effective May 30.

**ELECTRIC TRANSMISSION AUTHORITY**

**ARTICLE 42**

Colorado Electric Transmission Authority Act

**40-42-101. Short title.** The short title of this article 42 is the "Colorado Electric Transmission Authority Act".

**Source:** **L. 2021:** Entire article added, (SB 21-072), ch. 329, p. 2114, § 4, effective June 24.

**40-42-102. Definitions.** As used in this article 42, unless the context otherwise requires:

(1) "Acquire" means to obtain eligible facilities by lease, construction, reconstruction, purchase, or, as authorized by section 40-42-104 (1)(p) and subject to the requirements of articles 1 to 7 of title 38, the exercise of the power of eminent domain.

(2) "Authority" means the Colorado electric transmission authority created in section 40-42-103.

(3) "Board" means the board of directors of the authority.

(4) "Bonds" means electric transmission bonds issued as authorized by this article 42 and includes notes, warrants, bonds, temporary bonds, and anticipation notes issued by the authority.

(5) "Commission" means the public utilities commission created in section 40-2-101.

(6) "Electric transmission authority operational fund" or "operational fund" means the fund created in section 40-42-106.

(7) "Electric transmission bonding fund" or "bonding fund" means the fund created in section 40-42-105 (3).

(8) "Electric utility" means an entity operating for the purpose of supplying or transmitting electricity to the public for domestic, mechanical, or public uses and includes a municipally owned utility, a transmission utility, as defined in section 40-5-108 (1)(b), a cooperative electric association, a wholesale electric cooperative, as defined in section 40-2-136 (3)(c), a nonprofit electric corporation or association, and every other vertically integrated supplier of electric energy supplying electric energy for its customers or for the use of its own members.

(9) "Eligible facilities" means facilities that are financed or acquired by the authority.

(10) "Facilities" means electric transmission facilities and all related structures, properties, and supporting infrastructure, including any interests therein. The term does not include interconnection facilities from an electric generator, or from a storage project that is used for electric generation, to a facility.

(11) "FERC" means the federal energy regulatory commission.

(12) "Finance" or "financing" means the lending of bond proceeds by the authority to a public utility or other private person for the purpose of planning, acquiring, operating, and maintaining eligible facilities in whole or in part by the public utility or other private person.

(13) "Local government" means a county, home rule or statutory city, town, territorial charter city, or city and county.

(13.5) "Powerline trail" has the meaning set forth in section 33-45-102 (5).

(14) "Project" means an undertaking by the authority to finance or to:

(a) Plan, acquire, maintain, and operate eligible facilities located partly or entirely within Colorado; or

(b) Renovate, rebuild, or recondition existing eligible facilities, that are located partly or entirely within Colorado and are approved through a local government's land-use application process, to upgrade and optimize the existing facilities.

(15) "Storage" has the same meaning as "energy storage system"as defined in section 40-2-202 (2).

**Source:** **L. 2021:** Entire article added, (SB 21-072), ch. 329, p. 2114, § 4, effective June 24. **L. 2022:** (13.5) added, (HB 22-1104), ch. 97, p. 466, § 6, effective April 13. **L. 2023:** (14) amended, (SB 23-016), ch. 165, p. 748, § 22, effective August 7.

**Cross references:** For the legislative declaration in HB 22-1104, see section 1 of chapter 97, Session Laws of Colorado 2022.

**40-42-103. Authority - creation - board - open meetings and open records.** (1) The Colorado electric transmission authority is hereby created as an independent public body politic and corporate. The authority is a public instrumentality, and its exercise of the powers as authorized by this article 42 is the performance of an essential public function. The authority is a political subdivision of the state, is not an agency of state government, and is not subject to administrative direction by any department, commission, board, or agency of the state.

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

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

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

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

(IV) Three members appointed by the president of the senate.

(b) The appointed members of the board must have the following qualifications:

(I) Of the members appointed by the governor, one must have expertise in financial matters involving the financing of major electric transmission projects and the other must represent the interests of electric utility customers residing west of the continental divide;

(II) Of the members appointed by the speaker of the house of representatives, one must have utility experience;

(III) Of the members appointed by the president of the senate, one must represent the interests of wildlife conservation and land use;

(IV) Of the members appointed by the speaker of the house of representatives and the president of the senate:

(A) One must represent the interests of organized labor;

(B) One must represent the interests of residential customers of electric utilities;

(C) One must represent the interests of commercial or industrial customers of electric utilities; and

(D) One must have knowledge of renewable energy development.

(c) A member of the board shall not represent a person that owns or operates facilities.

(d) Board members shall serve four-year terms; except that, of the appointed members initially appointed to the board, one of the members appointed by the governor and one of the members appointed by the speaker of the house of representatives shall serve initial terms of three years and one of the members appointed by the governor and one of the members appointed by the president of the senate shall serve initial terms of two years. The remainder of the appointed members initially appointed to the board shall serve four-year terms. Thereafter, all appointed members of the board shall serve four-year terms. A vacancy in the membership of the board must be filled in the same manner as the original appointment for the remainder of the expired term only.

(e) An appointed member of the board is eligible for reappointment. An appointing authority may remove a member of the board for cause.

(f) Board members shall not receive compensation for their services but shall be reimbursed for their reasonable and necessary travel and other expenses incurred in the performance of their official duties.

(3) The members of the board shall elect a chair and a vice-chair. Four members of the board constitute a quorum.

(4) The authority is subject to the open meetings provisions of the "Colorado Sunshine Act of 1972", article 6 of title 24, and to the "Colorado Open Records Act", part 2 of article 72 of title 24. However, information obtained by the authority that is designated by the board as proprietary technical or business information is confidential and is not subject to inspection pursuant to the "Colorado Open Records Act". Information that the board may designate as proprietary confidential information includes power purchase agreements, costs of production, costs of transmission, transmission service agreements, credit reviews, detailed power models, and financing statements.

**Source:** **L. 2021:** Entire article added, (SB 21-072), ch. 329, p. 2116, § 4, effective June 24.

**40-42-104. General and specific powers and duties of the authority.** (1) Except as otherwise limited by this article 42, the authority, acting through the board, has the power to:

(a) Hold and exercise all rights, duties, privileges, immunities, liabilities, and disabilities of a body corporate and a political subdivision of the state;

(b) Have an official seal and alter the seal at the board's pleasure;

(c) Establish reasonable administrative and procedural bylaws for its organization and internal management and for the conduct of its affairs and business;

(d) Maintain an office at any place in Colorado that it may determine;

(e) Acquire, hold, use, own in whole or in part, lease, rent, and dispose of real and personal property and its income, revenue, funds, and money;

(f) Solicit and receive and expend gifts, grants, and donations;

(g) Make and enter into all contracts, leases, and agreements, including intergovernmental agreements and assignments of payments to host landowners, that are necessary or incidental to the performance of its duties and the exercise of its powers under this article 42, including:

(I) Contracts to purchase and dispose of eligible facilities;

(II) Contracts for the lease and operation by the authority of eligible facilities owned by an electric utility or other private person;

(III) Contracts for leasing eligible facilities owned by the authority, subject to the requirement that the authority deposit any revenue derived pursuant to the lease into the electric transmission bonding fund; and

(IV) Contracts for powerline trails pursuant to section 33-45-103;

(h) Unless otherwise specifically prohibited by this article 42, deposit money of the authority in any banking institution within or outside the state;

(i) Fix the time and place or places at which its regular and special meetings are to be held;

(j) Hire a chief executive officer of the authority and authorize the chief executive officer to hire other staff as necessary for the operation of the authority;

(k) Use the services of executive departments of the state upon mutually agreeable terms and conditions;

(l) Enter into partnerships with public or private entities;

(m) Identify and establish corridors for the transmission of electricity within the state, subject to siting and land use approval by the local government with siting and land use authority pursuant to article 65.1 of title 24;

(n) Through participation in appropriate regional transmission forums and other organizations, including organized wholesale markets, as defined in section 40-5-108 (1)(a), coordinate, investigate, plan, prioritize, and negotiate with entities within and outside Colorado for the establishment of interstate transmission corridors and engage in other transmission planning activities that would increase grid reliability, help Colorado meet its clean energy goals, promote the construction and maintenance of powerline trails throughout the state, and aid in economic and community development;

(o) Subject to the requirements of subsection (2) of this section, conduct a transparent and competitive process to select a qualified transmission operator, as defined by the commission, to assume the responsibility to carry out all required financing, planning, acquisition, maintenance, and operation of eligible facilities necessary or useful for the accomplishment of the purposes of this article 42;

(p) Subject to the requirements of articles 1 to 7 of title 38, have and exercise the power of eminent domain for acquiring any property or rights-of-way, except property of an electric utility or property or rights-of-way owned by a local government, necessary for projects; except that, if land to be acquired through eminent domain is subject to a perpetual conservation easement, the authority shall pay compensation to the owner as though the land were not subject to a perpetual conservation easement;

(q) For any project, provide information and training to employees of the project regarding:

(I) Any unique hazards that may be posed by the project;

(II) Safe work practices; and

(III) Emergency procedures;

(r) Issue bonds as necessary to undertake a project;

(s) Collect payments of reasonable rates, fees, interest, or other charges from persons using eligible facilities to finance eligible facilities and for other services rendered by the authority, subject to the requirement that any revenue derived from payments made to the authority shall be deposited in the electric transmission bonding fund;

(t) Make determinations about the efficient use of existing rights-of-way on projects it proposes to develop as a precondition to pioneering new rights-of-way for such projects;

(u) Consider options and alternatives, including through studies contracted with independent expert analysts, to increase the efficient use of the transmission system and relieve constraints on the transmission system, which options and alternatives may include storage and advanced transmission technologies; and

(v) Do any and all things necessary or convenient to carry out its purposes and exercise the powers given and granted in this article 42.

(2) Except as provided in this subsection (2), the authority shall not enter into a project if an electric utility or a nonincumbent transmission provider or other entity is constructing or has constructed the facilities or is providing the services contemplated by the authority. Before the authority enters into a project, the following procedural requirements must be met:

(a) The authority shall provide to each electric utility and the commission and publish at least once in a newspaper of general circulation in Colorado, at least once in a newspaper of general circulation in the area where the eligible facilities will be located, and continuously on a publicly accessible web page maintained by the authority an initial notice describing the project that the authority is considering.

(b) Any person with an interest that may be affected by the proposed project has thirty days after the date of the last printed publication of the initial notice to submit a written challenge concerning the proposed project to the authority. If the authority receives a challenge within the thirty days, the authority shall hold a public hearing no sooner than thirty days after receiving the challenge and at least two weeks after posting notice of the hearing in the same newspapers in which and web page on which the initial notice was given. Following the public hearing, the authority shall make a final determination on whether the authority will implement the proposed project and give notice of the determination in the same newspapers and on the same web page as the initial notice was given. Any person or governmental entity participating in the hearing may appeal the final determination by filing a notice of appeal with the district court for the city and county of Denver within thirty-five days after the date of the final determination.

(c) The authority shall collect and consider relevant data from the division of parks and wildlife's state wildlife action plan and from the Colorado natural heritage program regarding ways in which the project could cause adverse environmental impacts to state and federally listed species, as well as species, habitats, and ecosystems of greatest conservation need.

(d) Electric utilities and other persons willing and able to provide money for, acquire, maintain, and operate the eligible facilities described in the notice have the following period within which to notify the authority of intention and ability to provide money for, acquire, maintain, and operate the eligible facilities described in the notice:

(I) Within ninety days after the date of the last printed publication of the initial notice if no challenge is received pursuant to subsection (2)(b) of this section; or

(II) Within ninety days after the date of the notice of determination if a challenge is received pursuant to subsection (2)(b) of this section.

(e) Absent notification by an electric utility or other person pursuant to subsection (2)(d) of this section, or if a person, having given notice of intention to provide money for, acquire, maintain, and operate the eligible facilities contemplated by the authority, fails to make a good-faith effort to begin to do so within six months after the date the person notified the authority of its intention, the authority may proceed to finance, plan, acquire, maintain, and operate the eligible facilities originally contemplated. However, a person that, within the time required, has made necessary applications to acquire federal, state, local, or private permits, certificates, or other approvals necessary to acquire the eligible facilities is deemed to have commenced the acquisition as long as the person diligently pursues the permits, certificates, or other approvals.

(f) The authority must arrange for the continuation of any existing contracts for powerline trails entered into pursuant to section 33-45-103.

(3) In soliciting and entering into contracts for the transmission or storage of electricity, the authority and any person leasing or operating eligible facilities financed or acquired by the authority shall, if practicable, give priority to:

(a) Those contracts that will transmit or store electricity to be sold and consumed in Colorado; and

(b) Electric utilities or other entities that demonstrate an interest in continuing an existing powerline trail established by the authority or constructing and maintaining a new powerline trail on the eligible facilities.

(4) Neither the authority nor any eligible facilities acquired by the authority are subject to the supervision, regulation, control, or jurisdiction of the commission.

(4.5) On and after July 1, 2024, the authority shall operate on a fiscal year that aligns with the state fiscal year.

(5) (a) Ownership of eligible facilities by the authority may not exceed the extent and duration necessary or useful to promote the public interest. Before becoming an owner or partial owner of an eligible facility, the authority shall develop a plan identifying:

(I) The public purposes of the authority's ownership;

(II) The conditions that would make the authority's ownership no longer necessary for accomplishing those public purposes; and

(III) A plan to divest the authority of ownership of the facility as soon as economically prudent once those conditions occur, which may include divestment before the line is energized.

(b) For eligible facilities that are leased to another entity by the authority, at the end of the lease, absent default by the lessee, the authority shall convey its interest in the facilities to the lessee at a price that reflects the current fair market value.

(c) Eligible facilities owned by the authority are subject to the requirements of valuation and taxation as set forth in articles 4 and 5 of title 39.

(d) Neither the authority nor any energy assets owned or controlled by the authority or any electric utility, other than municipal utilities or power authorities, pursuant to this article 42 are exempt from property taxes.

(e) The authority must arrange for the continuation of any existing contracts for powerline trails entered into pursuant to section 33-45-103 if it divests itself of an eligible facility.

(6) (a) An electric utility that is subject to rate regulation by the commission may recover the capital cost of a project undertaken pursuant to this article 42 from its retail customers only if the project has received a certificate of public convenience and necessity from the commission. An electric utility that is a municipally owned utility exempt from regulation by the commission may recover such costs only if the project has been approved by the governing body of the municipality. A cooperative electric association exempt from regulation by the commission may recover such costs only if the project has been approved by the board of directors of the cooperative electric association.

(b) Costs associated with a project undertaken pursuant to this article 42 are not recoverable from retail utility customers except to the extent the costs are prudently incurred and the project is used and useful in serving those customers.

(7) The authority may sell any of its facilities to a Colorado electric utility.

(8) The authority may petition the FERC for a clarification of the exclusive or concurrent jurisdiction of the FERC over any matter considered or action taken by the authority under this article 42. The general assembly declares its intent that the authority and the commission be able to carry out their powers and duties to the broadest extent possible, consistent with principles of federalism, to achieve the goals and effectuate the purposes of this article 42.

(9) Nothing in this section waives or supersedes the application of section 29-20-108 or 40-5-101 (3) to a project proposed or developed by the authority.

**Source:** **L. 2021:** Entire article added, (SB 21-072), ch. 329, p. 2117, § 4, effective June 24. **L. 2022:** (1)(g)(II), (1)(g)(III), (1)(n), and (3) amended and (1)(g)(IV), (2)(f), and (5)(e) added, (HB 22-1104), ch. 97, p. 466, § 7, effective April 13. **L. 2023:** (4.5) added, (SB 23-016), ch. 165, p. 748, § 23, effective August 7.

**Cross references:** For the legislative declaration in HB 22-1104, see section 1 of chapter 97, Session Laws of Colorado 2022.

**40-42-105. Electric transmission bonds - conditions of issuance - electric transmission bonding fund creation - auditor examination - payment from bonding fund - exemption from taxation.** (1) The authority may issue and sell electric transmission bonds, payable solely from the electric transmission bonding fund, in compliance with this article 42 for the purpose of entering into a project when the authority determines that the project is needed. This article 42 is, without reference to any other law, full authority for the issuance and sale of bonds. Bonds have all the qualities of investment securities under the "Uniform Commercial Code", title 4, and shall not be deemed invalid for any irregularity or defect or be contestable in the hands of bona fide purchasers or holders of the bonds for value.

(2) (a) Bonds may be executed and delivered by the authority at such times; may be in such form and denominations and include such terms and maturities; may be subject to optional or mandatory redemption prior to maturity with or without a premium; may be in fully registered form or bearer form registrable as to principal or interest or both; may bear such conversion privileges; may be payable in such installments and at such times not exceeding thirty years; may be payable at such place or places whether within or without the state; may bear interest at such rate or rates per annum, which may be fixed or vary according to index, procedure, or formula or as determined by the authority or its agents, without regard to any interest rate limitation appearing in any other law of the state; may be subject to purchase at the option of the holder or the authority; may be evidenced in such manner; may be executed by such officers of the authority, including the use of one or more facsimile signatures so long as at least one manual signature appears on the bonds, which may be either of an officer of the authority or of an agent authenticating the same; may be in the form of coupon bonds that have attached interest coupons bearing a manual or facsimile signature of an officer of the authority; and may contain such provisions not inconsistent with this article 42, all as provided in the resolution of the authority under which the bonds are authorized to be issued or as provided in a trust indenture between the authority and any commercial bank or trust company having full trust powers.

(b) (I) Bonds may be sold at public or private sale at such price or prices, in such manner, and at such times as determined by the board, and the board may pay all fees, expenses, and commissions that it deems necessary or advantageous in connection with the sale of bonds.

(II) The board may delegate to an officer or agent of the board the power to:

(A) Fix the date of sale of bonds;

(B) Receive bids or proposals;

(C) Award and sell bonds;

(D) Fix interest rates; and

(E) Take all other action necessary to sell and deliver bonds.

(III) The authority may refund any outstanding bonds pursuant to article 56 of title 11.

(IV) All bonds and any interest coupons applicable to the bonds are declared to be negotiable instruments.

(c) Bonds are exempt from taxation by the state and any county, city and county, municipality, or other political subdivision of the state.

(d) Public entities, as defined in section 24-75-601 (1), may invest public money in bonds so long as the bonds satisfy the investment requirements established in part 6 of article 75 of title 24.

(e) Neither a member of the board nor an employee of the authority nor any person executing bonds is liable personally on the bonds or subject to any personal liability by reason of the issuance of the bonds.

(3) (a) (I) The electric transmission bonding fund is created in the authority. The bonding fund consists of:

(A) Revenue received by the authority from operating or leasing eligible facilities;

(B) Fees and service charges collected;

(C) Bond proceeds;

(D) Money from payments of principal and interest on loans if the authority has provided financing for eligible facilities; and

(E) All interest and income derived from the deposit and investment of money in the bonding fund.

(II) The authority may create separate accounts within the bonding fund in connection with any issuance of bonds and may deposit in the separate accounts revenue received by the authority from the financing or leasing of eligible facilities. Any separate account shall be held by a trustee acting under a trust indenture relating to the bonds connected to the account. Interest and income derived from the deposit and investment of money in a separate account shall be credited to the account.

(III) Balances in the bonding fund at the end of any state fiscal year remain in the bonding fund, except as otherwise provided in this section.

(b) (I) Money in the bonding fund shall be deposited in a bank designated by the authority in an account or accounts as the authority may establish. Money in accounts shall be withdrawn on the order of persons the authority may authorize. All deposits of money shall be secured in such manner as the authority may determine.

(II) All funds and activities of the authority, including its receipts, disbursements, contracts, leases, funds, investments, and any other records and papers relating to its financial standing, are subject to annual audit, at the authority's expense, in accordance with section 29-1-603.

(c) Money in the bonding fund is pledged for the payment of principal and interest on bonds issued pursuant to this article 42. Money in any separate account may be pledged solely to payment of the bonds for which the separate account was created. The authority may expend money in the bonding fund or a separate account for the purpose of paying debt service, including redemption premiums, on bonds and expenses incurred in the issuance, payment, and administration of the bonds.

(4) Twice annually the authority shall estimate the amounts needed to make debt service and other payments on bonds during the next twelve months from the bonding fund and from any separate account created in the bonding fund plus the amount that may be needed for any required reserves or other requirements as may be set forth in the trust indenture related to the bonds. The authority shall transfer to the electric transmission authority operational fund any balance in the bonding fund or any separate account created in the bonding fund above the estimated amounts. Payments for administrative costs shall be deposited in the operational fund.

(5) Bonds are payable solely from the bonding fund or from any separate account created within the bonding fund or, with the approval of the bondholders, such other special funds as may be provided by law, and the bonds do not create an obligation or indebtedness of the state within the meaning of any constitutional provision or law. A breach of a contractual obligation incurred pursuant to this article 42 does not impose a pecuniary liability or a charge upon the general credit or taxing power of the state.

(6) The state pledges that the bonding fund, including any separate account within the bonding fund, shall be used only for the purposes specified in this section and is pledged first to repay bonds issued pursuant to this article 42. The state further pledges that any law requiring the deposit of revenue in the bonding fund or authorizing expenditures from the bonding fund shall not be amended or repealed or otherwise modified so as to impair the bonds to which the bonding fund is dedicated as provided in this section.

**Source:** **L. 2021:** Entire article added, (SB 21-072), ch. 329, p. 2122, § 4, effective June 24.

**40-42-106. Electric transmission authority operational fund - creation.** The electric transmission authority operational fund is created in the authority. The operational fund consists of money transferred to the operational fund pursuant to section 40-42-105 (4), any other money that the authority may transfer to the operational fund, and interest and income derived from the deposit and investment of money in the operational fund. The authority may expend money from the operational fund for the purpose of carrying out this article 42, and the authority may establish procedures to administer the operational fund in accordance with this article 42 and any other applicable provision of state law.

**Source:** **L. 2021:** Entire article added, (SB 21-072), ch. 329, p. 2125, § 4, effective June 24.

**40-42-107. Labor standards - apprenticeship - supervision.** (1) The authority shall ensure that, in any construction, expansion, renovation, rebuilding, reconditioning, or maintenance of facilities undertaken in Colorado pursuant to this article 42, all labor is performed either by the employees of an electric utility, by qualified contractors, or by both, and that, except as otherwise provided in subsection (3) of this section, an electric utility does not use a contractor unless:

(a) The contractor is chosen from a list of qualified contractors prepared and updated, at least annually, by the department of labor and employment; and

(b) The contractor's employees have access to an apprenticeship program registered with the United States department of labor's office of apprenticeship or by a state apprenticeship agency recognized by that office and meeting the additional criteria specified in subsection (2) of this section; except that this apprenticeship requirement does not apply to:

(I) The design, planning, or engineering of the facilities;

(II) Management functions to operate the facilities; or

(III) Any work performed in response to a warranty claim.

(2) To qualify pursuant to subsection (1) of this section, an apprenticeship program must certify to the entity commissioning the work that:

(a) Its curriculum includes requirements for completion of:

(I) At least seven thousand hours of on-the-job training to achieve journeymen lineman status, with at least six hundred fifty of those hours spent working on energized power lines at voltages of at least six hundred volts; and

(II) A class in electric transmission and distribution offered by the federal occupational safety and health administration and comprising content substantially equivalent to that of the "OSHA 10" class offered during calendar year 2021; and

(b) Supervision of apprentices meets the following standards:

(I) Apprentices must work under the supervision of a journeyman lineman at all times;

(II) The ratio of apprentices to journeyman linemen does not exceed four to one when working on a transmission line or other equipment that is not energized; and

(III) The ratio of apprentices to journeyman linemen does not exceed two to one when working on a transmission line or other equipment that is energized.

(3) The request for proposal for any contract work on facilities subject to this section must be submitted to the list of qualified contractors described in subsection (1)(a) of this section for at least sixty days. If none of the contractors on the list submits a qualifying bid within sixty days, then the entity procuring the work may solicit bids from contractors who are not on the list but otherwise qualify under the terms of the request for proposal so long as those terms include compliance with all applicable laws and regulations related to safety.

(4) Any project for the construction, expansion, or maintenance of facilities undertaken in Colorado pursuant to this article 42 that is an energy sector public works project, as defined in section 24-92-303 (5), must comply with the applicable requirements of the "Colorado Energy Sector Public Works Project Craft Labor Requirements Act", part 3 of article 92 of title 24.

**Source:** **L. 2023:** IP(1)(b) amended, (SB 23-051), ch. 37, p. 153, § 39, effective March 23; IP(1) amended, (SB 23-016), ch. 165, p. 748, § 24, effective August 7; (4) added, (SB 23-292), ch. 247, p. 1366, § 11, effective January 1, 2024.

**40-42-108. Report to general assembly.** Commencing in 2022, the authority shall submit a report of its activities to the energy and environment committee of the house of representatives and the transportation and energy committee of the senate, or any successor committees, not later than December 1 of each year. The report shall set forth a complete operating and financial statement covering the operations of the authority for the previous state fiscal year. Notwithstanding section 24-1-136 (11)(a)(I), the requirement to submit the report continues indefinitely.

**Source:** **L. 2021:** Entire article added, (SB 21-072), ch. 329, p. 2127, § 4, effective June 24.

**40-42-109. Study on expanding transmission capacity - reporting - repeal. (Repealed)**

**Source:** **L. 2023:** Entire section added, (SB 23-016), ch. 165, p. 749, § 25, effective August 7.

**Editor's note:** Subsection (3) provided for the repeal of this section, effective September 1, 2025. (See L. 2023, p. 749.)

**ELECTRIC RESOURCE ADEQUACY**

**ARTICLE 43**

Electric Resource Adequacy

**40-43-101. Short title.** The short title of this article 43 is the "Colorado Resource Adequacy Act of 2023".

**Source:** **L. 2023:** Entire article added, (HB 23-1039), ch. 111, p. 396, § 1, effective August 7.

**40-43-102. Legislative declaration.** (1) The general assembly finds that:

(a) Maintaining electric reliability and resource adequacy in the transition to clean energy is of great importance to Colorado and its electricity customers;

(b) The development of a comprehensive resource adequacy reporting structure for all wholesale and retail load-serving entities will help position Colorado utilities for entry into an optimal organized wholesale market, as defined in section 40-5-108 (1)(a), that will increase the efficient and cost-effective use of capacity resources and enable resource adequacy across a broader footprint throughout the state;

(c) The North American Electric Reliability Corporation has identified resource adequacy and energy risks in the western interconnection of the electric power grid; and

(d) Colorado can begin to address these risks by adding resource adequacy reporting requirements for all load-serving entities to help measure the sufficiency of reliable and resilient electric service to all Colorado electricity customers.

(2) The general assembly declares that all load-serving entities in the state should be required to provide resource adequacy annual reports to the applicable regulatory oversight entity.

**Source:** **L. 2023:** Entire article added, (HB 23-1039), ch. 111, p. 396, § 1, effective August 7.

**40-43-103. Definitions.** As used in this article 43, unless the context otherwise requires:

(1) "Accredited capacity" means the capacity value given to a particular resource based on nameplate capacity and the effective load-carrying capability that is applicable to the resource, as identified and explained by the load-serving entity in its resource adequacy annual report.

(2) "Colorado energy office" means the Colorado energy office created in section 24-38.5-101 (1).

(3) "Commission" means the public utilities commission created in section 40-2-101 (1).

(4) (a) "Load-serving entity" means an entity with a load-serving obligation.

(b) "Load-serving entity" includes:

(I) A cooperative electric association, as defined in section 40-9.5-102 (1), that has voted to exempt itself from commission jurisdiction pursuant to article 9.5 of this title 40;

(II) A joint action agency established pursuant to law; and

(III) A municipal utility.

(c) "Load-serving entity" does not include a renewable energy generation facility exempt from regulation as a public utility pursuant to section 40-1-103 (2)(c).

(5) "Load-serving obligation" means an obligation to:

(a) Provide retail energy, capacity, or ancillary services to serve electric customer load; or

(b) Provide wholesale electricity to an entity obligated to provide retail energy, capacity, or ancillary services to serve electric customer load.

(6) (a) "Planning reserve margin" means the projected amount of additional generating capacity available on an annual basis, above forecasted weather-normalized loads, to cover future uncertainties such as temperature variations and resource outages.

(b) "Planning reserve margin" is reflected as a fraction that is calculated by subtracting firm peak demand from the sum of accredited capacity and dividing the resulting number by the firm peak demand.

(7) (a) "Regulatory oversight entity" means the entity responsible for approving the electric resource plans or the retail or wholesale rates of a load-serving entity with respect to a load located in the state.

(b) "Regulatory oversight entity" includes:

(I) The applicable city council or governing board for a municipal utility or a joint action agency established pursuant to law;

(II) The governing board for a cooperative electric association; and

(III) The commission for a public utility.

(c) If a load-serving entity does not have an applicable regulatory oversight entity, the load-serving entity's regulatory oversight entity for the purposes of this article 43 is the commission.

(8) "Resource adequacy annual report" means an annual report that a load-serving entity is required to provide to the applicable regulatory oversight entity pursuant to section 40-43-104.

(9) "Resource adequacy reporting period" means a period of at least five consecutive years beginning in the year following the year in which a load-serving entity provides its resource adequacy annual report.

**Source:** **L. 2023:** Entire article added, (HB 23-1039), ch. 111, p. 397, § 1, effective August 7.

**40-43-104. Resource adequacy annual report - statewide resource adequacy aggregate annual report - categories of information in the resource adequacy annual report - termination of reporting requirement.** (1) (a) On or before April 1, 2024, and on or before April 1 of each year thereafter, except as provided in subsection (2) or (4) of this section, each load-serving entity in the state shall provide the applicable regulatory oversight entity a resource adequacy annual report in which the load-serving entity identifies the generating resources and accredited capacity used to serve its customers. A load-serving entity may designate its wholesale electric supplier as an authorized agent to provide the resource adequacy annual reports on behalf of the load-serving entity, and if so designated by the load-serving entity, the wholesale electric supplier shall be solely responsible for the preparation and submission of the resource adequacy annual reports on behalf of the load-serving entity.

(b) On or before April 30, 2024, and on or before April 30 of each year thereafter, each regulatory oversight entity shall submit the resource adequacy annual reports received from load-serving entities pursuant to subsection (1)(a) of this section to the Colorado energy office.

(c) On or before July 1, 2024, and on or before July 1 of each year thereafter, the Colorado energy office shall aggregate the resource adequacy annual reports received from regulatory oversight entities pursuant to subsection (1)(b) of this section to create and make publicly available a statewide resource adequacy aggregate annual report.

(2) If a load-serving entity has a wholesale power arrangement with a public utility, cooperative electric association, joint action agency established pursuant to law, or political subdivision that itself demonstrates resource adequacy through a resource planning process before the applicable regulatory oversight entity, the public utility's, cooperative electric association's, joint action agency's, or political subdivision's resource adequacy annual report provided to the applicable regulatory oversight entity covers the load-serving entity for any load covered by the demonstration of resource adequacy by the public utility, cooperative electric association, joint action agency, or political subdivision.

(3) A resource adequacy annual report must be made publicly available on the load-serving entity's website using a common uniform resource locator convention, as determined by the Colorado energy office, and include the following categories of information for each year in the resource adequacy reporting period:

(a) A native load forecast;

(b) Nameplate capacity and accredited capacity by individual resource, including renewable energy resources and storage;

(c) Identification of any accredited capacity attributable to distributed generation resources, including energy storage;

(d) Identification of any demand response that the load-serving entity relied upon for resource planning purposes or uses to reduce peak load;

(e) Identification of the target planning reserve margin;

(f) Identification of the forecasted planning reserve margin;

(g) Identification of the total accredited capacity and any formulas or assumptions used to calculate the accredited capacity; and

(h) Identification of any excess capacity or resource needs and of plans to mitigate forecasted shortfalls prior to experiencing peak load supply conditions that were forecasted in calculating the planning reserve margin.

(4) For each load-serving entity participating in an organized wholesale market, as defined in section 40-5-108 (1)(a), or a voluntary regional resource adequacy reporting program, the load-serving entity's obligation to provide resource adequacy annual reports, including any obligation of another load-serving entity to provide resource adequacy annual reports if the load-serving entity has been providing resource adequacy annual reports on the other load-serving entity's behalf pursuant to subsection (1)(a) of this section, terminates on the date that the load-serving entity begins participating in an organized wholesale market or in the year following the load-serving entity's submission of a compliance report required by a voluntary regional resource adequacy reporting program.

**Source:** **L. 2023:** Entire article added, (HB 23-1039), ch. 111, p. 398, § 1, effective August 7.