



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado's Legislature

HB 26-1007: IMPROVE CUSTOMER USE DISTRIBUTED ENERGY RES

Prime Sponsors:

Rep. Smith; Stewart R.

Sen. Kipp

Fiscal Analyst:

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Published for: House Energy & Environment

Drafting number: LLS 26-0319

Version: Initial Fiscal Note

Date: January 28, 2026

Fiscal note status: The fiscal note reflects the introduced bill.

Summary Information

Overview. The bill prohibits energy providers from imposing certain restrictions on the installation or use of portable-scale solar generation devices and meter collar adapters.

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

- Minimal State Workload
- Local Government

Appropriations. No appropriation is required.

Table 1
State Fiscal Impacts

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill prohibits a retail electric service or wholesale energy provider from requiring an individual to obtain the provider's approval before installing or using a portable-scale solar generation device. The bill prohibits anyone from restricting, prohibiting, or imposing unreasonable conditions on the installation, use, or operation of these devices.

The bill also requires the Public Utilities Commission (PUC), on or before December 31, 2026, to revise existing rules to explicitly require PUC-regulated utilities, municipally owned utilities, and cooperative electric associations to allow individuals to own and use meter collar adapters. These rules must prohibit such utilities from requiring a production meter as a condition of connecting to a customer-sited distributed energy resource.

State Expenditures

The bill increases workload in the PUC in the Department of Regulatory Agencies to revise existing rules to ensure compliance with the bill and for the Colorado Energy Office to monitor the rulemaking. It may also increase workload in the Department of Local Affairs to assist local governments with interpreting the law and amending local building codes. No change in appropriations is required.

Local Government

The bill may increase workload for certain local governments and municipally owned utilities to amend building codes and rules to comply with the bill.

Effective Date

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

State and Local Government Contacts

Colorado Energy Office

Regulatory Agencies

Local Affairs

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