



Pathways to Developing Transmission in Colorado and the Role of the Colorado Electric Transmission Authority

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I. Introduction

A reliable and efficient electricity transmission system is essential in supporting Colorado's evolving energy needs, achieving its emissions reduction goals, and meeting growing electricity demand at the lowest reasonable cost to consumers. Colorado has adopted ambitious climate and electrification policies, including statewide greenhouse gas reduction targets established in House Bill 19-1261, greenhouse gas reduction targets specific to electric utilities in Senate Bill 19-236, and measures in House Bills 22-1362 and 22-1218 that promote electrification of heating, transportation, and other sectors.¹ These policies, along with increasing demand from data centers and industrial development, are driving significant load growth.² Strategic investment in modern, well-planned transmission infrastructure can help address these challenges by enabling faster and more cost-effective integration of diverse energy resources, maximizing efficiencies and economies of scale in delivering energy to multiple demand sources, strengthening grid reliability and resilience, and reducing overall energy costs for homes, businesses, and communities.

Colorado lawmakers have passed legislation to support transmission expansion in the state. Senate Bill 21-072 created the Colorado Electric Transmission Authority (CETA) to plan and develop electric transmission corridors and power lines. Senate Bill 23-016 granted CETA the authority to finance and renovate, build, or recondition existing transmission lines to update the transmission system. The legislation also required CETA to study the need for expanding transmission capacity in Colorado through the construction of new transmission lines, improvements to existing lines, or connections to organized markets.

¹ See 10-Year Transmission Plan for the State of Colorado to Comply with Rule 3627 of the Colorado Public Utilities Commission Rules Regulating Electric Utilities, (February 1, 2024), <https://tristate.coop/sites/default/files/PDF/TransmissionPlanningDocs/2024/2024%20Rule%203627%20Combined%2010-Year%20Report.pdf>.

² See, for example, <https://coloradosun.com/2025/08/18/colorado-xcel-data-center-demand-spending/> and <https://tristate.coop/collaborative-work-results-ferc-filing-tri-states-high-impact-load-tariff-and-agreement>.

In 2024, CETA published its Transmission Capacity Expansion Study.³ The study reviewed utility and independent developer transmission plans, performed a 20-year holistic transmission capacity expansion study and gap analysis, and facilitated a stakeholder engagement process. The study found that Colorado may not be planning sufficient transmission capacity to accommodate load growth forecasts and generation needs, and additional transmission infrastructure is needed to achieve the state’s clean energy goals and service reliability. It identified near-term (within 10 years) transmission gaps in San Luis Valley, Northeast Colorado, and Southeast/South Central Colorado. The study noted that approximately 80% of the transmission needs could be addressed by upgrading existing infrastructure and leveraging existing rights-of-way. The 20-year reference case identified 550 miles of new transmission lines critical to delivering power where needed. The study also identified several opportunities to improve the efficiency of transmission projects through enhanced coordination.

The study found that CETA can help address Colorado’s transmission needs by taking a long-term, holistic view of projects unlikely to be built through normal utility planning. It could also use its revenue bonding authority to help lower financing costs. The study offers many viable strategies for CETA, including focusing on complex projects or those requiring coordination among multiple utilities.

This policy brief provides an overview of existing pathways for transmission development in Colorado and highlights how CETA can be leveraged to advance development. The brief is based on a review of publicly available literature and regulatory material and interviews with a diverse set of transmission-sector stakeholders, including utilities, regulators, developers, policymakers, and legal professionals. The findings reflect both documented sources and practitioner perspectives.

About Clean Air Task Force and This Work

Clean Air Task Force (CATF) is a global nonprofit organization working to push the technology and policy changes needed to achieve a zero-emissions, high-energy planet at an affordable cost by catalyzing the development and deployment of low-carbon energy and other climate-protecting technologies. CATF works at the federal, state, and local levels to identify and overcome siting and permitting, financing, and social license challenges to deploying clean energy infrastructure. In Colorado, CATF is active in coalitions working on renewable siting and transmission siting and financing.

CETA plays a valuable role in overcoming several barriers to transmission buildout. By identifying and prioritizing key intra- and inter-state transmission gaps and facilitating the stakeholder coordination and supportive financing tools needed to close those gaps, CETA enables a more resilient, reliable, and decarbonized electricity system. As CETA identifies key priority projects and continues to mature as an entity in Colorado, CATF hopes this work can illuminate opportunities for collaboration and partnership between CETA and developers, communities, and other key stakeholders to jointly plan for, finance, and develop needed transmission infrastructure.

³ 2024 Transmission Capacity Expansion Study, <https://static1.squarespace.com/static/6390da3a799a023d4be2c27e/t/675b79237ef-d431c080048e7/1734048042545/CETA+Transmission+Study+Final+Report+-+241012.pdf>.



II. How Transmission is Built

Electric transmission is the high-voltage interconnected network of lines, substations, and associated equipment that moves bulk electric power from generating resources to load centers and distribution systems across the grid. It functions as the backbone of the electric system, enabling power to flow over long distances.

Different types of entities build transmission infrastructure. Public utilities, such as investor-owned utilities, are subject to public utilities commission oversight because they serve retail loads, and develop transmission to serve customers in their service territories. Public power entities, such as cooperative electric associations and municipally owned utilities, construct transmission lines to serve their communities. Independent transmission developers are private companies that specialize in building transmission infrastructure, often via competitive bidding processes, bringing private capital and expertise to expand the grid outside of the traditional utility structure. Federal power marketing administrations generally develop transmission to fulfill statutory obligations, maintain reliable service, and meet customer needs.

Transmission projects are built at different scales to meet varying needs across the electric system. Some projects focus on strengthening the grid, improving reliability, or reducing congestion within a specific area. Other projects are designed to reach major population centers or provide access to geographically diverse resources. Larger projects may link different parts of the grid together to improve coordination or access a wider and more competitive range of generation options.

In the United States, transmission development is governed by different authorities depending on the project's scope. States generally oversee the siting, permitting, and construction of transmission facilities within their borders, while the Federal Energy Regulatory Commission (FERC) has jurisdiction over transmission in interstate commerce, including rates, terms, and conditions of service. FERC also regulates and oversees Regional Transmission Organizations (RTO) and Independent System Operators (ISO), independent entities that manage wholesale markets and regional transmission planning.

Under Senate Bill 21-072, most public utilities that own transmission facilities in Colorado are required to join a qualifying organized wholesale electricity market, such as an RTO or ISO, by January 1, 2030, subject to Colorado Public Utilities Commission (PUC)-approved waivers or delays if participation is not feasible or in the public interest.⁴ When a transmission owner joins an RTO or ISO, it retains ownership of its transmission assets but transfers operational control and responsibility for regional transmission planning to the RTO or ISO, which develops system-wide plans in consultation with member utilities.

⁴ See Colorado Revised Statutes 40-5-108.

A. Planning and Development

In Colorado, utilities currently plan and develop their own transmission systems. Public utilities must seek approval from the Colorado PUC and follow structured, state-regulated planning cycles, while independent transmission developers operate outside these formal regulatory processes. Any entity with an interest in the reliable operation of the bulk power system, including public utilities and independent transmission developers, may become a member of the Western Electricity Coordinating Council (WECC), the non-profit regional entity that ensures a reliable bulk electric system and oversees reliability planning in the Western Interconnection.

When a utility or an independent transmission developer identifies a transmission need or market opportunity, they evaluate the project's economic viability and technical feasibility through detailed engineering studies and route analysis before seeking necessary permitting, land-use, and construction approvals. Regardless of the developer type, all transmission projects must comply with applicable permitting and land-use regulations, and undergo similar approval phases for construction.

The following sections describe in more detail how public utilities and independent transmission developers plan transmission projects. They are intended to illustrate different, but not exhaustive, pathways for transmission development in the state. Electric cooperatives, municipal utilities, and federal power marketing administrations also plan and build transmission projects in Colorado, operating under varying degrees of regulatory oversight and financing models.⁵

1. Public Utilities

Transmission development for public utilities is generally governed by Colorado PUC rules and regulations.⁶ The rules require comprehensive, transparent, and statewide transmission planning with meaningful stakeholder participation. Public utilities must obtain PUC approval for most significant transmission projects.

Public utilities that own transmission facilities must submit ten-year transmission plans by February 1 of each even-numbered year. These plans may be informed by utilities' Electric Resource Plans, which are generally filed every three years and outline long-term generation and resource decisions that may affect future transmission needs.⁷ Public utilities must also submit Clean Energy Plans under Senate Bill 19-236 to achieve an 80% reduction in greenhouse gas emissions by 2030. Utilities should incorporate Clean Energy Plan emissions reduction targets into Electric Resource Plan modeling and resource selection.

Public utilities also participate in planning forums such as the Colorado Coordinating Planning Group (CCPG). CCPG is a joint transmission system planning forum formed to ensure a high degree of reliability in the planning, development, and operation of the high voltage transmission system in the Rocky Mountain Region. It is a subregional group of WestConnect,

⁵ For example, the Transmission Infrastructure Program (TIP) is a strategic federal financing initiative that leverages Western Area Power Administration's (WAPA's) statutory borrowing authority and deep expertise in transmission development to strengthen and expand the nation's electric grid. TIP supports projects that enhance reliability, affordability and resilience, ensuring that America's energy infrastructure meets the demands of a growing economy and evolving energy landscape. For more information, see <https://www.wapa.gov/transmission/transmission-infrastructure-program-tip/>.

⁶ See, for example, Colorado Public Utilities Commission Rules 3206, 3627, and 3102, and Code of Colorado Regulations 4 CCR 723-3, <https://www.coloradosos.gov/CCR/GenerateRulePdf.do?ruleVersionId=12151&fileName=4%20CCR%20723-3>.

⁷ See, for example, Proceeding No. 24A-0442E.

a regional transmission planning entity in the western United States that is designed to comply with FERC transmission planning Order Nos. 1000 and 1920. Public utilities are also active members of WECC, the forum responsible for coordinating and promoting bulk electric system reliability in the Western Interconnection. Participation in planning forums provides stakeholders with an opportunity for meaningful participation in the planning process, consistent with PUC rules.

A public utility seeking to construct or extend a transmission facility that is not part of its ordinary course of business must obtain a Certificate of Public Convenience and Necessity (CPCN) from the PUC.⁸ Utilities and cooperatives that have not exempted themselves from regulation cannot start building transmission facilities until they either receive confirmation that a CPCN is not needed or obtain a CPCN. Rural electric cooperatives that have exempted themselves from state utility regulation do not need a CPCN if the transmission project stays entirely within their own service territory.⁹ An independent transmission developer does not typically need a CPCN unless it is classified as a public utility under Colorado law.

The CPCN process ensures that these transmission projects serve the public interest. The utility must demonstrate that the proposed facilities are needed to serve future load, maintain reliability, or implement policy goals. The CPCN application must include a statement of the facts, description of proposed facilities, alternatives considered, estimated costs, construction timeline, map showing general location of proposed facilities, and relevant diagrams.¹⁰ The utility may reference its most recently filed ten-year transmission plan or Electric Resource Plan in its application.

A utility can apply to recover the costs prudently incurred in planning, developing, and completing its transmission projects for which a CPCN was granted through rate cases and mechanisms like a Transmission Cost Adjustment rider.¹¹

2. Independent Transmission Developers

Independent transmission developers are generally not subject to Colorado PUC regulation in the same manner as public utilities. Unless an independent developer seeks to recover project costs through public utility rates, the PUC typically does not exercise oversight of the project. Independent transmission developers may not require a CPCN.

Transmission planning varies among independent transmission developers because their projects are driven by different business models, market conditions, and regulatory strategies. Independent developers may initiate planning based on anticipated market demand, interconnection requests, or regional transmission needs identified in broader planning forums, like WECC, rather than through state-mandated planning cycles. As a result, their planning processes tend to be more adaptive, with timelines, stakeholder engagement, and project scope shaped by financing considerations and the likelihood of securing long-term customers or regulatory approvals.

Independent developers' revenue models and regulatory structures vary. Examples include:

⁸ See Colorado Public Utilities Commission Rules 3102. See Colorado Revised Statutes 40-1-103 for the definition of "public utility."

⁹ See Colorado Public Utilities Commission Rules 3206. See Colorado Revised Statutes Section 40-9.5-103 for more information on exemption from public utilities law.

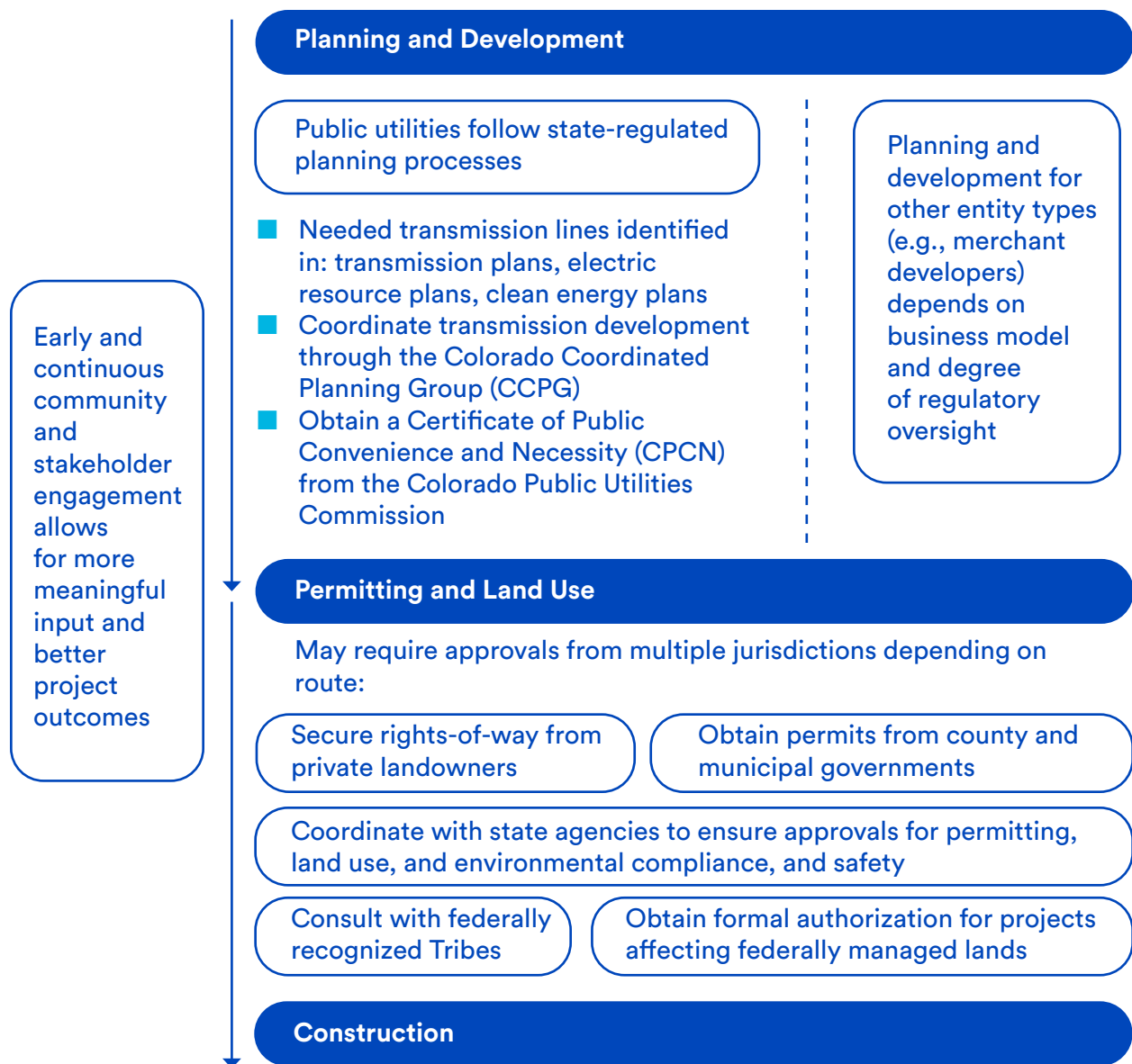
¹⁰ See Code of Colorado Regulations 4 CCR 723-3-3102 and 723-3-3206 <https://www.coloradosos.gov/CCR/GenerateRulePdf.do?ruleVersion-Id=12151&fileName=4%20CCR%20723-3>.

¹¹ See, for example, https://www.xcelenergy.com/staticfiles/xe-responsive/Billing%20&%20Payment/Understanding%20Your%20Bill/Bill%20Inserts%20and%20Onserts/November%202023/1123ON44_CO_All_TCARider_EG_FPF.pdf.

- Asset sale or build-transfer: sell the transmission project to a utility or another investor, earning revenue from the sale proceeds or development fees
- Market-based: earn revenue from market-based products such as long-term transmission rights or congestion-based revenue streams
- Contract-based: enter into long-term transmission service agreements or bilateral contracts with utilities or large customers; may need negotiated rate authority from FERC
- Cost-of-service recovery: file a formula rate with FERC, which allows the developer to recover its transmission investment plus an authorized return through rates charged to transmission customers

Independent transmission developers typically participate in regional, state, and industry energy groups. Many are members of WECC and often align their development activities with WECC planning studies.

Figure 1: The Colorado Transmission Development Process



B. Permitting and Land-Use

Transmission developers across all entity types must navigate permitting and land-use processes involving state, county, local, and sometimes federal and Tribal governments. Transmission projects typically cross multiple jurisdictions and land ownerships, requiring developers to secure rights-of-way from private landowners, obtain permits from county and municipal governments that comply with local land use regulations, and obtain permits from state agencies for environmental and cultural resource protections. When projects cross federal lands, developers must also navigate federal environmental review processes under the National Environmental Policy Act (NEPA).

The permitting process may also require addressing potential impacts on wildlife habitat, water resources, cultural and historic sites, and visual resources. Depending on the route, developers may also need building permits, state transportation permits, and other specialized authorizations.

Successfully navigating this regulatory landscape requires careful coordination, early stakeholder engagement, and the ability to address competing interests across multiple levels of government. Community and stakeholder engagement can occur throughout the transmission development process, though engagement before the permitting stage allows for more meaningful input and better project outcomes.¹²

1. Rights-of-Way and Land Access

When a transmission project crosses private land, the transmission entity must work directly with landowners to secure the necessary rights-of-way. This involves negotiating easements that allow the transmission entity to build, operate, and maintain the transmission line while the landowner retains ownership of the land. The transmission entity is expected to offer fair landowner compensation that reflects the property's value, the impacts of the easement, and any temporary construction needs. Most rights-of-way are secured through voluntary agreements, but if negotiations fail, a transmission entity may use eminent domain, following the procedures outlined in Title 38 of the Colorado Revised Statutes.¹³

Title 38 identifies specific categories of entities that may acquire rights-of-way for electric transmission through the exercise of eminent domain. Under Section 38-2-101, any corporation formed to construct electric lines may acquire real estate, rights-of-way, or easements through condemnation procedures. Section 38-5-105 expressly vests electric light and power companies with the power of eminent domain for obtaining rights-of-way for transmission infrastructure. Section 38-5-104 provides that electric light and power companies and electric transmission authorities are entitled to rights-of-way upon making just compensation in the manner provided by law. While the statutes define the parameters of eminent domain authority, they leave open whether all entities engaged in electric transmission fall within those authorized categories.

¹² See Gridworks (2024), Electric Transmission Development and Community Engagement: Literature Review and Best Practices, <https://gridworks.org/wp-content/uploads/2024/04/CETA-Community-Engagement-Toolkit-Lit-Review.pdf>.

¹³ See Colorado Revised Statutes Title 38 Articles 1 to 7.5.

2. Local Permitting and Land Use

County and municipal governments in Colorado hold primary permitting authority over new transmission projects.¹⁴ Local governments may require special use permits, conditional use permits, or rezoning approvals for transmission facilities. Many local governments have established land-use codes or ordinances specifically for siting and permitting transmission facilities, commonly referred to as “1041 powers,” which allow them to identify, designate, and regulate areas and activities of state interest through a local permitting process.¹⁵

Before submitting a formal permit application, transmission developers are required to notify local governments of their plans and engage in early consultation to identify potential routes or geographic areas, resolve land-use concerns, and present reasonable alternatives to their preferred plan or explain why alternatives are not feasible. The local permitting process typically involves public hearings before a planning commission or county boards, allowing community input and enabling local officials to impose conditions addressing visual impacts, property values, land use compatibility, and construction practices.

A public utility or power authority¹⁶ may appeal certain local government actions,¹⁷ such as the denial of a transmission project, to the PUC if the utility has obtained a CPCN, if a CPCN is not required, or if the PUC has previously issued an order asserting jurisdiction over the project.¹⁸ Appeals are adjudicated through a formal PUC proceeding that includes evidentiary hearing, opportunities for public input, and a written Commission decision. The PUC’s decision shall balance the local government interest with the statewide interest in the location, construction, or improvement of the proposed facility.¹⁹

Local permitting and land use approvals can be especially time-consuming because Colorado’s county and municipal siting processes vary widely, and some jurisdictions lack the staff, technical resources, or streamlined procedures to efficiently review complex energy infrastructure proposals. This patchwork of local approaches can lead to significant procedural delays and, in some cases, community resistance when land use regulations, zoning ordinances, or public concerns about wildlife, land impacts, or local planning priorities slow decisions or lead to denials. These dynamics were highlighted in the 2025 report by the Colorado Energy Office and the Department of Natural Resources required by Senate Bill 24-212.²⁰

Both transmission entities and local governments identified areas for improvement. Transmission entities seek streamlined permitting procedures and enhanced interagency coordination, while local governments highlighted the importance of early community engagement and attention to financial, social, and environmental impacts. Opposition to transmission projects often arises when projects are routed through sensitive areas or when

¹⁴ See Colorado Revised Statutes 29-20-108.

¹⁵ See House Bill 74-1041.

¹⁶ See Colorado Revised Statutes 29-1-204 for the definition of “power authority.”

¹⁷ See Colorado Public Utilities Commission Rules 3700 through 3707.

¹⁸ See Colorado Revised Statutes 40-4-102.

¹⁹ See Colorado Revised Statutes 29-20-108(5)(d).

²⁰ Evaluation and Assessment of Local Government Processes for the Siting of Commercial Clean Energy and Energy Transmission Projects, <https://energyoffice.colorado.gov/siting-study>.

communities are not consulted early. Projects that engage communities early, use community benefit agreements, and address local concerns may face less resistance. Ongoing monitoring of environmental impacts and regular communication with governments and landowners may further reduce opposition and foster collaboration.

By combining early and meaningful engagement, proactive mitigation of sensitive areas, and ongoing communication, transmission developers can significantly reduce permitting delays and build stronger relationships with communities, laying the groundwork for more efficient and accepted project implementation.

3. State Permitting

Transmission developers in Colorado must coordinate with several state agencies to obtain the necessary approvals for permitting, land use, environmental compliance, and safety. Each agency plays a specific role in ensuring that projects meet regulatory standards and protect public interests:

- PUC – approves major transmission projects for regulated utilities through a CPCN and cost recovery
- Department of Public Health and Environment – oversees environmental protection, issuing air quality permits, stormwater permits, and other construction-related environmental approvals
- State Historic Preservation Office – coordinates federal National Historic Preservation Act Section 106 reviews
- Department of Public Safety – provides guidance and coordination on public safety, fire prevention, and emergency management
- Department of Transportation – issues permits for construction activities affecting highway access and special use permits for transmission lines installed within state highway rights-of-way

House Bill 25-1292 establishes a framework under which transmission developers can co-locate high-voltage transmission lines within state highway rights-of-way through a process developed by the Department of Transportation. The act also requires CETA, through a public-private partnership and in collaboration with various state agencies to identify potential corridors that may be suitable for high voltage transmission line development. This approach allows developers to use existing transportation corridors, potentially streamlining permitting, shortening project timelines, and reducing overall costs.²¹ A collaborative platform co-convened by NextGen Highways and CETA provided input on the bill.

4. Federal Agencies and Tribal Engagement

When transmission projects cross federally managed lands, developers must obtain formal authorization from the relevant federal agency or agencies. In Colorado, several federal agencies manage lands that transmission developers may need to cross:

- Bureau of Land Management – manages millions of acres of multiple-use federal lands
- U.S. Forest Service – manages national forests and grasslands
- U.S. Fish and Wildlife Service – manages wildlife refuges and habitat lands
- National Park Service – manages national parks, monuments, and recreation areas
- Bureau of Reclamation – manages water infrastructure and associated lands

²¹ See <https://nextgenhighways.org/colorado-opens-highway-rights-of-way-to-transmission/>.

Transmission projects on federal lands typically require environmental review under NEPA. For example, building a transmission line on land managed by the Bureau of Land Management generally involves an environmental assessment and, if needed, preparation of an environmental impact statement. Once the review is complete, the agency issues a record of decision approving the route and any mitigation measures. Local governments, state agencies, Tribes and special districts can become formal “cooperating agencies” with the lead federal agency preparing the environmental review – a special relationship that assures local expertise is considered in the federal analysis. After receiving right-of-way authorization and fulfilling any pre-construction requirements, the developer can proceed with construction.

In addition to land-managing agencies, developers may also need to coordinate with other federal agencies depending on project impacts:

- U.S. Army Corp of Engineers – issues Clean Water Act Section 404 permits for projects affecting wetlands or waterways
- Federal Aviation Administration – reviews for structures that may affect navigable airspace

Transmission projects must include consultation with federally recognized Tribes whenever projects cross or are adjacent to Tribal lands or may affect Tribal interests. Government-to-government consultation allows Tribes to protect cultural, historic, and natural resources, participate in project decisions, and ensure that their rights and interests are respected throughout transmission development.²²

C. Construction

Once the transmission entity receives siting, permitting, and construction approvals, they can build and energize the transmission facilities. If the project is on federal land, environmental monitors are deployed throughout the construction process – working for the authorizing agency at the developers’ expense – to assure compliance with permit conditions. In addition, developers must regularly file updates and compliance reports with the agency.

²² See State-Tribal Consultation, <https://ccia.colorado.gov/resources/state-tribal-consultations>, and Bureau of Land Management Tribal Consultation, <https://www.blm.gov/programs/cultural-resources/tribal-consultation>.



III. CETA

The Colorado Electric Transmission Authority (CETA) is an independent special purpose authority and subdivision of the state. It is not subject to direction by a state agency or commission. CETA has a 9-member independent board appointed by the governor and legislature.

CETA has the power to:

- Enter into legally enforceable public-private partnerships for transmission expansion
- Identify and establish transmission corridors in the state to facilitate local siting and permitting
- Issue revenue bonds to finance development and construction
- Use eminent domain to acquire rights-of-way for needed transmission

CETA cannot:

- Undertake a project if a public utility, non-incumbent transmission provider, or other entity is already constructing the facilities or providing the services
- Review or approve permits and land-use applications

CETA has established principles to guide its commitment to working with local communities and affected stakeholders to get their input and enable conditions for efficient, productive, and beneficial electric transmission development:²³

- Principle 1: Require a transparent, credible, and open process
- Principle 2: Require meaningful engagement with local communities
- Principle 3: Advocate for public resources and both financial and non-financial benefits that support local communities
- Principle 4: Require long-term commitments to host communities

CETA's 2024 Transmission Capacity Expansion Study demonstrates that Colorado requires greater transmission capacity than currently planned to support projected electricity demand growth and achieve state clean energy objectives.²⁴ The study identifies specific regions where existing grid infrastructure is insufficient to meet future needs. Many of the identified transmission gaps lack committed project plans or secured funding.

²³ See CETA Principles of Community Engagement, <https://www.cotransmissionauthority.com/principles>.

²⁴ Transmission Capacity Expansion Study for Colorado, <https://www.cotransmissionauthority.com/transmission-study>.



IV. Leveraging CETA to Advance Transmission Buildout

CETA offers tools to help developers advance transmission projects in Colorado. CETA's partnership model, eminent-domain authority, financing options, and coordination mechanisms can help reduce project risks and lower costs, while supporting the state's emission reduction goals and advancing economic development.

Partnership

CETA developed a partnership model to help public and private transmission developers build transmission facilities.²⁵ Transmission developers can choose from three partnership levels—basic, intermediate, or advanced—with the option to transition to higher levels as the project progresses. Intermediate partners receive project development assistance, while advanced partners gain access to financial and technical support. All approved partnerships are formalized through a Memorandum of Understanding.

Even the basic partnership alone offers significant value for developers. CETA engages with a wide range of stakeholders including regional transmission entities, federal and state agencies, Tribal nations, labor unions, and community organizations. Through the basic partnership, CETA can leverage its stakeholder relationships to provide letters of support and facilitate meetings between interested parties, helping transmission developers attract financing and navigate permitting obstacles that commonly delay projects.

Financing

CETA is authorized to issue revenue bonds to finance the development, acquisition, and operation of electric transmission and storage facilities. All transmission developers face significant upfront capital requirements for planning, permitting, and construction. Regulated utilities can recover prudent costs through rates approved by the Colorado PUC, creating a stable revenue stream and favorable financing terms for public utility project development and construction. On the other hand, private transmission developers do not have that secured revenue stream and generally must rely on equity, debt, and future revenue contracts to fund

²⁵ See A Resolution Adopting a Partnership Policy, <https://static1.squarespace.com/static/6390da3a799a023d4be2c27e/t/65ca5b88bd-00823d09cf034e/1707760521560/Reso+Adopting+Partnership+Policy+and+Policy+Attached.pdf>.

a project. This exposes private transmission developers to less favorable financing terms, and greater risks from delays, cost overruns, or siting challenges. While CETA's financing tools can improve project economics for both public utilities and independent developers, CETA's financing tools are particularly advantageous for independent developers.

CETA's bonding authority provides flexible terms (up to 30 years), tax exemptions, and bondholder protections. CETA can contract with public and private partners through fees, partnership agreements, or revenue streams that repay bondholders. This approach enables CETA to finance large-scale transmission projects and bridge gaps in the private financing market.

CETA's revenue bonds can offer lower-cost capital than conventional commercial debt²⁶ and provide credit support that makes new transmission projects more attractive to private lenders and investors. This financing certainty accelerates project delivery and improves financing prospects for projects that might otherwise struggle to secure financing. For regulated utilities, CETA's lower financing costs reduce the amount that must be recovered through rates, which can help keep electricity more affordable for customers.

CETA's revenue bonds can also be used to upgrade existing transmission facilities that offer high public value in terms of congestion relief, reliability, and renewable resource integration. Lower financing costs reduce the overall cost of these upgrades and their impact on customer rates while accelerating the delivery of additional lines that are in the public interest.

Siting Assistance

Transmission lines require continuous routes across many properties, and unresolved land acquisition issues on any single property can delay or derail an entire project. CETA is authorized to acquire property and rights-of-way necessary for transmission projects which provides developers with a critical tool to reduce siting risk and improve project certainty.

CETA prioritizes robust stakeholder and community engagement. Stakeholders are engaged in the planning process to help identify concerns around property acquisition and reduce the likelihood of conflict as the project advances. If collective mechanisms fail to resolve all outstanding conflicts, CETA can authorize the use of eminent domain as a last resort where all other negotiation options have been exhausted. This authority can help transmission developers keep projects on schedule, control costs, and secure financing. CETA's eminent domain authority does not require private transmission developers to obtain a CPCN and is subject to the procedural requirements and limitations of state eminent domain law.²⁷

Complex Transmission Projects

CETA is uniquely positioned to support transmission projects that might otherwise face significant financial, technical, or regulatory hurdles. By providing revenue bond financing, eminent domain authority, and coordination support, CETA can help mitigate schedule and cost risk, facilitate land acquisition, and improve lender confidence.

CETA's flexible partnership model allows it to partner with investor-owned utilities, cooperatives, municipal utilities, and independent merchant developers on specific

²⁶ CETA bonds are exempt from state taxes, lowering borrowing rates as compared to conventional commercial debt.

²⁷ See Articles 1 to 7 of Title 38.

projects where joint investment or risk-sharing arrangements make complex or multi-jurisdictional transmission projects more feasible. CETA is also well positioned to collaborate with neighboring states, regional entities, and federal agencies to advance interregional transmission projects that deliver broader reliability, market access, and clean energy benefits to Colorado.

Beyond new transmission construction, CETA can work to collaborate with incumbent utilities and the PUC to support alternative transmission solutions such as dynamic line ratings, advanced power flow control, high-capacity reconductoring, and other grid-enhancing and advanced transmission technologies that expand system capacity while minimizing environmental and community impacts. CETA can also coordinate with utilities and developers to support targeted undergrounding in areas with severe wildfire risk, sensitive landscapes, or heightened local concerns.

CETA's recently published project shortlist²⁸ illustrates how the authority can engage on complex, high-impact transmission projects that require coordination, due diligence, and risk management.²⁹ The shortlist includes the Poncha-Midway line, the Montrose-Curecanti-Poncha line, the Montrose-Maverick-Lost Canyon-Shiprock line, the San Luis Valley Alternatives, the Ault-Archer and Ault-Terry Ranch Reconductors, and the Craig-Coyote line. These proposed transmission lines and uprates to increase the capacity of existing lines would enhance system reliability, expand access to geographically diverse renewable resources, and support Colorado's clean energy objectives, but they also involve significant complexities, including federal land crossings, wildfire risk, sensitive wildlife habitats, and Tribal engagement. CETA's ability to convene stakeholders, support environmental and permitting processes, and provide financing tools positions it to advance these and other projects that might otherwise stall despite having clear statewide benefits.

28 CETA Priority Project Concepts, <https://static1.squarespace.com/static/6390da3a799a023d4be2c27e/t/6900017e6490541eaf80d-b3a/1761608062109/CETA+Priority+Project+Concepts.pdf>.

29 Recommendation for Project Shortlist and Prioritization Framework Policy Guide, <https://static1.squarespace.com/static/6390da3a799a023d4be2c27e/t/686c25c02b0b8d1dd2309fae/1751918018586/CETA+Project+Shortlist+and+Prioritization+Framework+Memo+---+FINAL.pdf>.



V. Conclusion

CETA plays a valuable role in advancing transmission projects critical to Colorado’s state policy and economic development goals. CETA’s authorities and community and stakeholder engagement principles provide utilities and independent transmission developers support and a professional network for navigating the state’s siting, permitting, and construction processes. However, CETA’s authorities to enter into public-private partnerships, identify transmission capacity gaps and key corridors, and issue revenue bonds remain under-utilized, limiting its ability to advance infrastructure that is challenging to plan, site, permit, and finance through traditional channels.

To create more mutually beneficial partnerships between CETA and developers in Colorado, transmission developers should work with CETA early in the project development cycle, maintain regular communication with CETA, participate in CETA’s public engagement opportunities, and share best practices around community engagement, siting, and permitting. To maximize CETA’s effectiveness, capabilities, and reach, the state should allocate more funding to the Authority to build and retain expertise, cultivate new relationships with developers, local entities, and interstate and regional partners, and support transmission deployment at the pace Colorado needs to achieve its goals.