

ENVIRONMENT AND SUSTAINABILITY WORK GROUP

FINAL REPORT

OCTOBER 26, 2026

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INTRODUCTION

In May, the Colorado Chamber, in partnership with State Agencies and the Governor's Office, convened leaders from across business, state agencies, local government, and environmental and energy organizations to discuss how to build public-private cooperation towards the State's carbon reduction goals, with a particular focus on streamlining permitting for green economy investments like low-emissions manufacturing, energy production, transmission, and more. Key topics included the following:

Accelerate electrification, such as:

- Developing approaches to providing sufficient energy and capacity for resource adequacy and load growth, aligned with the State's clean energy goals;
- Minimizing and mitigating of barriers to expand transmission access; and
- Assessing approaches to drive emissions reductions associated with hard-to-decarbonize sectors, including consideration of on-site and off-site emissions reduction strategies and/or crediting.

Support speed-to-market and regulatory certainty for environmental leaders, such as:

- Improving speed of permitting for projects that lead to emissions reductions or demonstrate best-in-class environmental performance, whether by creating a fast-track process or otherwise increasing the speed and ease of applying and securing relevant permits; and
- Exploring regulatory solutions and potential incentives, to encourage adoption of low carbon solutions for new manufacturing facilities and provide regulatory certainty to these facilities after 2030.

The meeting series was designed to be informal. The purpose was to develop ideas to inform future legislative, policy-making and administrative efforts, not to develop consensus recommendations. However, ideas presented here have general support from participants for further exploration and, where there are differing opinions, those are captured in the discussion. Keystone Policy Center is the author of this report, and while agency personnel and other participants have reviewed drafts of this report, the ideas contained in the report should not be construed as recommendations or specific opinions of state agencies or other parties and may not reflect the budget or legislative priorities of State agencies. Rather, it is intended to provide the next administration with ideas to improve siting and permitting processes, help the State achieve its carbon reduction goals, and work with the business community, local governments, environmental and energy organizations, and other stakeholders.

Participants included representatives from:

- Colorado Department of Public Health and Environment (CDPHE),
- Colorado Energy Office (CEO),
- Depart of Natural Resources (DNR),
- Department of Regulatory Agencies, (DORA (specifically the PUC)),
- Department of Local Affairs (DOLA),
- Office of Economic Development and International Trade (OEDIT).
- The Governor's Office

- Colorado Oil and Gas Association
- American Council of Engineering Companies Colorado
- La Plata Electric Association
- Davis Graham
- WM
- Molson Coors
- Clean Air Task Force
- The Nature Conservancy
- Rocky Mountain Institute
- Colorado Counties, Inc*
- Counties & Commissioners Acting Together*
- Xcel Energy*
- Nextera Energy*

*These organizations were invited once permitting and transmission were identified as key areas of focus for discussions.

CURRENT OPPORTUNITIES

- Stronger coordination among state agencies, local governments, and the business community could help the State achieve its emissions reductions and economic development goals.
- Permitting processes need to be more streamlined, predictable, and timely, especially for projects that would reduce net emissions.
- Colorado needs more electric transmission capacity to meet current and future electricity demand. Transmission planning should be coordinated more closely with economic development planning so that the need infrastructure can be identified and advanced earlier.

ONGOING IMPROVEMENTS

The group identified progress in several areas:

- Improvements to air permitting at the State's Air Pollution Control Division (APCD), especially construction permitting processes and reduction in permitting backlogs;
- In August, a Governor's Executive Order, D 2026 013, initiated the design of a pilot one-stop permit portal for the semiconductor industry, and a series of modernization improvements aimed at reducing permitting timelines across key State permitting divisions, both of which will test many of the proposed solutions below;
- In June, Colorado joined the Permitting Alignment and Coordination Task Force (PACT), a group of five western states working to accelerate interstate high-voltage transmission line permitting, eliminate cross-jurisdictional bottlenecks, and align state and federal review schedules without requiring new legislation;
- A more effective process for incorporating the State Historic Preservation Office's role in transmission planning and permitting; and

- Greater clarity from the Public Utilities Commission on the information needed to secure approvals for new transmission capacity.

Following initial discussions, the group agreed to focus specifically on identifying opportunities to 1) improve permitting for projects that reduce emissions and 2) accelerate transmission, viewing these as fruitful areas for progress that could help advance the goals described above. Participants held two workshops to explore potential solutions.

POTENTIAL SOLUTIONS

The sections below are a series of potential solutions the State, working with stakeholders, should explore to improve the overall processes for permitting and siting for needed transmission. While most of the potential solutions are administrative in nature, legislative solutions may also be required. Implementations of the solutions below by State agencies may also require additional resources and the next administration should consider the source, scale, and timing of any additional resources needed.

POTENTIAL SOLUTIONS FOR PERMITTING

Permitting reform was discussed at a high-level, and specific improvements would require deeper dives into specific permitting processes within agencies. Generally, the group discussed State air quality permitting processes (overseen by APCD) as they relate to potential projects that may positively impact GHG emissions reductions. However, there are principles that may also apply to permitting processes for water quality, ECMC's oil and gas and geothermal permitting processes, and local government permitting processes as well. More dialogue will be needed with the agencies, business community, local governments and other stakeholders to refine these potential solutions.

- **Continue the permitting reform work begun by CDPHE.** CDPHE's existing permitting-reform efforts, particularly APCD's modernization effort, should continue into the next administration. APCD's modernization effort has focused on reducing air permitting backlogs and overall process time through process improvement, modernizing technology systems, and workshops with industry. The recommendations below are intended to supplement that ongoing work, not replace it.
- **Create a publicly accessible permit-tracking system.** A public tracking system should show where each permit application stands and require relevant State agencies to track and report key information. Applicants could see progress from intake through each review step, and the public could compare elapsed time with applicable review deadlines. Regular reporting to the Colorado Air Quality Control Commission or to interim committees focused on permitting efficiency, such as the Stationary Sources Control Fund advisory group, could help decision-makers identify where delays occur and why. Public visibility would benefit both permit applicants and community groups by providing clearer information on how applications are moving through the process.
- **Establish dedicated time for permit applicants to speak with permit reviewers.** Greater transparency is most useful when it helps resolve issues that slow an application. State agencies and, in particular, CDPHE could establish regular times during which permit reviewers, supervisors, or both are available to discuss application status and answer questions. This would give applicants a structured opportunity to

provide information that could speed review while reducing ad hoc daily inquiries to permit staff. A predictable protocol would also help applicants reach the appropriate technical staff or supervisors when needed, so that peer levels are engaging with one another (e.g., technical experts are engaging with other technical experts).

- **Create a single-point-of-entry concierge pilot for emissions-reducing permit applications involving multiple agencies.** A limited concierge pilot, already underway through Governor Polis' Permitting Modernization Executive Order (August 2026), will help the State test whether this model improves coordination and speeds review for permit applications. If proven successful, the State could look to expand the pilot to additional industries, with a focus on those that would reduce net emissions. The pilot should focus on applications requiring action from multiple state, federal, or local agencies and be limited to a set number of projects each year to manage workload. The concierge should be empowered not only to answer questions but also to convene agencies and applicants to resolve cross-agency issues. This approach could accelerate projects that reduce emissions and improve interagency communication more broadly.
- **Agree upon templates for emissions calculations to streamline applications.** Having agreed-upon emissions factors and templates for applications would simplify the application process and streamline review processes within APCD. The State could convene a work group with regulated entities to provide feedback on current emission factors and templates for the division to consider to be used going forward.
- **Allow third-party permit reviews.** The State could explore whether creating a process for qualified outside entities to assist with permit reviews would add capacity and reduce the burden on state personnel. Reviewers would need to be independent and meet state-defined criteria and/or certifications before participating. A concern with this solution is that, if done incorrectly, it could add layers to the process, creating more delays and bureaucracy, so a more thorough exploration of this solution is needed to determine whether it would result in process improvements.
- **Develop timelines for permitting processes without established timelines.** Establishing timelines for processes that do not currently have clear deadlines would create accountability and help identify bottlenecks. These timelines should distinguish between review and processing time by State agencies, and the time spent by applicants preparing application materials and addressing deficiencies. Ideally, timelines should be paired with the resources agencies need to meet them. It is also possible that, if permit applicants respond to information requests in a timely way, their permit applications could be considered for prioritization within agency workflows to move through the process more quickly.
- **Limit emissions reverification requirements for permit modifications that reduce net emissions or emissions intensity.** Businesses report that current requirements can discourage investment in emissions-reducing technology when a new piece of equipment may increase emissions from that equipment even as the overall project reduces net emissions. Requiring reverification of already-approved emissions levels for equipment that is not being modified can also add significant time to permit reviews. In combination with developing agreed upon templates and emissions factors, the State should consider a streamlined process for unmodified equipment when a permit modification would reduce net emissions, emissions intensity, or emissions per unit of production.

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POTENTIAL SOLUTIONS FOR ELECTRIC TRANSMISSION

- **Provide guidance from land-management agencies on easement processes for rights of way and required information.** The Colorado Department of Transportation, State Land Board and Colorado Parks and Wildlife should retain full authority over relevant decisions, while making clear, accessible guidance available to applicants early in the process about how to establish rights-of-way on State lands. Up-front guidance on required information would help applicants submit stronger applications and avoid redesigning or resubmitting materials after initial review.
- **In conjunction with the implementation of SB24-212[1], work with local governments to develop resources for county and local siting and permitting processes.** CEO and DNR, working with Colorado Counties Inc. and Counties and Commissioners Acting Together (CCAT), should continue to develop resources for counties that may be asked to site or permit transmission lines. The resources can help counties—particularly those with smaller staffs—ask the right questions and use requirements that are familiar to applicants and consistent with common county practices. These resources could also help create more predictability and consistency. Counties have noted that resources for technical assistance would be more helpful than guidance, and so the State should continue to consult with local governments to explore how to provide the resources most needed by local governments to carry out siting and permitting within their jurisdictions.
- **Create an interagency transmission-planning and permitting entity.** A governor-led initiative focused on transmission buildout and cross-party coordination should be a priority to help avoid future energy constraints. An interagency entity, such as the Colorado Electric Transmission Authority (CETA), could coordinate state agency and local government, requirements related to transmission projects. This function could be connected to a permitting portal that tracks applications across processes. A dedicated project manager could coordinate among state agencies, local governments, neighboring states, and applicants, keeping communication open and project requirements organized, while respecting existing agency authorities and processes. The State, working with stakeholders, should explore what role CETA may be able to play in providing some of these services.
- **Encourage the Public Utilities Commission to streamline approval processes and consider both short- and long-term implications of transmission decisions.** Colorado needs additional transmission capacity to support clean energy development, load growth, and emissions reductions through electrification--including buildings, industry, and transportation. The Public Utilities Commission should continue to explore costs and benefits through the rulemaking process, consistent with a state directive to expand needed transmission capacity. Where it can, the PUC may also take into account how current decisions may help the state proactively address transmission needs, beyond the immediate capacity required.

[1] Colorado Senate Bill 24-212 (The Renewable Energy Projects Act), signed into law in May 2024, helps local governments site and permit utility-scale renewable energy. It directs state agencies to map wildlife habitats, provide technical codes, mandate tribal consultations, and evaluate clean energy barriers.

- **Explore how to work with conservation-easement law to allow consideration of transmission access without a court order.** The State, the land trust community, (including Keep it Colorado and others representing these interests) utilities, and other stakeholders should engage to explore whether and how easement holders could evaluate proposed transmission access across conserved properties without first requiring a court order. Such actions should not require easement holders to accept proposals from transmission developers; rather, it should allow the parties to engage in good-faith discussions when transmission access may be appropriate and consider what actions may be taken to improve conservation values while also allowing transmission rights of way.
- **Preserve the important role of incumbent utilities while encouraging partnerships or alternative development structures when they improve outcomes.** Colorado should encourage timely transmission development by enabling delivery models that improve reliability, affordability, and regional connectivity. The State should preserve the important role of incumbent utilities while encouraging partnerships or alternative development structures when they can accelerate needed infrastructure, reduce costs, or improve outcomes for customers. The State, working with stakeholders, could explore whether CETA may be able to play a helpful role, as is being considered in the PUC's current rulemaking.
- **Collaboratively create statewide transmission mapping and planning tools for stakeholders.** Building on utility transmission plans as required by Rule 3627, the State should work with utilities and other stakeholders to develop a statewide mapping and planning tool to create transparency for the need for new transmission, identify areas of congestion, and consider opportunities to align economic development with grid capacity. This can include evaluating where grid enhancing technologies may be effective, understanding certain constraints related to security concerns. This process could go further to help align interests around developing energy as well as identify constraints. This will also demonstrate for stakeholders where there will be surplus interconnection capacity in the future, as major plants close, or power needs shift, reducing the need for new transmission and making best use of existing infrastructure. The State could explore whether CETA may be able to play a helpful role.

POTENTIAL RECOMMENDATIONS FOR ONGOING DIALOGUE

All stakeholders have found value in this forum, providing an informal space for dialogue and information sharing about the challenges we face as a state as we work towards carbon reduction goals while also meeting the economic and environmental interests of our communities. Many of the potential solutions suggested above will require ongoing consultation to determine their ultimate viability. There was broad agreement that the State, working with the business community, environmental and energy organizations, and local government organizations, should continue the Environment and Sustainability Work Group in 2027 to maintain a forum that brings diverse perspectives together for productive discussion on these key issues.