

Economic Implications of Limiting New Load Capacity in Colorado

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Colorado developers, in deliberations with power companies and the Public Utilities Commission (PUC), have expressed a desire for around 5,000 megawatts of new load capacity across Xcel Energy's service territory to accommodate new developments through 2031. The PUC, however, indicated during its August proceedings that it will only approve between 200 and 600 new megawatts over that period. Many of the developments under consideration, which include large expansions to DIA, several new AI data centers, advanced manufacturing facilities, and affordable housing projects across the Front Range, cannot be built without public assurance of access to adequate power. Investment in electric capacity, by enabling developments like these to proceed, contributes billions of dollars to Colorado's GDP; placing artificial limits on its growth would weaken the state's economy and sabotage its reputation as a hub for technological innovation.

Xcel Energy expects to spend approximately \$1.5 billion per 1,000 megawatts of new capacityⁱ. Adding 200 megawatts instead of 5,000, therefore, represents a direct loss of \$7.2 billion in potential investment over the next six years. As long as none of the 5,000 megawatts, if approved, would remain as a stranded asset, authorizing less will be detrimental to Colorado's economy. CSI, using the REMI Tax-PI economic model, finds large negative impacts of limiting growth to 200 megawatts under that assumption.

Key Findings

- Capping new capacity at 200 megawatts would cost Colorado 17,800 jobs and reduce the state's population growth by 20,400 through 2031.
- The construction sector would lose 3,900 jobs, which is the most of any industry. State and local governments would lose 1,900 jobs, while the retail trade, professional/scientific/technical services, utility, and administrative services sectors would lose between 1,000 and 2,000 each.
- Collectively, Colorado would lose \$21.8 billion of GDP and \$36.7 billion of output through 2031. Residents would earn a total of \$12.5 billion less in personal income.
- Workers' average annual earnings would fall by an average of \$103 and up to \$2,100 in some industries.

Economic Impacts of Limiting New Electric Load Capacity from 5,000 to 200 MW							
	2026	2027	2028	2029	2030	2031	Total
Total Employment	-13,163	-16,746	-18,668	-19,149	-18,750	-17,835	-17,835
Population	-4,601	-9,142	-13,274	-16,557	-18,908	-20,382	-20,382
Gross Domestic Product	-\$2.53B	-\$3.32B	-\$3.77B	-\$4.01B	-\$4.09B	-\$4.09B	-\$21.80B
Output	-\$4.23B	-\$5.57B	-\$6.35B	-\$6.76B	-\$6.90B	-\$6.87B	-\$36.68B

Personal Income	-\$1.30B	-\$1.78B	-\$2.13B	-\$2.35B	-\$2.46B	-\$2.49B	-\$12.50B
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ⁱ https://coloradosun.com/2025/08/18/colorado-xcel-data-center-demand-spending/?utm_source=chatgpt.com