COMMON SENSE INSTITUTE

COLORADO 2026 BALLOT GUIDE

AUGUST 2026

INITIATIVE 177: RIGHT TO NATURAL GAS

AUTHORS: COLE ANDERSON, HAYDEN HANES, PAUL LUNDEEN

ABOUT THE AUTHORS

Paul Lundeen – CSI Energy Fellow

Lundeen is CEO and President of American Excellence Foundation. AEF is a network of investors focused on expanding Free Enterprise, Liberty and Responsibility, and promoting Constitutional order. He recently retired from the Colorado State Senate as Minority leader, and served in the Colorado House, and State Board of Education.

Hayden Hanes

Hayden Hanes is a CSI Daniels Scholar Junior Fellow and a junior studying sociology with a legal studies minor at Colorado State University. At CSI, she is researching the right to natural gas. After college, Hanes wants to attend law school with a focus on family law.

Cole Anderson

Cole Anderson is Common Sense Institute's Director of Policy and Research. Prior to CSI, he attended the University of Denver where he double majored in economics and public policy. His work at CSI has covered a variety of topics including crime, healthcare, foster care, and workforce issues.

ABOUT COMMON SENSE INSTITUTE

Common Sense Institute is a non-partisan research organization dedicated to the protection and promotion of Colorado's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Coloradans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the economy and individual opportunity.

TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Coloradans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

TABLE OF CONTENTS

About the Authors 1
About Common Sense Institute 2
Introduction 4
Key Findings 5
What is Initiative 177? 6
Economic Context: The Potential Costs of Widespread Electrification 7
Bordering States 8
Bottom Line 10
References 11

INTRODUCTION

Colorado voters will consider several ballot initiatives in November 2026, including Initiative 177, which would amend the Colorado Constitution to establish that “consumers have the right to purchase natural gas for cooking or heating in homes or businesses throughout the state” and that “utilities and distributors have the right to sell natural gas.”

Initiative 177 does not directly regulate natural gas prices. Instead, it focuses on preserving access to natural gas as an energy source for residential and commercial consumers as well as upholding the rights of distributors to provide natural gas. Similar legislation has been adopted in six of Colorado’s seven bordering states; a comparable proposal in New Mexico failed to advance through the legislative process in 2023.

The initiative emerged amid debates over Colorado’s energy future and follows several proposed ballot measures in recent years that would have increased regulatory requirements and liabilities for oil and gas operators. Supporters argue Initiative 177 protects consumer choice and could shield households and businesses from the costs associated with mandatory electrification. Opponents contend that the measure could thwart the state’s long-term decarbonization goals and complicate agreements previously reached between state leaders and the energy industry.

This report examines the provisions within Initiative 177, arguments proposed by supporters and opponents, potential economic and regulatory implications, and how neighboring states have addressed similar policy questions.

KEY FINDINGS

- Initiative 177 would amend Colorado's Constitution to establish a right for consumers to purchase natural gas for cooking or heating and for distributors to sell it.
  - An estimated 70% of Colorado homes are currently heated by natural gas.
- Colorado's legislature in recent years has placed an emphasis on electrifying the state's homes and businesses.
  - Previous CSI research estimated that the cost to improve Colorado's energy infrastructure and electrify all residential homes in the state would run between $59.1 and $68.4 billion.
- Colorado's average retail electricity price across all end-use sectors increased by 31.8% between May 2020 and May 2026.
- Six of Colorado's seven neighboring states have enacted laws limiting local governments' ability to restrict natural-gas services; New Mexico introduced similar legislation in 2023, but it failed to pass.

WHAT IS INITIATIVE 177?

As in many other states, policy in Colorado favors electrification: a shift from a dependence on fossil fuels to electricity, especially power generated from renewable sources, for homes, businesses, and transportation.

If approved by voters, Initiative 177 would amend the Colorado Constitution to protect the right of consumers to purchase and the right of distributors to sell natural gas. The measure would restrict future state or local efforts to prohibit natural gas use in residential and commercial buildings. Since the initiative aims to amend the state's constitution, it will need to receive at least 55% of the statewide popular vote to pass.

Proponents of the initiative contend that natural gas is cleaner than critics suggest. An Atmos Energy analysis estimates that an all-electric 2,000-square-foot home in its Colorado service territory would produce approximately 19% more carbon dioxide emissions annually than a comparable home using natural gas for space heating, water heating, cooking, and clothes drying.[i] Similarly, a 2021 CSI report found that widespread electrification could temporarily increase statewide emissions, depending on conversion losses and end-use fuel-efficiency.[ii]

However, other emissions models have reached different conclusions, so it cannot be stated with certainty that a home using natural gas produces fewer emissions than a comparable all-electric home.

Critics argue that establishing a right to buy and sell natural gas could enshrine preferential treatment of a single nonrenewable energy source, potentially slowing the transition to renewable alternatives such as wind, solar, and, in limited cases, geothermal energy. These critics also contend that current laws already offer Coloradans a range of energy options and that local governments are often best positioned to determine the energy policies that meet their communities' needs.

ECONOMIC CONTEXT: THE POTENTIAL COSTS OF WIDESPREAD ELECTRIFICATION

Approximately 70% of Colorado homes rely on natural gas as a primary heat source.[iii] The continued phasing out of natural gas would have serious implications for these households, including financial and statewide economic impacts.

In 2019, Colorado enacted House Bill 19-1261, establishing statewide greenhouse gas reduction targets. In 2023, lawmakers expanded those targets to require reductions from 2005 levels of 26% by 2025, 50% by 2030, 65% by 2035, 75% by 2040, 90% by 2045, and 100% by 2050.

To achieve this goal, the state has put an emphasis on the electrification of homes or businesses. Previous CSI research has shown that electrifying residential homes, coupled with making the necessary energy infrastructure updates, could cost an estimated $59.1 billion to $68.4 billion.[iv]

Supporters of Initiative 177 worry that continued divestment from natural gas could cause prices to continue to rise into the future. Those concerns come amid rising electricity costs: Colorado's average retail electricity price across all customer classes increased 31.8% between May 2020 and May 2026, rising from 9.96 to 13.13 cents per kilowatt-hour.[v]

Research attempting to quantify how much electrification would increase electricity bills has produced a variety of results. One analysis estimates that, under a scenario combining the full electrification of residential heating with a 100% renewable electricity grid by 2040, a typical Colorado household's monthly electricity bill would average $566 through 2050, up from $92 in 2021.[vi]

National installation data indicate that a fully electric whole-home heat pump, typically the largest single expense involved in converting a home from natural gas to electricity, costs an estimated $17,000 to $23,000 for a 1,500- to 2,500-square-foot home before incentives.[vii]

Additionally, homeowners that do not have the means to purchase electric equipment could pay higher natural-gas prices, due to fixed costs of maintaining pipeline networks across fewer ratepayers, and higher electricity prices, due to the costs of upgrading Colorado's grid to support electrification.[viii]

BORDERING STATES

Six of Colorado's seven bordering states have already passed legislation aimed at preventing restrictions on natural gas. New Mexico made a similar attempt, but the bill died in committee.

Arizona was among the earliest states to act. On February 21, 2020, Gov. Doug Ducey signed House Bill 2686, which prohibited cities, towns, and counties from restricting access to authorized utility services, including natural gas.

In 2020, Oklahoma implemented House Bill 3619, which prevents cities, towns, and counties from discriminating against utility providers based on the energy source. This Oklahoma law applies to new and old infrastructure.

In 2021, Gov. Spencer Cox of Utah signed House Bill 17, which banned cities and counties in Utah from prohibiting propane and natural gas hookups in residential and commercial buildings. Like Arizona, Utah adopted this legislation before any municipalities had attempted to enact a ban.

Wyoming adopted a complementary piece of legislation. In 2021, Wyoming enacted Senate File 152, which prevents cities, towns, and counties from blocking connections or reconnections to utility services provided by public utilities, including natural gas, propane, and electricity.

New Mexico introduced House Bill 431 in 2023, which aimed to prevent local governments from banning or restricting natural gas. Supporters noted many under-resourced and older communities rely on natural gas for cooking and heating of their homes. The bill died in committee, but New Mexico has not attempted to enact any bills that ban the use of natural gas.

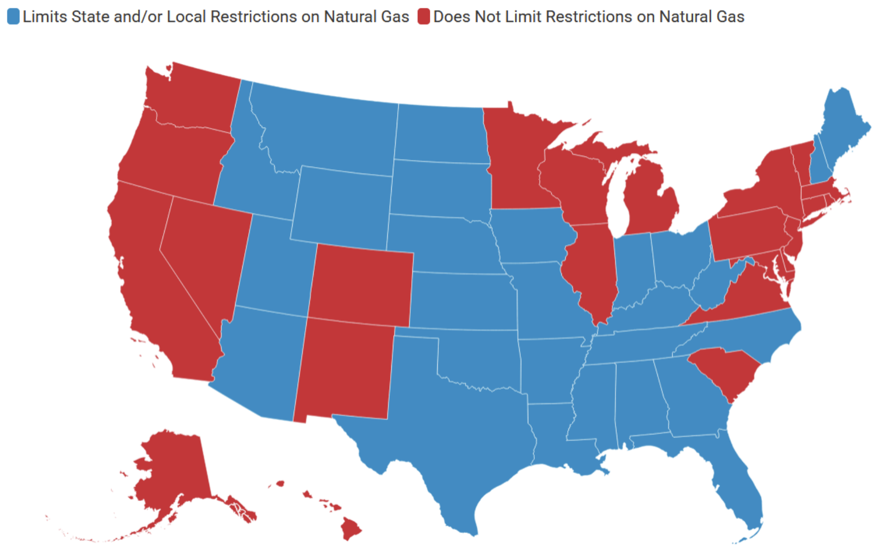
In 2021, Kansas Gov. Laura Kelly chose to neither sign nor veto the Energy Choice Act, allowing the bill to become a law. The law prevents governments from discriminating against one utility source over another based on the specific energy source. However, it does not prevent local municipalities from choosing their own energy sources.

In 2024, Nebraska lawmakers approved "Fuel Choice Legislation," which preserves access to safe, clean, and affordable energy resources, including natural gas, that offer a sustainable pathway to the shared goal of reducing emissions while maintaining affordability, reliability, and quality of life.

More than half of U.S. states have enacted legislation limiting the ability of state or local governments to prohibit natural gas services. Within the Mountain West region, Colorado, Nevada, and New Mexico remain exceptions. Supporters of Initiative 177 view these policies as evidence of a broader trend toward preserving consumer energy choice, while opponents note that state energy policies vary based on economic, environmental, and infrastructure considerations.

FIGURE 1

States With Laws Limiting Local Natural-Gas Restrictions



Source: National Association of Home Builders

BOTTOM LINE

Initiative 177 would establish a constitutional right for consumers to purchase natural gas for cooking and heating and for utilities and distributors to provide those services. The measure comes as Colorado continues pursuing long-term greenhouse gas reduction goals that rely, in part, on increased electrification of homes or businesses.

The initiative is unlikely to directly affect natural gas prices, but its adoption could influence future energy policy by limiting the ability of state and local governments to restrict natural gas use. Supporters view the measure as a safeguard for consumer choice and affordability, while opponents argue it could complicate efforts to reduce emissions and transition to alternative energy sources.

As Colorado voters consider Initiative 177, the central policy question is how to balance energy affordability, consumer choice, infrastructure costs, and environmental objectives. Understanding the potential economic and regulatory implications of each approach will be critical for informed decision-making.

REFERENCES

i. https://www.advancecolorado.org/wp-content/uploads/2026/04/Natural-Gas-Clean-Affordable-Reliable-Energy-for-Colorado.pdf

ii. https://commonsenseinstituteus.org/colorado/research/energy-and-our-environment/understanding-costs-and-impacts-of-energy-performance-mandates/

iii. https://gazette.com/2026/04/20/editorial-natural-gas-is-crucial-to-colorados-energy-climate-goals/

iv. The Uncertain Future Cost of Colorado's Energy and Housing – Common Sense Institute

v. https://www.eia.gov/electricity/data/browser/

vi. Colorado-Energy-Future-Part-2.pdf

vii. Upfront Cost of Home Electrification | Rewiring America

viii. https://pirg.org/colorado/foundation/articles/why-did-utility-bills-to-heat-colorado-homes-go-up/