

**Second Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

ENGROSSED

*This Version Includes All Amendments Adopted
on Second Reading in the House of Introduction*

LLS NO. 26-0061.01 Christopher McMichael x4775

SENATE BILL 26-002

SENATE SPONSORSHIP

Kipp and Exum,

HOUSE SPONSORSHIP

Willford,

Senate Committees

Transportation & Energy
Appropriations

House Committees

A BILL FOR AN ACT

101 **CONCERNING ENERGY AFFORDABILITY, AND, IN CONNECTION**
102 **THEREWITH, ESTABLISHING A PERCENTAGE-OF-INCOME**
103 **PAYMENT PLAN PROGRAM FOR INCOME-QUALIFIED UTILITY**
104 **CUSTOMERS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill requires an investor-owned electric utility (utility) to submit a proposal to the public utilities commission (PUC) that establishes a first allotment of residential electricity service (FARE

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

SENATE
Amended 2nd Reading
April 16, 2026

service) program.

The FARE service program provides a minimum level of electricity at a marginal cost rate for income-qualified utility customers. A FARE service proposal that a utility submits to the PUC must include:

- The amount of electricity that qualifies as a minimum level of electricity for an average income-qualified utility customer based on monthly usage to support a customer's basic needs;
- A marginal cost rate on a per-kilowatt-hour basis for delivering electricity to a customer, which marginal cost rate must be lower than the residential customer rate that the income-qualified utility customer would normally be charged; and
- A description of the process by which an income-qualified utility customer may enroll in the FARE service program.

The PUC shall approve a utility's FARE service proposal if the PUC determines that the proposed FARE service would be in the public interest.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1. In Colorado Revised Statutes, add 40-3-122 as**
3 **follows:**

4 **40-3-122. Energy affordability - percentage-of-income**
5 **payment plan program - eligibility and participation - cost recovery**
6 **- definitions - rules.**

7 **(1) Definitions. AS USED IN THIS SECTION, UNLESS THE CONTEXT**
8 **OTHERWISE REQUIRES:**

9 **(a) (I) "ADMINISTRATIVE COSTS" MEANS A UTILITY'S DIRECT COSTS**
10 **FOR LABOR, INCLUDING APPLICABLE BENEFIT LOADINGS, MATERIALS, AND**
11 **OTHER VERIFIABLE EXPENDITURES DIRECTLY RELATED TO THE**
12 **ADMINISTRATION AND OPERATION OF A PIPP PROGRAM.**

13 **(II) ADMINISTRATIVE COSTS MUST NOT EXCEED TEN PERCENT OF**
14 **THE TOTAL AMOUNT OF THE FIXED CREDITS APPLIED TO CUSTOMER BILLS**
15 **FOR CURRENT USAGE AND PRE-EXISTING ARREARAGES, OR TEN THOUSAND**

1 DOLLARS, WHICHEVER AMOUNT IS GREATER.

2 (b) "AFFORDABLE PERCENTAGE OF INCOME" MEANS THE AMOUNT
3 OF A PARTICIPANT'S ANNUAL BILL THAT IS DEEMED AFFORDABLE BASED ON
4 A PARTICIPANT'S ANNUAL HOUSEHOLD INCOME, AS DETERMINED
5 PURSUANT TO SUBSECTIONS (4)(b) AND (4)(c) OF THIS SECTION.

6 (c) "APPLICATION" MEANS:

7 (I) A REQUEST BY AN APPLICANT TO PARTICIPATE IN A UTILITY'S
8 PIPP PROGRAM, IF AN INVESTOR-OWNED UTILITY OFFERS THEIR OWN
9 APPLICATION PROCESS;

10 (II) A REFERRAL BY A THIRD PARTY, AS DESCRIBED IN SUBSECTION
11 (3)(a)(II)(B) OF THIS SECTION, FOR AN APPLICANT TO PARTICIPATE IN A
12 UTILITY'S PIPP PROGRAM; OR

13 (III) A PROCESS DETERMINED BY THE COMMISSION BY ORDER OR
14 BY RULE.

15 (d) "ARREARAGE" MEANS THE PAST-DUE BALANCE OWED BY A
16 PARTICIPANT IN A PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM FOR
17 UTILITY SERVICE, AS SHOWN ON THE MOST RECENT BILL RECEIVED BY THE
18 PARTICIPANT BEFORE THE PARTICIPANT'S INITIAL ENROLLMENT IN THE
19 PIPP PROGRAM.

20 (e) (I) "FIXED CREDIT" MEANS AN ANNUAL BILL CREDIT THAT IS
21 CALCULATED BY A UTILITY AT THE BEGINNING OF A PARTICIPANT'S
22 PARTICIPATION IN THE UTILITY'S PIPP PROGRAM EACH YEAR AND IS
23 DELIVERED EITHER AS AN UP-FRONT ANNUAL CREDIT OR AS AN EQUAL
24 MONTHLY CREDIT ON THE PARTICIPANT'S MONTHLY UTILITY BILL.

25 (II) THE FIXED CREDIT IS EQUAL TO THE PARTICIPANT'S TOTAL
26 PROJECTED FULL ANNUAL BILL MINUS THE PARTICIPANT'S AFFORDABLE
27 PERCENTAGE OF INCOME PAYMENT.

1 (f) "FULL ANNUAL BILL" MEANS THE PROJECTED ELECTRICITY OR
2 GAS CONSUMPTION OF A PARTICIPANT IN ONE CALENDAR YEAR BILLED AT
3 STANDARD RESIDENTIAL RATES BEFORE ANY FIXED CREDIT AMOUNT OR
4 OTHER CREDITS OR DISCOUNTS ARE APPLIED TO THE BILL.

5 (g) "INCOME-QUALIFIED UTILITY CUSTOMER" HAS THE MEANING
6 SET FORTH IN SECTION 40-3-106 (1)(d)(II).

7 (h) "INVESTOR-OWNED UTILITY" OR "UTILITY" MEANS A RETAIL
8 ELECTRIC UTILITY, RETAIL GAS UTILITY, OR A COMBINED RETAIL ELECTRIC
9 AND GAS UTILITY IN THE STATE THAT IS REGULATED BY THE COMMISSION
10 AND IS NOT A COOPERATIVE ELECTRIC ASSOCIATION OR A MUNICIPALLY
11 OWNED UTILITY.

12 (i) "PARTICIPANT" MEANS AN INCOME-QUALIFIED UTILITY
13 CUSTOMER WHO IS APPROVED FOR PARTICIPATION IN A UTILITY'S
14 PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM.

15 (j) "PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM" OR "PIPP
16 PROGRAM" MEANS A PAYMENT PLAN PROGRAM FOR RESIDENTIAL
17 PARTICIPANTS IN WHICH A PARTICIPANT'S UTILITY BILL DOES NOT EXCEED
18 AN AFFORDABLE PERCENTAGE OF INCOME.

19 (k) "PIPP CHARGE" MEANS A FEE CHARGED TO AN
20 INVESTOR-OWNED UTILITY'S CUSTOMERS IN ACCORDANCE WITH
21 SUBSECTION (7) OF THIS SECTION TO RECOVER COSTS ASSOCIATED WITH
22 THE UTILITY'S PIPP PROGRAM.

23 (l) "UNAFFORDABLE PORTION" MEANS THE AMOUNT OF A
24 PARTICIPANT'S ESTIMATED FULL ANNUAL BILL THAT EXCEEDS THE
25 AFFORDABLE PERCENTAGE OF INCOME PAID BY THE PARTICIPANT.

26 (2) **Percentage-of-income payment plan program.**

27 (a) AN INVESTOR-OWNED UTILITY SHALL ESTABLISH A

1 PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM FOR RESIDENTIAL
2 INCOME-QUALIFIED UTILITY CUSTOMERS.

3 (b) AN INVESTOR-OWNED UTILITY SHALL USE CONSISTENT NAMING
4 FOR THE PIPP PROGRAM IN TARIFFS, RATES, CUSTOMER COMMUNICATIONS,
5 AND BILL STATEMENTS, WHICH NAME MUST INCLUDE THE WORDS
6 "PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM".

7 (c) AN INVESTOR-OWNED UTILITY SHALL PUBLISH THE FOLLOWING
8 INFORMATION RELATED TO THE PIPP PROGRAM ON THE UTILITY'S PUBLIC
9 WEBSITE:

10 (I) THE INCOME ELIGIBILITY CRITERIA FOR THE PIPP PROGRAM;

11 (II) AN EXPLANATION OF WHAT THE PIPP PROGRAM DOES;

12 (III) THE APPLICATION AND ENROLLMENT PROCESSES;

13 (IV) AN ESTIMATED TIME FRAME FOR WHEN AN APPLICANT WILL
14 RECEIVE NOTICE OF THEIR ACCEPTANCE INTO OR DENIAL FROM THE PIPP
15 PROGRAM;

16 (V) AFFORDABLE PERCENTAGE OF INCOME AMOUNTS FOR
17 DIFFERENT TYPES OF CUSTOMERS, AS DESCRIBED IN SUBSECTION (4) OF
18 THIS SECTION;

19 (VI) PIPP CHARGE AMOUNTS; AND

20 (VII) THE TERMS AND CONDITIONS FOR THE UTILITY'S PIPP
21 PROGRAM.

22 **(3) Eligibility and participation.**

23 (a) AN INCOME-QUALIFIED UTILITY CUSTOMER IS ELIGIBLE TO
24 PARTICIPATE IN THE PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM
25 IF THE CUSTOMER:

26 (I) MEETS THE INCOME ELIGIBILITY CRITERIA, AS DETERMINED BY
27 THE COMMISSION BY ORDER OR BY RULE;

1 (II) EITHER:

2 (A) SUBMITS AN APPLICATION TO THE INVESTOR-OWNED UTILITY
3 TO PARTICIPATE IN THE PIPP PROGRAM; OR

4 (B) IS REFERRED BY ANOTHER INCOME-ELIGIBLE ASSISTANCE
5 PROGRAM OFFERED BY THE DEPARTMENT OF HUMAN SERVICES, CREATED
6 IN SECTION 26-1-105; THE COLORADO ENERGY OFFICE, CREATED IN
7 SECTION 24-38.5-101; THE ORGANIZATION DEFINED IN SECTION 40-8.7-103
8 (4); OR OTHER ENERGY ASSISTANCE PROGRAM APPROVED BY THE
9 COMMISSION; AND

10 (III) LIVES IN THE SERVICE AREA OF AN INVESTOR-OWNED UTILITY
11 THAT HAS ESTABLISHED A PIPP PROGRAM.

12 (b) (I) AN APPLICANT THAT SUBMITS A PIPP PROGRAM
13 APPLICATION TO AN INVESTOR-OWNED UTILITY MAY SUBMIT
14 DOCUMENTATION WITH THE APPLICATION VERIFYING THAT THE APPLICANT
15 MEETS THE INCOME ELIGIBILITY CRITERIA, INCLUDING:

16 (A) DOCUMENTATION THAT THE APPLICANT IS ENROLLED IN
17 ANOTHER INCOME-ELIGIBLE ASSISTANCE PROGRAM OFFERED BY THE
18 DEPARTMENT OF HUMAN SERVICES, CREATED IN SECTION 26-1-105; THE
19 COLORADO ENERGY OFFICE, CREATED IN SECTION 24-38.5-101; THE
20 ORGANIZATION DEFINED IN SECTION 40-8.7-103 (4); OR OTHER ENERGY
21 ASSISTANCE PROGRAM APPROVED BY THE COMMISSION; OR

22 (B) INFORMATION REQUIRED TO VERIFY THE APPLICANT'S INCOME
23 ELIGIBILITY, WHICH MAY INCLUDE SELF-ATTESTATION, AS DETERMINED BY
24 THE UTILITY THAT HAS ESTABLISHED THE PIPP PROGRAM.

25 (II) IF AN APPLICANT'S HOUSEHOLD INCOME IS ZERO DOLLARS, THE
26 UTILITY MAY ESTABLISH A PROCESS THAT VERIFIES THE APPLICANT'S
27 HOUSEHOLD INCOME ON A MORE FREQUENT THAN ANNUAL BASIS.

1 (c) AN APPLICANT IS NOT REQUIRED TO MAKE A PAYMENT ON THE
2 APPLICANT'S ACCOUNT AS A CONDITION OF ACCEPTANCE INTO A PIPP
3 PROGRAM.

4 (d) AN INVESTOR-OWNED UTILITY SHALL ESTABLISH APPLICATION
5 AND PARTICIPATION PROCEDURES THAT ARE EFFICIENT, AVAILABLE TO
6 APPLICANTS IN PLAIN LANGUAGE, AND INTENDED TO MAXIMIZE
7 PARTICIPATION IN THE UTILITY'S PIPP PROGRAM.

8 (e) (I) WITHIN THIRTY DAYS AFTER RECEIVING A PIPP PROGRAM
9 APPLICATION FROM AN INCOME-QUALIFIED UTILITY CUSTOMER, AN
10 INVESTOR-OWNED UTILITY SHALL APPROVE OR DENY THE
11 INCOME-QUALIFIED UTILITY CUSTOMER'S APPLICATION.

12 (II) IF THE INVESTOR-OWNED UTILITY APPROVES AN
13 INCOME-QUALIFIED UTILITY CUSTOMER'S APPLICATION FOR PARTICIPATION
14 IN THE PIPP PROGRAM, THE UTILITY SHALL PROVIDE AN EXPLANATION OF
15 THE PIPP PROGRAM BENEFITS, INCLUDING:

16 (A) THE PARTICIPANT'S ESTIMATED FULL ANNUAL BILL AMOUNT;

17 (B) THE PARTICIPANT'S FIXED CREDIT AMOUNT;

18 (C) THE AFFORDABLE PERCENTAGE OF INCOME FOR WHICH THE
19 PARTICIPANT IS RESPONSIBLE FOR PAYING, LISTED AS BOTH A PERCENTAGE
20 AND AN ESTIMATED MONTHLY AMOUNT; AND

21 (D) A COPY OF THE TERMS AND CONDITIONS OF PARTICIPATION IN
22 THE PIPP PROGRAM.

23 (III) IF THE INVESTOR-OWNED UTILITY DENIES AN APPLICANT'S
24 APPLICATION FOR PARTICIPATION IN THE PIPP PROGRAM, THE UTILITY
25 SHALL PROVIDE THE APPLICANT AN EXPLANATION FOR THE DENIAL AND,
26 IF THE REASON FOR THE DENIAL WAS BASED ON THE UTILITY'S
27 VERIFICATION OF THE APPLICANT'S HOUSEHOLD INCOME IN ACCORDANCE

1 WITH SUBSECTION (3)(b) OF THIS SECTION, THE DEPARTMENT, AGENCY, OR
2 ORGANIZATION THAT THE UTILITY CONTACTED TO VERIFY THE
3 APPLICANT'S HOUSEHOLD INCOME.

4 (IV) IF AN INCOME-QUALIFIED UTILITY CUSTOMER IS ACCEPTED
5 INTO THE PIPP PROGRAM, THE CUSTOMER SHALL REMAIN QUALIFIED FOR
6 THE PIPP PROGRAM FOR TWO PROGRAM YEARS AFTER THE DATE ON WHICH
7 THE CUSTOMER IS ACCEPTED INTO THE PROGRAM.

8 (f) (I) AN INVESTOR-OWNED UTILITY IS RESPONSIBLE FOR
9 ESTABLISHING AND ADMINISTERING THE PROCESS FOR INCOME-QUALIFIED
10 UTILITY CUSTOMERS TO APPLY FOR PARTICIPATION AND MAINTAINING
11 ENROLLMENT IN THE PIPP PROGRAM.

12 (II) A PARTICIPANT MAY REMAIN ENROLLED IN A UTILITY'S PIPP
13 PROGRAM IF THE PARTICIPANT MOVES WITHIN THE SAME UTILITY SERVICE
14 TERRITORY WITHOUT REAPPLYING FOR PARTICIPATION IN THE PIPP
15 PROGRAM, AND THE PARTICIPANT SHALL NOTIFY THE UTILITY OF THE
16 PARTICIPANT'S CHANGE OF ADDRESS AND NEW ACCOUNT NUMBER.

17 (III) IF A PARTICIPANT MOVES OUTSIDE OF A UTILITY'S SERVICE
18 TERRITORY, THE PARTICIPANT IS NO LONGER ELIGIBLE FOR THE UTILITY'S
19 PIPP PROGRAM AND THE UTILITY SHALL SEND NOTICE TO THE PARTICIPANT
20 THAT THE PARTICIPANT'S ELIGIBILITY FOR AND ENROLLMENT IN THE PIPP
21 PROGRAM HAS ENDED.

22 (g) IF A PARTICIPANT MAKES PARTIAL OR LATE PAYMENTS ON
23 THEIR UTILITY BILL, THE INVESTOR-OWNED UTILITY SHALL NOT
24 TERMINATE THE PARTICIPANT'S PARTICIPATION IN THE PIPP PROGRAM
25 SOLELY FOR THAT REASON. HOWEVER, THE UTILITY MAY PURSUE
26 COLLECTION EFFORTS FOR THE UNPAID AMOUNTS.

27 **(4) Affordable percentage of income calculation.**

1 (a) (I) AN INVESTOR-OWNED UTILITY SHALL ESTIMATE A
2 PARTICIPANT'S FULL ANNUAL BILL IN ORDER TO DETERMINE A
3 PARTICIPANT'S AFFORDABLE PERCENTAGE OF INCOME PAYMENT IN
4 ACCORDANCE WITH SUBSECTIONS (4)(b) AND (4)(c) OF THIS SECTION.

5 (II) AN INVESTOR-OWNED UTILITY SHALL INCLUDE THE
6 DIFFERENCE BETWEEN A PARTICIPANT'S AFFORDABLE PERCENTAGE OF
7 INCOME PAYMENT AND THE PROJECTED FULL ANNUAL BILL ON THE
8 PARTICIPANT'S UTILITY BILL AS A FIXED CREDIT.

9 (III) AN INVESTOR-OWNED UTILITY MAY ADJUST THE FIXED CREDIT
10 AMOUNT IF RESIDENTIAL RATES FOR ELECTRICITY OR GAS SIGNIFICANTLY
11 CHANGE FROM THE RATE USED TO ESTIMATE THE PARTICIPANT'S FULL
12 ANNUAL BILL OR IF THE PARTICIPANT'S ACTUAL BILL AMOUNT VARIES BY
13 TWENTY-FIVE PERCENT OR MORE FROM THE PARTICIPANT'S ESTIMATED
14 FULL ANNUAL BILL.

15 (b) UNLESS OTHERWISE DETERMINED BY THE COMMISSION BY
16 ORDER OR BY RULE, IF A PARTICIPANT'S ANNUAL HOUSEHOLD INCOME IS
17 ABOVE ZERO DOLLARS, A PARTICIPANT'S AFFORDABLE PERCENTAGE OF
18 INCOME MUST NOT EXCEED THE APPLICABLE PERCENTAGE OF HOUSEHOLD
19 INCOME AS FOLLOWS:

20 (I) FOR UTILITIES WITH FIVE HUNDRED THOUSAND CUSTOMERS OR
21 FEWER:

22 (A) FOR ELECTRIC ACCOUNTS THAT HAVE ELECTRICITY AS THE
23 PRIMARY HEATING FUEL, A PARTICIPANT'S AFFORDABLE PERCENTAGE OF
24 INCOME PAYMENT MUST NOT BE GREATER THAN SIX PERCENT OF THE
25 PARTICIPANT'S HOUSEHOLD INCOME;

26 (B) FOR ELECTRIC ACCOUNTS THAT DO NOT HAVE ELECTRICITY AS
27 THE PRIMARY HEATING FUEL, A PARTICIPANT'S AFFORDABLE PERCENTAGE

1 OF INCOME PAYMENT MUST NOT BE GREATER THAN THREE PERCENT OF THE
2 PARTICIPANT'S HOUSEHOLD INCOME;

3 (C) FOR ACCOUNTS THAT HAVE BOTH NATURAL GAS SERVICE AND
4 ELECTRIC SERVICE FROM A SINGLE UTILITY, A PARTICIPANT'S AFFORDABLE
5 PERCENTAGE OF INCOME PAYMENT MUST NOT BE GREATER THAN FIVE
6 PERCENT OF THE PARTICIPANT'S HOUSEHOLD INCOME;

7 (D) FOR ACCOUNTS THAT HAVE NEITHER ELECTRICITY NOR
8 NATURAL GAS AS A PRIMARY HEATING SOURCE, A PARTICIPANT'S
9 AFFORDABLE PERCENTAGE OF INCOME PAYMENT MUST NOT BE GREATER
10 THAN FIVE PERCENT OF THE PARTICIPANT'S HOUSEHOLD INCOME; OR

11 (E) FOR ACCOUNTS THAT HAVE NATURAL GAS AS THE PRIMARY
12 HEAT SOURCE, A PARTICIPANT'S AFFORDABLE PERCENTAGE OF INCOME
13 PAYMENT MUST NOT BE GREATER THAN THREE PERCENT OF THE
14 PARTICIPANT'S HOUSEHOLD INCOME; AND

15 (II) FOR UTILITIES WITH MORE THAN FIVE HUNDRED THOUSAND
16 CUSTOMERS:

17 (A) FOR ELECTRIC ACCOUNTS THAT HAVE ELECTRICITY AS THE
18 PRIMARY HEATING FUEL, A PARTICIPANT'S AFFORDABLE PERCENTAGE OF
19 INCOME PAYMENT MUST NOT BE GREATER THAN FOUR PERCENT OF THE
20 PARTICIPANT'S HOUSEHOLD INCOME;

21 (B) FOR ELECTRIC ACCOUNTS THAT DO NOT HAVE ELECTRICITY AS
22 THE PRIMARY HEATING FUEL, A PARTICIPANT'S AFFORDABLE PERCENTAGE
23 OF INCOME PAYMENT MUST NOT BE GREATER THAN TWO PERCENT OF THE
24 PARTICIPANT'S HOUSEHOLD INCOME;

25 (C) FOR ACCOUNTS THAT HAVE BOTH NATURAL GAS SERVICE AND
26 ELECTRIC SERVICE FROM A SINGLE UTILITY, A PARTICIPANT'S AFFORDABLE
27 PERCENTAGE OF INCOME PAYMENT MUST NOT BE GREATER THAN FIVE

1 PERCENT OF THE PARTICIPANT'S HOUSEHOLD INCOME; OR

2 (D) FOR ACCOUNTS THAT HAVE NEITHER ELECTRICITY NOR
3 NATURAL GAS AS A PRIMARY HEATING SOURCE, A PARTICIPANT'S
4 AFFORDABLE PERCENTAGE OF INCOME PAYMENT MUST NOT BE GREATER
5 THAN FIVE PERCENT OF THE PARTICIPANT'S HOUSEHOLD INCOME.

6 (c) IF A PARTICIPANT'S ANNUAL HOUSEHOLD INCOME IS ZERO
7 DOLLARS, THE COMMISSION SHALL SET THE PARTICIPANT'S AFFORDABLE
8 PERCENTAGE OF INCOME BY ORDER OR RULE.

9 **(5) Arrearage credits.**

10 (a) (I) AN INVESTOR-OWNED UTILITY SHALL APPLY ARREARAGE
11 CREDITS TO A PARTICIPANT'S ARREARAGES THAT EXISTED BEFORE THE
12 PARTICIPANT INITIALLY APPLIED FOR THE PIPP PROGRAM.

13 (II) ARREARAGE CREDITS MUST BE ESTABLISHED AND APPLIED TO
14 A PARTICIPANT'S UTILITY BILL IN AN AMOUNT SUFFICIENT TO REDUCE,
15 WHEN COMBINED WITH ANY REQUIRED PAYMENTS FROM THE PARTICIPANT,
16 THE PARTICIPANT'S ARREARAGES TO ZERO DOLLARS OVER A PERIOD OF NOT
17 LESS THAN ONE MONTH AND NOT MORE THAN TWENTY-FOUR MONTHS.

18 (b) AN INVESTOR-OWNED UTILITY MAY CONDITION THE
19 APPLICATION OF ARREARAGE CREDITS ON THE FOLLOWING:

20 (I) A PARTICIPANT'S TIMELY PAYMENT OF BILLS FOR CURRENT
21 USAGE; OR

22 (II) A PARTICIPANT'S PAYMENT TOWARD PREEXISTING
23 ARREARAGES, EXCEPT THAT THE TOTAL DOLLAR AMOUNT OF THE
24 PAYMENT REQUIRED BY THE UTILITY MUST NOT EXCEED ONE PERCENT OF
25 THE PARTICIPANT'S ANNUAL HOUSEHOLD INCOME.

26 (c) IF A PARTICIPANT'S ENROLLMENT IN THE PIPP PROGRAM ENDS
27 FOR ANY REASON PRIOR TO THE FORGIVENESS OF ALL ARREARAGES, ANY

1 REMAINING ARREARAGES BECOME DUE IN ACCORDANCE WITH THE
2 UTILITY'S CURRENT TARIFF FILED WITH THE COMMISSION AT THE TIME OF
3 THE TERMINATION.

4 (d) WHILE A PARTICIPANT IS ENROLLED IN A UTILITY'S PIPP
5 PROGRAM, THE UTILITY SHALL NOT TERMINATE THE PARTICIPANT'S
6 SERVICE FOR NONPAYMENT OF THE ARREARAGES.

7 (e) A PARTICIPANT MAY RECEIVE ARREARAGE CREDITS PURSUANT
8 TO THIS SECTION REGARDLESS OF WHETHER THE PARTICIPANT RECEIVES A
9 CREDIT TOWARD A UTILITY BILL FOR CURRENT USAGE.

10 **(6) Participation in other assistance programs.**

11 (a) THIS SECTION DOES NOT PROHIBIT AN INCOME-QUALIFIED
12 UTILITY CUSTOMER FROM PARTICIPATING IN OTHER ENERGY ASSISTANCE
13 PROGRAMS WHILE ENROLLED IN A PERCENTAGE-OF-INCOME PAYMENT
14 PLAN PROGRAM.

15 (b) AN INVESTOR-OWNED UTILITY MAY APPLY ENERGY ASSISTANCE
16 GRANTS PROVIDED TO A PARTICIPANT TO THE DOLLAR VALUE OF THE FIXED
17 CREDITS PROVIDED TO THE PARTICIPANT TO COVER THE UNAFFORDABLE
18 PORTION OF THE PARTICIPANT'S UTILITY BILL IN A MANNER DETERMINED
19 BY THE COMMISSION BY RULE.

20 **(7) Cost recovery.**

21 (a) AN INVESTOR-OWNED UTILITY MAY RECOVER
22 PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM COSTS THROUGH A
23 PIPP CHARGE ON THE UTILITY'S CUSTOMERS, AS APPROVED BY THE
24 COMMISSION.

25 (b) IF AN INVESTOR-OWNED UTILITY IMPOSES A PIPP CHARGE, THE
26 INVESTOR-OWNED UTILITY SHALL:

27 (I) ASSESS THE PIPP CHARGE AS A SEPARATE LINE ITEM ON EVERY

1 CUSTOMER'S MONTHLY BILL AND IDENTIFY THE CHARGE AS A "PIPP
2 CHARGE" OR, IF THE PIPP CHARGE IS COMBINED WITH ANOTHER LINE ITEM,
3 ENSURE THAT THE PIPP CHARGE IS ITEMIZED AND NOTED ON THE
4 CUSTOMER'S MONTHLY BILL AS SUCH;

5 (II) COLLECT THE MONTHLY PIPP CHARGE IN THE SAME MANNER
6 AS ALL OTHER CHARGES AND FEES ARE COLLECTED FROM A CUSTOMER;

7 (III) STATE THE AMOUNT OF THE PIPP CHARGE, WHICH MUST BE
8 APPROVED BY THE COMMISSION; AND

9 (IV) INCLUDE THE AMOUNT OF PIPP CHARGES COLLECTED FROM
10 A UTILITY'S CUSTOMERS ON THE UTILITY'S TARIFF SHEET FILED WITH THE
11 COMMISSION.

12 (c) IF AN INVESTOR-OWNED UTILITY IMPOSES A PIPP CHARGE, THE
13 UTILITY IS ENCOURAGED TO ANNUALLY CONTRIBUTE SHAREHOLDER
14 PROFITS TO THE PIPP PROGRAM. ANY AMOUNT CONTRIBUTED BY THE
15 UTILITY IS NOT TO BE DIRECTLY OR INDIRECTLY RECOVERED FROM
16 CUSTOMERS.

17 (d) AN INVESTOR-OWNED UTILITY MUST USE THE REVENUE
18 GENERATED FROM THE PIPP CHARGE PLUS ANY AMOUNT CONTRIBUTED BY
19 THE UTILITY PURSUANT TO SUBSECTION (7)(c) OF THIS SECTION ONLY FOR
20 THE FOLLOWING PURPOSES:

21 (I) TO PROVIDE CREDITS OR DISCOUNTS TO PARTICIPANTS APPLIED
22 AGAINST THE PARTICIPANTS' BILL FOR CURRENT USAGE;

23 (II) TO PROVIDE CREDITS TO PARTICIPANTS FOR THE PARTICIPANTS'
24 ARREARAGES;

25 (III) TO COVER ADMINISTRATIVE COSTS OF IMPLEMENTING AND
26 ADMINISTERING THE PIPP PROGRAM; AND

27 (IV) TO COVER PIPP PROGRAM EVALUATION COSTS REQUIRED BY

1 THE COMMISSION.

2 (e) THE COMMISSION SHALL DETERMINE BY RULE THE AMOUNT OF
3 THE PIPP CHARGE AND PROCEDURES BY WHICH A UTILITY MAY APPLY TO
4 INCREASE OR DECREASE THE MONTHLY PIPP CHARGE.

5 (f) (I) AN INVESTOR-OWNED UTILITY SHALL TRACK AND
6 ANNUALLY REPORT THE FOLLOWING INFORMATION TO THE COMMISSION:

7 (A) THE PIPP CHARGE REVENUE COLLECTED BY THE UTILITY;

8 (B) THE PIPP CHARGE UTILITY CONTRIBUTION AMOUNT
9 DESCRIBED IN SUBSECTION (7)(c) OF THIS SECTION;

10 (C) ADMINISTRATIVE COSTS ASSOCIATED WITH IMPLEMENTING
11 AND ADMINISTERING THE PIPP PROGRAM;

12 (D) THE AMOUNT OF FIXED OR ANNUAL CREDITS PROVIDED TO
13 PARTICIPANTS IN THE PIPP PROGRAM; AND

14 (E) THE AMOUNT OF ARREARAGE CREDITS PROVIDED TO
15 PARTICIPANTS IN THE PIPP PROGRAM.

16 (II) THE COMMISSION SHALL REPORT THE INFORMATION REPORTED
17 BY AN INVESTOR-OWNED UTILITY PURSUANT TO SUBSECTION (7)(f)(I) OF
18 THIS SECTION IN THE COMMISSION'S ANNUAL REPORTING REQUIREMENTS
19 ESTABLISHED BY THE COMMISSION BY RULE.

20 (8) Rules. THE COMMISSION SHALL ADOPT ANY RULES NECESSARY
21 TO IMPLEMENT AND ENFORCE THIS SECTION.

22 **SECTION 2. Act subject to petition - effective date.** This act
23 takes effect at 12:01 a.m. on the day following the expiration of the
24 ninety-day period after final adjournment of the general assembly (August
25 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a
26 referendum petition is filed pursuant to section 1 (3) of article V of the
27 state constitution against this act or an item, section, or part of this act

1 within such period, then the act, item, section, or part will not take effect
2 unless approved by the people at the general election to be held in
3 November 2026 and, in such case, will take effect on the date of the
4 official declaration of the vote thereon by the governor.