

NOTE: This bill has been prepared for the signatures of the appropriate legislative officers and the Governor. To determine whether the Governor has signed the bill or taken other action on it, please consult the legislative status sheet, the legislative history, or the Session Laws.



SENATE BILL 26-002

BY SENATOR(S) Kipp and Exum, Amabile, Ball, Benavidez, Cutter, Gonzales J., Kolker, Lindstedt, Marchman, Roberts, Snyder, Wallace, Weissman, Coleman;
also REPRESENTATIVE(S) Willford and Velasco, Boesenecker, Brown, Duran, Goldstein, Jackson, Joseph, Lindsay, McCormick, Nguyen, Rutinel, Rydin, Smith.

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

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

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

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

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

Capital letters or bold & italic numbers indicate new material added to existing law; dashes through words or numbers indicate deletions from existing law and such material is not part of the act.

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

(II) ADMINISTRATIVE COSTS MUST NOT EXCEED TEN PERCENT OF THE TOTAL AMOUNT OF THE FIXED CREDITS APPLIED TO CUSTOMER BILLS FOR CURRENT USAGE AND PRE-EXISTING ARREARAGES, OR TEN THOUSAND DOLLARS, WHICHEVER AMOUNT IS GREATER.

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

(c) "APPLICATION" MEANS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) AN INVESTOR-OWNED UTILITY SHALL ESTABLISH A PERCENTAGE-OF-INCOME PAYMENT PLAN PROGRAM FOR RESIDENTIAL

INCOME-QUALIFIED UTILITY CUSTOMERS.

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

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

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

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

(III) THE APPLICATION AND ENROLLMENT PROCESSES;

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

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

(VI) PIPP CHARGE AMOUNTS; AND

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

(3) Eligibility and participation.

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

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

(II) EITHER:

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

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

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

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

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

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

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

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

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

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

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

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

(B) THE PARTICIPANT'S FIXED CREDIT AMOUNT;

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

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

(III) IF THE INVESTOR-OWNED UTILITY DENIES AN APPLICANT'S APPLICATION FOR PARTICIPATION IN THE PIPP PROGRAM, THE UTILITY SHALL PROVIDE THE APPLICANT AN EXPLANATION FOR THE DENIAL AND, IF THE REASON FOR THE DENIAL WAS BASED ON THE UTILITY'S VERIFICATION OF THE APPLICANT'S HOUSEHOLD INCOME IN ACCORDANCE WITH SUBSECTION (3)(b) OF THIS SECTION, THE DEPARTMENT, AGENCY, OR ORGANIZATION THAT THE UTILITY CONTACTED TO VERIFY THE APPLICANT'S HOUSEHOLD INCOME.

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

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

(II) A PARTICIPANT MAY REMAIN ENROLLED IN A UTILITY'S PIPP

PROGRAM IF THE PARTICIPANT MOVES WITHIN THE SAME UTILITY SERVICE TERRITORY WITHOUT REAPPLYING FOR PARTICIPATION IN THE PIPP PROGRAM, AND THE PARTICIPANT SHALL NOTIFY THE UTILITY OF THE PARTICIPANT'S CHANGE OF ADDRESS AND NEW ACCOUNT NUMBER.

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

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

(4) Affordable percentage of income calculation.

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

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

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

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

FOLLOWS:

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

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

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

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

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

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

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

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

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

INCOME PAYMENT MUST NOT BE GREATER THAN TWO PERCENT OF THE PARTICIPANT'S HOUSEHOLD INCOME;

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

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

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

(5) Arrearage credits.

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

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

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

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

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

(c) IF A PARTICIPANT'S ENROLLMENT IN THE PIPP PROGRAM ENDS FOR ANY REASON PRIOR TO THE FORGIVENESS OF ALL ARREARAGES, ANY REMAINING ARREARAGES BECOME DUE IN ACCORDANCE WITH THE UTILITY'S CURRENT TARIFF FILED WITH THE COMMISSION AT THE TIME OF THE TERMINATION.

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

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

(6) Participation in other assistance programs.

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

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

(7) Cost recovery.

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

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

(I) ASSESS THE PIPP CHARGE AS A SEPARATE LINE ITEM ON EVERY CUSTOMER'S MONTHLY BILL AND IDENTIFY THE CHARGE AS A "PIPP CHARGE" OR, IF THE PIPP CHARGE IS COMBINED WITH ANOTHER LINE ITEM, ENSURE THAT THE PIPP CHARGE IS ITEMIZED AND NOTED ON THE CUSTOMER'S MONTHLY BILL AS SUCH;

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

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

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

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

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

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

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

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

(IV) TO COVER PIPP PROGRAM EVALUATION COSTS REQUIRED BY THE COMMISSION.

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

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

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

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

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

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

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

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

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

SECTION 2. In Colorado Revised Statutes, 25-7-1503, **amend** (2)(c) and (2)(d); and **add** (2)(e) as follows:

25-7-1503. Scope and applicability - repeal.

(2) This part 15 does not apply to:

(c) Products designed expressly for installation and use in recreational vehicles; ~~or~~

(d) Products that do not burn fossil fuels; OR

(e) (I) UNTIL JANUARY 1, 2031:

(A) PRODUCTS FUELED BY PROPANE; AND

(B) PRODUCTS DESIGNED AND LISTED EXCLUSIVELY FOR INSTALLATION IN A MANUFACTURED HOME AND INSTALLED AS A REPLACEMENT IN A MANUFACTURED HOME.

(II) THIS SUBSECTION (2)(e) IS REPEALED, EFFECTIVE DECEMBER 31, 2031.

SECTION 3. In Colorado Revised Statutes, 25-7-1504, **amend** (1) introductory portion and (2); and **add** (3) as follows:

25-7-1504. Emission standards for new products.

(1) On and after January 1, 2026, except as described in section 25-7-1506, SECTION 25-7-1503 (2), AND SUBSECTION (3) OF THIS SECTION, a person shall not manufacture, distribute, sell, offer for sale, lease, or offer for lease in Colorado any of the following new products unless the emissions of the product do not exceed the following emissions limits, as applicable:

(2) Equipment that is certified to the most ~~recent~~ RECENTLY PUBLISHED version of the Energy Star program for the relevant equipment type is deemed to comply with the requirements of ~~subsection (1)~~ SUBSECTIONS (1) AND (3) of this section.

(3) ON AND AFTER JANUARY 1, 2031, A PERSON SHALL NOT MANUFACTURE, DISTRIBUTE, SELL, OFFER FOR SALE, LEASE, OR OFFER FOR LEASE IN COLORADO ANY NEW WATER HEATER OR FAN-TYPE CENTRAL FURNACE DESIGNED AND LISTED EXCLUSIVELY FOR INSTALLATION IN A MANUFACTURED HOME UNLESS THE EMISSIONS OF THE PRODUCT DO NOT EXCEED FORTY NANOGRAMS OF NOX PER JOULE OF HEAT INPUT.

SECTION 4. In Colorado Revised Statutes, 25-7-1505, **amend** (1); and **add** (2.5) as follows:

25-7-1505. Testing - required displays - demonstrations of compliance.

(1) Manufacturers of natural-gas-fueled water heaters described by IN section 25-7-1503 (1)(a) shall test each applicable model for sale in Colorado in accordance with:

(a) The south coast air quality management district protocol "Nitrogen Oxides Emissions Compliance Testing for Natural Gas-Fired Water Heaters and Small Boilers", as amended;

(b) THE SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT METHOD 100.1 "INSTRUMENTAL ANALYZER PROCEDURES FOR CONTINUOUS GASEOUS EMISSION SAMPLING", AS AMENDED; OR

(c) AN EQUIVALENT TEST PROTOCOL ADOPTED OR APPROVED BY A LOCAL, STATE, OR FEDERAL AIR QUALITY AGENCY FOR DETERMINING NOX EMISSIONS FROM APPLICABLE FOSSIL-FUELED WATER HEATERS.

(2.5) TESTING CONDUCTED PURSUANT TO SUBSECTIONS (1) AND (2) OF THIS SECTION MUST BE PERFORMED USING THE FUEL, BURNER, AND CONTROL CONFIGURATION, INCLUDING ANY HIGH-ALTITUDE OR FUEL CONVERSION KITS, TEST ELEVATION OR SIMULATED ELEVATION, AND OPERATING CONDITIONS THAT ARE REPRESENTATIVE OF NORMAL FIELD USE OF THE MODEL AS IT IS MARKETED FOR INSTALLATION IN COLORADO.

SECTION 5. In Colorado Revised Statutes, 24-75-232, **amend** (4)(c) and (8) as follows:

24-75-232. "Infrastructure Investment and Jobs Act" cash fund - creation - allowable uses - report - compliance monitoring - legislative declaration - definitions - repeal.

(4) (c) On ~~June 30, 2028~~ JUNE 30, 2031, the state treasurer shall transfer all unexpended money in the fund to the general fund.

(8) This section is repealed, effective ~~July 1, 2028~~ JULY 1, 2031. Any unexpended and unencumbered money remaining in the fund upon the repeal of this section reverts to the general fund.

SECTION 6. Act subject to petition - effective date. This act takes effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly (August 12, 2026, if adjournment sine die is on May 13, 2026); except that, if a referendum petition is filed pursuant to section 1 (3) of article V of the state constitution against this act or an item, section, or part of this act within such period, then the act, item, section, or part will not take effect unless

approved by the people at the general election to be held in November 2026 and, in such case, will take effect on the date of the official declaration of the vote thereon by the governor.

James Rashad Coleman, Sr.
PRESIDENT OF
THE SENATE

Julie McCluskie
SPEAKER OF THE HOUSE
OF REPRESENTATIVES

Esther van Mourik
SECRETARY OF
THE SENATE

Vanessa Reilly
CHIEF CLERK OF THE HOUSE
OF REPRESENTATIVES

APPROVED _____
(Date and Time)

Jared S. Polis
GOVERNOR OF THE STATE OF COLORADO