

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT**

LS 7032

BILL NUMBER: HB 1002

NOTE PREPARED: Jan 5, 2026

BILL AMENDED:

SUBJECT: Electric utility affordability.

FIRST AUTHOR: Rep. Shonkwiler

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Pending

Summary of Legislation: Requires an electricity supplier that is under the jurisdiction of the Indiana utility regulatory commission (IURC) to do the following: (1) Beginning with the first monthly billing cycle that begins after June 30, 2026, apply a budget billing plan (plan) to all active residential customer accounts to which a plan does not already apply. (2) Not later than April 1, 2026, offer each customer a mechanism by which the customer may opt out of a plan at any time without penalty. (3) Not later than July 1, 2026, for any plan offered by the electricity supplier and applied to an active customer account, amend or design the plan so that plan's account reconciliation mechanism is applied at least two times during a calendar year. Authorizes the IURC to adopt rules to implement these provisions. Provides that on any day for which an extreme heat warning issued by the National Weather Service is in effect in a county or region within an electric utility's assigned service area, the electric utility may not terminate residential electric service for a customer who: (1) receives residential electric service from the electric utility at a location for which the extreme heat warning is in effect; and (2) has been determined to be eligible for assistance under the state's energy assistance program during the calendar year in which the extreme heat warning is in effect. Provides that if electric service is terminated for such a customer at any time after an extreme heat warning has been issued and remains in effect, the electric utility shall restore the terminated service as soon as practicable after the warning is issued and may not resume the service termination until after the warning is no longer in effect. Provides that an investor owned electricity supplier that is under the jurisdiction of the IURC for the approval of rates and charges must petition the IURC for approval of any change in its basic rates and charges through the submission of a three year, multi-year rate plan (MYRP). Beginning in 2027, requires each electricity supplier to file its first petition with the IURC for approval of an MYRP according to a prescribed schedule. Provides that the base rates: (1) for the first rate year of an MYRP shall be established by the IURC in the same manner that base rates would be established in a proceeding for a change in basic rates and charges that occurs outside an MYRP; and (2) for the second and third rate years of an MYRP shall be established using current or forward looking data adjusted to reflect an electricity supplier's actual Indiana financial performance results based on the most current available data. Provides that for each rate year in an electricity supplier's MYRP, the following apply: (1) A customer affordability performance metric and an associated customer affordability performance incentive mechanism (PIM) that: (A) is based on the electricity supplier's performance in meeting the customer affordability performance metric; and (B) provides

financial rewards or penalties to the electricity supplier based on that performance. (2) Two service restoration performance metrics and two associated PIMs that: (A) are based on the electricity supplier's performance in meeting the service restoration performance metrics; and (B) provide financial rewards or penalties to the electricity supplier based on that performance. Sets forth the methods by which the IURC must calculate the prescribed performance metrics and determine the associated PIMs. Sets forth specified findings the IURC must make in approving an electricity supplier's MYRP. Provides that at any time before the expiration of an electricity supplier's approved MYRP, the IURC may, upon its own motion, or at the request of the electricity supplier, do any of the following: (1) Examine the reasonableness of the electricity supplier's rates under the MYRP. (2) Conduct periodic reviews with opportunities for public hearings and comments. (3) Adjust the base rates or PIMs under the MYRP as necessary to ensure that the MYRP continues to satisfy specified criteria. Beginning in 2029, requires the IURC to include in its annual report certain information about: (1) the status of electricity suppliers' MYRP filings and current MYRPs; (2) electricity suppliers' calculated performance metrics for the current rate year; and (3) the impact of all applicable PIMs on customer rates. Requires the IURC to adopt rules to implement these provisions. Requires an electricity supplier that is under the jurisdiction of the IURC to offer, not later than July 1, 2026, a low income customer assistance program (program) that provides financial assistance to low income residential customers for the payment of monthly bills for utility service. To the extent applicable, requires an electricity supplier to annually allocate to the electricity supplier's program an amount equal to at least 50% of the amount of lost revenues recovered by the electricity supplier during the most recently concluded calendar year as approved program costs associated with an energy efficiency program offered by the electricity supplier. Provides that if a customer who applies for assistance is eligible for assistance under the program, the electricity supplier shall enroll the customer in the program. Provides that an electricity supplier may, but is not required to, petition the IURC for approval to recover eligible program costs. Provides that "eligible program costs" do not include costs recovered through program contributions that are provided at no cost to the electricity supplier by or through any governmental agency or program or other third party. Beginning in 2027, requires the IURC to include each year in its annual report specified information concerning each electricity supplier's program with respect to the most recently concluded state fiscal year. Requires the IURC to adopt rules to implement these provisions.

Effective Date: Upon passage.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.*

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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