

# HOUSE BILL No. 1276

---

## DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 8-1-40.3.

**Synopsis:** Competitive electric generation service. Provides that beginning: (1) July 1, 2028, for industrial customers; (2) January 1, 2029, for commercial customers; and (3) July 1, 2029, for residential customers; a customer of an electricity supplier may elect to receive competitive electric generation service directly from a retail electric provider. Requires an electricity supplier to do the following not later than June 30, 2028: (1) Unbundle the cost components of: (A) electric generation services; and (B) electric transmission and distribution services; in the electricity supplier's tariffs for all customer classes. (2) Functionally separate all: (A) electric generation and supply services; and (B) transmission and distribution services; within the electricity supplier's operations. (3) Divest the electricity supplier's generation assets not otherwise needed to provide default electric generation service to customers within the electricity supplier's service area after the implementation of competitive electric generation service. Provides that, except for the licensing requirements for retail electric providers set forth in the bill, competitive electric generation service is not subject to regulation by the Indiana utility regulatory commission (IURC). Provides that the IURC shall continue to regulate: (1) default electric generation service; and (2) transmission and distribution service; provided by an electricity supplier to customers within the electricity supplier's service area. Provides that rates charged by electricity suppliers for default electric generation service must be: (1) based on market prices; and (2) subject to annual comparisons to regional averages for comparable service. Provides that not later than January 1, 2027, the IURC shall initiate a stakeholder proceeding to  
(Continued next page)

**Effective:** July 1, 2026.

---

---

## Ledbetter

---

---

January 6, 2026, read first time and referred to Committee on Utilities, Energy and Telecommunications.

---

---



develop a customer education program to ensure that all retail electric customers have access to accurate information about the availability of, and options for, competitive electric generation service in advance of the applicable dates set forth in the bill by which competitive electric generation service must be available to specified customer classes. Requires the IURC to establish, not later than March 1, 2028, an online portal that enables customers to compare competitive electric generation service offered by retail electric providers. Requires the IURC to establish by rule requirements for an electricity supplier to provide to a retail electric provider historical usage data for a customer that seeks to receive competitive electric generation service from the retail electric provider. Sets forth: (1) specified billing arrangements that must be offered to customers receiving competitive electric generation service; and (2) the dates by which each arrangement must be made available. Requires the IURC to issue a general administrative order to ensure that the following are available to customers not later than December 31, 2029: (1) An expedited process for residential customers to change retail electric providers. (2) A process that allows: (A) residential customers; or (B) small commercial or industrial customers; that move from one service location to another within their electricity supplier's service area to have their competitive electric generation service transferred directly to the new location. Requires the IURC to establish by rule a licensing process for retail electric providers that seek to provide competitive electric generation service to customers in Indiana. Sets forth certain requirements that a retail electric provider must meet as a condition of receiving and maintaining a license. Authorizes the IURC to initiate an investigation to consider, and establish guidelines for, the offering by retail electric providers of additional services or programs in conjunction with the provision of competitive electric generation service. Beginning in 2029, requires the IURC to include each year in its annual report specified information concerning the provision of competitive electric generation service by retail electric providers. Requires the legislative services agency to prepare legislation for introduction in the 2028 regular session of the general assembly to make conforming amendments to: (1) Title 8 of the Indiana Code; and (2) other provisions outside of Title 8 of the Indiana Code; as necessary to implement the bill's provisions.



Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

## HOUSE BILL No. 1276

---

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

*Be it enacted by the General Assembly of the State of Indiana:*

1       SECTION 1. IC 8-1-40.3 IS ADDED TO THE INDIANA CODE  
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE  
3 JULY 1, 2026]:

4       **Chapter 40.3. Competitive Electric Generation Service**

5       **Sec. 1.** As used in this chapter, "affiliate" means a person that  
6 directly, or indirectly through one (1) or more intermediaries,  
7 controls, is controlled by, or is under common control with, a  
8 specified person. The term includes a parent company or a  
9 subsidiary.

10       **Sec. 2.** As used in this chapter, "commission" refers to the  
11 Indiana utility regulatory commission created by IC 8-1-1-2.

12       **Sec. 3. (a)** As used in this chapter, "competitive electric  
13 generation service" means the generation or procurement of  
14 electricity for sale to end use customers by a retail electric  
15 provider.



(b) The term does not include transmission and distribution service.

Sec. 4. As used in this chapter, "default electric generation service" means electric generation service provided by an electricity supplier as a last resort to a customer that:

- (1) receives electric utility service at a location within the electricity supplier's assigned service area under IC 8-1-2.3; and
- (2) does not receive competitive electric generation service.

Sec. 5. As used in this chapter, "electricity supplier" means any of the following that is under the jurisdiction of the commission for the approval of rates and charges and that has an assigned service area under IC 8-1-2.3:

- (1) A public utility (as defined in IC 8-1-2-1(a)).
- (2) A municipally owned utility (as defined in IC 8-1-2-1(h)).
- (3) A corporation organized under IC 8-1-13.
- (4) A corporation organized under IC 23-17 that is an electric cooperative and that has at least one (1) member that is a corporation organized under IC 8-1-13.

Sec. 6. As used in this chapter, "retail electric provider" means a person that is licensed by the commission under this chapter to provide competitive electric generation service.

Sec. 7. As used in this chapter, "transmission and distribution service" means the delivery of electricity to a customer's service location by an electricity supplier over the electricity supplier's transmission and distribution systems.

Sec. 8. As used in this chapter, "unbundle" means to separate the cost components of:

- (1) electric generation services; and
- (2) electric transmission and distribution services;

in an electricity supplier's tariffs.

Sec. 9. Not later than June 30, 2028, an electricity supplier shall do the following:

- (1) Unbundle the electricity supplier's tariffs for all customer classes.
- (2) Take appropriate internal measures to functionally separate all:
  - (A) electric generation and supply services; and
  - (B) transmission and distribution services;
 within the electricity supplier's operations.
- (3) Divest the electricity supplier's generation assets not otherwise needed to provide default electric generation



1 service to customers within the electricity supplier's assigned  
 2 service area under IC 8-1-2.3 after the implementation of  
 3 competitive electric generation service under section 10 of this  
 4 chapter. The electricity supplier may divest such generation  
 5 assets through either or both of the following methods, at the  
 6 discretion of the electricity supplier and subject to the  
 7 approval of the commission:

8 (A) Selling one (1) or more generation assets to one (1) or  
 9 more unaffiliated persons at fair market value.

10 (B) Transferring one (1) or more generation assets to one  
 11 (1) or more nonutility affiliates at fair market value.

12 **Sec. 10. (a) Beginning:**

13 (1) July 1, 2028, for industrial customers;

14 (2) January 1, 2029, for commercial customers; and

15 (3) July 1, 2029, for residential customers;

16 a customer of an electricity supplier may elect to receive  
 17 competitive electric generation service directly from a retail  
 18 electric provider, as set forth in this chapter and in rules adopted  
 19 by the commission under section 18 of this chapter.

20 (b) Except for the licensing requirements for retail electric  
 21 providers established by the commission under section 15 of this  
 22 chapter, competitive electric generation service is not subject to  
 23 regulation by the commission. However, the commission shall  
 24 continue to regulate:

25 (1) default electric generation service; and

26 (2) transmission and distribution service;

27 provided by an electricity supplier to customers within the  
 28 electricity supplier's assigned service area under IC 8-1-2.3.

29 (c) Notwithstanding any other law, rates charged by electricity  
 30 suppliers for default electric generation service must be:

31 (1) based on market prices; and

32 (2) subject to annual comparisons to regional averages for  
 33 comparable service.

34 **Sec. 11. (a)** Not later than January 1, 2027, the commission shall  
 35 initiate a stakeholder proceeding to develop a customer education  
 36 program to ensure that all retail electric customers of electricity  
 37 suppliers have access to accurate information about the availability  
 38 of, and options for, competitive electric generation service in  
 39 advance of the applicable dates set forth in section 10(a) of this  
 40 chapter for the specified customer classes. In conducting the  
 41 proceeding required by this subsection, the commission shall  
 42 consult with and invite comments from:



- (1) electricity suppliers;
- (2) retail electric providers offering competitive electric generation service in other states;
- (3) the office of the utility consumer counselor;
- (4) associations or organizations representing utility ratepayers;
- (5) regional transmission organizations;
- (6) utility regulatory commissions in other states that have implemented competitive electric generation service;
- (7) utility market analysts or other experts; and
- (8) other interested stakeholders.

The proceeding shall explore the information necessary to enable customers to make informed decisions with respect to competitive electric generation service, along with the most effective means of communicating, updating, and making such information easily accessible to customers. In addition, the commission shall consult with participating stakeholders in the development of the online portal required under subsection (b).

(b) Not later than March 1, 2028, the commission shall establish an online portal that enables customers of an electricity supplier to compare competitive electric generation service offered by retail electric providers within the electricity supplier's assigned service area under IC 8-1-2.3, including information concerning a retail electric provider's:

- (1) contract terms;
- (2) rates, including any time-varying price structures or rates, such as time-of-use or off-peak pricing, critical peak pricing, variable peak pricing, and real-time pricing offered by the retail electric provider; and
- (3) generation sources used to generate the electricity supplied by the retail electric provider, regardless of whether the electricity is self-generated by the retail electric provider or procured through power purchase agreements.

(c) The commission shall update the information on the portal established under subsection (b) as it approves new licenses for retail electric providers under section 15 of this chapter and upon receiving notice under section 15(5) of this chapter from a licensed retail electric provider concerning any of the following:

- (1) An increase in the rates and charges for, or a change in the terms and conditions of, any competitive electric generation service that the retail electric provider offers in any service area in Indiana.



(2) Any new competitive electric generation service to be offered by the licensed retail electric provider in any service area in Indiana.

(3) The cessation of any competitive electric generation service that the retail electric provider offers in any service area in Indiana.

Sec. 12. (a) An electricity supplier shall continue to provide metering services for a customer that elects to receive competitive electric generation service from a retail electric provider. The commission shall establish, in rules adopted under section 18 of this chapter, requirements for an electricity supplier to provide to a retail electric provider historical usage data for a customer that seeks to receive competitive electric generation service from the retail electric provider. The commission's rules must provide for the following:

(1) Historical usage data for the customer must include:

(A) at least twenty-four (24) months of customer usage or metering data; and

(B) other customer information necessary to facilitate electric generation service transactions, including customer class details such as capacity and transmission allocations and loss factors.

If the customer has received electric generation service from the electricity supplier for less than twenty-four (24) months, the electricity supplier shall provide customer usage or metering data for the length of time the customer has received electric generation service from the electricity supplier.

(2) Historical usage data must include both:

(A) monthly usage totals; and

(B) hourly interval usage data, to the extent available; delineated in terms of both kilowatt hour energy consumed and kilowatt demand.

(3) For the duration of the time that a customer receives competitive electric generation service from a retail electric provider, the electricity supplier shall make available to the retail electric provider such customer usage data as is necessary to facilitate invoicing by the retail electric provider in a timely manner.

(b) The requirements established by the commission under subsection (a) must include a process by which a retail electric provider may confirm and document a customer's consent to release to the retail electric provider the customer usage data



described in subsection (a). The requirements must provide that an electronic signature or another similar technology may be used in confirming a customer's consent.

Sec. 13. (a) Subject to subsection (b), a customer of an electricity supplier that receives competitive electric generation service from a retail electric provider may elect to be billed through one (1) of the following methods:

(1) A consolidated periodic bill that is provided by the electricity supplier and that delineates as separate line items:

(A) charges for transmission and distribution service provided by the electricity supplier; and

(B) charges for competitive electric generation service provided by the retail electric provider.

(2) A consolidated periodic bill that is provided by the retail electric provider and that delineates as separate line items:

(A) charges for competitive electric generation service provided by the retail electric provider; and

(B) charges for transmission and distribution service provided by the electricity supplier.

(3) A dual billing arrangement in which the customer receives for the applicable billing cycle:

(A) a bill from the retail electric provider for competitive electric generation service provided by the retail electric provider; and

(B) a bill from the electricity supplier for transmission and distribution service provided by the electricity supplier.

(b) The commission shall issue a general administrative order to establish procedures to be followed by electricity suppliers and retail electric providers so as to ensure that:

(1) a dual billing arrangement described in subsection (a)(3) is available to customers not later than June 30, 2028; and

(2) the consolidated billing arrangements described in subsection (a)(1) and (a)(2) are available to customers not later than June 30, 2029.

Sec. 14. The commission shall issue a general administrative order establishing procedures to ensure that the following processes are implemented and available to customers not later than December 31, 2029:

(1) An expedited retail electric provider change process that enables residential customers to switch retail electric providers within three (3) business days of receiving confirmation of approved enrollment from the new retail





electric provider.

(2) A process that allows:

(A) residential customers; or

(B) small commercial or industrial customers;

that move from one (1) service location to another within their electricity supplier's assigned service area under IC 8-1-2.3 to have their competitive electric generation service transferred directly to the new location without being required to switch to default electric generation service provided by the electricity supplier.

Sec. 15. The commission shall establish, in rules adopted under section 18 of this chapter, a licensing process for retail electric providers that seek to provide competitive electric generation service to customers of electricity suppliers in Indiana. The commission's rules establishing a licensing process must provide for the following:

(1) Before issuing a retail electric provider a license to provide competitive electric generation service, the commission must find that the retail electric provider has the financial, managerial, and technical ability necessary to provide adequate competitive electric generation service to customers of an electricity supplier.

(2) As a condition of receiving and maintaining a license, a retail electric provider must do the following:

(A) Pay to the commission an initial licensing fee of ten thousand dollars (\$10,000).

(B) Execute and maintain a surety bond, or an equivalent financial security instrument, that is:

(i) issued by a qualified surety, insurance company, or other financial institution authorized to do business in Indiana;

(ii) in the amount of not less than five hundred thousand dollars (\$500,000); and

(iii) paid by the retail electric provider.

The required surety bond or other financial security instrument shall be conditioned upon the retail electric provider's full and faithful performance of all duties and obligations with respect to the provision of competitive electric generation service in Indiana. In submitting an application for a license to the commission, the retail electric provider shall include a copy of the required surety bond or other financial security instrument, including a



notarized verification from the issuer.

(C) Provide competitive electric generation service to a customer in accordance with a written contract, agreement, or arrangement executed by the retail electric provider and the customer.

(D) Pay all applicable state taxes.

(E) Demonstrate the implementation of cybersecurity protocols consistent with industry standards.

(F) Complete a commission approved training and certification program in which a designated representative of the retail electric provider must:

(i) complete an online course concerning the commission's rules with respect to the sale and provision of competitive electric generation service, including applicable consumer protections; and

(ii) achieve a passing score on an online examination at the conclusion of the course.

A designated representative of the retail electric provider must complete the training and certification described in this clause as a condition of initial licensure under this section and as a condition of maintaining licensure according to a schedule prescribed by the commission.

(3) The commission must issue an order approving or denying a retail electric provider's application for a license not later than ninety (90) days after the filing date of the application. If the commission denies the application, the retail electric provider may resubmit the application without prejudice after curing any defects in the application identified by the commission.

(4) A license issued under this section must be renewed every two (2) years according to a schedule prescribed by the commission. The commission may prescribe a license renewal fee of not more than ten thousand dollars (\$10,000).

(5) A licensed retail electric provider shall provide advance notice to the commission and to the retail electric provider's Indiana customers if the retail electric provider will do any of the following:

(A) Increase the rates and charges for, or change the terms and conditions of, any competitive electric generation service that the retail electric provider offers in any service area in Indiana.

(B) Offer new competitive electric generation service in



any service area in Indiana.

(C) Cease to offer any competitive electric generation service that the retail electric provider offers in any service area in Indiana.

The commission shall prescribe the timing and form of the notice required under this subdivision. The commission shall update the information on the online portal established under section 11(b) of this chapter to reflect the changes set forth in a notice provided under this subdivision.

(6) A licensed retail electric provider is subject to an annual compliance and financial audit, according to a schedule prescribed by the commission, to be performed by one (1) or more independent auditors approved by the commission. The audit must include an examination of the retail electric provider's:

- (A) financial stability;
- (B) compliance history;
- (C) cybersecurity protocols; and
- (D) market practices.

The cost of the audit shall be paid by the retail electric provider.

(7) Upon the completion of an audit under subdivision (6), the commission may do one (1) or more of the following:

(A) Direct the retail electric provider to take such actions as the commission determines necessary to correct or cure any acts or practices examined as part of the audit and found to be in violation of any provisions of state law or the commission's rules and orders.

(B) Refer any suspected market manipulation, anticompetitive or discriminatory practices, or unlawful exercise of market power to the attorney general for investigation.

(C) Refer any suspected criminal activities uncovered during the audit to an appropriate law enforcement agency or prosecutorial agency or official.

(8) The commission may:

(A) revoke or suspend a license issued under this section; or

(B) place a licensed retail electric provider on probationary status, which may include:

- (i) enhanced oversight;
- (ii) additional reporting requirements; or



(iii) submission to the commission of a plan for corrective action;

for cause, including any violation of this chapter or rules adopted by the commission under section 18 of this chapter.

Sec. 16. The commission may initiate an investigation to consider, and establish guidelines for, the offering by retail electric providers of additional services or programs in conjunction with the provision of competitive electric generation service, such as:

- (1) demand response programs;
- (2) net metering programs;
- (3) community solar programs;
- (4) municipal aggregation programs;
- (5) customer referral incentives; or
- (6) other services, programs, or customer offerings.

Sec. 17. Beginning in 2029, the commission shall include in the annual report that the commission is required to submit under IC 8-1-1-14 before October 1 of each year the following information as of the last day of the most recently concluded state fiscal year:

- (1) The total number of licensed retail electric providers offering competitive electric generation service in Indiana.
- (2) The total number of licensed retail electric providers offering competitive electric generation service in each electricity supplier's assigned service area under IC 8-1-2.3.
- (3) For each electricity supplier:
  - (A) the total number of customers, broken down by customer class, receiving competitive electric generation service from a licensed retail electric provider; and
  - (B) the total load in megawatt hours associated with those customers.
- (4) The total amount of licensing fees collected from licensed retail electric providers during the most recently concluded state fiscal year.
- (5) Any compliance or enforcement actions that were:
  - (A) initiated;
  - (B) pending; or
  - (C) closed;
 with respect to retail electric providers during the most recently concluded state fiscal year, including a description of the resolution of any actions that were closed.
- (6) The costs incurred by the commission in administering this chapter during the most recently concluded state fiscal year.



1           **(7) An analysis of the state of the retail electric service market**  
 2           **in Indiana and regionally.**

3           **(8) Any other quantitative or qualitative information that the**  
 4           **commission considers relevant for members of:**

5               **(A) the interim study committee on energy, utilities, and**  
 6               **telecommunications established by IC 2-5-1.3-4(8); and**

7               **(B) the general assembly;**

8           **to consider in evaluating competitive electric generation**  
 9           **service under this chapter.**

10          **Sec. 18. The commission shall adopt rules under IC 4-22-2 to**  
 11          **implement this chapter.**

12          **SECTION 2. [EFFECTIVE JULY 1, 2026] (a) The legislative**  
 13          **services agency shall prepare legislation for introduction in the**  
 14          **2028 regular session of the general assembly to make conforming**  
 15          **amendments to:**

16               **(1) Title 8 of the Indiana Code; and**

17               **(2) other provisions outside Title 8 of the Indiana Code;**  
 18          **as necessary to implement IC 8-1-40.3, as added by this act.**

19               **(b) This SECTION expires January 1, 2030.**

