

## SENATE BILL No. 240

AM024001 has been incorporated into introduced printing.

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**Synopsis:** Surplus interconnection service.

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2026

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Introduced

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.

## SENATE BILL No. 240

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 8-1-8.5-3.6 IS ADDED TO THE INDIANA  
2        CODE AS A **NEW** SECTION TO READ AS FOLLOWS  
3        [EFFECTIVE JULY 1, 2026]: Sec. 3.6. (a) **As used in this section**,  
4        "electric utility" refers to an electric utility listed in 170  
5        IAC 4-7-2(a).

6        (b) **As used in this section**, "interconnection service" refers to  
7        a service that is:

8                (1) established in a standard large generator interconnection  
9                agreement, as defined in the Federal Energy Regulatory  
10               Commission's pro forma Large Generator Interconnection  
11               Procedures for electric generating facilities having a  
12               generating facility capacity of more than twenty (20)  
13               megawatts;  
14               (2) provided by an electric transmission provider; and  
15               (3) associated with interconnecting a generating facility with

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1 the transmission provider's transmission system and  
2 enabling the transmission system to receive electric energy  
3 and capacity from the generating facility at the point of  
4 interconnection.

(e) In any integrated resource plan filed with the commission under 170 IAC 4-7 after December 31, 2029, an electric utility must include an analysis of the potential for surplus interconnection service to meet immediate needs for capacity and energy at facilities owned by the electric utility. In performing the analysis required under this subsection, an electric utility shall assess the potential use of surplus interconnection service at utility owned facilities with surplus interconnection service greater than twenty-five (25) megawatts. In addition, the electric utility may solicit information concerning the potential use of surplus interconnection service at third party facilities, including the willingness of the owners or operators of third party facilities to accommodate surplus interconnection service. The electric utility may include in its integrated resource plan the results of a solicitation made under this subsection to the extent that the electric utility receives information concerning viable opportunities for the use of surplus interconnection service at the third party facilities considered in the solicitation.

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1 SECTION 2. IC 8-1-8.5-4, AS AMENDED BY P.L.55-2023,  
 2 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE  
 3 JULY 1, 2026]: Sec. 4. (a) As used in this section, "federal phaseout  
 4 mandate" means any federal statutory or regulatory requirement that:

5 (1) is established after April 20, 2021, by the Congress of the  
 6 United States, a federal regulatory agency, or a federal executive  
 7 order; and  
 8 (2) requires the phaseout or discontinuance of a particular type  
 9 of electric generating facility, technology, or fuel source.

10 **(b) As used in this section, "surplus interconnection service"**  
 11 **has the meaning set forth in section 3.6 of this chapter.**

12 **(b) (c)** In acting upon any petition for the construction, purchase,  
 13 or lease of any facility for the generation of electricity, the commission  
 14 shall take into account the following:

15 (1) The applicant's current and potential arrangement with other  
 16 electric utilities for:  
 17 (A) the interchange of power;  
 18 (B) the pooling of facilities;  
 19 (C) the purchase of power; and  
 20 (D) joint ownership of facilities.

21 (2) Other methods for providing reliable, efficient, and  
 22 economical electric service, including the refurbishment of  
 23 existing facilities, conservation, load management, cogeneration,  
 24 and renewable energy sources.

25 (3) With respect to a petition that:

26 (A) is for the construction of a new generating facility; and  
 27 (B) is submitted to the commission after June 30, 2021, and  
 28 before January 1, 2025;

29 the impact of federal phaseout mandates on the estimated useful  
 30 life of each proposed generating facility included in the petition,  
 31 including depreciation expense associated with each facility.

32 (4) With respect to a petition that is submitted to the commission  
 33 after June 30, 2023, whether the proposed construction,  
 34 purchase, or lease of the facility will result in the provision of  
 35 electric utility service with the attributes set forth in  
 36 IC 8-1-2-0.6, including:

37 (A) reliability;  
 38 (B) affordability;  
 39 (C) resiliency;  
 40 (D) stability; and  
 41 (E) environmental sustainability;



1 as described in IC 8-1-2-0.6.  
2

3 **(5) With respect to a petition that is submitted to the  
commission after December 31, 2029, whether:**

4       **(A) the petitioner has conducted an analysis, as part of  
5 an integrated resource plan in accordance with section  
6 3.6 of this chapter or otherwise, of the use of surplus  
7 interconnection service as an alternative to, or in  
8 conjunction with, the proposed construction, purchase,  
9 or lease of the facility; and**

10       **(B) the proposed construction, use, or lease of the  
11 facility will make use of or, allow for the use of, surplus  
12 interconnection service.**

13       SECTION 3. IC 8-1-8.5-15 IS ADDED TO THE INDIANA CODE  
14 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY  
15 1, 2026]: Sec. 15. (a) The definitions in section 3.6 of this chapter  
16 apply throughout this section.

17       (b) The commission shall conduct a study to evaluate the  
18 potential use of surplus interconnection service by electric utilities  
19 to enable electric utilities to:

20       (1) safely, reliably, efficiently, and cost effectively meet  
21 electric system demand; and

22       (2) provide safe, reliable, and affordable electric utility  
23 service to customers.

24       (c) In conducting the study, the commission shall evaluate the  
25 following:

26       (1) The potential use of surplus interconnection service to  
27 enable electric utilities to provide safe, reliable, and  
28 affordable electric utility service to customers in Indiana,  
29 considering existing and planned transmission infrastructure  
30 and projected demand growth.

31       (2) Any other aspect of surplus interconnection service that  
32 the commission determines will assist policymakers, electric  
33 utilities, ratepayers, and other stakeholders in understanding  
34 the potential role of surplus interconnection service in the  
35 transmission system serving Indiana and the region.

36       (d) An electric utility shall provide the commission, at the time  
37 and in the manner prescribed by the commission, any information  
38 or related materials required by the commission to perform the  
39 evaluation described in subsection (c). If the electric utility has  
40 solicited information concerning the potential use of surplus  
41 interconnection service at third party facilities under section 3.6(f)  
42 of this chapter, and the commission requires further information



1       **or related materials regarding the potential use of surplus**  
2       **interconnection service at those third party facilities, the**  
3       **commission may request the information or materials directly**  
4       **from the owners or operators of those third party facilities. Upon**  
5       **request by an electric utility or an owner or operator of a third**  
6       **party facility, the commission shall determine whether any**  
7       **information or related materials requested by the commission:**

8               **(1) are confidential under IC 5-14-3-4;**  
9               **(2) are exempt from public access and disclosure by Indiana**  
10               **law; and**  
11               **(3) must be treated as confidential and protected from public**  
12               **access and disclosure by the commission.**

13       **(e) In conducting the study required by this section, the**  
14       **commission may consult with or invite comments from:**

15               **(1) regional transmission organizations;**  
16               **(2) the Federal Energy Regulatory Commission or other**  
17               **federal regulators;**  
18               **(3) electric utilities;**  
19               **(4) the office of utility consumer counselor;**  
20               **(5) associations or organizations representing utility**  
21               **ratepayers;**  
22               **(6) regulatory commissions in other states;**  
23               **(7) engineers or other experts; and**  
24               **(8) other stakeholders.**

25       **The commission may incorporate any information or comments**  
26       **received under this subsection in its report under subsection (f).**

27       **(f) The commission shall include in the annual report that the**  
28       **commission is required to submit under IC 8-1-1-14 before**  
29       **October 1, 2027, a report that includes the commission's findings**  
30       **with respect to the topics set forth in subsection (c).**

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