

SENATE BILL No. 272

DIGEST OF INTRODUCED BILL

Citations Affected: IC 8-1-40.2.

Synopsis: Competitive electric supply service. Provides that beginning July 1, 2027, an eligible customer of an incumbent electricity supplier may elect to receive: (1) electric supply service directly from a competitive electricity supplier; and (2) transmission and distribution service from the incumbent electricity supplier. Defines for these purposes an "eligible customer" as a new or existing nonresidential customer of the incumbent electricity supplier, or an aggregation of two or more such customers, whose aggregate electricity demand during the most recently concluded calendar year exceeded one megawatt. Defines for these purposes an "incumbent electricity supplier", with respect to an eligible customer, as an investor owned utility that is under the jurisdiction of the Indiana utility regulatory commission (IURC) and whose assigned service area includes the eligible customer. Requires the IURC to establish by rule the following: (1) A system for establishing and periodically adjusting a cap on an incumbent electricity supplier's eligible customers receiving electric supply service from a competitive electricity supplier. (2) A queue process by which eligible customers of an incumbent electricity supplier that elect to receive electric supply service from a competitive electricity supplier are authorized to begin receiving that service as the incumbent electricity supplier's cap allows. Specifies the methods by which the IURC must establish and adjust an incumbent electricity supplier's cap. Sets forth requirements for advance notice that an eligible customer must provide to an incumbent electricity supplier before: (1) receiving electric supply service from a competitive electricity supplier; or (2) resuming electric supply service under the incumbent electricity

(Continued next page)

Effective: Upon passage.

Donato

January 8, 2026, read first time and referred to Committee on Utilities.



Digest Continued

supplier's applicable tariff upon discontinuing electric supply service from a competitive electricity supplier. Provides that on any customer bill issued by an incumbent electricity supplier after June 30, 2027, the incumbent electricity supplier must include a breakdown of the charges and fees that make up the total amount owed, including a description of the service or cost associated with each charge or fee. Sets forth certain charges and fees that must be delineated as specific line items on each customer bill. Requires the IURC to establish by rule requirements for an incumbent electricity supplier to provide to a competitive electricity supplier historical usage data for an eligible customer that seeks to receive electric supply service from the competitive electricity supplier. Sets forth certain metrics that the customer usage data must include. Requires the IURC to establish by rule a licensing process for competitive electricity suppliers that seek to provide electric supply service to eligible customers of incumbent electricity suppliers in Indiana. Sets forth certain requirements that a competitive electricity supplier must meet as a condition of receiving and maintaining a license. Provides that an incumbent electricity supplier that seeks to provide electric supply service outside its assigned service area must do so through a functionally separate, nonutility affiliate that is subject to the bill's licensing requirements. Requires the IURC to establish by rule a procedure by which a: (1) municipally owned utility; or (2) rural electric corporation; may elect to become subject to the bill's provisions so as to enable its eligible customers to receive electric supply service from a competitive electricity supplier. Provides that in any base rate case for an incumbent electricity supplier, the IURC shall: (1) ensure that electric supply service received by eligible customers from a competitive electricity supplier will not result in unreasonable cost shifting to other nonparticipating eligible customers or to other customer classes; and (2) consider the avoided generation and purchased power costs inuring to the benefit of the incumbent electricity supplier's ratepayers as a result of eligible customers receiving electric supply service from competitive electricity suppliers. Beginning in 2028, requires the IURC to include each year in its annual report specified information concerning the provision of electric supply service by competitive electricity suppliers to eligible customers of incumbent electricity suppliers. Requires the IURC to adopt rules to implement the bill's provisions.



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. 272

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 8-1-40.2 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]:

4 **Chapter 40.2. Competitive Electric Supply Service for**
5 **Nonresidential Customers**

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

8 **Sec. 2. (a) As used in this chapter, "competitive electricity**
9 **supplier" means a person that is licensed by the commission under**
10 **this chapter to provide competitive electric supply service at retail**
11 **to eligible customers.**

12 **(b) The term does not include a person that:**

13 **(1) owns or operates:**

14 **(A) a cogeneration facility (as defined in IC 8-1-2.4-2(c));**
15 **(B) a private generation project (as defined in**



1 **IC 8-1-2.4-2(g)); or**

2 **(C) a generator or other device that is located on the**

3 **person's premises;**

4 **for the purpose of generating electricity to meet or offset all**

5 **or part of the person's need for electricity on or near the**

6 **location of the facility, project, generator, or device; and**

7 **(2) does not otherwise provide electric supply service at retail.**

8 **Sec. 3. (a) As used in this chapter, "customer", with respect to**

9 **an incumbent electricity supplier, means a metered electrical**

10 **service point that is located in the incumbent electricity supplier's**

11 **assigned service area under IC 8-1-2.3.**

12 **(b) As the context requires, the term includes a person of record**

13 **who is:**

14 **(1) associated with a billing account established by the**

15 **incumbent electricity supplier for the service point described**

16 **in subsection (a); or**

17 **(2) otherwise associated with the service point described in**

18 **subsection (a).**

19 **Sec. 4. (a) As used in this chapter, "electric supply service"**

20 **means the generation or procurement of electricity for sale to an**

21 **eligible customer by:**

22 **(1) a competitive electricity supplier; or**

23 **(2) an incumbent electricity supplier under a retail tariff**

24 **approved by the commission.**

25 **(b) The term does not include transmission and distribution**

26 **service.**

27 **Sec. 5. As used in this chapter, "eligible customer", with respect**

28 **to an incumbent electricity supplier, means a new or existing**

29 **nonresidential customer of the incumbent electricity supplier, or**

30 **an aggregation of two (2) or more new or existing nonresidential**

31 **customers of the incumbent electricity supplier, whose aggregate**

32 **electricity demand during the most recently concluded calendar**

33 **year exceeded one (1) megawatt.**

34 **Sec. 6. As used in this chapter, "incumbent electricity supplier",**

35 **with respect to an eligible customer, means any of the following**

36 **that is under the jurisdiction of the commission for the approval of**

37 **rates and charges and whose assigned service area under**

38 **IC 8-1-2.3 includes the eligible customer:**

39 **(1) A public utility (as defined in IC 8-1-2-1(a)).**

40 **(2) Any of the following that elects to become subject to this**

41 **chapter in accordance with the procedure set forth in rules**

42 **adopted by the commission under section 18 of this chapter:**



- (A) A municipally owned utility (as defined in IC 8-1-2-1(h)).
- (B) A corporation organized under IC 8-1-13.
- (C) 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. 7. (a) As used in this chapter, "transmission and distribution service" means the delivery of electricity to an eligible customer by an incumbent electricity supplier over the incumbent electricity supplier's transmission and distribution systems.

(b) The term does not include electric supply service.

Sec. 8. (a) Beginning July 1, 2027, an eligible customer of an incumbent electricity supplier may elect to receive:

- (1) electric supply service directly from a competitive electricity supplier; and
- (2) transmission and distribution service from the incumbent electricity supplier;

as set forth in this chapter and in rules adopted by the commission under section 18 of this chapter.

(b) This chapter does not require a person described in section 2(b) of this chapter to:

- (1) discontinue; or
- (2) otherwise limit;

the use of a facility, project, generator, or device described in section 2(b) of this chapter.

(c) An incumbent electricity supplier may not impose:

- (1) a transition fee;
- (2) an exit fee; or

(3) any similar fee or charge, however denominated; on an eligible customer that elects to receive electric supply service from a competitive electricity supplier under this chapter.

Sec. 9. (a) The commission shall, in rules adopted under section 18 of this chapter, establish the following:

1 this chapter, establish the following.

- (1) A system for establishing and periodically adjusting a cap on an incumbent electricity supplier's eligible customers receiving electric supply service from a competitive electricity supplier.
- (2) A queue process by which eligible customers of an incumbent electricity supplier that elect to receive electric supply service from a competitive electricity supplier are authorized to begin receiving that service as the cap described in subdivision (1) allows.



(B) represent a percentage of the incumbent electricity supplier's total retail sales, normalized for weather, for the most recently concluded calendar year; and

13 (C) account for any incremental demand growth
14 experienced by the incumbent electricity supplier during
15 the most recently concluded calendar year.

19 (A) must represent at least twenty percent (20%) of the
20 incumbent electricity supplier's total retail sales,
21 normalized for weather, for the most recently concluded
22 calendar year, excluding sales to eligible customers whose
23 demand exceeded seventy-five (75) megawatts at one (1)
24 site; and

(B) remains in effect until the commission issues a subsequent general administrative order adjusting the cap.

(3) In each subsequent general administrative order that the commission issues to adjust the cap after the commission's first general administrative order under subdivision (2), the percentage described in subdivision (2)(A) may only be adjusted upward from the percentage in effect at the time of the adjustment.

32 the adjustment.

33 **(4) If an existing eligible customer of an incumbent electricity**
34 **supplier elects to receive electric supply service from a**
35 **competitive electricity supplier after the incumbent electricity**
36 **supplier's then current cap has been met, the eligible**
37 **customer shall be placed in the queue described in subdivision**
38 **(6). However, an eligible customer that requires additional**
39 **electric supply service for an existing facility owned or**
40 **operated by the eligible customer shall be permitted to receive**
41 **electric supply service from a competitive electricity supplier**
42 **for:**





under section 18 of this chapter, the commission shall, for each incumbent electricity supplier, publish on the commission's website a rank ordered queue of all eligible customers of the incumbent electricity supplier that are waiting to receive electric supply service from a competitive electricity supplier. The published queue must include the estimated amount of electric supply service that will be required from a competitive electricity supplier for each eligible customer listed in the queue.

10 (7) If an incumbent electricity supplier's existing cap has
11 remained at capacity for two (2) consecutive years from the
12 date on which the cap took effect, the commission shall, on its
13 own motion or upon the request of one (1) or more eligible
14 customers of the incumbent electricity supplier, conduct a
15 proceeding to review the incumbent electricity supplier's cap
16 and may increase the cap if:

(A) one (1) or more eligible customers of the incumbent electricity supplier are in the queue described in subdivision (6) as of the expiration of the two (2) year period described in this subdivision; or

(B) there exists evidence of sustained or accelerated load growth for the incumbent electricity supplier over the course of the two (2) year period described in this subdivision.

25 If the commission determines that clause (A) or (B) applies,
26 the commission shall issue a general administrative order
27 increasing the incumbent electricity supplier's cap. The
28 commission shall issue a general administrative order under
29 this subdivision not later than twelve (12) months after the
30 date on which the commission initiated a proceeding under
31 this subdivision or the date on which the commission first
32 received a request to initiate a proceeding under this
33 subdivision, whichever occurred first.

34 (8) Every two (2) years after the commission issues a general
35 administrative order under subdivision (7), the commission
36 shall conduct a proceeding to review the incumbent electricity
37 supplier's then current cap and consider whether the cap
38 should be increased or removed based on:

39 (A) the total load comprising the incumbent electricity
40 supplier's queue under subdivision (6);
41 (B) the projected load growth of the incumbent electricity
42 supplier; and



(C) other market factors the commission considers relevant.

(c) Upon request by an incumbent electricity supplier or an eligible customer of an incumbent electricity supplier, the commission shall determine whether any information required to be published on the commission's website under subsection (b)(6):

(1) is confidential under IC 5-14-3-4;

(2) is exempt from public access and disclosure by Indiana law; and

(3) must be treated as confidential and protected from public access and disclosure by the commission.

Sec. 10. (a) At any time during which there is available capacity under an incumbent electricity supplier's cap, an eligible customer of the incumbent electricity supplier may elect to receive electric supply service from a competitive electricity supplier by providing advance written notice to the incumbent electricity supplier at least thirty (30) days before the date on which the eligible customer requests termination of electric supply service from the incumbent electricity supplier.

(b) An eligible customer that has elected to receive electric supply service from a competitive electricity supplier under subsection (a) may subsequently discontinue receiving electric supply service from the competitive electricity supplier and resume receiving electric supply service from the incumbent electricity supplier if the incumbent electricity supplier has sufficient available capacity under its then current cap. An eligible customer that seeks to resume electric supply service under the incumbent electricity supplier's applicable tariff must provide to the incumbent electricity supplier advance written notice of the eligible customer's requested service date as follows:

(1) If the eligible customer's peak demand did not exceed twenty-five (25) megawatts during the most recently concluded calendar year, the eligible customer must provide notice to the incumbent electricity supplier at least thirty (30) days before the requested service date.

(2) If the eligible customer's peak demand exceeded twenty-five (25) megawatts during the most recently concluded calendar year, the eligible customer must provide notice to the incumbent electricity supplier at least one hundred eighty (180) days before the requested service date.

However, an eligible customer that seeks to resume electric supply service under the incumbent electricity supplier's applicable tariff



1 before the expiration of the applicable notice period under this
 2 subsection shall be permitted to receive electric supply service
 3 from the incumbent electricity supplier at the marginal price of
 4 electricity (as defined in IC 8-1-40-6) until the expiration of
 5 applicable notice period.

6 Sec. 11. (a) On any customer bill issued by an incumbent
 7 electricity supplier after June 30, 2027, the incumbent electricity
 8 supplier must include a breakdown of the charges and fees that
 9 make up the total amount owed for the billing cycle, including a
 10 description of the service or cost associated with each charge or
 11 fee, if not apparent on its face. To the extent applicable, the
 12 following must be delineated as specific line items on each
 13 customer bill:

- 14 (1) Distribution and delivery charges.
- 15 (2) Transmission charges.
- 16 (3) Generation and supply charges, including the cost per unit
 17 consumed.
- 18 (4) Individual program charges, separately stated for each
 19 program for which the customer is charged, including energy
 20 efficiency programs, low income assistance programs,
 21 demand response programs, and any other programs outside
 22 the provision of basic service.
- 23 (5) Account or program credits.
- 24 (6) Taxes.
- 25 (7) Account management and billing fees.
- 26 (8) Any other applicable charges or fees.

27 (b) Before July 1, 2027, an incumbent electricity supplier shall:
 28 (1) take appropriate internal operational measures to
 29 separate the incumbent electricity supplier's costs so as to
 30 accurately reflect those costs in associated charges and fees
 31 charged to customers and itemized in customer bills issued
 32 after June 30, 2027, under subsection (a);
 33 (2) amend all existing approved retail tariffs to reflect these
 34 itemized charges and fees and post the tariffs, as amended, on
 35 the incumbent electricity supplier's website; and
 36 (3) file the amended tariffs with the commission.

37 Upon receiving an incumbent electricity supplier's amended retail
 38 tariffs under subdivision (3), the commission shall post the
 39 amended tariffs on the commission's website. The commission may
 40 not approve any new retail tariff filed with the commission by an
 41 incumbent electricity supplier after June 30, 2027, unless the tariff
 42 includes an itemization of the charges and fees set forth in



1 **subsection (a).**

2 **Sec. 12. (a) An incumbent electricity supplier may not:**

- 3 **(1) impose any charges for electric supply service on an**
- 4 **eligible customer receiving electric supply service from a**
- 5 **competitive electricity supplier; or**
- 6 **(2) allocate to an eligible customer receiving electric supply**
- 7 **service from a competitive electricity supplier costs that are**
- 8 **incurred by the incumbent electricity supplier in providing**
- 9 **electric supply service.**

10 **(b) The commission shall establish, in rules adopted under**

11 **section 18 of this chapter, requirements for an incumbent**

12 **electricity supplier to provide to a competitive electricity supplier**

13 **historical usage data for an eligible customer that seeks to receive**

14 **electric supply service from the competitive electricity supplier.**

15 **The commission's rules must provide for the following:**

16 **(1) Historical usage data for the eligible customer must**

17 **include:**

- 18 **(A) at least twenty-four (24) months of customer usage or**
- 19 **metering data; and**
- 20 **(B) other customer information necessary to facilitate**
- 21 **electric supply service transactions, including customer**
- 22 **class details such as capacity and transmission allocations**
- 23 **and loss factors.**

24 **If the eligible customer has received electric supply service**

25 **from the incumbent electricity supplier for less than**

26 **twenty-four (24) months, the incumbent electricity supplier**

27 **shall provide customer usage or metering data for the length**

28 **of time the eligible customer has received electric supply**

29 **service from the incumbent electricity supplier.**

30 **(2) Historical usage data must include both:**

- 31 **(A) monthly usage totals; and**
- 32 **(B) interval usage data, to the extent available;**

33 **delineated in terms of both kilowatt hour energy consumed**

34 **and kilowatt demand.**

35 **(3) For the duration of the time that an eligible customer**

36 **receives electric supply service from a competitive electricity**

37 **supplier, the incumbent electricity supplier shall make**

38 **available to the competitive electricity supplier such customer**

39 **usage data as is necessary to facilitate invoicing by the**

40 **competitive electricity supplier in a timely manner.**

41 **(c) The requirements established by the commission under**

42 **subsection (b) must include a process by which a competitive**



1 electricity supplier may confirm and document an eligible
2 customer's consent to release to the competitive electricity supplier
3 the customer usage data described in subsection (b). The
4 requirements must provide that an electronic signature or another
5 similar technology may be used in confirming an eligible
6 customer's consent.

7 (d) An eligible customer of an incumbent electricity supplier
8 that receives electric supply service from a competitive electricity
9 supplier shall be billed through a dual billing arrangement in
10 which the eligible customer receives for the applicable billing cycle:

11 (1) a bill from the competitive electricity supplier for electric
12 supply service; and

13 (2) a bill from the incumbent electricity supplier for
14 transmission and distribution service.

15 Sec. 13. (a) The commission shall establish, in rules adopted
16 under section 18 of this chapter, a licensing process for competitive
17 electricity suppliers that seek to provide electric supply service to
18 eligible customers of incumbent electricity suppliers in Indiana.
19 The commission's rules establishing a licensing process must
20 provide for the following:

21 (1) Before issuing a competitive electricity supplier a license
22 to provide electric supply service, the commission must find
23 that the competitive electricity supplier has the financial,
24 managerial, and technical ability necessary to provide
25 adequate electric supply service to eligible customers of an
26 incumbent electricity supplier.

27 (2) As a condition of receiving and maintaining a license, a
28 competitive electricity supplier must do the following:

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

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

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

36 (ii) in the amount of not less than one million dollars
37 (\$1,000,000); and

38 (iii) paid by the competitive electricity supplier.

39 In submitting an application for a license to the
40 commission, the competitive electricity supplier shall
41 include a copy of the required surety bond or financial
42 security instrument, including a notarized verification



from the issuer.

(C) Provide electric supply service to an eligible customer in accordance with a written contract, agreement, or arrangement executed by the competitive electricity supplier and the eligible customer.

(D) Pay all applicable state taxes.

(b) The commission must issue an order approving or denying a competitive electricity supplier'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 competitive electricity supplier may resubmit the application without prejudice after curing any defects in the application identified by the commission. If the commission does not issue an order approving or denying a competitive electricity supplier's application for a license within the ninety (90) day period prescribed by this subsection, the application is considered approved.

(c) The commission may investigate consumer complaints against a competitive electricity supplier. If, after such investigation, the commission determines that the competitive electricity supplier has violated any provision of this chapter or of any rules adopted by the commission under section 18 this chapter, the commission may, after giving notice and an opportunity for hearing to the competitive electricity supplier:

(1) revoke or suspend the competitive electricity supplier's license under this section; or

(2) place the competitive electricity supplier on probationary status, which may include:

(A) enhanced oversight;

(B) additional reporting requirements; or

(C) submission to the commission of a plan for corrective action.

(d) An incumbent electricity supplier that seeks to provide electric supply service outside its assigned service area under IC 8-1-2.3 must do so through a functionally separate, nonutility affiliate that is subject to the licensing requirements set forth in this section.

(e) Except for the license required under this section to provide competitive electric supply service to eligible customers of an incumbent electricity supplier, a competitive electricity supplier is not required to obtain any other license, certificate, or authorization from the commission.

Sec. 14. In rules adopted under section 18 of this chapter, the



1 **commission shall establish a procedure by which any of the**
 2 **following may elect to become subject to this chapter so as to**
 3 **enable its customers who meet the criteria set forth in section 5 of**
 4 **this chapter to receive electric supply service from a competitive**
 5 **electricity supplier:**

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

11 **Sec. 15. In any proceeding for a change in the basic rates and**
 12 **charges of an incumbent electricity supplier, the commission shall**
 13 **do the following:**

14 (1) Ensure that the receipt of electric supply service by eligible
 15 customers from a competitive electricity supplier, as
 16 permitted under the incumbent electricity supplier's
 17 applicable cap, will not result in an unreasonable shifting of
 18 costs to other nonparticipating eligible customers or to other
 19 customer classes of the incumbent electricity supplier.

20 (2) Consider the avoided generation and purchased power
 21 costs inuring to the benefit of the incumbent electricity
 22 supplier's ratepayers as a result of any reduction in the
 23 incumbent electricity supplier's:

- 24 (A) electric supply service obligations; or
- 25 (B) planning reserve margin requirement with the
 26 appropriate regional transmission organization (as defined
 27 in IC 8-1-8.5-13(b));

28 as a result of eligible customers receiving electric supply
 29 service from competitive electricity suppliers.

30 **Sec. 16. In any integrated resource plan filed with the**
 31 **commission under 170 IAC 4-7 after June 30, 2027, an incumbent**
 32 **electricity supplier shall not incorporate into the incumbent**
 33 **electricity supplier's forecasts or load projections the loads of**
 34 **eligible customers receiving electric supply service from a**
 35 **competitive electricity supplier at the time of filing.**

36 **Sec. 17. Beginning in 2028, the commission shall include in the**
 37 **annual report that the commission is required to submit under**
 38 **IC 8-1-1-14 before October 1 of each year the following**
 39 **information as of the last day of the most recently concluded state**
 40 **fiscal year:**

- 41 (1) The total amount of licensing fees collected from
 42 competitive electricity suppliers during the most recently



concluded state fiscal year.

(2) The current cap for each incumbent electricity supplier.

(3) For each incumbent electricity supplier:

(A) the total number of eligible customers receiving electric supply service from a competitive electricity supplier; and

(B) the total load in megawatt hours associated with those eligible customers.

(4) Subject to section 9(c) of this chapter, for each incumbent electricity supplier, the rank ordered queue of eligible customers of the incumbent electricity supplier that are waiting to receive electric supply service from a competitive electricity supplier, as of the last day of the most recently concluded state fiscal year. The information provided under this subdivision must include the estimated amount of electric supply service that will be required from a competitive electricity supplier for each eligible customer listed in the queue.

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

SECTION 2. An emergency is declared for this act.

