



Fiscal Note

Legislative Council Staff

Nonpartisan Services for Colorado’s Legislature

SB 26-002: ENERGY AFFORDABILITY

Prime Sponsors:

Sen. Kipp; Exum
Rep. Willford

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Fiscal note status: The fiscal note reflects the introduced bill, as amended by the Senate Transportation and Energy Committee.

Summary Information

Overview. The bill requires an investor-owned electric utility to offer a percentage-of-income payment plan service program for income-qualified customers in the utility’s service territory.

Types of impacts. The bill is projected to affect the following areas on an ongoing basis:

- Minimal State Expenditures

Appropriations. No appropriation is required.

**Table 1
State Fiscal Impacts**

Type of Impact	Budget Year FY 2026-27	Out Year FY 2027-28
State Revenue	\$0	\$0
State Expenditures	\$0	\$0
Transferred Funds	\$0	\$0
Change in TABOR Refunds	\$0	\$0
Change in State FTE	0.0 FTE	0.0 FTE

Summary of Legislation

The bill requires an investor-owned electric utility to establish a percentage-of-income payment plan (PIPP) program for residential income-qualified utility customers. Under a PIPP program, a customer's utility bill cannot exceed an affordable percentage of the customer's income. Customers must submit a program application and meet certain eligibility requirements, and the utility must approve or deny an application within 30 days. Customers are qualified for a PIPP program for two years after being accepted.

The bill establishes how an investor-owned utility must calculate the affordable percentage of income payment, which is dependent on the size of the utility as well as a customer's heating source. The utility must apply credits for past-due balances that existed before the customer applied for the PIPP program, as long as a customer meets certain conditions. A utility may also assess a PIPP charge on its customers to fund the PIPP program.

The Public Utilities Commission (PUC) may adopt any rules necessary to enforce the bill.

Background

There are two investor-owned electric utility companies operating in Colorado: Black Hills Energy and Public Service Company of Colorado (Xcel Energy). These utilities are regulated by the PUC. Coloradans also receive electricity from 28 municipal utilities and 22 rural electric cooperatives, which are not regulated by the PUC and are not impacted by this bill.

State Expenditures

The bill increases workload in the PUC to conduct rulemaking to enforce the bill, and for the Colorado Energy Office (CEO) to participate in PUC proceedings. This rulemaking will be conducted during annual rulemaking efforts, and any workload increase is absorbable with existing PUC and CEO staff.

Effective Date

The bill takes effect 90 days following adjournment of the General Assembly sine die, assuming no referendum petition is filed.

State and Local Government Contacts

Colorado Energy Office

Local Affairs

Regulatory Agencies

The revenue and expenditure impacts in this fiscal note represent changes from current law under the bill for each fiscal year. For additional information about fiscal notes, please visit the [General Assembly website](#).