

# State Legislative Update

## February 6, 2026

### 2026 INDIANA GENERAL ASSEMBLY WEEK 5

#### General Legislative Information

- Week five of the 2026 legislative session is a wrap! Busy is an understatement, with bills flying out of committee and lots of other drama. All to be expected during a short session, and in particular with an end date of February 27th!
- Let us start with candidate filing for the 2026 primary election. The window to place your name into the fray closed February 6th at noon. At this point, all members of Indiana's Congressional delegation have filed for re-election and all members of the IN General Assembly who intend to run for re-election have filed with the Secretary of State's Office. As mentioned previously, several interesting primaries are taking shape.
- Last weekend, State Representative Ed Clere, who has represented House District 72 in southeastern Indiana since 2008, announced that he was not running for re-election. In addition, he declared that he was officially leaving the Republican party. But wait, there is more. Earlier this week, Rep. Clere was expelled from the IN House of Representatives GOP Caucus at the State House. He will remain in his position until the end of his term in November. After that, he intends to run as an Independent for Mayor of New Albany.
- Here is the list of legislators who will not be returning to the State House in November, at least not in their current role:
  - State Representative Dr. Brad Barrett
  - State Representative Ed Clere
  - State Representative Michelle Davis – running for Senate District 41
  - State Representative Karen Engleman
  - State Representative Sue Errington
  - State Representative Craig Haggard – running for the 4th Congressional District
  - State Representative Mike Karickhoff
  - State Representative Shane Lindauer
  - State Senator Eric Bassler
  - State Senator Kyle Walker
  - State Senator Andrea Hunley
  - State Senator J.D. Ford
- Of the 742 bills (452 House and 290 Senate) and 17 Joint Resolutions (4 House and 13 Senate) introduced, 112 Senate bills, 113 House bills, and 1 Joint Resolution remain alive and eligible for consideration.

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- Obviously, there are many bills that do not have good odds of making it to the end. Some of those include designating the breaded tenderloin as the official state sandwich (Senate Bill 21 - no hearing yet with 2 weeks to go before committee deadline), adding firing squads as an execution method (House Bill 1119 - bill failed for lack of a constitutional majority and was not brought back to the calendar), and a ban on social media for minors (Senate Bill 199 - would have barred children under 13 from creating or maintaining social media accounts and required written parental consent for users ages 13 to 17).
- In an effort to bring Da Bears to Indiana, House Speaker Todd Huston is sponsoring Senate Bill 27 which came over from the Senate last week. SB 27 creates the framework for building a stadium in northwest Indiana for the Chicago Bears football team. It would establish a public body – the Northwest Indiana Stadium Authority - that can issue bonds, acquire land, finance capital improvements, and enter into leases with private entities.
- Passage of major annexation legislation will not happen this year at the State House, but there are a couple of bills dealing with the topic that are of interest. House Bill 1058 was heard in the Senate Local Government Committee and was approved unanimously. HB 1058 provides that annexation territory that is divided by railroad tracks satisfies contiguity requirements, if the territory on at least one side of the railroad tracks is contiguous to the municipality. On tap next week in the House Local Government Committee is Senate Bill 59 which requires a municipality to mail notice of the date, time, and location of annexation outreach meetings to the county executive of each county, the township executive of each township, and any plan commission in which the annexation territory is located. We will keep an eye on these bills and make sure nothing else sneaks into them!

## Energy and Utility Legislation of Interest

- Both the House and Senate Utilities Committees met this week. In the House, Senate Bills 240, 241 and 258 were considered and voted out to the full House.
  - Senate Bill 240 would require electric utilities that file Integrated Resource Plans (IRPs) to analyze the use of Surplus Interconnection Service (SIS) – defined as unneeded portions of interconnection service capacity that can be utilized at various facilities. SB 240 provides that an electric utility that is required to file an IRP with the IURC must include in any IRP filed after December 31, 2029, an analysis of the potential for surplus interconnection service (SIS) to meet immediate needs for capacity and energy at facilities owned by the electric utility. It authorizes an electric utility to solicit information from owners or operators of third-party facilities about the potential use of SIS at those facilities. An electric utility may include in its IRP the results of a third-party solicitation to the extent that the utility

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receives information concerning viable opportunities for the use of SIS at the third-party facilities considered. The bill also directs IURC to study surplus interconnection service use (scope, transmission constraints, demand growth, other relevant aspects), requires utilities to provide information, allows the IURC to request information from third party facility owners/operators, to determine confidentiality, to consult stakeholders, and to report findings in the commission's annual report before October 1, 2027. The bill was amended in committee to revise the definition of "surplus interconnection service" to specify that the term means a portion of interconnection service that has not been used and is not reasonably expected to be needed. SB 240 is moving through the process and is now eligible for consideration by the full House of Representatives.

- Senate Bill 241 authorizes a conservancy district providing water service to withdraw from the jurisdiction of the IURC if the conservancy district serves less than 3,000 customers instead of 2,000 customers. This broadens the applicability of existing regulations to include more utility providers. SB 241 expands the definition and recoverability of "service enhancement improvements," including chemical and power costs, and details procedures for their recalculation and inclusion in rate adjustments. New provisions allow utilities to recover 100% of certain costs without deferral and establish processes for recalculating and adjusting rates annually. The bill also mandates that economic development projects in rural areas must be supported while providing just and reasonable protection for existing ratepayers. Additional processes are included in the bill for adjusting utility rates based on changes in chemical and power costs. Language was added in the House Utilities Committee that prohibits a water or wastewater utility from charging or collecting a capacity related fee or a tap fee to an eligible customer for connecting workforce housing to the utility's water or wastewater system under certain circumstances. It provides that if the utility determines that the extension of service to the workforce housing will not result in a positive contribution to the utility's overall cost of service over a 20 year period, the utility may charge and collect from the eligible customer a capacity related fee or a tap fee that does not exceed the difference between the otherwise applicable capacity related fee or tap fee minus the contribution to the utility's overall cost of service over a 20 year period that will result from the extension of service to the workforce housing. The bill provides that for purposes of these provisions, an "eligible customer" means a not-for-profit organization that has entered into an agreement with the Indiana Housing and Community Development Authority under

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which the person will construct workforce housing in Indiana and seeks to connect the workforce housing to the utility system under the terms of a special contract with the utility. This measure is now eligible for consideration by the full House of Representatives.

- Senate Bill 258 concerns nuclear facility permitting. SB 258 repeals provisions in state statute that prohibit the construction or operation, or increasing output, of a nuclear facility without a permit from IDEM. It also repeals the requirement that the Environmental Rules Board (ERB) adopt rules regarding the issuance of a permit for and the operation of a nuclear facility. Additional language is repealed requiring the IDEM Commissioner to conduct public hearings on a proposed facility. The bill requires a person proposing to construct a nuclear facility to file with IDEM an environmental feasibility report concurrently with the filing of documents required to be filed with the United States Nuclear Regulatory Commission. SB 258 was approved by the committee and now moves to the full House of Representatives for further consideration.
- Over in the Senate Utilities Committee House Bills 1002 and 1368 were considered.
  - House Bill 1002 is the major energy legislation for this session. Contained in the bill are several provisions including utility budget billing (being renamed “levelized billing”), utility disconnection and reconnection policies, performance-based ratemaking for the IOUs, IURC action during emergencies declared by the Governor, quarterly reporting of certain customer information to the OUCC, and the Low-Income Assistance Program for Electric Utility Service. As it came out of the House of Representatives, we had numerous concerns as several of the bill’s provisions applied not only to the five investor-owned electric utilities, but also to the three municipal electric utilities (Anderson, Auburn, and Frankfort) that remain under IURC jurisdiction for rates and charges. The provisions dealing with budget billing, quarterly reporting to the OUCC, and the low-income assistance program applied to all rate-regulated electric utilities, including the IOUs and the three rate regulated municipal electric utilities. The section pertaining to shutoffs applies to all electric utilities.

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- As amended by the Senate Utilities Committee this week, HB 1002 now exempts our three rate regulated municipal electric utilities from the mandated provisions dealing with levelized (budget) billing, the OUCC reporting requirements, and the Low Income Assistance Program.



- Applicable to ALL electric utilities (IOUs, munis and REMCs), HB 1002 expands upon the current winter shutoff moratorium (December 1st to March 15th) for customers who are eligible for and have applied for the Energy Assistance Program to now include a shutoff prohibition during the summer on any day that the National Weather Service issues a forecast, not earlier than 48 hours in advance, that a heat index of at least 95 degrees will occur for a county or region within an electric utility's service territory. As amended, this would be a moratorium for customers who are eligible for and have applied for the Energy Assistance Program.

- The Senate Utilities Committee unanimously approved HB 1002 as amended, with a required recommitment to the Senate Appropriations Committee due to fiscal impact. Once it clears that hurdle, the bill will move to the full Senate for consideration.

- House Bill 1368 requires a utility (electric, natural gas, water, wastewater) to accept certain methods of payment from the Department of Natural Resources (DNR) for utility service provided to a property owned by the DNR. It prohibits a utility from limiting or restricting the: (1) dollar amount; or (2) number of transactions allowed in a given period; with respect to a payment made by one of the specified payment methods. It provides that for any singular property owned by the DNR, a utility that provides utility service to the property shall provide the DNR with a singular invoice for the entire property. Additionally, HB 1368 requires the Natural Resources Commission (NRC) to obtain the primary enforcement authority (primacy) from the United States Environmental Protection Agency (EPA) to regulate Class VI underground injection wells. It grants the NRC authority to adopt rules to regulate Class VI underground injection wells. Finally, the measure provides a mechanism and regulatory scheme for underground storage of carbon dioxide in Indiana. After lengthy discussion and testimony, the Senate Utilities approved the bill 5-3 and it now goes to the full Senate for consideration.