



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-5495/1

KP:cdc&wlj

2025 BILL

1 **AN ACT** *to renumber* 196.604; *to create* 20.155 (3) (q), 25.965, 71.78 (4) (w),
2 73.03 (78), 196.37 (7), 196.60 (4), 196.604 (2), 196.93 and 196.94 of the
3 statutes; **relating to:** a percentage of income payment program for electricity
4 and gas service, electricity and gas service disconnections, granting rule-
5 making authority, and making an appropriation.

Analysis by the Legislative Reference Bureau

Under this bill, the Public Service Commission administers a percentage of income payment program that requires PSC to ensure that the monthly cost of electricity and gas utility service for a severely energy burdened household or energy burdened household does not exceed 2 percent of the annual income of the household divided by 12. The bill authorizes PSC to approve rates for electricity and gas utility service that are based on a customer's household income, and the bill also authorizes the PSC to provide financial assistance to satisfy the requirement described above. The bill defines a "severely energy burdened household" as a household for which the monthly electricity and gas bills equal 4 percent or more of the total annual income of the household divided by 12 or a household that has no annual income and includes a customer who pays electricity or gas bills. Also, under the bill, an "energy burdened household" is a household for

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which the monthly electricity and gas bills equal at least 2 percent and less than 4 percent of the total annual income of the household divided by 12.

PSC must automatically enroll all severely energy burdened households and energy burdened households in the percentage of income payment program. PSC must engage in active outreach about participating in the program to communities that historically have had a relatively high proportion of severely energy burdened households. Under the bill, PSC may limit the applicability of rates or financial assistance under the percentage of income payment program to electric and gas service for a primary residence. The bill also requires PSC to submit an annual report on the program to the governor and the legislature.

The bill also prohibits public utilities from disconnecting for nonpayment electricity or gas service from a residential dwelling unit whose gross annual income does not exceed 300 percent of the federal poverty guidelines of the U.S. Department of Health and Human Services. Also, the bill requires each electricity or gas public utility to annually report to PSC on all service disconnections from a residential dwelling unit made during the previous year. PSC must submit a report summarizing those reports to the governor and the legislature, and PSC must publish on its website all reports received from public utilities. The bill also allows a customer whose residential dwelling unit is wrongly disconnected from electricity or gas service by a public utility to petition PSC to require the public utility to reconnect the service. PSC must decide on a petition no later than 30 days after receiving it, and if PSC requires a public utility to reconnect service, the public utility must reconnect the service within three days.

The bill establishes an energy burden relief segregated fund for PSC for the percentage of income payment program. Under the bill, all moneys received from the gross revenues tax on public utilities are deposited in the energy burden relief fund.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 20.155 (3) (q) of the statutes is created to read:

2 20.155 (3) (q) *Percentage of income payment program.* From the energy
3 burden relief fund, a sum sufficient to operate the percentage of income payment
4 program under s. 196.93.

5 **SECTION 2.** 25.965 of the statutes is created to read:

6 **25.965 Energy burden relief fund.** There is established a separate

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1 nonlapsible trust fund designated as the energy burden relief fund, to consist of all
2 moneys received under ss. 76.28 and 76.29.

3 **SECTION 3.** 71.78 (4) (w) of the statutes is created to read:

4 71.78 (4) (w) The public service commission in determining rates and
5 financial assistance applicable to a customer under s. 196.93.

6 **SECTION 4.** 73.03 (78) of the statutes is created to read:

7 73.03 (78) To annually provide the public service commission with income
8 data of individuals to enable the public service commission to determine rates and
9 financial assistance applicable to a customer under s. 196.93.

10 **SECTION 5.** 196.37 (7) of the statutes is created to read:

11 196.37 (7) Rates or financial assistance applicable to a customer under the
12 percentage of income payment program under s. 196.93 are not unreasonable or
13 unjustly discriminatory.

14 **SECTION 6.** 196.60 (4) of the statutes is created to read:

15 196.60 (4) This section does not apply to a rates or financial assistance
16 applicable to a customer under the percentage of income payment program under s.
17 196.93.

18 **SECTION 7.** 196.604 of the statutes is renumbered 196.604 (1).

19 **SECTION 8.** 196.604 (2) of the statutes is created to read:

20 196.604 (2) This section does not apply to rates or financial assistance
21 applicable to a customer under the percentage of income payment program under s.
22 196.93.

23 **SECTION 9.** 196.93 of the statutes is created to read:

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1 **196.93 Percentage of income payment program.** (1) DEFINITIONS. In
2 this section:

3 (a) “Energy burdened household” means a household for which the monthly
4 electricity and gas bills equal at least 2 percent and less than 4 percent of the total
5 annual income of the household divided by 12.

6 (b) “Household” means a group of persons who pay for the same residential
7 electric service, residential gas service, or both.

8 (c) “Severely energy burdened household” means any of the following:

9 1. A household for which the monthly electricity and gas bills equal 4 percent
10 or more of the total annual income of the household divided by 12.

11 2. A household that has no annual income and that includes a customer who
12 pays electricity bills or gas bills.

13 **(2) PERCENTAGE OF INCOME PAYMENT PROGRAM.** (a) The commission shall
14 ensure, using the authority provided under this section, that the monthly cost of
15 electricity and gas for a severely energy burdened household or energy burdened
16 household does not exceed 2 percent of the annual income of the household divided
17 by 12.

18 (b) Subject to the limitations provided in this section, the commission may
19 approve rates for electricity and gas service under this chapter in which the rate
20 applicable to a customer is based on the customer’s household income.

21 (c) Subject to the limitations provided in this section, the commission may
22 provide financial assistance to satisfy the requirement under par. (a).

23 (d) 1. The commission shall prioritize exercising the authority under this
24 section to benefit severely energy burdened households that are customers of

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1 investor-owned electric or gas public utilities and that have a gross annual income
2 not exceeding 300 percent of the federal income poverty guidelines under 42 USC
3 9902 (2).

4 2. The commission shall determine a formula for use in calculating household
5 income for purposes of this section.

6 3. The commission shall determine the applicability of rates and financial
7 assistance for households under this section based on information provided by the
8 department of revenue under s. 73.03 (78).

9 **(3) ELIGIBILITY.** (a) The commission may limit the applicability of rates or
10 financial assistance provided under this section to only rates or financial assistance
11 that reduces the financial obligation for electric service, gas service, or both, for a
12 primary residence.

13 (b) 1. The commission may establish maximum household electricity and gas
14 consumption thresholds for the applicability of rates and financial assistance under
15 this section.

16 2. A threshold established under subd. 1. may not be less than twice the
17 median electricity or gas consumption, as applicable, for residential customers of
18 each public utility.

19 3. If the commission establishes a threshold under subd. 1., the commission
20 shall create an online process for a household to petition for an exemption from the
21 thresholds established under subd. 1. The commission shall grant an exemption if
22 it is necessary for the household to consume electricity or gas above the thresholds
23 established under subd. 1. for reasonable residential purposes.

24 **(4) PARTICIPATION AND OUTREACH.** (a) The commission shall automatically

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1 enroll all energy burdened households and severely energy burdened households in
2 the program under this section. This section does not apply after the first day of the
3 37th month beginning after the effective date of this paragraph [LRB inserts
4 date].

5 (b) The commission shall create an online portal for persons to apply to
6 become enrolled in the program under this section.

7 (c) The commission shall engage in active outreach about participating in the
8 program under this section to communities that historically have had a relatively
9 high proportion of severely energy burdened households.

10 (5) RULES. The commission may promulgate rules to implement the
11 percentage of income payment program under this section.

12 (6) ANNUAL REPORT. Annually, no later than November 1, the commission
13 shall submit to the governor and to the legislature under s. 13.172 (2) a report on
14 the administration of the percentage of income payment program under this
15 section. The report shall include all of the following:

16 (a) Updates on changes to the program and individuals served by program.

17 (b) Financial reporting on the program.

18 (c) Identification of any barriers to customer participation in the program.

19 (d) Policy recommendations to the legislature.

20 (7) LAUNCH. No later than the first day of the 13th month beginning after the
21 effective date of this subsection [LRB inserts date], the commission shall begin
22 exercising authority under sub. (2) (b) or (c).

23 **SECTION 10.** 196.94 of the statutes is created to read:

24 **196.94 Certain utility service disconnections; prohibition; reporting;**

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1 **petitions. (1) PROHIBITION ON CERTAIN UTILITY SERVICE DISCONNECTIONS.** No
2 public utility may disconnect electricity or gas service for a residential dwelling unit
3 occupied by a household whose gross annual income does not exceed 300 percent of
4 the federal income poverty guidelines under 42 USC 9902 (2) for nonpayment of the
5 electricity or gas service.

6 **(2) REPORTING OF CERTAIN UTILITY SERVICE DISCONNECTIONS.** (a) Annually,
7 no later than April 1, each public utility providing electricity service or gas service,
8 or both, shall report to the commission on all service disconnections from a
9 residential dwelling unit made by the public utility during the previous year. For
10 each disconnection reported under this paragraph, a public utility shall report all of
11 the following:

- 12 1. The reason for the disconnection.
- 13 2. The date of the disconnection.
- 14 3. If the service was reconnected, the date of the reconnection.
- 15 4. The type of service that was disconnected.
- 16 5. Whether the service is connected or disconnected as of the date of the
17 report.
- 18 6. The zip code of the residential dwelling unit for which service was
19 disconnected.

20 (b) Annually, no later than July 1, the commission shall submit to the
21 governor and to the legislature under s. 13.172 (2) a report that summarizes all
22 reports received under par. (a).

23 (c) Annually, no later than July 1, the commission shall publish on its website
24 all reports received under par. (a).

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(3) PETITIONS FOR RECONNECTION. (a) A customer whose residential dwelling unit is wrongly disconnected from electricity or gas service by a public utility may petition the commission to require the public utility to reconnect the service.

(b) The commission shall decide on a petition under par. (a) no later than 30 days after receiving the petition.

(c) If the commission requires a public utility to reconnect a service after deciding on a petition under par. (a), the public utility shall reconnect the service no later than 3 days after receiving notice from the commission.

SECTION 11. Nonstatutory provisions.

(1) PERCENTAGE OF INCOME PAYMENT PROGRAM. The authorized FTE positions for the public service commission are increased by 7.0 SEG positions on July 1, 2026, to be funded from the appropriation under s. 20.155 (3) (q), for the purpose of administering the percentage of income payment program under s. 196.93.

(END)