HOUSE RESEARCH

Bill Summary

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Overview

House File 2466 makes changes to the electric rate discount program for low-income customers that is operated by Xcel Energy.

The program is currently funded at a level sufficient to provide a 50 percent discount on the first 400 kWh consumed in a month to low-income customers (i.e., those who receive low-income home energy assistance program (LIHEAP) funds). The current discount is about \$15 per month during the summer and slightly less during the winter (when electricity prices are lower).

These revenues also support Xcel's Power-On program, which provides assistance to customers whose bills are delinquent. As electricity prices increase, more of these revenues are directed to the discount program, leaving less support for bill-paying assistance.

The bill addresses this problem by providing for base funding level of \$8 million and requiring that amount to increase at the same rate as residential electricity prices approved by the Public Utilities Commission. The discount is set at \$15 monthly for senior and disabled program participants, and Xcel officials believe this arrangement will provide additional funds for the Power-On program.