The End Energy Hardship Act of 2026
Office of Rep. Paul Tonko (NY-20)
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Background

Energy costs are rising faster than inflation, and Americans are feeling financially burdened by their utility bills. In 2025, utility customer debt soared, now totaling over $23 billion and affecting 20 million households. For many, growing debt and financial strain forces difficult decisions, like cutting back on food and medicine, to avoid utility shutoffs. Americans need comprehensive near-term utility bill relief programs to help manage increasing debts and bring certainty and predictability back to their energy costs.

Percentage of Income Payment Programs (PIPPs) are one type of energy assistance program. PIPPs cap customers' utility bills at a set percentage of a household's income. This has been shown to improve payment behavior, reduce system-wide debt, and lower collection costs. Arrearage Management Programs can also provide customers with an achievable pathway out of debt, restoring stability and reducing financial stress of persistent arrears.

While programs like these are effective in supporting the most vulnerable and low-income customers, the costs of these programs are spread across ratepayers, and many households struggling to pay their bills do not qualify for existing assistance programs, such as LIHEAP.

The End Energy Hardship Act proposes establishing a federal program to fund forgiveness of residential customer utility debt. To qualify for funding, utilities must adopt a PIPP for at least 60 consecutive months that enroll customers with household incomes less than 150% of the federal poverty level (or 60% of the state median income level). Utilities must take other actions to support energy affordability and the success of the PIPP, including coordinating with state agencies and non-profit entities to increase access and enrollment in other low-income assistance, weatherization, and energy efficiency programs.

After forgiving customer debt, any remaining funding will be allocated to participating utilities to credit the accounts of each residential customer, regardless of income level, on an equal basis.

To support development and implementation of PIPPs and other energy affordability measures, the Department of Energy (DOE) is authorized to provide technical assistance to utilities and states. DOE is also authorized to provide funding to utilities to help offset the ratepayer costs of administering PIPPs. In cases where the utility is investor-owned, it must match 10 percent of funding received from DOE with funding provided by shareholders.

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Section-by-Section Summary

Section 1 establishes the short title for the bill.

Section 2 includes the following:

Subsection (a) authorizes DOE to establish a utility affordability program to promote near-term affordability of electric and natural gas utility services. The program shall be set up in two phases.

Subsection (b) establishes phase one, an arrears forgiveness program in which eligible entities can apply for funding to eliminate residential customer arrears. Arrears forgiveness shall be prioritized based on pre-existing arrears, households' income levels, and households that include vulnerable members. In exchange for receiving federal funding, eligible entities must establish a qualified percentage of income payment program that must be implemented for a period of at least 60 months, and must cease the issuance of late fees, penalties, collections, and service disconnections for non-payment of arrears anticipated to be eliminated by funding received under this program. Eligible entities must also coordinate and share data with state agencies responsible for enrolling customers in affordability programs. When necessary, eligible entities receiving funds will also be required to file a tariff with their state public utility commission to establish or amend a qualified percentage of income payment program. Eligible entities may use up to 10 percent of funds for administrative costs associated with eliminating arrears, establishing a qualified percentage of income payment program, and reporting on use of funds.

Subsection (c) establishes phase two of the program in which any available funding that has not been expended for arrears forgiveness under subsection (b) shall be credited on an equal basis to all residential customers served by eligible entities that participated in phase one of the arrears forgiveness program.

Subsection (d) directs DOE to provide technical assistance to eligible entities, states, Indian tribes, and nonprofit organizations.

Subsection (e) directs DOE to provide financial support to eligible entities to offset ratepayer costs associated with implementing a qualified percentage of income payment program. In cases where the eligible entity is an investor-owned utility, the entity must match 10% of funding received from DOE with funding provided by shareholders.

Subsection (f) directs the Administrator of the Energy Information Administration to develop and implement annual data collection from electric and natural gas utility service providers on total residential arrears, number of customers in arrears, number of customer disconnections due to non-payment, and number of residential customers enrolled in a Qualified Percentage of Income Payment Program, and to publish a report on the results from this data that is publicly available.

Subsection (g) directs DOE to require repayment of any funding provided to eligible entities that have been found to have failed to comply with the requirements of this Act.

Subsection (h) directs DOE to report to Congress on the effectiveness of Qualified Percentage of Income Payment Programs in addressing energy affordability and make recommendations to improve the design of such programs.

Subsection (i) authorizes $25 billion to carry out subsections (b) and (c) and $1 billion for each of Fiscal Years 2027 to 2031 to carry out subsections (d), (e), and (f).

Subsection (j) defines key terms used in the Act, including "collections," "arrears," and "qualified percentage of income payment program". A qualified percentage of income payment program is required to limit monthly energy service charges to 6% of household income and enroll residential customers with household incomes less than 150% of the federal poverty level (or 60% of the state median income level).