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(Original Signature of Member)

119TH CONGRESS
2D SESSION

H. R. _____

To provide financial and technical assistance to State utility commissions to improve the oversight and regulation of energy utilities and ensure the provision of safe and reliable energy utility services at just and reasonable rates, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. TONKO introduced the following bill; which was referred to the Committee
on _____

A BILL

To provide financial and technical assistance to State utility commissions to improve the oversight and regulation of energy utilities and ensure the provision of safe and reliable energy utility services at just and reasonable rates, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Energy Over-
5 sight Act of 2026”.

1 **SEC. 2. STATE ENERGY OVERSIGHT PROGRAM.**

2 (a) ESTABLISHMENT.—The Secretary shall establish
3 a program to provide financial and technical assistance to
4 States and other entities to support State utility commis-
5 sions and other State agencies in the oversight and regula-
6 tion of the provision of safe and reliable electric service
7 and natural gas service at just and reasonable rates.

8 (b) ELIGIBLE USES OF FINANCIAL ASSISTANCE BY
9 STATES.—Financial assistance made available to a State
10 under the program established under subsection (a) may
11 be used to—

12 (1) improve the technical and administrative ca-
13 pacities and capabilities of a State utility commis-
14 sion, which may include—

15 (A) supporting data collection and access
16 to existing datasets, modeling, including access
17 to modeling software and subscriptions utilized
18 by energy utilities, and analysis in rate cases
19 and other proceedings before the State utility
20 commission;

21 (B) hiring, training, and retaining staff of
22 the State utility commission for the purposes of
23 conducting work of a scientific, technical, engi-
24 neering, mathematical, legal, accounting, or
25 otherwise highly specialized or skilled nature;
26 and

1 (C) conducting analysis of energy afford-
2 ability within the State, including participation
3 in energy affordability programs, the percentage
4 of gross household income spent on costs of
5 electric service and natural gas service, and the
6 financial impacts of such costs by income level
7 and energy usage;

8 (2) improve transparency of and participation
9 in rate cases and other proceedings before the State
10 utility commission, including by supporting—

11 (A) public education;

12 (B) improved notification of potentially in-
13 terested parties of State utility commission ac-
14 tivities;

15 (C) promotion of well-defined, public
16 timelines and deadlines for rate cases and other
17 proceedings before the State utility commission;
18 and

19 (D) administration of an office of public
20 participation or other activities to support
21 broader participation and awareness of rate
22 cases and other proceedings before the State
23 utility commission;

24 (3) support administration of an independent
25 public advocate with the expertise and authority to

1 intervene in rate cases and other proceedings before
2 the State utility commission on behalf of residential
3 and small business energy utility customers, which
4 may include improving the technical capacities and
5 capabilities of such advocates, and such an advocate
6 may be administered—

7 (A) as an independent State agency;

8 (B) within the office of the State's attor-
9 ney general;

10 (C) as an independent office within the
11 State utility commission; or

12 (D) as an independent nonprofit organiza-
13 tion selected by the State;

14 (4) support administration of an intervenor
15 funding program to encourage participation of indi-
16 viduals and nonprofit organizations representing the
17 interests of residential and small business energy
18 utility customers in rate cases and other proceedings
19 before the State utility commission, which may in-
20 clude improving the technical capacities and capa-
21 bilities of such individuals and nonprofit organiza-
22 tions;

23 (5) develop and implement alternatives to exist-
24 ing rate design structures, which may include—

1 (A) energy affordability programs, includ-
2 ing percentage-of-income payment programs
3 and arrears management programs; and

4 (B) rate structures that better align energy
5 utility incentives with customer outcomes, in-
6 cluding performance-based rate structures that
7 may seek to incentivize predetermined, measur-
8 able targets for peak demand reduction, energy
9 efficiency, customer engagement and informa-
10 tion access, affordability (including reductions
11 in arrears or disconnections), customer enroll-
12 ment in energy affordability or efficiency pro-
13 grams, or public policy goals of the State; and

14 (6) improve coordination among State agencies,
15 energy utilities, community action agencies, and
16 other relevant organizations to reduce barriers for
17 residential and small business energy utility cus-
18 tomers to access energy utility bill assistance, weath-
19 erization assistance, and other incentive programs.

20 (c) ALLOCATION OF FINANCIAL ASSISTANCE TO
21 STATES.—The Secretary shall determine a formula to al-
22 locate financial assistance to States under the program es-
23 tablished under subsection (a), which may be—

24 (1) based on the population of each State, the
25 amount of energy used in each State, the price of

1 energy in each State, or the number of residential
2 and small business energy utility customers within
3 each State determined to have a high percentage of
4 gross household income spent on energy utility costs
5 or otherwise struggling with energy affordability,
6 provided that each State receives not less than 1
7 percent of funding made available under this section;
8 or

9 (2) adopted from an existing formula utilized
10 by the Secretary to allocate financial assistance to
11 States.

12 (d) MAINTENANCE OF EFFORT.—Each State receiv-
13 ing financial assistance under the program established
14 under subsection (a) shall provide reasonable assurance to
15 the Secretary that it has in effect policies and procedures
16 designed to assure that such financial assistance will be
17 used to supplement, and not to supplant, State and other
18 sources of funding for activities described in subsection
19 (b).

20 (e) REPORTING.—

21 (1) IN GENERAL.—Each year, each State re-
22 ceiving financial assistance under the program estab-
23 lished under subsection (a) shall report to the Sec-
24 retary, at a time and in a manner prescribed by the
25 Secretary, the following information:

1 (A) The uses of financial assistance re-
2 ceived under such program, including how as-
3 sistance has been used to—

4 (i) improve the technical and adminis-
5 trative capacities and capabilities of the
6 relevant State utility commission;

7 (ii) improve transparency of and par-
8 ticipation in rate cases and other pro-
9 ceedings before the State utility commis-
10 sion, including efforts to improve outreach
11 and engagement of residential and small
12 business energy utility customers;

13 (iii) support the administration of an
14 office of public participation;

15 (iv) support the administration of an
16 independent public advocate;

17 (v) support the administration of an
18 intervenor funding program; and

19 (vi) support the development of alter-
20 natives to existing rate design structures,
21 including energy affordability programs
22 and performance-based rate structures.

23 (B) A description of energy utility rates
24 within the State, including average bills of elec-
25 tric service and natural gas service for residen-

1 tial and small business customers,
2 disaggregated by rate class, average delivery
3 and supply costs, average fixed charge costs,
4 and authorized return on equity for each energy
5 utility regulated by the State utility commis-
6 sion.

7 (C) A description of the outcomes of recent
8 rate cases and other proceedings before the
9 State utility commission.

10 (D) A description of efforts to make public
11 hearings, workshops, and State utility commis-
12 sion meetings, as well as the outcomes of such
13 proceedings, more accessible to residential and
14 small business energy utility customers.

15 (E) A description of the participation of
16 public advocates and other intervenors rep-
17 resenting the interests of residential and small
18 business energy utility customers in rate cases
19 and other proceedings before the State utility
20 commission.

21 (F) Information on the availability and use
22 of incentives, arrears management programs,
23 and other programs administered by the State,
24 energy utilities in the State, or third-parties in
25 the State to reduce the percentage of gross

1 household income residential and small business
2 energy utility customers spend on energy utility
3 costs within such State.

4 (2) PUBLIC AVAILABILITY.—

5 (A) REPORTS.—The Secretary shall ensure
6 all reports submitted by States under this sub-
7 section are posted online and available to the
8 public.

9 (B) DATABASE.—Based on the reports re-
10 quired by this subsection, the Secretary shall
11 direct the Administrator of the Energy Infor-
12 mation Administration to publish and maintain
13 a national database of energy utility rates,
14 disaggregated by rate class, including residen-
15 tial, commercial, industrial, and any other rate
16 class established by the relevant State utility
17 commission, that is updated not less than once
18 per year. The Administrator of the Energy In-
19 formation Administration shall, to the extent
20 practicable, coordinate with existing data collec-
21 tion efforts of the Energy Information Adminis-
22 tration to avoid duplication of reporting bur-
23 dens on States and energy utilities.

24 (3) FAILURE TO REPORT.—Upon determining
25 that a State receiving financial assistance under the

1 program established under subsection (a) has failed
2 to fulfill the reporting requirements of this sub-
3 section, the Secretary shall withhold future assist-
4 ance to be allocated to such State under such pro-
5 gram and redistribute future assistance to the re-
6 maining States.

7 (f) TECHNICAL ASSISTANCE.—

8 (1) IN GENERAL.—In carrying out the program
9 established under subsection (a), the Secretary shall
10 provide information, recommendations, best prac-
11 tices, and other forms of technical assistance related
12 to the consideration of rate cases, the design of rate
13 structures, the design and implementation of energy
14 affordability programs, and other matters that typi-
15 cally come before a State utility commission, to
16 States, State utility commissions, energy utilities,
17 and not-for-profit entities that own or operate dis-
18 tribution or transmission facilities to provide retail
19 electric or natural gas services.

20 (2) EDUCATION AND TRAINING OF COMMIS-
21 SIONERS, COMMISSION EMPLOYEES, AND PUBLIC AD-
22 VOCATES.—

23 (A) IN GENERAL.—In carrying out the
24 program established under subsection (a), the
25 Secretary may provide financial assistance to

1 nonprofit organizations that have experience in
2 providing educational and training opportunities
3 for State utility commission commissioners,
4 State utility commission employees, or public
5 advocates to support the development and deliv-
6 ery of educational programs, curricula, work-
7 shops, conferences, and other convenings to
8 train State utility commission commissioners,
9 State utility commission employees, or public
10 advocates on issues that may include rate case
11 analysis, utility cost-of-service and rate design
12 studies, analysis of appropriate return on eq-
13 uity, performance-based ratemaking, energy af-
14 fordability, grid modernization, emerging energy
15 technologies, and other issues that may come
16 before a State utility commission.

17 (B) CONDITION ON ASSISTANCE.—As a
18 condition of receiving financial assistance under
19 this paragraph, a nonprofit organization shall
20 agree that any educational program, cur-
21 riculum, workshop, conference, or other con-
22 vening to be developed and delivered using such
23 assistance will be developed and delivered with-
24 out financial support from, or material direction
25 or editorial control by, any entity regulated by

1 a State utility commission, or by any trade as-
2 sociation or other representative of such an en-
3 tity.

4 (3) FELLOWSHIP PROGRAM.—In carrying out
5 the program established under subsection (a), the
6 Secretary may provide financial assistance for recent
7 graduates of academic institutions and energy pro-
8 fessionals to temporarily work at State utility com-
9 missions, State energy offices, and public advocate
10 offices to improve the technical and administrative
11 capacities and capabilities of such State utility com-
12 missions and offices.

13 (4) FUNDING SET-ASIDE.—The Secretary shall
14 set-aside 10 percent of funding made available under
15 this section for the purpose of carrying out this sub-
16 section.

17 (g) AUTHORIZATION OF APPROPRIATIONS.—There is
18 authorized to be appropriated to the Secretary to carry
19 out this section \$50,000,000 for each of fiscal years 2027
20 through 2031.

21 (h) DEFINITIONS.—In this section:

22 (1) ENERGY UTILITY.—The term “energy util-
23 ity” means—

24 (A) a State regulated electric utility; and

25 (B) a State regulated gas utility.

1 (2) SECRETARY.—The term “Secretary” means
2 the Secretary of Energy.

3 (3) STATE.—The term “State” means a State,
4 the District of Columbia, Puerto Rico, or any terri-
5 tory or possession of the United States.

6 (4) STATE REGULATED ELECTRIC UTILITY.—
7 The term “State regulated electric utility” has the
8 meaning given such term in section 3(18) of the
9 Public Utility Regulatory Policies Act of 1978 (16
10 U.S.C. 2602(18)).

11 (5) STATE REGULATED GAS UTILITY.—The
12 term “State regulated gas utility” has the meaning
13 given such term in section 302(3) of the Public Util-
14 ity Regulatory Policies Act of 1978 (15 U.S.C.
15 3202(3)).

16 (6) STATE UTILITY COMMISSION.—The term
17 “State utility commission” means—

18 (A) with respect to the regulation of a
19 State regulated electric utility, a State regu-
20 latory authority (as defined in section 3(17) of
21 the Public Utility Regulatory Policies Act of
22 1978 (16 U.S.C. 2602(17)); and

23 (B) with respect to the regulation of a
24 State regulated gas utility, a State regulatory
25 authority (as defined in section 302(8) of the

- 1 Public Utility Regulatory Policies Act of 1978
- 2 (15 U.S.C. 3202(8)).