The State Energy Oversight Act of 2026
Office of Rep. Paul Tonko (NY-20)
September 2026

Background

Robust, transparent, and effective state public utility commissions are foundational to protecting Americans from unjustly expensive utility bills, but these commissions have far fewer resources than the utilities they are tasked with regulating, resulting in customers' interests not always being fully represented in rate cases and other commission proceedings.

The federal government has a long history of providing funding to states through the State Energy Program to enable state energy offices to design, develop, and implement energy programs and improve states' energy security by planning for potential disruptions and disasters.

Unlike state energy offices, public utility commissions have not benefited from consistent federal funding. These commissions are responsible for regulating utilities that provide essential energy, telecommunications, and water services within the state. Public utility commissioners must often make difficult decisions that seek to balance affordability for ratepayers with the need for utility investments to ensure safe and reliable services, but they often lack the staff, resources, and data to be maximally effective as regulators.

At a time of rising energy unaffordability, the State Energy Oversight Act proposes creating a new Department of Energy (DOE) program to provide financial and technical assistance to public utility commissions. The bill would authorize $50 million for each of Fiscal Years 2027 through 2031 to be allocated to states through a DOE-determined formula.

Financial assistance may be used to improve the technical and administrative capacities and capabilities of commissions, including by hiring, training, and retaining technical and legal staff, and supporting data collection, modeling, and analysis in rate cases and other proceedings.

Funding may also be used to support activities that promote transparency of and participation in proceedings, including funding for—

- offices of public participation or other activities to support broader participation and awareness of proceedings;
- independent public advocates with authority to intervene in proceedings on behalf of residential and small business energy utility customers;
- intervenor funding programs to encourage participation of individuals and nonprofit organizations representing the interests of residential and small business energy utility customers in proceedings;
- development of alternative rate design structures to promote energy affordability and performance-based approaches to ratemaking; and

- improve coordination with utilities, state agencies, and other relevant organizations to remove barriers to accessing energy affordability programs.

The State Energy Oversight Act also authorizes DOE to provide information, recommendations and best practices, and other forms of technical assistance to states and other relevant entities to support the consideration of rate cases, the design of rate structures, and other matters that typically come before commissions. As part of its technical assistance program, DOE is authorized to support training of commissioners, commission staff, and public advocates, and to create a fellowship program to place recent graduates and energy professionals at state utility commission offices, state energy offices, and public advocate offices.

States that accept DOE funding would be required to report annually on their uses of funds, efforts to improve public participation in proceedings, and efforts to reduce the energy burden of residential and small business energy utility customers.

***

Section-by-Section Summary

Section 1 establishes the short title for the bill.

Section 2 includes the following:

Subsection (a) directs DOE to establish a program to provide financial and technical assistance to states to support public utility commissions.

Subsection (b) establishes eligible uses of financial assistance, including improving the technical and administrative capacities of commissions, hiring and training commission staff, and conducting analysis on energy affordability programs. Financial assistance may also be used to support participation in commission proceedings, independent public advocates to intervene in proceedings, intervenor funding programs, development of alternative rate design structures to support improve utility performance and energy affordability efforts, and efforts to remove barriers to accessing energy affordability programs.

Subsection (c) directs DOE to determine a formula to allocate financial assistance to states, which may be based on an existing formula or a new formula that considers population, energy use, or other energy-related metrics in each state.

Subsection (d) requires states to provide reasonable assurances that financial assistance provided under this Act shall supplement and not supplant existing efforts funded by the state.

Subsection (e) requires each state receiving financial assistance to submit an annual report to DOE detailing the uses of assistance and efforts to expand participation in rate cases and remove barriers to accessing energy affordability programs. States are required to include a description of energy utility rates within the state that shall be made publicly available by the Energy

Information Administration. States that fail to meet reporting requirements shall have future funding withheld.

Subsection (f) directs DOE to provide information, best practices, and other forms of technical assistance to states and other relevant entities to support consideration of rate cases, design of energy affordability programs, and other matters that come before commissions. DOE may also provide financial assistance directly to non-profit organizations to support training and educational programs for state utility commissioners, commission employees, and public advocates on issues relevant for providing safe and reliable energy utility services at just and reasonable rates. DOE may also carry out a fellowship program to fund graduates and energy professionals to work with state commissions, state energy offices, and independent public advocates to strengthen their capacities. 10% of funds made available under this Act are reserved for carrying out this subsection.

Subsection (g) authorizes $50 million for each of Fiscal Years 2027 through 2031 to carry out this Act.

Subsection (h) defines key terms used throughout the bill, including “energy utility” and “state utility commission”.