

STATE ENERGY ACCOUNTABILITY ACT

SEPTEMBER 17, 2025.—Committed to the Committee of the Whole House on the
State of the Union and ordered to be printed

Mr. GUTHRIE, from the Committee on Energy and Commerce,
submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 3157]

[Including cost estimate of the Congressional Budget Office]

The Committee on Energy and Commerce, to whom was referred the bill (H.R. 3157) to amend the Public Utility Regulatory Policies Act of 1978 to add a standard related to the evaluation of State intermittent energy policies, and for other purposes, having considered the same, reports favorably thereon without amendment and recommends that the bill do pass.

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PURPOSE AND SUMMARY

H.R. 3157, the “State Energy Accountability Act”, was introduced by Representative Langworthy on May 1, 2025, and referred to the Committee on Energy and Commerce on May 1, 2025. H.R. 3157 amends section 111(d) of the Public Utility Regulatory Policy Act of 1978 (PURPA) to require each state regulatory authority to consider implementing requirements to evaluate the reliability and resource adequacy impacts of complying with Renewable Portfolio Standards, Clean Energy Standards, or other state policies that require utilities to designate a share of their electricity sold to be generated from intermittent resources.

BACKGROUND AND NEED FOR LEGISLATION

After decades of modest growth in electricity demand, the bulk-power system of the United States is undergoing its most transformative period since WWII. Increasing electricity demands, driven by the rise of artificial intelligence and reshoring of domestic manufacturing facilities, is coinciding with an alarming rate of premature retirements of baseload power and insufficient replacement generating resources. Data centers alone could consume upwards of 132 GW by 2028.¹ The North American Electric Reliability Corporation (NERC) projects peak demand to grow by 151 GW by 2034.² At the same time, NERC reports that as much as 115 GW of thermal generation has announced to retire within the same period.³ NERC has stated that “[e]nvironmental regulations and energy policies that are overly rigid and lack provisions for electric grid reliability have the potential to influence generators to seek deactivation despite a projected resource adequacy or operating reliability risk; this can potentially jeopardize[e] the orderly transition of the resource mix.”⁴

During the 119th Congress, the Energy Subcommittee of Energy and Commerce has held several hearings to better understand the ongoing reliability crisis facing our nation. Through expert witness testimony from grid operators, engineers, and experts in the energy industry, the Committee finds that states have played an outsized role in driving pre-mature retirements of baseload generating units. In many cases, it is actions taken to fulfill clean energy mandates that are undermining reliability and raising costs on ratepayers.

There are currently 29 states that have clean energy standards, renewable portfolio standards, or other related measures that require utilities and power producers to have increasing shares of their generation come from preferred clean energy sources or otherwise designate specified dates to meet emission reduction goals. Accordingly, of the ten states with the highest electricity prices, all but two have the most aggressive forms of clean energy standards.⁵

¹Arman Shehabi et al., *2024 United States Data Center Energy Usage Report*, LAWRENCE BERKELEY NATIONAL LABORATORY (Dec. 20, 2024), [<https://escholarship.org/uc/item/32d6m0d1>].

²North American Reliability Corp. (NERC), *2024 Long-Term Reliability Assessment* (Dec. 2024, updated Jul. 15, 2025), https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_Long%20Term%20Reliability%20Assessment_2024.pdf.

³*Id.*

⁴NERC, *2023 Long-Term Reliability Assessment* (Dec. 2023) https://www.nerc.com/pa/RAPA/ra/Reliability%20Assessments%20DL/NERC_LTRA_2023.pdf.

⁵Mario Loyola et al., *Why Electricity Prices are Soaring in Blue States*, HERITAGE FOUND. (Oct. 23, 2024), <https://www.heritage.org/sites/default/files/202410/BG3867.pdf>.

Meanwhile, of the eighteen states with the most affordable electricity rates, all but one have a renewable portfolio standard.⁶ The one state referenced in the most affordable electricity rates with a renewable portfolio standard is Washington, home to the largest forms of reliable, baseload hydropower facilities in the country.

Higher reliance on intermittent energy resources could inherently drive up costs on ratepayers because their intermittent nature requires back up power, higher land usage and locational constraints of resources that require additional transmission infrastructure, and stranded assets that have high capital costs which are recovered through a utility's rate base. Contrary to claims of the affordability of intermittent energy resources, grid operators such as ISO-NE have found that the profitability of such resources is reliant on state policies and additional revenue streams outside of those found in wholesale markets.⁷ In 2024, it had been estimated that renewable energy would receive \$1.2 trillion in subsidies over the following ten years.⁸ The true costs of intermittent resources are socialized amongst the broader system and attributes of infrastructure that provide essential reliability services necessary to maintain reliability.

Expansive mandates of states that seek to replace fossil fuel are incurring the consequences. The New York Independent System Operator's (NY-ISO) annual report on the state of the bulk power system stated, "[a]s traditional fossil-fueled generation deactivates in response to decarbonization goals and tighter emissions regulations, reliability margins on the grid are eroding".⁹ Reliability margins are critical to meeting peak demands and avoiding outages, particularly during extreme weather or response to sudden disturbances. New York's Climate Leadership and Community Protection Act, one of the nation's most aggressive climate mandates, is driving a disorderly transition to zero emission generating fleet. Recently, business leaders and unions in New York state penned an open letter to Governor Hochul requesting additional scrutiny and transparent reporting on cost and reliability impacts stemming from New York's Climate Leadership and Community Protection Act.¹⁰

Independent System Operator New England (ISO-NE) is facing similar issues as a result of burdensome state mandates, political opposition to pipeline infrastructure development, and modest renewable integration as a result of weather patterns and regional geology. ISO-NE highlighted the cost of carbon emissions, as part of the mandated cap-and-trade programs, as a key driving factor for high electricity prices in the region.¹¹ As a result of a lack of adequate energy infrastructure, ISO-NE CEO Gordon Van Weile

⁶*Id.*

⁷ISO-New England Inc. Internal Market Monitor, *2024 Annual Markets Report*, ISO-NEW ENGLAND (May 23, 2025), <https://www.iso-ne.com/static-assets/documents/100023/2024-annual-markets-report.pdf>.

⁸Mario Loyola et al., *supra* note 5.

⁹NY-ISO, *2025 Power Trends*, *the New York ISO Annual Grid and Markets Report*, NEW YORK INDEPENDENT SYSTEM OPERATOR, INC. (June 2025), <https://www.nyiso.com/documents/20142/2223020/2025-Power-Trends.pdf/51517a1b-36fa-4f3d-d44d-eabe23598514?t=1748866865402>.

¹⁰The Business Council of New York State, *Statement Regarding CLCPA Letter Calling for Answers to Key Policy Concerns* (Jul. 2024), <https://www.bcnys.org/news/statement-regarding-clcpa-letter-calling-answers-key-policy-concerns>; see <https://www.bcnys.org/sites/default/files/2024-07/Final%20CLCPA%20sign%20on%20letter%20.pdf> (for text of letter to Gov. Hochul).

¹¹ISO-NE, *supra* note 7.

testified before the Committee that the region is not seeing comparable increases in electricity demands from data centers and domestic manufacturing. The Committee finds that states must take a larger role in analyzing the reliability and affordability impacts of aggressive climate mandates.

The Public Utility Regulatory Policy Act (PURPA), passed in 1978 amidst the oil embargoes from the Middle East, sought to promote energy conservation and drive competition in the power sector. This law included a provision, section 111(d), that provides Congress with an opportunity to encourage state public utility commissions to consider certain policies. As part of this process, state commissions, and in some cases non-regulated utilities, are required to give consideration to provisions passed by Congress in an open meeting format. This provision is not a mandate for states, who generally control decisions related to resource adequacy within their jurisdiction.

The State Energy Accountability Act seeks to bring enhanced transparency and accountability to states that implement intermittent energy standards. Specifically, the bill would encourage, as part of the process of PURPA 111(d), states to consider the impact these policies have on costs on ratepayers and impacts on reliability and provide transparent public reports of their findings.

COMMITTEE ACTION

On April 30, 2025, the Subcommittee on Energy held a legislative hearing on 14 pieces of legislation, including H.R. 3157. The Subcommittee received testimony from:

- Mike Goff, Acting Undersecretary of Energy, U.S. Department of Energy;
- David L. Morenoff, Acting General Counsel, Federal Energy Regulatory Commission;
- Terry Turpin, Director, Office of Energy Projects, Federal Energy Regulatory Commission;
- Jim Matheson, Chief Executive Officer, National Rural Electric Cooperative Association;
- Amy Andryszak, President and Chief Executive Officer, Interstate Natural Gas Association of America;
- Todd A. Snitchler, President and Chief Executive Officer, Electric Power Supply Association and;
- Kim Smaczniak, Partner, Roselle LLP.

On June 5, 2025, the Subcommittee on Energy met in open markup session and forwarded H.R. 3157, without amendment, to the full Committee by a voice vote. On June 25, 2025, the full Committee on Energy and Commerce met in open markup session and ordered H.R. 3157, without amendment, favorably reported to the House by a record vote of 27 yeas and 20 nays.

COMMITTEE VOTES

Clause 3(b) of rule XIII requires the Committee to list the record votes on the motion to report legislation and amendments thereto. The following reflects the record votes taken during the Committee consideration:

**COMMITTEE ON ENERGY AND COMMERCE
119TH CONGRESS
ROLL CALL VOTE # 10**

BILL: H.R. 3157, State Energy Accountability Act

AMENDMENT: Final Passage

DISPOSITION: Agreed to, by a roll call vote of 27 yeas and 20 nays.

REPRESENTATIVE	YEAS	NAYS	PRESENT	REPRESENTATIVE	YEAS	NAYS	PRESENT
Mr. Guthrie	X			Mr. Pallone		X	
Mr. Latta	X			Ms. DeGette		X	
Mr. Griffith	X			Ms. Schakowsky		X	
Mr. Bilirakis	X			Ms. Matsui			
Mr. Hudson				Ms. Castor		X	
Mr. Carter (GA)	X			Mr. Tonko		X	
Mr. Palmer				Ms. Clarke		X	
Mr. Dunn	X			Mr. Ruiz		X	
Mr. Crenshaw	X			Mr. Peters	X		
Mr. Joyce	X			Mrs. Dingell		X	
Mr. Weber	X			Mr. Veasey		X	
Mr. Allen	X			Ms. Kelly			
Mr. Balderson	X			Ms. Barragán		X	
Mr. Fulcher	X			Mr. Soto		X	
Mr. Pfluger				Ms. Schrier		X	
Mrs. Harshbarger	X			Ms. Trahan		X	
Mrs. Miller-Meeks	X			Ms. Fletcher		X	
Mr. Guthrie	X			Ms. Ocasio-Cortez			
Mr. Obernolte	X			Mr. Auchincloss		X	
Mr. James	X			Mr. Carter (LA)		X	
Mr. Bentz	X			Mr. Menendez		X	
Mrs. Houchin	X			Mr. Mullin		X	
Mr. Fry	X			Mr. Landsman		X	
Ms. Lee				Ms. McClellan		X	
Mr. Langworthy	X						
Mr. Kean	X						
Mr. Ruffi	X						
Mr. Evans	X						
Mr. Goldman	X						
Mrs. Fedorchak	X						

06/25/2025

OVERSIGHT FINDINGS AND RECOMMENDATIONS

Pursuant to clause 2(b)(1) of rule X and clause 3(c)(1) of rule XIII, the Committee held hearings and made findings that are reflected in this report.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

Pursuant to clause 3(c)(2) of rule XIII, the Committee finds that H.R. 3157 would result in no new or increased budget authority, entitlement authority, or tax expenditures or revenues.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

H.R. 3157, State Energy Accountability Act			
As ordered reported by the House Committee on Energy and Commerce on June 25, 2025			
By Fiscal Year, Millions of Dollars	2025	2025-2030	2025-2035
Direct Spending (Outlays)	0	0	0
Revenues	0	0	0
Increase or Decrease (-) in the Deficit	0	0	0
Spending Subject to Appropriation (Outlays)	0	0	0
Increases <i>net direct spending</i> in any of the four consecutive 10-year periods beginning in 2036?	No	Statutory pay-as-you-go procedures apply? No	
Increases <i>on-budget deficits</i> in any of the four consecutive 10-year periods beginning in 2036?	No	Mandate Effects	
		Contains intergovernmental mandate?	Yes, Under Threshold
		Contains private-sector mandate?	No

H.R. 3157 would amend the Public Utility Regulatory Policies Act of 1978 to require state regulatory authorities, within one year of enactment, to decide whether to evaluate policies related to intermittent energy—such as solar- and wind-generated power. The evaluation would need to address criteria specified in the bill, and the regulatory agency would need to make those findings publicly available. The evaluation would apply to states that require some portion of electricity used in the state to come from facilities that cannot generate or procure power without interruption for at least 30 consecutive days, including during extreme weather conditions.

Enacting the bill would not change federal responsibilities; thus, CBO estimates that implementing H.R. 3157 would not affect the federal budget.

H.R. 3157 would impose an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA) by requiring state utility commissions to decide whether to evaluate the extent to which policies concerning intermittent energy affect the reliability of the electrical power system in their state. The requirement would expand an existing intergovernmental mandate by increasing those entities' responsibilities under the Public Utility Regulatory Policies Act. CBO estimates that the mandate would re-

sult in a small incremental increase in administrative costs that would not exceed the threshold established in UMRA for intergovernmental mandates (\$103 million in 2025, adjusted annually for inflation).

The bill would not impose private-sector mandates as defined in UMRA.

The CBO staff contacts for this estimate are Emilia Oliva (for federal costs) and Brandon Lever (for mandates). The estimate was reviewed by H. Samuel Papenfuss, Deputy Director of Budget Analysis.

PHILLIP L. SWAGEL,
Director, Congressional Budget Office.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

STATEMENT OF GENERAL PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII, the general performance goal or objective of this legislation is to direct state public utility commissions, through section 111(d) of the Public Utility Regulatory Policies Act, to consider providing public reporting on the impact intermittent energy standards have on reliability and affordability of the bulk-power system.

DUPLICATION OF FEDERAL PROGRAMS

Pursuant to clause 3(c)(5) of rule XIII, no provision of H.R. 3157 is known to be duplicative of another Federal program, including any program that was included in a report to Congress pursuant to section 21 of Public Law 111–139 or the most recent Catalog of Federal Domestic Assistance.

RELATED COMMITTEE AND SUBCOMMITTEE HEARINGS

Pursuant to clause 3(c)(6) of rule XIII, the following related hearings were used to develop or consider H.R. 3157:

On February 5, 2025, the Subcommittee on Energy held a hearing on H.R. 3157, titled “Powering America’s Future: Unleashing American Energy.” The Subcommittee received testimony from:

- Amanda Eversole, Executive Vice President and Chief Advocacy Officer, American Petroleum Institute;
- Brigham McCown, Senior Fellow and Director, Initiative on American Energy Security, The Hudson Institute;
- Gary Arnold, Business Manager, Denver Pipefitters Local 208 and;
- Tyler O’Connor, Partner, Crowell & Moring LLP.

On March 5, 2025, the Subcommittee on Energy held a hearing on H.R. 3157, titled “Scaling for Growth: Meeting the Demand for Reliable, Affordable Electricity.” The Subcommittee received testimony from:

- Todd Brickhouse, CEO and General Manager, Basin Electric Power Cooperative;

- Asim Haque, Senior Vice President for Governmental and Member Services, PJM;
- Noel W. Black, Senior VP of Regulatory Affairs, Southern Company and;
- Tyler H. Norris, James B. Duke Fellow, Duke University.

On March 25, 2025, the Subcommittee on Energy held a hearing on H.R. 3157, titled “Keeping the Lights On: Examining the State of Regional Grid Reliability.” The Subcommittee received testimony from:

- Gordon van Welie, President and Chief Executive Officer, ISO New England;
- Richard J. Dewey, President and Chief Executive Officer, New York Independent System Operator;
- Manu Asthana, President and Chief Executive Officer, PJM Interconnection LLC;
- Jennifer Curran, Senior Vice President for Planning and Operations, Midcontinent ISO;
- Lanny Nickell, Chief Operating Officer, Southwest Power Pool;
- Elliot Mainzer, President and Chief Executive Officer, California Independent System Operator and;
- Pablo Vegas, President and Chief Executive Officer, Electric Reliability Council of Texas, Inc.

On April 9, 2025, the Committee on Energy and Commerce held a hearing on H.R. 3157, titled “Converting Energy into Intelligence: The Future of AI Technology, Human Discovery, and American Global Competitiveness.” The Committee received testimony from:

- Eric Schmidt, Chair, Special Competitive Studies Project;
- Manish Bhatia, Executive Vice President of Global Operations, Micron Technology;
- Alexander Wang, Founder and Chief Executive Officer, Scale AI, and;
- David Turk, Distinguished Visiting Fellow, Center on Global Energy Policy, Columbia University.

On April 30, 2025, the Subcommittee on Energy held a legislative hearing on H.R. 3157, titled “Assuring Abundant, Reliable American Energy to Power Innovation.” The Subcommittee received testimony from:

- Mike Goff, Acting Undersecretary of Energy, U.S. Department of Energy;
- David L. Morenoff, Acting General Counsel, Federal Energy Regulatory Commission;
- Terry Turpin, Director, Office of Energy Projects, Federal Energy Regulatory Commission;
- Jim Matheson, Chief Executive Officer, National Rural Electric Cooperative Association;
- Amy Andryszak, President and Chief Executive Officer, Interstate Natural Gas Association of America;
- Todd A. Snitchler, President and Chief Executive Officer, Electric Power Supply Association and;
- Kim Smaczniak, Partner, Roselle LLP.

COMMITTEE COST ESTIMATE

Pursuant to clause 3(d)(1) of rule XIII, the Committee adopts as its own the cost estimate prepared by the Director of the Congress-

sional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

EARMARK, LIMITED TAX BENEFITS, AND LIMITED TARIFF BENEFITS

Pursuant to clause 9(e), 9(f), and 9(g) of rule XXI, the Committee finds that H.R. 3157 contains no earmarks, limited tax benefits, or limited tariff benefits.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

Section 1 provides that the Act may be cited as the “State Energy Accountability Act”.

Section 2. Consideration of effects of state policies on reliable availability of electric energy

Section 2 amends section 111(d) of the Public Utility Regulatory Policy Act of 1978 (PURPA) to require each state regulatory authority to consider implementing requirements to evaluate the reliability and resource adequacy impacts of complying with Renewable Portfolio Standards, Clean Energy Standards, or other state policies that require utilities to designate a share of their electricity sold to be generated from intermittent resources.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (new matter is printed in italics and existing law in which no change is proposed is shown in roman):

PUBLIC UTILITY REGULATORY POLICIES ACT OF 1978

TITLE I—RETAIL REGULATORY POLICIES FOR ELECTRIC UTILITIES

* * * * *

Subtitle B—Standards For Electric Utilities

SEC. 111. CONSIDERATION AND DETERMINATION RESPECTING CERTAIN RATEMAKING STANDARDS.

(a) CONSIDERATION AND DETERMINATION.—Each State regulatory authority (with respect to each electric utility for which it has rate-making authority) and each nonregulated electric utility shall consider each standard established by subsection (d) and make a determination concerning whether or not it is appropriate to implement such standard to carry out the purposes of this title. For purposes of such consideration and determination in accordance with subsections (b) and (c), and for purposes of any review of such consideration and determination in any court in accordance with section 123, the purposes of this title supplement otherwise applicable State law. Nothing in this subsection prohibits any State regulatory authority or nonregulated electric utility from making any determination that it is not appropriate to implement any such standard, pursuant to its authority under otherwise applicable State law.

(b) PROCEDURAL REQUIREMENTS FOR CONSIDERATION AND DETERMINATION.—(1) The consideration referred to in subsection (a) shall be made after public notice and hearing. The determination referred to in subsection (a) shall be—

- (A) in writing,
- (B) based upon findings included in such determination and upon the evidence presented at the hearing, and
- (C) available to the public.

(2) Except as otherwise provided in paragraph (1), in the second sentence of section 112(a), and in sections 121 and 122, the procedures for the consideration and determination referred to in subsection (a) shall be those established by the State regulatory authority or the nonregulated electric utility.

(c) IMPLEMENTATION.—(1) The State regulatory authority (with respect to each electric utility for which it has ratemaking authority) or nonregulated electric utility may, to the extent consistent with otherwise applicable State law—

- (A) implement any such standard determined under subsection (a) to be appropriate to carry out the purposes of this title, or
- (B) decline to implement any such standard.

(2) If a State regulatory authority (with respect to each electric utility for which it has ratemaking authority) or nonregulated electric utility declines to implement any standard established by subsection (d) which is determined under subsection (a) to be appropriate to carry out the purposes of this title, such authority or nonregulated electric utility shall state in writing the reasons therefor. Such statement of reasons shall be available to the public.

(3) If a State regulatory authority implements a standard established by subsection (d)(7) or (8), such authority shall—

- (A) consider the impact that implementation of such standard would have on small businesses engaged in the design, sale, supply, installation or servicing of energy con-

servation, energy efficiency or other demand side management measures, and

(B) implement such standard so as to assure that utility actions would not provide such utilities with unfair competitive advantages over such small businesses.

(d) ESTABLISHMENT.—The following Federal standards are hereby established:

(1) COST OF SERVICE.—Rates charged by any electric utility for providing electric service to each class of electric consumers shall be designed, to the maximum extent practicable, to reflect the cost of providing electric service to such class, as determined under section 115(a).

(2) DECLINING BLOCK RATES.—The energy component of a rate, or the amount attributable to the energy component in a rate, charged by any electric utility for providing electric service during any period to any class of electric consumers may not decrease as kilowatt-hour consumption by such class increases during such period except to the extent that such utility demonstrates that the costs to such utility of providing electric service to such class, which costs are attributable to such energy component, decrease as such consumption increases during such period.

(3) TIME-OF-DAY RATES.—The rates charged by any electric utility for providing electric service to such class of electric consumers shall be on a time-of-day basis which reflects the costs of providing electric service to such class of electric consumers at different times of the day unless such rates are not cost-effective with respect to such class, as determined under section 115(b).

(4) SEASONAL RATES.—The rates charged by an electric utility for providing electric service to each class of electric consumers shall be on a seasonal basis which reflects the costs of providing service to each class of consumers at different seasons of the year to the extent that such costs vary seasonally for such utility.

(5) INTERRUPTIBLE RATES.—Each electric utility shall offer each industrial and commercial electric consumer an interruptible rate which reflects the cost of providing interruptible service to the class of which such consumer is a member.

(6) LOAD MANAGEMENT TECHNIQUES.—Each electric utility shall offer to its electric consumers such load management techniques as the State regulatory authority (or the nonregulated electric utility) has determined will—

(A) be practicable and cost-effective, as determined under section 115(c),

(B) be reliable, and

(C) provide useful energy or capacity management advantages to the electric utility.

(7) INTEGRATED RESOURCE PLANNING.—Each electric utility shall employ integrated resource planning. All plans or filings before a State regulatory authority to meet the requirements of this paragraph must be updated on a regular basis, must provide the opportunity for public participation and comment, and contain a requirement that the plan be implemented.

(8) INVESTMENTS IN CONSERVATION AND DEMAND MANAGEMENT.—The rates allowed to be charged by a State regulated electric utility shall be such that the utility's investment in and expenditures for energy conservation, energy efficiency resources, and other demand side management measures are at least as profitable, giving appropriate consideration to income lost from reduced sales due to investments in and expenditures for conservation and efficiency, as its investments in and expenditures for the construction of new generation, transmission, and distribution equipment. Such energy conservation, energy efficiency resources and other demand side management measures shall be appropriately monitored and evaluated.

(9) ENERGY EFFICIENCY INVESTMENTS IN POWER GENERATION AND SUPPLY.—The rates charged by any electric utility shall be such that the utility is encouraged to make investments in, and expenditures for, all cost-effective improvements in the energy efficiency of power generation, transmission and distribution. In considering regulatory changes to achieve the objectives of this paragraph, State regulatory authorities and non-regulated electric utilities shall consider the disincentives caused by existing ratemaking policies, and practices, and consider incentives that would encourage better maintenance, and investment in more efficient power generation, transmission and distribution equipment.

(10) CONSIDERATION OF THE EFFECTS OF WHOLESALE POWER PURCHASES ON UTILITY COST OF CAPITAL; EFFECTS OF LEVERAGED CAPITAL STRUCTURES ON THE RELIABILITY OF WHOLESALE POWER SELLERS; AND ASSURANCE OF ADEQUATE FUEL SUPPLIES.—(A) To the extent that a State regulatory authority requires or allows electric utilities for which it has ratemaking authority to consider the purchase of long-term wholesale power supplies as a means of meeting electric demand, such authority shall perform a general evaluation of:

(i) the potential for increases or decreases in the costs of capital for such utilities, and any resulting increases or decreases in the retail rates paid by electric consumers, that may result from purchases of long-term wholesale power supplies in lieu of the construction of new generation facilities by such utilities;

(ii) whether the use by exempt wholesale generators (as defined in section 32 of the Public Utility Holding Company Act of 1935) of capital structures which employ proportionally greater amounts of debt than the capital structures of such utilities threatens reliability or provides an unfair advantage for exempt wholesale generators over such utilities;

(iii) whether to implement procedures for the advance approval or disapproval of the purchase of a particular long-term wholesale power supply; and

(iv) whether to require as a condition for the approval of the purchase of power that there be reasonable assurances of fuel supply adequacy.

(B) For purposes of implementing the provisions of this paragraph, any reference contained in this section to the date of en-

actment of the Public Utility Regulatory Policies Act of 1978 shall be deemed to be a reference to the date of enactment of this paragraph.

(C) Notwithstanding any other provision of Federal law, nothing in this paragraph shall prevent a State regulatory authority from taking such action, including action with respect to the allowable capital structure of exempt wholesale generators, as such State regulatory authority may determine to be in the public interest as a result of performing evaluations under the standards of subparagraph (A).

(D) Notwithstanding section 124 and paragraphs (1) and (2) of section 112(a), each State regulatory authority shall consider and make a determination concerning the standards of subparagraph (A) in accordance with the requirements of subsections (a) and (b) of this section, without regard to any proceedings commenced prior to the enactment of this paragraph.

(E) Notwithstanding subsections (b) and (c) of section 112, each State regulatory authority shall consider and make a determination concerning whether it is appropriate to implement the standards set out in subparagraph (A) not later than one year after the date of enactment of this paragraph.

(11) NET METERING.—Each electric utility shall make available upon request net metering service to any electric consumer that the electric utility serves. For purposes of this paragraph, the term “net metering service” means service to an electric consumer under which electric energy generated by that electric consumer from an eligible on-site generating facility and delivered to the local distribution facilities may be used to offset electric energy provided by the electric utility to the electric consumer during the applicable billing period.

(12) FUEL SOURCES.—Each electric utility shall develop a plan to minimize dependence on 1 fuel source and to ensure that the electric energy it sells to consumers is generated using a diverse range of fuels and technologies, including renewable technologies.

(13) FOSSIL FUEL GENERATION EFFICIENCY.—Each electric utility shall develop and implement a 10-year plan to increase the efficiency of its fossil fuel generation.

(14) TIME-BASED METERING AND COMMUNICATIONS.—(A) Not later than 18 months after the date of enactment of this paragraph, each electric utility shall offer each of its customer classes, and provide individual customers upon customer request, a time-based rate schedule under which the rate charged by the electric utility varies during different time periods and reflects the variance, if any, in the utility’s costs of generating and purchasing electricity at the wholesale level. The time-based rate schedule shall enable the electric consumer to manage energy use and cost through advanced metering and communications technology.

(B) The types of time-based rate schedules that may be offered under the schedule referred to in subparagraph (A) include, among others—

(i) time-of-use pricing whereby electricity prices are set for a specific time period on an advance or forward basis, typically not changing more often than twice a year, based

on the utility's cost of generating and/or purchasing such electricity at the wholesale level for the benefit of the consumer. Prices paid for energy consumed during these periods shall be pre-established and known to consumers in advance of such consumption, allowing them to vary their demand and usage in response to such prices and manage their energy costs by shifting usage to a lower cost period or reducing their consumption overall;

(ii) critical peak pricing whereby time-of-use prices are in effect except for certain peak days, when prices may reflect the costs of generating and/or purchasing electricity at the wholesale level and when consumers may receive additional discounts for reducing peak period energy consumption;

(iii) real-time pricing whereby electricity prices are set for a specific time period on an advanced or forward basis, reflecting the utility's cost of generating and/or purchasing electricity at the wholesale level, and may change as often as hourly; and

(iv) credits for consumers with large loads who enter into pre-established peak load reduction agreements that reduce a utility's planned capacity obligations.

(C) Each electric utility subject to subparagraph (A) shall provide each customer requesting a time-based rate with a time-based meter capable of enabling the utility and customer to offer and receive such rate, respectively.

(D) For purposes of implementing this paragraph, any reference contained in this section to the date of enactment of the Public Utility Regulatory Policies Act of 1978 shall be deemed to be a reference to the date of enactment of this paragraph.

(E) In a State that permits third-party marketers to sell electric energy to retail electric consumers, such consumers shall be entitled to receive the same time-based metering and communications device and service as a retail electric consumer of the electric utility.

(F) Notwithstanding subsections (b) and (c) of section 112, each State regulatory authority shall, not later than 18 months after the date of enactment of this paragraph conduct an investigation in accordance with section 115(i) and issue a decision whether it is appropriate to implement the standards set out in subparagraphs (A) and (C).

(15) INTERCONNECTION.—Each electric utility shall make available, upon request, interconnection service to any electric consumer that the electric utility serves. For purposes of this paragraph, the term “interconnection service” means service to an electric consumer under which an on-site generating facility on the consumer's premises shall be connected to the local distribution facilities. Interconnection services shall be offered based upon the standards developed by the Institute of Electrical and Electronics Engineers: IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, as they may be amended from time to time. In addition, agreements and procedures shall be established whereby the services are offered shall promote current best practices of interconnection for distributed generation, including but not

limited to practices stipulated in model codes adopted by associations of state regulatory agencies. All such agreements and procedures shall be just and reasonable, and not unduly discriminatory or preferential.

(16) INTEGRATED RESOURCE PLANNING.—Each electric utility shall—

(A) integrate energy efficiency resources into utility, State, and regional plans; and

(B) adopt policies establishing cost-effective energy efficiency as a priority resource.

(17) RATE DESIGN MODIFICATIONS TO PROMOTE ENERGY EFFICIENCY INVESTMENTS.—

(A) IN GENERAL.—The rates allowed to be charged by any electric utility shall—

(i) align utility incentives with the delivery of cost-effective energy efficiency; and

(ii) promote energy efficiency investments.

(B) POLICY OPTIONS.—In complying with subparagraph (A), each State regulatory authority and each nonregulated utility shall consider—

(i) removing the throughput incentive and other regulatory and management disincentives to energy efficiency;

(ii) providing utility incentives for the successful management of energy efficiency programs;

(iii) including the impact on adoption of energy efficiency as 1 of the goals of retail rate design, recognizing that energy efficiency must be balanced with other objectives;

(iv) adopting rate designs that encourage energy efficiency for each customer class;

(v) allowing timely recovery of energy efficiency-related costs; and

(vi) offering home energy audits, offering demand response programs, publicizing the financial and environmental benefits associated with making home energy efficiency improvements, and educating homeowners about all existing Federal and State incentives, including the availability of low-cost loans, that make energy efficiency improvements more affordable.

(18) CONSIDERATION OF SMART GRID INVESTMENTS.—

(A) IN GENERAL.—Each State shall consider requiring that, prior to undertaking investments in nonadvanced grid technologies, an electric utility of the State demonstrate to the State that the electric utility considered an investment in a qualified smart grid system based on appropriate factors, including—

(i) total costs;

(ii) cost-effectiveness;

(iii) improved reliability;

(iv) security;

(v) system performance; and

(vi) societal benefit.

(B) RATE RECOVERY.—Each State shall consider authorizing each electric utility of the State to recover from rate-

payers any capital, operating expenditure, or other costs of the electric utility relating to the deployment of a qualified smart grid system, including a reasonable rate of return on the capital expenditures of the electric utility for the deployment of the qualified smart grid system.

(C) OBSOLETE EQUIPMENT.—Each State shall consider authorizing any electric utility or other party of the State to deploy a qualified smart grid system to recover in a timely manner the remaining book-value costs of any equipment rendered obsolete by the deployment of the qualified smart grid system, based on the remaining depreciable life of the obsolete equipment.

(19) SMART GRID INFORMATION.—

(A) STANDARD.—All electricity purchasers shall be provided direct access, in written or electronic machine-readable form as appropriate, to information from their electricity provider as provided in subparagraph (B).

(B) INFORMATION.—Information provided under this section, to the extent practicable, shall include:

(i) PRICES.—Purchasers and other interested persons shall be provided with information on—

(I) time-based electricity prices in the wholesale electricity market; and

(II) time-based electricity retail prices or rates that are available to the purchasers.

(ii) USAGE.—Purchasers shall be provided with the number of electricity units, expressed in kwh, purchased by them.

(iii) INTERVALS AND PROJECTIONS.—Updates of information on prices and usage shall be offered on not less than a daily basis, shall include hourly price and use information, where available, and shall include a day-ahead projection of such price information to the extent available.

(iv) SOURCES.—Purchasers and other interested persons shall be provided annually with written information on the sources of the power provided by the utility, to the extent it can be determined, by type of generation, including greenhouse gas emissions associated with each type of generation, for intervals during which such information is available on a cost-effective basis.

(C) ACCESS.—Purchasers shall be able to access their own information at any time through the Internet and on other means of communication elected by that utility for Smart Grid applications. Other interested persons shall be able to access information not specific to any purchaser through the Internet. Information specific to any purchaser shall be provided solely to that purchaser.

(20) DEMAND-RESPONSE PRACTICES.—

(A) IN GENERAL.—Each electric utility shall promote the use of demand-response and demand flexibility practices by commercial, residential, and industrial consumers to reduce electricity consumption during periods of unusually high demand.

(B) RATE RECOVERY.—

(i) *IN GENERAL.*—Each State regulatory authority shall consider establishing rate mechanisms allowing an electric utility with respect to which the State regulatory authority has ratemaking authority to timely recover the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

(ii) *NONREGULATED ELECTRIC UTILITIES.*—A nonregulated electric utility may establish rate mechanisms for the timely recovery of the costs of promoting demand-response and demand flexibility practices in accordance with subparagraph (A).

(21) *ELECTRIC VEHICLE CHARGING PROGRAMS.*—Each State shall consider measures to promote greater electrification of the transportation sector, including the establishment of rates that—

(A) promote affordable and equitable electric vehicle charging options for residential, commercial, and public electric vehicle charging infrastructure;

(B) improve the customer experience associated with electric vehicle charging, including by reducing charging times for light-, medium-, and heavy-duty vehicles;

(C) accelerate third-party investment in electric vehicle charging for light-, medium-, and heavy-duty vehicles; and

(D) appropriately recover the marginal costs of delivering electricity to electric vehicles and electric vehicle charging infrastructure.

(22) *EVALUATION OF EFFECTS OF STATE POLICIES ON RELIABLE AVAILABILITY OF ELECTRIC ENERGY.*—

(A) *IN GENERAL.*—Each State regulatory authority that implements an intermittent energy policy shall conduct, and make publicly available, a general evaluation of—

(i) the effects of implementing the intermittent energy policy on the reliability of the bulk-power system in the State, including an assessment of the adequacy of available electric energy resources over a 10-year period;

(ii) the ability of electric energy resources that comply with the requirements of the intermittent energy policy to meet electric energy demand during emergencies, periods of high demand, or extreme weather events;

(iii) the effects of implementing the intermittent energy policy on rates charged by electric utilities;

(iv) whether reliable generation facilities that are removed from service in order to comply with the requirements of the intermittent energy policy can be replaced with sufficient electric generation facilities meeting such requirements, which have a capacity accreditation that is equivalent to the capacity accreditation of the removed facilities, to maintain the reliability of the bulk-power system in the State; and

(v) the extent to which implementation of the intermittent energy policy requires electric utilities in the State to use replacement electric energy supplies that

are generated by reliable generation facilities located outside the State in order to maintain the reliability of the bulk-power system in the State.

(B) *PRIOR STATE ACTIONS.*—Notwithstanding section 124 and paragraphs (1) and (2) of section 112(a), each State regulatory authority shall consider and make a determination concerning the standard set out in subparagraph (A) in accordance with the requirements of subsections (a) and (b) of this section, without regard to any proceedings commenced prior to the enactment of this paragraph.

(C) *TIME LIMITATION.*—Notwithstanding subsections (b) and (c) of section 112, each State regulatory authority shall consider and make a determination concerning whether it is appropriate to implement the standard set out in subparagraph (A) not later than 1 year after the date of enactment of this paragraph.

(D) *PUBLIC AVAILABILITY.*—A State regulatory authority that has made a determination concerning whether to implement, and is implementing, the standard set out in subparagraph (A) shall make publicly available the general evaluation described in such subparagraph—

(i) if the applicable State has adopted an intermittent energy policy before the date on which the State regulatory authority makes such determination, not later than 1 year after such date of determination; and

(ii) if the applicable State adopts an intermittent energy policy after the date on which the State regulatory authority makes such determination, not later than 1 year after the date of such adoption.

(E) *DEFINITIONS.*—In this paragraph:

(i) *BULK-POWER SYSTEM.*—The term “bulk-power system” has the meaning given that term in section 215 of the Federal Power Act (16 U.S.C. 824o).

(ii) *INTERMITTENT ENERGY POLICY.*—The term “intermittent energy policy” means any requirement of a State, enforced by a State regulatory authority, that a State regulated electric utility ensure that a specified portion of the electric energy sold by such electric utility is generated by facilities that are not reliable generation facilities.

(iii) *RELIABLE GENERATION FACILITY.*—The term “reliable generation facility” means an electric generation facility that ensures the reliable availability of electric energy by—

(I) having operational characteristics to enable the generation of electric energy on a continuous basis for a period of not fewer than 30 days;

(II) having—

(aa) adequate fuel, or a continuously available energy source, on-site to enable the generation of electric energy on a continuous basis for a period of not fewer than 30 days; or

(bb) contractual obligations that ensure adequate fuel supply to achieve the generation of

electric energy on a continuous basis for a period of not fewer than 30 days;
(III) having operational characteristics to enable the generation of electric energy during emergency and severe weather conditions; and
(IV) providing essential services related to the reliable availability of electric energy, including frequency support and voltage support.

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MINORITY, ADDITIONAL, OR DISSENTING VIEWS

H.R. 3157, the “State Energy Accountability Act,” amends section 111(d) of the Public Utility Regulatory Policies Act of 1978 (PURPA) to require state public utility commissions in states with clean energy or renewable portfolio standards to consider making public a study of the effects of the standard on reliability and electricity prices.

H.R. 3157 is a thinly veiled attack on clean energy and is duplicative of requirements already imposed by states. Clean energy standards, or renewable portfolio standards, are requirements or goals for energy producers to supply energy from low- or zero-emission sources.¹ State programs can range in structure and enforcement mechanisms, as well as timelines for implementation. As of April 2025, 28 states and the District of Columbia have renewable portfolio standards, 11 states have clean energy standards, and 14 states have either renewable portfolio or clean energy goals.²

Due to the diverse nature of these standards and goals, implementation of a PURPA 111(d) standard related to assessing reliability and impact on prices would yield mixed results depending on the state. Moreover, verification, compliance, and enforcement of these clean energy and renewable portfolio standards often already consider the factors prioritized in the text of this bill.

H.R. 3157 does not ask for a study of the effects of keeping fossil fuel generating sources online or of including fossil fuel resources in integrated resource planning. If the Majority was serious about the impacts of energy policies on reliability and electricity prices, they would similarly call for studies into the impacts of President Trump’s decision to continue operating outdated fossil fuel plants, the pauses and rescissions of funding for energy projects and transmission projects, and the impacts of increased climate disasters on the grid. Instead, the Majority has spent the 119th Congress supporting policies that will increase consumer prices and increase demand on the grid, such as rescinding funding and gutting energy efficiency standards. Republicans’ One Big Beautiful Bill is projected to raise electricity prices by 61 percent over the next decade.³ Additionally, President Trump’s determination to prolong the lifespan of retiring fossil fuel plants could cost Americans up to \$6 billion a year.⁴ Rather than critically examining and opposing these policies, the Majority is instead choosing to target clean energy policies, many of which have been in place for years.

¹U.S. Energy Information Administration, *Renewable Energy Explained* (July 30, 2024) (<https://www.eia.gov/energyexplained/renewable-sources/portfolio-standards.php>).

²DSIRE Insight, *Renewable & Clean Energy Standards* (April 2025) (https://ncsolarcenterprod.s3.amazonaws.com/wp-content/uploads/2025/09/RPS_CES_April2025.pdf).

³Energy Innovation, *Economic Impacts of U.S. Senate “One Big Beautiful Bill Act” Energy Provisions* (June 29, 2025).

⁴Grid Strategies, *The Cost of Federal Mandates to Retain Fossil-Burning Power Plants* (August 2025).

H.R. 3157 is a disingenuous proposal that targets clean energy and does not seriously attempt to address concerns of reliability or energy prices. For the reasons stated above, I oppose this legislation.

FRANK PALLONE, Jr.,
Ranking Member.

