

119TH CONGRESS
2D SESSION

H. R. 8568

To amend the Federal Power Act and the Public Utility Regulatory Policies Act of 1978 to require investor owned electric utilities and gas utilities and transmission providers to, when establishing or calculating a return on equity, establish or calculate the return on equity at the lowest return on equity in an established range of reasonableness, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2026

Mr. CASAR (for himself, Mr. RILEY of New York, Mr. RYAN, Ms. ANSARI, Mrs. FOUSHEE, Mr. GARCÍA of Illinois, Mr. GOLDMAN of New York, Ms. GOODLANDER, Mr. GREEN of Texas, Mrs. GRIJALVA, Ms. NORTON, Mr. JOHNSON of Georgia, Mr. MANNION, Mrs. McCLAIN DELANEY, Mr. MENEFEE, Mr. MFUME, Mr. MRVAN, Ms. SIMON, Mr. SUBRAMANYAM, Mr. THANEDAR, Ms. TLAIB, and Mrs. WATSON COLEMAN) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend the Federal Power Act and the Public Utility Regulatory Policies Act of 1978 to require investor owned electric utilities and gas utilities and transmission providers to, when establishing or calculating a return on equity, establish or calculate the return on equity at the lowest return on equity in an established range of reasonableness, 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 “Lowering Utility Bills
5 Act”.

6 **SEC. 2. REQUIREMENTS FOR AND RELATING TO TRANS-**
7 **MISSION PROVIDERS.**

8 (a) IN GENERAL.—The Federal Power Act is amend-
9 ed by inserting after section 206 (16 U.S.C. 824e) the
10 following:

11 **“SEC. 206A. REQUIREMENTS FOR AND RELATING TO**
12 **TRANSMISSION PROVIDERS.**

13 “(a) RETURN ON EQUITY.—

14 “(1) RANGE OF REASONABLENESS FOR RETURN
15 ON EQUITY.—

16 “(A) ESTABLISHMENT.—When estab-
17 lishing an authorized return on equity for a
18 transmission provider for purposes of any
19 change to be made by such transmission pro-
20 vider in any rate or charge, the Commission
21 shall, subject to subparagraph (C), establish a
22 range of reasonableness for the return on equity
23 that is comprised of three data points, each of
24 which represent a return on equity represented
25 by a current average expected 10-year total or

1 large-cap United States equity market return or
2 equivalent measure determined in accordance
3 with subparagraph (B).

4 “(B) DATA POINT DETERMINATIONS.—

5 “(i) DATA POINT 1.—The Commission
6 shall determine one data point to be in-
7 cluded in a range of reasonableness estab-
8 lished under subparagraph (A) by—

9 “(I) identifying the midpoint ex-
10 pected 10-year total or large-cap
11 United States equity market return or
12 equivalent measure as estimated by fi-
13 nancial academics for each of the pre-
14 vious 5 years; and

15 “(II) using the average of such
16 midpoints.

17 “(ii) DATA POINT 2.—The Commis-
18 sion shall determine one data point to be
19 included in a range of reasonableness es-
20 tablished under subparagraph (A) by—

21 “(I) identifying the midpoint ex-
22 pected 10-year total or large-cap
23 United States equity market return or
24 equivalent measure as estimated by fi-

1 nancial institutions for each of the
2 previous 5 years; and

3 “(II) using the average of such
4 midpoints.

5 “(iii) DATA POINT 3.—The Commis-
6 sion shall determine one data point to be
7 included in a range of reasonableness es-
8 tablished under subparagraph (A) by—

9 “(I) identifying the midpoint ex-
10 pected 10-year total or large-cap
11 United States equity market return or
12 equivalent measure as estimated by
13 Global Systemically Important Banks
14 for each of the previous 5 years; and

15 “(II) using the average of such
16 midpoints.

17 “(C) ADJUSTMENT.—The Commission
18 shall adjust a range of reasonableness estab-
19 lished under subparagraph (A) to account for
20 the reduced risks of the applicable transmission
21 provider due to, as applicable—

22 “(i) not participating in a regional
23 planning process; and

24 “(ii) any applicable Federal action, in-
25 cluding—

1 “(I) the approval of any regu-
2 latory assets of the transmission pro-
3 vider;

4 “(II) the use of a formula rate-
5 making process;

6 “(III) the provision to the trans-
7 mission provider of any Federal loans
8 or guarantees for assets in the rate
9 base; or

10 “(IV) approval or allowance of
11 any other measure that reduces the
12 risks of the transmission provider that
13 it will not recover prudently incurred
14 capital investments.

15 “(2) AUTHORIZED RATE OF RETURN ON EQ-
16 UITY.—

17 “(A) IN GENERAL.—Except as provided in
18 subparagraph (B), when establishing an author-
19 ized return on equity for a transmission pro-
20 vider for purposes of any change to be made by
21 such transmission provider in any rate or
22 charge, the Commission shall establish the au-
23 thorized return on equity at the lowest return
24 on equity in the applicable range of reasonable-
25 ness established pursuant to paragraph (1).

1 “(B) EXCEPTION.—When establishing an
2 authorized return on equity for a transmission
3 provider for purposes of any change to be made
4 by such transmission provider in any rate or
5 charge, the Commission may establish an au-
6 thorized return on equity that is in the applica-
7 ble range of reasonableness established pursu-
8 ant to paragraph (1) but is not the lowest re-
9 turn on equity in such range only if such trans-
10 mission provider provides the Commission clear
11 and convincing evidence that a higher return on
12 equity is required to attract needed capital and
13 to maintain the financial integrity of the trans-
14 mission provider.

15 “(b) CORRUPT RATE RECOVERY BAN.—No trans-
16 mission provider may recover through customer rates or
17 charges any direct or indirect cost associated with—

18 “(1) membership dues or sponsorship fees paid,
19 or contributions made, to an organization described
20 in section 501(c)(6) of the Internal Revenue Code of
21 1986;

22 “(2) lobbying or legislative action, including—

23 “(A) any expense for the purpose of di-
24 rectly or indirectly influencing the possible—

1 “(i) adoption of Federal, State, or
2 local regulations, legislation, or ordinances;
3 or

4 “(ii) repeal or modification of existing
5 Federal, State, or local regulations, legisla-
6 tion, or ordinances;

7 “(B) any expense for the purpose of di-
8 rectly or indirectly influencing elections or ap-
9 pointments of public officials or referenda;

10 “(C) any expense for the purpose of di-
11 rectly or indirectly influencing the approval,
12 modification, or revocation of utility franchises;

13 “(D) any expense for the purpose of di-
14 rectly or indirectly influencing the public opin-
15 ion with respect to Federal, State, or local—

16 “(i) regulations, legislation, or ordi-
17 nances;

18 “(ii) elections;

19 “(iii) referenda; or

20 “(iv) utility rate setting; and

21 “(E) any expense for the purpose of di-
22 rectly or indirectly influencing the decisions of
23 Federal, State, or local government officials;

24 “(3) advertising, marketing, or communications
25 that seek to influence public opinion or any other re-

1 lated costs, unless such marketing, advertising, com-
2 munications, or related costs are specifically ap-
3 proved or ordered by the Commission, the Secretary
4 of Energy, or the Administrator of the Environ-
5 mental Protection Agency;

6 “(4) travel, lodging, or food and beverage ex-
7 penses for the board of directors or officers of—

8 “(A) such transmission provider; or

9 “(B) such transmission provider’s holding
10 company or any associated company or affiliate;

11 “(5) entertainment or gifts;

12 “(6) any owned, leased, or chartered aircraft
13 for the board of directors or officers of—

14 “(A) such transmission provider; or

15 “(B) such transmission provider’s holding
16 company or any associated company or affiliate;

17 “(7) investor relations;

18 “(8) attendance in, participation in, preparation
19 for, or appeal of any rate proceeding conducted be-
20 fore the Commission pursuant to section 205 or sec-
21 tion 206, including costs for attorneys’ fees, fees to
22 engage expert witnesses or consultants, the portion
23 of employee salaries associated with such attend-
24 ance, participation, preparation, or appeal of a rate

1 proceeding and related costs identified by the Com-
2 mission;

3 “(9) contributions made to an organization de-
4 scribed in paragraph (3) or (4) of section 501(c) of
5 the Internal Revenue Code of 1986;

6 “(10) contributions to political candidates, po-
7 litical parties, campaign committees, issue commit-
8 tees, or independent expenditure committees, or
9 other political expenses;

10 “(11) products or services not regulated by the
11 Commission, including marketing, administration, or
12 customer service; or

13 “(12) penalties or fines, including tax penalties
14 or fines, issued against the transmission provider.

15 “(c) PRIORITIZING COST SAVING INVESTMENTS.—
16 The Commission shall consider a capital expenditure by
17 a transmission provider for a transmission project prudent
18 only if—

19 “(1) the transmission provider provides to the
20 Commission substantial evidence that the trans-
21 mission provider prioritized grid enhancing tech-
22 nologies and other lower cost alternatives in its plan-
23 ning process for the transmission project; and

24 “(2) the transmission project was subject to a
25 regional planning process that is determined by the

1 Commission to be in compliance with applicable or-
2 ders of the Commission.

3 “(d) REGULATIONS.—Not later than 120 days after
4 the date of enactment of this section, the Commission
5 shall issue regulations to carry out this section.

6 “(e) DEFINITIONS.—In this section:

7 “(1) AFFILIATE; ASSOCIATE COMPANY; HOLD-
8 ING COMPANY.—The terms ‘affiliate’, ‘associate com-
9 pany’, and ‘holding company’ have the meaning
10 given such terms in section 366.1 of title 18, Code
11 of Federal Regulations (or any successor regula-
12 tions).

13 “(2) FINANCIAL ACADEMIC.—The term ‘finan-
14 cial academic’ means an accredited, full-time finance
15 teaching program with over 50 years of teaching ex-
16 perience that regularly publishes United States eq-
17 uity market expected return data and that provides
18 a curriculum in business administration or finance.

19 “(3) FINANCIAL INSTITUTION.—The term ‘fi-
20 nancial institution’ means an entity that manages
21 not less than \$2,000,000,000,000 in combined as-
22 sets and regularly publishes United States equity
23 market expected return data.

24 “(4) GLOBAL SYSTEMICALLY IMPORTANT
25 BANK.—The term ‘Global Systemically Important

1 Bank’ means an entity classified as a Global Sys-
 2 temically Important Bank by the Financial Stability
 3 Board that regularly publishes United States equity
 4 market expected return data.

5 “(5) TRANSMISSION PROVIDER.—The term
 6 ‘transmission provider’ means any public utility that
 7 owns, operates, or controls facilities used for the
 8 transmission of electric energy in interstate com-
 9 merce.”.

10 (b) ELIMINATING FERC CANDY.—

11 (1) REPEAL.—The Federal Power Act is
 12 amended by striking section 219 (16 U.S.C. 824s).

13 (2) CONFORMING AMENDMENTS.—The Federal
 14 Power Act is amended—

15 (A) in section 201(b)(2), by striking
 16 “219,” each place it appears; and

17 (B) in section 201(e), by striking “219.”.

18 **SEC. 3. REQUIREMENTS FOR INVESTOR OWNED UTILITIES.**

19 (a) IN GENERAL.—Title VI of the Public Utility Reg-
 20 ulatory Policies Act of 1978 is amended by adding at the
 21 end the following:

22 **“SEC. 610. REQUIREMENTS FOR INVESTOR OWNED UTILI-**
 23 **TIES.**

24 **“(a) CALCULATION OF RETURN ON EQUITY.—**

1 “(1) RANGE OF REASONABLENESS FOR RETURN
2 ON EQUITY.—

3 “(A) ESTABLISHMENT.—Except as pro-
4 vided in paragraph (2), when calculating a re-
5 turn on equity for a covered utility for purposes
6 of any official business, including reports, fi-
7 nancial disclosures, and rate applications, such
8 covered utility shall, subject to subparagraph
9 (C), establish a range of reasonableness for the
10 return on equity that is comprised of three data
11 points, each of which represent a return on eq-
12 uity represented by a current average expected
13 10-year total or large-cap United States equity
14 market return or equivalent measure deter-
15 mined in accordance with subparagraph (B).

16 “(B) DATA POINT DETERMINATIONS.—

17 “(i) DATA POINT 1.—A covered utility
18 shall determine one data point to be in-
19 cluded in a range of reasonableness estab-
20 lished under subparagraph (A) by—

21 “(I) identifying the midpoint ex-
22 pected 10-year total or large-cap
23 United States equity market return or
24 equivalent measure as estimated by fi-

1 nancial academics for each of the pre-
2 vious 5 years; and

3 “(II) using the average of such
4 midpoints.

5 “(ii) DATA POINT 2.—A covered util-
6 ity shall determine one data point to be in-
7 cluded in a range of reasonableness estab-
8 lished under subparagraph (A) by—

9 “(I) identifying the midpoint ex-
10 pected 10-year total or large-cap
11 United States equity market return or
12 equivalent measure as estimated by fi-
13 nancial institutions for each of the
14 previous 5 years; and

15 “(II) using the average of such
16 midpoints.

17 “(iii) DATA POINT 3.—A covered util-
18 ity shall determine one data point to be in-
19 cluded in a range of reasonableness estab-
20 lished under subparagraph (A) by—

21 “(I) identifying the midpoint ex-
22 pected 10-year total or large-cap
23 United States equity market return or
24 equivalent measure as estimated by

1 Global Systemically Important Banks
2 for each of the previous 5 years; and

3 “(II) using the average of such
4 midpoints.

5 “(C) ADJUSTMENT.—

6 “(i) IN GENERAL.—A covered utility
7 shall, in accordance with clause (ii), adjust
8 a range of reasonableness established
9 under subparagraph (A) to account for the
10 reduced risks of the covered utility due to,
11 as applicable—

12 “(I) operating as a regulated mo-
13 nopoly; and

14 “(II) any applicable State action,
15 including—

16 “(aa) the approval of any al-
17 ternative to traditional cost of
18 service ratemaking, including for-
19 mula rates, performance-based
20 regulation, or contemporaneous
21 cost recovery mechanisms;

22 “(bb) the approval of any
23 regulatory assets of the covered
24 utility;

1 “(cc) the allowance of oper-
2 ating cost riders and
3 nonbypassable fees;

4 “(dd) the allowance of recov-
5 ery for any customer bad debt or
6 under-collections;

7 “(ee) the approval of any
8 securitization or bond revenue re-
9 lated to the provision of services
10 by the covered utility; and

11 “(ff) approval or allowance
12 of any other measure that re-
13 duces the risks of the covered
14 utility relative to an entity oper-
15 ating in a competitive market.

16 “(ii) SPECIFIC ADJUSTMENT.—A cov-
17 ered utility shall adjust a range of reason-
18 ableness established under subparagraph
19 (A) down by 5 basis points for each of the
20 factors in subclause (I), (II)(aa), (II)(bb),
21 (II)(cc), (II)(dd), (II)(ee), and (II)(ff) of
22 clause (i) that apply.

23 “(2) USE.—

24 “(A) IN GENERAL.—Except as otherwise
25 provided in this paragraph, when using a return

1 on equity for purposes of any official business,
2 a covered utility shall use the lowest return on
3 equity in the applicable range of reasonableness
4 established pursuant to paragraph (1).

5 “(B) STATE REQUIREMENT OR RE-
6 QUEST.—Nothing in this section precludes an
7 applicable State regulatory authority from re-
8 questing or requiring alternative rate schedules
9 that rely on a return on equity that is not the
10 return on equity required under subparagraph
11 (A).

12 “(C) INFORMATION TO MAKE PUBLICLY
13 AVAILABLE.—If a covered utility uses a return
14 on equity that is not the return on equity re-
15 quired under subparagraph (A) for purposes of
16 any alternative rate schedule described in sub-
17 paragraph (B), such covered utility shall make
18 publically available—

19 “(i) a justification outlining why the
20 higher return on equity is required to at-
21 tract needed capital and to maintain the fi-
22 nancial integrity of the covered utility;

23 “(ii) an explanation of the difference
24 in the return on equity used in comparison

1 to return on equity required under sub-
2 paragraph (A);

3 “(iii) a quantification of the different
4 impacts on the covered utility’s revenue re-
5 quirement requested in its rate application
6 using the return on equity used compared
7 to the return on equity required under sub-
8 paragraph (A); and

9 “(iv) a quantification of the different
10 impacts of using the return on equity used
11 compared to the return on equity required
12 under subparagraph (A) on the average
13 residential monthly bill.

14 “(b) CORRUPT RATE RECOVERY BAN.—No covered
15 utility may recover through rates any direct or indirect
16 cost associated with—

17 “(1) membership dues or sponsorship fees paid,
18 or contributions made, to an organization described
19 in section 501(c)(6) of the Internal Revenue Code of
20 1986;

21 “(2) lobbying or legislative action, including—

22 “(A) any expense for the purpose of di-
23 rectly or indirectly influencing the possible—

1 “(i) adoption of Federal, State, or
2 local regulations, legislation, or ordinances;
3 or

4 “(ii) repeal or modification of existing
5 Federal, State, or local regulations, legisla-
6 tion, or ordinances;

7 “(B) any expense for the purpose of di-
8 rectly or indirectly influencing elections or ap-
9 pointments of public officials or referenda;

10 “(C) any expense for the purpose of di-
11 rectly or indirectly influencing the approval,
12 modification, or revocation of utility franchises;

13 “(D) any expense for the purpose of di-
14 rectly or indirectly influencing the public opin-
15 ion with respect to Federal, State, or local—

16 “(i) regulations, legislation, or ordi-
17 nances;

18 “(ii) elections;

19 “(iii) referenda; or

20 “(iv) utility rate setting; and

21 “(E) any expense for the purpose of di-
22 rectly or indirectly influencing the decisions of
23 Federal, State, or local government officials;

24 “(3) advertising, marketing, or communications
25 that seek to influence public opinion or any other re-

1 lated costs identified by the Commission, unless such
2 marketing, advertising, communications, or related
3 costs are specifically approved or ordered by the rel-
4 evant State regulatory authority, State energy office,
5 or State environmental agency;

6 “(4) travel, lodging, or food and beverage ex-
7 penses for the board of directors or officers of—

8 “(A) such covered utility; or

9 “(B) such covered utility’s holding com-
10 pany or any associated company or affiliate;

11 “(5) entertainment or gifts;

12 “(6) any owned, leased, or chartered aircraft
13 for the board of directors or officers of—

14 “(A) such covered utility; or

15 “(B) such covered utility’s holding com-
16 pany or any associated company or affiliate;

17 “(7) investor relations;

18 “(8) attendance in, participation in, preparation
19 for, or appeal of any rate proceeding conducted be-
20 fore the applicable State regulatory authority or the
21 Commission, including costs for attorneys’ fees, fees
22 to engage expert witnesses or consultants, the por-
23 tion of employee salaries associated with such at-
24 tendance, participation, preparation, or appeal of a

1 rate proceeding and related costs identified by the
2 Commission;

3 “(9) contributions made to an organization de-
4 scribed in paragraph (3) or (4) of section 501(c) of
5 the Internal Revenue Code of 1986;

6 “(10) contributions to political candidates, po-
7 litical parties, campaign committees, issue commit-
8 tees, or independent expenditure committees, or
9 other political expenses;

10 “(11) products or services not regulated by the
11 applicable State regulatory authority, including mar-
12 keting, administration, or customer service;

13 “(12) penalties or fines, including tax penalties
14 or fines, issued against the covered utility; or

15 “(13) payments to outside attorneys rep-
16 resenting the covered utility in any Commission pro-
17 ceeding or experts testifying on behalf of, or other-
18 wise supporting the participation by, utilities in any
19 Commission proceeding.

20 “(c) ENFORCEMENT.—A violation of this section
21 shall be treated as a violation of a provision of part II
22 of the Federal Power Act and enforced in accordance with
23 section 316A of such Act.

1 “(d) REGULATIONS.—Not later than 120 days after
2 the date of enactment of this section, the Commission
3 shall issue regulations to carry out this section.

4 “(e) RULE OF CONSTRUCTION.—Nothing in this sec-
5 tion shall be construed to preempt, diminish, or interfere
6 with a collective bargaining agreement that is in place on
7 the date of the enactment of this section.

8 “(e) DEFINITIONS.—In this section:

9 “(1) AFFILIATE; ASSOCIATE COMPANY; HOLD-
10 ING COMPANY.—The terms ‘affiliate’, ‘associate com-
11 pany’, and ‘holding company’ have the meaning
12 given such terms in section 366.1 of title 18, Code
13 of Federal Regulations (or any successor regula-
14 tions).

15 “(2) COVERED UTILITY.—

16 “(A) IN GENERAL.—Subject to subpara-
17 graph (B), the term ‘covered utility’ means an
18 investor-owned utility enterprise engaged in the
19 production or distribution of electricity or nat-
20 ural gas for use by the public.

21 “(B) EXCLUSIONS.—The term ‘covered
22 utility’ does not include—

23 “(i) an electric cooperative;

24 “(ii) a gas cooperative;

1 “(iii) an electric utility that is owned
2 or operated by a State or political subdivi-
3 sion thereof; or

4 “(iv) a gas utility that is owned or op-
5 erated by a State or political subdivision
6 thereof.

7 “(3) FINANCIAL ACADEMIC.—The term ‘finan-
8 cial academic’ means an accredited, full-time finance
9 teaching program with over 50 years of teaching ex-
10 perience that regularly publishes United States eq-
11 uity market expected return data and that provides
12 a curriculum in business administration or finance.

13 “(4) FINANCIAL INSTITUTION.—The term ‘fi-
14 nancial institution’ means an entity that manages
15 not less than \$2,000,000,000,000 in combined as-
16 sets and regularly publishes United States equity
17 market expected return data.

18 “(5) GLOBAL SYSTEMICALLY IMPORTANT
19 BANK.—The term ‘Global Systemically Important
20 Bank’ means an entity classified as a Global Sys-
21 temically Important Bank by the Financial Stability
22 Board that regularly publishes United States equity
23 market expected return data.”.

24 (b) TABLE OF CONTENTS.—The table of contents in
25 section 1(b) of the Public Utility Regulatory Policies Act

- 1 of 1978 is amended by inserting after the item relating
- 2 to section 608 the following:

“Sec. 609. Rural and remote communities electrification grants.

“Sec. 610. Requirements for investor owned utilities.”.

