

HB475 ENROLLED



1 HB475
2 5VQZJM3-2
3 By Representatives Butler, Harrison, Myrex, Gidley, Mooney,
4 Whorton, Stringer, DuBose, Yarbrough
5 RFD: Transportation, Utilities and Infrastructure
6 First Read: 19-Feb-26



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1 Enrolled, An Act,

2 Relating to the Public Service Commission; to establish
3 the Power to the People Act; to amend Sections 37-1-1, 37-1-3,
4 37-1-5, and 37-1-12, Code of Alabama 1975; to revise the
5 membership and terms of the public service commissioners; to
6 establish the Secretary of Energy as a cabinet member
7 appointed by the Governor and provide for the duties of the
8 secretary; to add Sections 37-1-81.1, 37-1-81.2, and 37-1-81.3
9 to the Code of Alabama 1975, to prohibit an increase in
10 electric retail base rates for a certain period and thereafter
11 prohibit electric utilities from including certain costs in
12 the calculation or determination of rates or service
13 regulations; to require the commission to hold a public
14 meeting at least annually; to provide for rate hearings in
15 certain circumstances; to amend Sections 17-14-2, 17-14-3, and
16 36-3-1, Code of Alabama 1975, to make conforming changes; to
17 repeal Section 37-1-9, Code of Alabama 1975, relating to
18 public service commissioners; and to make nonsubstantive,
19 technical revisions to update the existing code language to
20 current style.

21 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

22 Section 1. This act shall be known and may be cited as
23 the Power to the People Act.

24 Section 2. Sections 37-1-1, 37-1-3, 37-1-5, and
25 37-1-12, Code of Alabama 1975, are amended to read as follows:

26 "§37-1-1

27 A commission to be known as the Public Service
28 Commission, ~~consisting of a president and two associates who~~



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29 ~~shall be competent persons and qualified electors of this~~
30 ~~state,~~ is established with seven commissioners as provided
31 under Section 37-1-3."

32 "§37-1-3

33 (a) (1) The terms of office of the commissioners shall
34 be for four years; ~~at the election to be held in the state on~~
35 ~~the first Tuesday after the first Monday in November,~~ for all
36 commissioners serving on or before the effective date of this
37 act.

38 (2) At the general election held in November 1940, and
39 every four years thereafter until the general election held in
40 November 2028, a president of the commission shall be elected
41 by the qualified electors of this state; and at the general
42 ~~election to be held in the state on the first Tuesday after~~
43 ~~the first Monday held~~ in November, 1942, and every four years
44 thereafter until the general election held in November 2026,
45 two associates, who, with the president, shall constitute the
46 commission, shall be elected by the qualified electors of the
47 state. The result of such election shall be ascertained and
48 declared by the same authority and in the same manner as are
49 the results of election for Chief Justice and associate
50 justices of the Supreme Court.

51 ~~(b) The persons elected to fill the offices shall enter~~
52 ~~upon the discharge of their respective duties on the day after~~
53 ~~the general election at which they are elected and expire on~~
54 ~~the day after the general election held in the fourth year~~
55 ~~after their election.~~

56 (b) (1) Beginning after the effective date of this act



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57 as further provided in this subsection, the membership of the
58 commission shall be expanded so that each commissioner shall
59 represent and serve, and be elected by the qualified voters
60 of, a geographical district that shall be identical to a
61 corresponding congressional district, as fixed and established
62 for the 2024 congressional elections. Each commissioner must
63 have been a resident of the state for a period of seven years
64 immediately before taking office and reside in the state while
65 in office. The Secretary of State and Governor shall ensure
66 that commissioners are phased in so that each of the seven
67 congressional districts are represented by the terms beginning
68 in January 2033.

69 (2) No later than July 15, 2026, the Governor shall
70 appoint four commissioners to serve initial terms beginning
71 January 18, 2027, two of whom shall serve a two-year term and
72 two of whom shall serve a four-year term. When making
73 appointments, the Governor shall choose: (i) one individual
74 for a two-year term and one individual for a four-year term
75 from a list of three names submitted for each position. The
76 lists shall be jointly submitted by the Lieutenant Governor,
77 the Speaker of the House of Representatives, and the President
78 Pro Tempore of the Senate; and (ii) one individual for a
79 two-year term and one individual for a four-year term from a
80 list of three names submitted for each position. The lists
81 shall be jointly submitted by the Minority Leader of the House
82 of Representatives and the Minority Leader of the Senate. The
83 lists shall be provided to the Governor no later than June 1,
84 2026.



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85 (3) The elections of commissioners shall be phased in
86 and staggered as follows:

87 a. At the general election held in November 2026, two
88 commissioners shall be elected in the same manner as
89 commissioners were elected before June 1, 2026, as provided in
90 subdivision (a)(2).

91 b. At the general election held in November 2028, one
92 commissioner shall be elected to replace the commissioner
93 previously known as president of the commission and two
94 commissioners shall be elected to replace the two
95 commissioners who were appointed to serve a two-year term. The
96 commissioners shall be elected by congressional districts,
97 including one commissioner who must represent the Seventh
98 Congressional District.

99 c. At the general election held in November 2030, two
100 commissioners shall be elected to replace the two
101 commissioners who were appointed to serve a four-year term.
102 The commissioners shall be elected by congressional districts,
103 including one commissioner who must represent the Second
104 Congressional District.

105 d. At the general election held in November 2032, the
106 commissioners shall be elected by the remaining unrepresented
107 congressional districts.

108 (c) All commissioners who are elected after June 1,
109 2026, shall serve terms of six years that begin on the first
110 Monday after the second Tuesday in January following the
111 general election.

112 ~~(e)~~ (d) If any vacancy should occur occurs in any one of



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113 the offices, caused by death, resignation, or otherwise, the
114 ~~same office~~ shall be filled by appointment by the Governor,
115 ~~the appointee holding for the balance to serve for the~~
116 remainder of the unexpired term. If any ~~person individual~~
117 elected to the office of public service commissioner ~~shall~~
118 ~~fail or refuse~~ fails or refuses for 30 days to qualify, ~~such~~
119 ~~the failure or refusal shall be held to create~~ deemed a
120 vacancy in the office, ~~which vacancy shall be filled by~~
121 ~~appointment by the Governor, the appointee to hold for the~~
122 ~~term for which the person so failing or refusing to qualify~~
123 ~~was elected~~ When making an appointment to fill a vacancy in a
124 congressional district held by the majority party of the
125 Legislature, the Governor shall choose one individual from a
126 list of three names jointly submitted by the Lieutenant
127 Governor, the Speaker of the House of Representatives, and the
128 President Pro Tempore of the Senate. When making an
129 appointment to fill a vacancy in a congressional district held
130 by the minority party of the Legislature, the Governor shall
131 choose one individual from a list of three names jointly
132 submitted by the Minority Leader of the House of
133 Representatives and the Minority Leader of the Senate.

134 (e) At the beginning of each term, starting with the
135 term elected in November 2028, the commissioners shall elect a
136 president and vice-president from among the membership of
137 commissioners.

138 ~~(d)~~ (f) The provisions of this section shall not
139 diminish the current term of any member elected to the Public
140 Service Commission."



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141 "§37-1-5

142 (a) No public service commissioner or clerk Public
143 service commissioners, the Secretary of Energy, the spouse and
144 children of any commissioner or the secretary, and employees
145 of the commission shall, during his continuance in office,
146 personally or through any partner or agent, may not render any
147 professional paid service for public utilities.

148 (b) A utility regulated by the Public Service
149 Commission may not make a contribution to any candidate
150 running for the office of a public service commissioner.

151 (c) The commissioners shall be subject to the ethics
152 laws under Chapter 25 of Title 36.

153 (d) No commissioner, for a fee, reward, or other
154 compensation, in addition to that received in his or her
155 official capacity, shall represent any person before the
156 Legislature or any executive department or agency."

157 "§37-1-12

158 (a) (1) Beginning January 19, 2027, the position of
159 Secretary of Energy is created as a member of the Governor's
160 cabinet. The secretary shall be appointed by and serve at the
161 pleasure of the Governor. The secretary's salary shall be
162 fixed by the Governor and shall not be subject to Section
163 36-6-6. The secretary must have experience in utility
164 regulation or energy policy or a related field.

165 (2) The Secretary of Energy shall direct the activities
166 of the commission and shall set the agendas for all meetings
167 of the commissioners, provided a meeting agenda may be amended
168 by the affirmative vote of at least five commissioners.



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169 (3) The Secretary of Energy shall have authority over
170 personnel and administrative functions of the commission.

171 (4) The Secretary of Energy shall be subject to the
172 ethics laws under Chapter 25 of Title 36.

173 (b) The ~~commission~~secretary, under the provisions of
174 the ~~merit system~~Merit System, shall ~~have the authority to~~
175 ~~appoint or~~ employ professional and administrative employees,
176 ~~including~~ attorneys, ~~officers,~~ and ~~such~~ accountants,
177 engineers, ~~experts,~~ inspectors, and other clerks ~~and other~~
178 employees as are necessary or expedient to carry out the
179 duties conferred by law upon the commission., ~~and the salaries~~
180 ~~therefor~~The salaries of all employees shall be fixed according
181 to the provisions of the ~~merit system~~Merit System. The
182 ~~commission~~ secretary shall also, by and with the approval of
183 the Governor, have authority to employ and discharge special
184 counsel or attorneys as it may be deemed necessary for such
185 purpose.

186 (c) Any unclassified employee who is employed by the
187 commission on the effective date of this act and was appointed
188 by a commissioner shall continue to be employed without regard
189 to his or her appointing authority. The Secretary of Energy
190 shall, in consultation with the State Personnel Board, work to
191 transfer these unclassified employees into classified
192 service."

193 Section 3. Sections 37-1-81.1, 37-1-81.2, and 37-1-81.3
194 are added to the Code of Alabama 1975 to read as follows:

195 §37-1-81.1

196 (a) The retail base rates established and in place on



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197 October 1, 2026 for each utility that is regulated by the
198 commission and that provides retail electric service may not
199 be increased before January 1, 2029.

200 (b) On and after January 1, 2029, a utility that
201 provides retail electric service may not factor the following
202 costs into the calculation or determination of a new rate or
203 service regulation or a change to an existing rate or service
204 regulation charged to customers of the utility:

205 (1) Costs incurred due to the utility providing funding
206 or grants that impact rates to other persons or organizations.

207 (2) Costs incurred due to the hiring of persons for the
208 purpose of lobbying the Legislature or any other political
209 office or subdivision of the state.

210 (3) Costs incurred due to advertisement of the utility
211 other than public safety advertising approved by the
212 commission.

213 (c) (1) When an electric utility files a new schedule to
214 put in operation a new rate or service regulation or to change
215 an existing rate or service regulation, the utility shall
216 affirm that the utility has not included the prohibited costs
217 under subsection (b) in the calculation or determination of
218 the rate or service regulation.

219 (2) If the electric utility fails to make the
220 affirmation, the rate or service regulation shall be void.

221 (d) If the commission discovers that a utility has
222 included the prohibited cost under subsection (b) in the
223 calculation or determination of rates or service regulations,
224 the commission shall investigate the determination pursuant to



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225 Section 37-1-83 and other powers of investigation granted to
226 the commission pursuant to this division.

227 §37-1-81.2

228 The commissioners and staff of the commission shall
229 convene at least one public meeting per calendar year with
230 utility representatives to provide information to the public
231 on cost trends, reliability, resilience, general
232 infrastructure investment plans, economic development impacts,
233 security of the power grid, national trends in energy
234 production, and other regulatory issues the Secretary of
235 Energy deems relevant. The public meetings shall be conducted
236 in a manner that gives residents the opportunity to
237 participate, addresses concerns voiced by the public, and
238 provides a review of key issues that the secretary believes
239 will be helpful to the public in understanding issues that
240 impact services under its jurisdiction.

241 §37-1-81.3

242 (a) After the mandated prohibition on increasing retail
243 base rates that runs until January 1, 2029, as provided in
244 Section 37-1-81.1, a formal hearing to examine specific issues
245 relative to the rate making process and to provide greater
246 transparency and direction to the establishment of base retail
247 rates, with testimony provided under oath, shall be triggered
248 upon the occurrence of:

249 (1) An affirmative vote of at least five commissioners
250 designating the issues to be examined and the timing and scope
251 of the formal hearing; or

252 (2) The direction of the Secretary of Energy specifying



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253 the issues to be examined and the timing and scope of the
254 formal hearing.

255 (b) In determining whether to conduct a formal hearing,
256 the secretary and the commissioners shall consider all
257 relevant factors, including:

258 (1) The base retail rate customers pay relative to the
259 national average;

260 (2) The base retail rate customers pay relative to the
261 regional average;

262 (3) Customer satisfaction reports;

263 (4) Reliability of the power grid;

264 (5) Operational efficiency of generating facilities;

265 (6) Capacity to accommodate economic development
266 priorities; and

267 (7) The relevant utility's credit rating and ability to
268 raise necessary capital.

269 (c) The secretary and commissioners, when implementing
270 the provisions of this section, shall have the power to
271 administer oaths under penalty of perjury and issue subpoenas
272 pursuant to Section 37-1-63.

273 Section 4. Sections 17-14-2, 17-14-3, and 36-3-1, Code
274 of Alabama 1975, are amended to make conforming changes to
275 read as follows:

276 "§17-14-2

277 General elections throughout the state shall be held
278 for Governor, Lieutenant Governor, Attorney General, Auditor,
279 Secretary of State, Treasurer, Commissioner of Agriculture and
280 Industries, ~~three public service commissioners, no two of whom~~



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281 ~~shall be elected from the same congressional district,~~ Chief
282 Justice and associate justices of the Supreme Court, judges of
283 the courts of appeals, electors for President and Vice
284 President of the United States, United States senators, and
285 such other officers as may be required by law to be elected by
286 the voters of the entire state; for a member of Congress in
287 each congressional district; public service commissioners in
288 each congressional district; judges of the circuit court in
289 each judicial circuit; judges of the district courts in each
290 district; district attorneys in each judicial circuit; a
291 senator in each senatorial district; a representative in the
292 Legislature in each house district; a judge of the probate
293 court, sheriff, clerks of the circuit courts, tax assessor,
294 tax collector, a county treasurer in counties of more than
295 56,000 population, as provided by law, coroner, and members of
296 the county commission in each county, and constables in each
297 precinct of the county."

298 "§17-14-3

299 The Governor, Lieutenant Governor, Attorney General,
300 Auditor, Secretary of State, Treasurer, Commissioner of
301 Agriculture and Industries, senators and representatives in
302 the Legislature, a sheriff in each county, one coroner in all
303 counties having a coroner, and other officers not otherwise
304 provided for, shall be elected on the first Tuesday after the
305 first Monday in November 2006, and every fourth year
306 thereafter. ~~A president of the Public Service Commission shall~~
307 ~~be elected on the first Tuesday after the first Monday in~~
308 ~~November 2008, and every fourth year thereafter. Two associate~~



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309 ~~public service commissioners shall be elected on the first~~
310 ~~Tuesday after the first Monday in November 2006, and every~~
311 ~~fourth year thereafter."~~

312 "§36-3-1

313 The Governor, Lieutenant Governor, Attorney General,
314 Auditor, Secretary of State, Treasurer, and Commissioner of
315 Agriculture and Industries, ~~the President of the Public~~
316 ~~Service Commission and two associate public service~~
317 ~~commissioners~~ shall hold their respective offices for the term
318 of four years from the time of their installation in office
319 and until their successors shall be elected and qualified,
320 such installation to take place on the first Monday after the
321 second Tuesday in January next after their election."

322 Section 5. Notwithstanding Section 37-1-3(c), Code of
323 Alabama 1975, as amended by this act, the public service
324 commissioners serving on June 1, 2026, whose term ends after
325 the election held in November 2026 shall continue to serve
326 until January 18, 2027.

327 Section 6. Any reference in this act to a congressional
328 district shall refer to the congressional districts
329 established for the 2024 congressional election. The Code
330 Commissioner shall conform references to congressional
331 districts as appropriate.

332 Section 7. Section 37-1-9, Code of Alabama 1975,
333 providing further for the public service commissioners, is
334 repealed.

335 Section 8. This act shall become effective on June 1,
336 2026.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 17-Mar-26, as amended.

John Treadwell
Clerk

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| Senate | <hr/> 01-Apr-26 <hr/> | Amended and Passed |
| House | <hr/> 01-Apr-26 <hr/> | Concurred in Senate Amendment |