

SB360 ENGROSSED



SB360

4UBJT33-2

By Senators Chambliss, Coleman-Madison, Givhan, Gudger,
Roberts, Livingston, Shelnut, Sessions, Weaver, Waggoner,
Butler, Williams, Chesteen, Allen, Kitchens, Bell, Woods,
Hovey, Elliott, Price, Kelley, Stutts, Carnley, Jones, Melson,
Albritton, Orr, Barfoot, Singleton, Smitherman, Figures,
Beasley, Stewart, Hatcher, Coleman

RFD: Fiscal Responsibility and Economic Development

First Read: 10-Mar-26



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A BILL
TO BE ENTITLED
AN ACT

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

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

Section 1. This act shall be known and may be cited as



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the Power to the People Act.

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

"§37-1-1

A commission to be known as the Public Service Commission, ~~consisting of a president and two associates who shall be competent persons and qualified electors of this state,~~ is established with seven commissioners as provided under Section 37-1-3."

"§37-1-3

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

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



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

(b) (1) Beginning after the effective date of this act, the membership of the commission shall be expanded so that each commissioner shall represent and serve a geographical district that shall be identical to a corresponding congressional district, as fixed and established by Section 17-14-70 or pursuant to any map ordered by a court to be used in lieu thereof. Each commissioner must have been a resident of the state for a period of seven years immediately before taking office and reside in the state while in office. The Secretary of State and Governor shall ensure that commissioners are phased in so that each of the seven congressional districts are represented by the terms beginning in January 2031.

(2) No later than July 15, 2026, the Governor shall appoint four commissioners to serve initial terms, two of whom shall serve a two-year term and two of whom shall serve a four-year term. When making appointments, the Governor shall choose one individual from a list of three names submitted for each position. The lists shall be jointly submitted by the Lieutenant Governor, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. The lists shall be provided to the Governor no later than June 1, 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.

89 b. At the general election held in November 2028, one
90 commissioner shall be elected to replace the commissioner
91 previously known as president of the commission and two
92 commissioners shall be elected to replace the two
93 commissioners who were appointed to serve a two-year term,
94 including one commissioner representing the Seventh
95 Congressional District.

96 c. At the general election held in November 2030, two
97 commissioners shall be elected to replace the two
98 commissioners who were appointed to serve a four-year term,
99 including one commissioner representing the Second
100 Congressional District.

101 (c) All commissioners who are elected after June 1,
102 2026, shall serve terms of six years that begin on the first
103 Monday after the second Tuesday in January following the
104 general election.

105 ~~(c)~~ (d) If any vacancy should occur occurs in any one of
106 the offices, caused by death, resignation, or otherwise, the
107 ~~same office~~ shall be filled by appointment by the Governor,
108 ~~the appointee holding for the balance to serve for the~~
109 remainder of the unexpired term. If any person individual
110 elected to the office of public service commissioner shall
111 ~~fail or refuse~~ fails or refuses for 30 days to qualify, such
112 the failure or refusal shall be held to create deemed a



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vacancy in the office., ~~which vacancy shall be filled by~~
~~appointment by the Governor, the appointee to hold for the~~
~~term for which the person so failing or refusing to qualify~~
~~was elected~~ When making an appointment to fill a vacancy, the
Governor shall choose one individual from a list of three
names jointly submitted by the Lieutenant Governor, the
Speaker of the House of Representatives, and the President Pro
Tempore of the Senate.

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

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

"§37-1-5

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

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

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

(d) No commissioner, for a fee, reward, or other



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compensation, in addition to that received in his or her official capacity, shall represent any person before the Legislature or any executive department or agency."

"§37-1-12

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

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

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

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

(b) The ~~commission~~secretary, under the provisions of the ~~merit system~~Merit System, shall ~~have the authority to appoint or~~ employ professional and administrative employees, including attorneys, ~~officers, and such~~ accountants, engineers, ~~experts, inspectors, and other~~ clerks and other employees as are necessary or expedient to carry out the duties conferred by law upon the commission., ~~and the salaries therefor~~The salaries of all employees shall be fixed according to the provisions of the ~~merit system~~Merit System. The



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~~commission~~ secretary shall also, by and with the approval of the Governor, have authority to employ and discharge special counsel or attorneys as it may be deemed necessary for such purpose.

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

Section 3. Sections 37-1-81.1 and 31-1-81.2 are added to the Code of Alabama 1975 to read as follows:

§37-1-81.1

(a) The retail base rates established and in place on October 1, 2026 for each utility that is regulated by the commission and that provides retail electric service may not be increased before January 1, 2029.

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

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

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



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

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

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

(d) If the commission discovers that a utility has included the prohibited cost under subsection (b) in the calculation or determination of rates or service regulations, the commission shall investigate the determination pursuant to Section 37-1-83 and other powers of investigation granted to the commission pursuant to this division.

§37-1-81.2

The commissioners and staff of the commission shall convene at least one public meeting per calendar year with utility representatives to provide information to the public on cost trends, reliability, resilience, general infrastructure investment plans, economic development impacts, security of the power grid, national trends in energy production, and other regulatory issues the Secretary of Energy deems relevant. The public meetings shall be conducted in a manner that gives residents the opportunity to participate, addresses concerns voiced by the public, and



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provides a review of key issues that the secretary believes will be helpful to the public in understanding issues that impact services under its jurisdiction.

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

"§17-14-2

General elections throughout the state shall be held for Governor, Lieutenant Governor, Attorney General, Auditor, Secretary of State, Treasurer, Commissioner of Agriculture and Industries, ~~three public service commissioners, no two of whom shall be elected from the same~~ from each congressional district, Chief Justice and associate justices of the Supreme Court, judges of the courts of appeals, electors for President and Vice President of the United States, United States senators, and such other officers as may be required by law to be elected by the voters of the entire state; for a member of Congress in each congressional district; judges of the circuit court in each judicial circuit; judges of the district courts in each district; district attorneys in each judicial circuit; a senator in each senatorial district; a representative in the Legislature in each house district; a judge of the probate court, sheriff, clerks of the circuit courts, tax assessor, tax collector, a county treasurer in counties of more than 56,000 population, as provided by law, coroner, and members of the county commission in each county, and constables in each precinct of the county."

"§17-14-3



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

"§36-3-1

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

Section 5. Section 37-1-9, Code of Alabama 1975, providing further for the public service commissioners, is repealed.

Section 6. This act shall become effective on June 1, 2026.



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281
282
283 Senate

284 Read for the first time and referred10-Mar-26
285 to the Senate committee on Fiscal
286 Responsibility and Economic
287 Development

288
289 Read for the second time and placed11-Mar-26
290 on the calendar:
291 0 amendments

292
293 Read for the third time and passed12-Mar-26
294 as amended
295 Yeas 32
296 Nays 0
297 Abstains 0

298
299
300 Patrick Harris,
301 Secretary.
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