

SB360 INTRODUCED



1 SB360

2 4UBJT33-1

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

9 RFD: Fiscal Responsibility and Economic Development

10 First Read: 10-Mar-26



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SYNOPSIS:

The Public Service Commission regulates certain utilities in the state. The commission is comprised of three members who are elected at-large and serve terms of four years.

This bill would increase the number of public service commissioners so that a commissioner is elected to serve each congressional district. The membership of the commission would be phased in and staggered and would set commissioners' terms at six years.

This bill would prohibit an increase in electric retail base rates until June 1, 2029, and thereafter, prohibit an electric utility from including costs incurred by the utility and related to giving certain grants, lobbying, or advertising for the utility, other than advertising for public safety purposes approved by the commissioners, from being included in the determination of a schedule for rates or service regulations.

This bill would create the position of Secretary of Energy to serve as the administrative director of the Public Service Commission. The Secretary of Energy would be a cabinet member and be appointed by the Governor.

This bill would also make nonsubstantive,



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29 technical revisions to update the existing code
30 language to current style.

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A BILL

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TO BE ENTITLED

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AN ACT

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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.

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BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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



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57 Section 2. Sections 37-1-1, 37-1-3, 37-1-5, and
58 37-1-12, Code of Alabama 1975, are amended to read as follows:

59 "§37-1-1

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

65 "§37-1-3

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

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

84 ~~(b) The persons elected to fill the offices shall enter~~



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85 ~~upon the discharge of their respective duties on the day after~~
86 ~~the general election at which they are elected and expire on~~
87 ~~the day after the general election held in the fourth year~~
88 ~~after their election.~~

89 (b) (1) Beginning after the effective date of this act,
90 the membership of the commission shall be expanded so that
91 each commissioner shall represent and serve a geographical
92 district that shall be identical to a corresponding
93 congressional district, as fixed and established by Section
94 17-14-70 or pursuant to any map ordered by a court to be used
95 in lieu thereof. Each commissioner must have been a resident
96 of the state for a period of seven years immediately before
97 taking office and reside in the state while in office. The
98 Secretary of State and Governor shall ensure that
99 commissioners are phased in so that each of the seven
100 congressional districts are represented by the terms beginning
101 in January 2031.

102 (2) No later than July 15, 2026, the Governor shall
103 appoint four commissioners to serve initial terms, two of whom
104 shall serve a two-year term and two of whom shall serve a
105 four-year term. When making appointments, the Governor shall
106 choose one individual from a list of three names submitted for
107 each position. The lists shall be jointly submitted by the
108 Lieutenant Governor, the Speaker of the House of
109 Representatives, and the President Pro Tempore of the Senate.
110 The lists shall be provided to the Governor no later than June
111 1, 2026.

112 (3) The elections of commissioners shall be phased in



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113 and staggered as follows:

114 a. At the general election held in November 2026, two
115 commissioners shall be elected.

116 b. At the general election held in November 2028, one
117 commissioner shall be elected to replace the commissioner
118 previously known as president of the commission and two
119 commissioners shall be elected to replace the two
120 commissioners who were appointed to serve a two-year term,
121 including one commissioner representing the Seventh
122 Congressional District.

123 c. At the general election held in November 2030, two
124 commissioners shall be elected to replace the two
125 commissioners who were appointed to serve a four-year term,
126 including one commissioner representing the Second
127 Congressional District.

128 (c) All commissioners who are elected after June 1,
129 2026, shall serve terms of six years that begin on the first
130 Monday after the second Tuesday in January following the
131 general election.

132 ~~(e)~~ (d) If any vacancy ~~should occur~~ occurs in any one of
133 the offices, caused by death, resignation, or otherwise, the
134 ~~same office~~ shall be filled by appointment by the Governor,
135 ~~the appointee holding for the balance to serve for the~~
136 remainder of the unexpired term. If any ~~person~~ individual
137 elected to the office of public service commissioner ~~shall~~
138 ~~fail or refuse~~ fails or refuses for 30 days to qualify, ~~such~~
139 the failure or refusal shall be ~~held to create~~ deemed a
140 vacancy in the office. ~~, which vacancy shall be filled by~~



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

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

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

155 "§37-1-5

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

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

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

167 (d) No commissioner, for a fee, reward, or other
168 compensation, in addition to that received in his or her



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169 official capacity, shall represent any person before the
170 Legislature or any executive department or agency."

171 "§37-1-12

172 (a) (1) Beginning January 19, 2027, the position of
173 Secretary of Energy is created as a member of the Governor's
174 cabinet. The secretary shall be appointed by and serve at the
175 pleasure of the Governor. The secretary's salary shall be
176 fixed by the Governor and shall not be subject to Section
177 36-6-6. The secretary must have experience in utility
178 regulation or energy policy or a related field.

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

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

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

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



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197 the Governor, have authority to employ and discharge special
198 counsel or attorneys as it may be deemed necessary for such
199 purpose."

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

202 §37-1-81.1

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

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

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

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

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

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



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225 the rate or service regulation.

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

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

234 §37-1-81.2

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

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

251 "§17-14-2

252 General elections throughout the state shall be held



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253 for Governor, Lieutenant Governor, Attorney General, Auditor,
254 Secretary of State, Treasurer, Commissioner of Agriculture and
255 Industries, ~~three~~ public service commissioners, ~~no two of whom~~
256 ~~shall be elected from the same~~ from each congressional
257 district, Chief Justice and associate justices of the Supreme
258 Court, judges of the courts of appeals, electors for President
259 and Vice President of the United States, United States
260 senators, and such other officers as may be required by law to
261 be elected by the voters of the entire state; for a member of
262 Congress in each congressional district; judges of the circuit
263 court in each judicial circuit; judges of the district courts
264 in each district; district attorneys in each judicial circuit;
265 a senator in each senatorial district; a representative in the
266 Legislature in each house district; a judge of the probate
267 court, sheriff, clerks of the circuit courts, tax assessor,
268 tax collector, a county treasurer in counties of more than
269 56,000 population, as provided by law, coroner, and members of
270 the county commission in each county, and constables in each
271 precinct of the county."

272 "§17-14-3

273 The Governor, Lieutenant Governor, Attorney General,
274 Auditor, Secretary of State, Treasurer, Commissioner of
275 Agriculture and Industries, senators and representatives in
276 the Legislature, a sheriff in each county, one coroner in all
277 counties having a coroner, and other officers not otherwise
278 provided for, shall be elected on the first Tuesday after the
279 first Monday in November 2006, and every fourth year
280 thereafter. ~~A president of the Public Service Commission shall~~



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281 ~~be elected on the first Tuesday after the first Monday in~~
282 ~~November 2008, and every fourth year thereafter. Two associate~~
283 ~~public service commissioners shall be elected on the first~~
284 ~~Tuesday after the first Monday in November 2006, and every~~
285 ~~fourth year thereafter."~~

286 "§36-3-1

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

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

299 Section 6. This act shall become effective on June 1,
300 2026.