



Overview

Utility policy to decarbonize the power sector is fundamental to addressing the climate crisis, because so much of reducing greenhouse gases requires electrifying other sectors, like transportation and buildings. Outdated utility regulations are keeping fossil fuels online and energy costs high. Fortunately, there are many ways to modernize the grid and utility management.

Policy Options (*** indicates bipartisan support)

Adaptation and Resilience

- **[Maryland HB31](#) (enacted 2022)**: Establishes the Resiliency Hub Grant Program to develop resiliency hubs that serve low- and moderate-income households at no cost to the households; defining “resiliency hub” as a location where solar photovoltaic and battery energy storage are designed to provide electricity during extended grid outages; etc.
- **[New Jersey A.2480](#) (introduced 2022)**: Requires electric public utilities to submit a proposal to the Board of Public Utilities detailing a plan to harden its electric distribution substations to protect against criminal attacks.

Environmental Justice

- **[Maine L.D. 2018](#) (enacted 2022)**: Establishes definitions for “environmental justice” and “front line communities;” sets methods to incorporate the weighing of equity decisions in deliberations at the state’s Department of Environmental Protection and the Public Utilities Commission.
- **[Oregon HB2475](#) (enacted 2021)**: Authorizes the Public Utilities Commission to consider disproportionate energy burden and affordability in ratemaking.

Public Power and Rural Electric Coops

- **[Colorado HB21-1131](#) (enacted 2021)**: Expands the state’s transparency rules for electric cooperatives and adds measures to improve co-op elections and governance.
- **[Maine L.D. 1708](#) (passed both chambers 2021)**: Authorizes the replacement of the state’s two largest electricity companies with a publicly owned utility.
- **[New York S.6453C](#) (passed Senate 2022)**: Requires the New York Power Authority to provide only renewable energy and power to customers; requires certain New York power authority projects and programs pay a prevailing wage and utilize project labor agreements.

Ratemaking, Planning, and Oversight

- **[Hawaii SB 2939](#) (enacted 2018)**: Requires the Public Utilities Commission to create a performance-based ratemaking structure to protect customers and facilitate the transition to renewables.
- **[Maine L.D. 1959](#) (enacted 2022)**: Requires quarterly report cards for the state’s utility companies based on service standards; creates a mechanism for utility companies that routinely fail to meet service standards to be sold to a consumer-owned, quasi-municipal corporation; etc.
- **[New York S.1556](#) (enacted 2022)**: Disallows the cost recovery for membership dues of any entity that engages in legislative lobbying activities.
- **[South Carolina H3659](#) (enacted 2020)**: Requires utilities to prove their generation plans are the most “prudent and reasonable” through public hearing.





Regionalization and Wholesale Markets

- ****Colorado SB21-072 (enacted 2021):** Requires transmission utilities to join an organized wholesale market by 2030 and modernize the state's electricity grid system.
- ****South Carolina H4940 (enacted 2020):** Forms a committee to investigate a range of market-based reforms, including participation by SC utilities in a statewide or regional wholesale market.

Securitization

- ****Colorado SB19-236 (enacted 2019):** Authorizes any electric utility to apply to issue low-cost Colorado bonds to lower the cost to ratepayers when the retirement of an electric generating facility occurs. A portion of bond proceeds will provide transition assistance for Colorado workers and communities directly affected by the facility retirement.
- ****Kansas HB2072 (enacted 2021):** Permits utilities to refinance remaining debt on retiring coal-fired power plants by repackaging debt as ratepayer-backed bonds at far lower interest rates.

Transmission and Distribution

- **Maryland HB 88 (enacted 2022):** Establishes state policy goals regarding electric distribution; required efforts to support and pursue federal funding for system upgrades; and established labor standards for certain projects.
- ****New Mexico HB233 (enacted 2020):** directs the Energy, Mineral, and Natural Resources Department to develop a roadmap for grid modernization. Creates a grant program funded by the state treasury for municipalities, agencies, schools, and Indian tribes to pursue grid modernization projects. New Mexico also has a [Renewable Energy Transmission Authority](#) and you can find [more information here](#).

Utility Regulator Mandate Expansion

- ****Connecticut SB7 (enacted 2018):** Ties the state's energy strategy, which statutorily guides the decision-making power of the Public Utility Regulatory Authority, to the state's climate targets.
- **Massachusetts S9 (enacted 2021):** Expands the scope of the Department of Public Utilities to include security, equity, and the reduction of greenhouse gasses.
- **Maine LD1682 (enacted 2021):** Adds the reduction of greenhouse gas emissions and mitigation of disproportionate energy burdens to the purposes of the Commission and directs the adoption of rules to implement this new purpose.

