

STATE OF NEW YORK

9640

IN ASSEMBLY

January 21, 2026

Introduced by M. of A. BARRETT -- read once and referred to the Committee on Energy

AN ACT to amend the public service law, in relation to authorizing the public service commission to implement performance-based regulation of electric or gas corporations

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

1 Section 1. The public service law is amended by adding a new section
2 66-x to read as follows:

3 § 66-x. Performance-based utility regulations. 1. The commission shall
4 be authorized to develop and adopt a framework for implementing perfor-
5 mance-based regulation of electric or gas corporations. Such perfor-
6 mance-based regulation may be used to provide incentives and penalties
7 to:

8 (a) reduce greenhouse gas emissions, as defined in section 75-0101 of
9 the environmental conservation law;

10 (b) expand the use of distributed energy resources, community solar
11 projects, microgrids, demand response programs, and energy efficiency
12 programs;

13 (c) enhance the quality, reliability, and resiliency of electricity
14 and gas service in the state;

15 (d) offer flexible payment plans that reduce disconnections of elec-
16 tricity and gas service for low-income customers and other programs that
17 address the quality and affordability of electricity and gas services
18 for all customers; and

19 (e) improve all aspects of utility operations to reduce costs and pass
20 savings on to ratepayers.

21 2. A framework that is adopted pursuant to subdivision one of this
22 section shall:

23 (a) provide for performance standards and a baseline from which
24 performance shall be measured;

25 (b) provide for performance metrics that are clear, objective, verifi-
26 able and achievable for measuring the performance of an electric or gas
27 corporation;

EXPLANATION--Matter in italics (underscored) is new; matter in brackets
[-] is old law to be omitted.

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1 (c) describe how such performance standards and metrics are to be
2 carried out;

3 (d) identify actions and mechanisms that an electric or gas corpo-
4 ration may carry out or implement to meet such performance standards;
5 and

6 (e) provide incentives or penalties based on the performance of the
7 electric or gas corporation. In developing such incentives and penal-
8 ties, the commission shall take into consideration the impacts of such
9 incentives and penalties on rates paid by ratepayers.

10 3. The commission may provide for performance metrics that are not
11 subject to incentives or penalties, but such performance metrics may
12 require each electric or gas corporation to file an annual report with
13 the commission on the performance of such electric or gas corporation,
14 as measured by such performance metrics.

15 § 2. This act shall take effect immediately.