

STATE OF NEW YORK

8915

IN SENATE

January 15, 2026

Introduced by Sen. MAY -- read twice and ordered printed, and when printed to be committed to the Committee on Energy and Telecommunications

AN ACT to amend the public service law, in relation to stabilizing electric costs for New York consumers, restricting unreasonable rate and fee increases, and establishing additional auditing and enforcement authorities

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

1 Section 1. Legislative findings and intent. The legislature finds that
2 residents, small businesses, and local governments across New York face
3 disproportionate increases in electricity rates, transmission fees, and
4 miscellaneous surcharges. These increases burden working families,
5 hinder economic development, and threaten the ability of seniors to age
6 in place.

7 The legislature further finds that opaque fee structures and inadequate regulatory scrutiny contribute to unjustified costs.

8 It is the intent of this act to:

- 9
10 1. Cap and stabilize electric rate increases;
11 2. Restrict hidden and excessive add-on fees;
12 3. Create real-time oversight through independent audits; and
13 4. Ensure accountability from utilities operating in the region.

14 § 2. Subdivision 12 of section 66 of the public service law is amended
15 by adding a new paragraph (m) to read as follows:

16 (m) (i) The commission shall not approve any rate increase which would
17 increase residential or small business electricity rates by more than
18 two and one-half percent as measured on an annual basis unless the rate
19 increase is necessary to maintain reliability of electricity and proof
20 has been provided to the commission that all potential internal cost
21 savings measures have been exhausted.

22 (ii) In the event that a rate increase of more than two and one-half
23 percent is proposed to the commission, the commission shall pause any
24 actions relating to approving such rate increase for no less than one
25 hundred eighty days. During such one hundred eighty day pause, the

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

LBD14177-01-5

commission and the utility accountability and audit unit shall conduct an enhanced review of the electric utility and the proposed rate increase.

(iii) This paragraph shall also apply to all transmission charges, delivery fees, and add-on surcharges which shall be individually justified and subject to the same requirements under this paragraph unless tied to federally mandated reliability requirements.

§ 3. Section 44 of the public service law is amended by adding a new subdivision 8 to read as follows:

8. (a) Every electric utility corporation, energy services company and municipality shall provide on each customer's monthly bill an itemized breakdown that includes, at a minimum:

(i) the portion of the bill attributable to infrastructure costs, including transmission, distribution, and maintenance;

(ii) the portion of the bill attributable to contributions, surcharges, or assessments directed to the New York Power Authority; and

(iii) the portion of the bill attributable to other investments, surcharges, or fees as determined by the commission, including but not limited to renewable energy programs, energy efficiency initiatives, and public policy charges.

(b) The commission shall promulgate regulations establishing uniform standards for the format and presentation of such itemized breakdowns to ensure clarity and consistency across utilities.

(c) Utilities may include additional explanatory notes or resources to assist customers in understanding each category of charges.

(d) The commission shall conduct a biennial review of all non-supply items to ensure such items:

(i) directly relate to service or infrastructure delivered to customers in the region;

(ii) are not duplicative; and

(iii) have not exceeded the actual cost of service.

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

§ 66-x. Utility accountability and audit unit. 1. For the purposes of this section, the term "unit" shall mean the utility accountability and audit unit established under this section.

2. There is hereby established within the department of law and the department of audit and control the utility accountability and audit unit. The unit shall:

(a) conduct independent audits of utilities' financials, capital plans, transmission depreciation schedules, and justification of rates, surcharges, fees, and other charges;

(b) investigate consumer complaints involving fees or rate increases;

(c) review executive compensation and profit margins tied to ratepayer-funded activities;

(d) be able to issue subpoenas and compel testimony;

(e) provide public quarterly summaries to the commission, the legislature, and the governor; and

(f) be able to impose penalties against utilities in accordance with this section.

3. Where the unit has found a utility to have overcharged ratepayers, misrepresented financial need, or imposed unapproved fees, the unit may bring a civil action against such utility for:

(a) civil penalties up to three times the amount improperly collected; and

(b) mandatory refund or rate credit to customers.

1 4. Where the unit has found evidence of potential criminal activity,
2 the unit shall refer such evidence where appropriate.

3 § 5. The public service law is amended by adding a new section 66-y to
4 read as follows:

5 § 66-y. Community affordability protection program. 1. For the
6 purposes of this section, the term "program" shall mean the community
7 affordability protection program established under this section.

8 2. The commission shall establish a community affordability protection
9 program. The program shall provide a discount on electricity bills for
10 those at or below eighty percent of the county-level median income. Such
11 program shall reduce the electricity bill of eligible households by
12 applying a credit to such electricity bills in an amount equal to at
13 least twenty-five dollars and an amount equal to half of any trans-
14 mission fees charged by the utility.

15 3. The commission shall work directly with utilities to ensure that
16 credits are applied accurately to electricity bills and that the money
17 for such credits is paid to the utilities by the commission in a timely
18 manner.

19 4. The program shall be funded by civil penalties collected by the
20 utility accountability and audit unit established under section sixty-
21 six-x of this article, savings generated from utility overcharge recov-
22 eries, and appropriations.

23 § 6. Section 65 of the public service law is amended by adding a new
24 subdivision 17 to read as follows:

25 17. No electric corporation furnishing utility services shall recover
26 the cost of executive bonuses, incentive compensation, or shareholder
27 dividends through ratepayer charges. Such costs shall not be included in
28 rate cases or transmission fee calculations.

29 § 7. This act shall take effect on the one hundred eightieth day after
30 it shall have become a law. Effective immediately, the addition, amend-
31 ment and/or repeal of any rule or regulation necessary for the implemen-
32 tation of this act on its effective date are authorized to be made and
33 completed on or before such effective date.