

119TH CONGRESS
2D SESSION

S. _____

To limit bonuses for executives of certain electric utilities, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Mr. BLUMENTHAL (for himself and Mr. HAWLEY) introduced the following bill; which was read twice and referred to the Committee on

A BILL

To limit bonuses for executives of certain electric utilities,
and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “No Bonuses for Utility
5 Executives Act”.

6 **SEC. 2. LIMITATION ON BONUSES FOR EXECUTIVES OF**
7 **CERTAIN ELECTRIC UTILITIES.**

8 (a) DEFINITIONS.—In this section:

9 (1) COMMISSION.—The term “Commission”
10 means the Federal Energy Regulatory Commission.

1 (2) COVERED UTILITY.—The term “covered
2 utility” has the meaning given the term “State regu-
3 lated electric utility” in section 3 of the Public Util-
4 ity Regulatory Policies Act of 1978 (16 U.S.C.
5 2602).

6 (3) CUSTOMER RATES.—The term “customer
7 rates” means the rates and charges made, de-
8 manded, or received by a covered utility for or in
9 connection with the sale of electric energy and, if ap-
10 plicable, natural gas.

11 (4) EXECUTIVE.—The term “executive” means
12 a C-suite executive, including a chief executive offi-
13 cer, chief operating officer, chief financial officer,
14 chief information officer, chief technology officer,
15 chief marketing officer, chief human resources offi-
16 cer, chief people officer, and any person that the
17 Commission determines holds a title substantially
18 similar to any such title.

19 (5) FISCAL YEAR.—The term “fiscal year”,
20 with respect to a covered utility, means the fiscal
21 year of that covered utility.

22 (6) SECRETARY.—The term “Secretary” means
23 the Secretary of the Treasury, acting through the
24 Bureau of the Fiscal Service.

25 (b) AUTHORIZED BONUSES.—

1 (1) IN GENERAL.—Beginning January 1, 2027,
2 a covered utility may, subject to paragraph (2), pay
3 a bonus to an executive of the covered utility for a
4 fiscal year only if the average percentage increase in
5 customer rates of the covered utility for that fiscal
6 year does not exceed any percentage increase in the
7 Consumer Price Index for All Urban Consumers
8 (CPI–U) published by the Bureau of Labor Statis-
9 tics of the Department of Labor for the 12-month
10 period ending on the last day of that fiscal year.

11 (2) LIMITATION.—A bonus paid pursuant to
12 paragraph (1) may not exceed an amount equal to
13 25 percent of the median annual compensation, for
14 the applicable fiscal year, of employees of the cov-
15 ered utility who are not executives.

16 (3) PROHIBITION.—A covered utility may not
17 pay a bonus to an executive of the covered utility for
18 a fiscal year before the Commission has made a de-
19 termination under subsection (c)(2) with respect to
20 that covered utility for that fiscal year.

21 (c) DETERMINATION OF BONUSES ALLOWED.—

22 (1) NOTIFICATION.—Not later than 7 days
23 after the last day of a fiscal year, a covered utility
24 shall provide to the Commission information on—

1 (A) the average percentage increase in cus-
2 tomer rates of the covered utility for that fiscal
3 year; and

4 (B) the median annual compensation, for
5 that fiscal year, of employees of the covered
6 utility who are not executives.

7 (2) DETERMINATION.—Not later than 30 days
8 after the last day of a fiscal year for which the Com-
9 mission receives information from a covered utility
10 under paragraph (1), the Commission shall deter-
11 mine—

12 (A) whether the covered utility may pay a
13 bonus pursuant to subsection (b)(1); and

14 (B) the maximum allowable amount of
15 that bonus under subsection (b)(2).

16 (d) OVERSIGHT OF BONUSES.—

17 (1) NOTIFICATION.—Not later than 7 days
18 after paying a bonus to an executive, a covered util-
19 ity shall provide to the Commission information
20 on—

21 (A) the amount of the bonus; and

22 (B) the fiscal year for which the bonus was
23 paid.

24 (2) DETERMINATION OF COMPLIANCE.—Not
25 later than 30 days after receiving a notification

1 under paragraph (1), the Commission shall deter-
2 mine whether the covered utility submitting the noti-
3 fication is in compliance with subsection (b).

4 (3) PENALTIES.—

5 (A) FORFEITURE.—A bonus shall be for-
6 feited to the United States if—

7 (i) the bonus was paid in violation of
8 any provision of subsection (b);

9 (ii) the covered utility paying the
10 bonus failed to provide a notification under
11 paragraph (1) by the date described in
12 that paragraph with respect to the bonus;
13 or

14 (iii) the covered utility paying the
15 bonus made a materially false or mis-
16 leading representation in a notification
17 provided under paragraph (1) or sub-
18 section (c)(1) with respect to the bonus or
19 any other matter described in paragraph
20 (1) or subsection (c)(1) for the applicable
21 fiscal year.

22 (B) COLLECTION OF FORFEITED BONUS.—

23 (i) IN GENERAL.—To collect a bonus
24 forfeited under subparagraph (A), the
25 Commission shall impose a civil penalty in

1 the amount of the bonus on the covered
2 utility that paid the bonus.

3 (ii) TRANSFER TO THE SECRETARY.—
4 Amounts collected by the Commission
5 under clause (i) shall be transferred to the
6 Secretary for purposes of carrying out sub-
7 paragraph (C).

8 (iii) PROHIBITION.—A covered utility
9 may not recover through customer rates
10 the cost of a civil penalty imposed under
11 this subparagraph.

12 (C) RATEPAYER CHECKS.—For any bonus
13 described in subparagraph (A) that is collected
14 pursuant to subparagraph (B)—

15 (i) the applicable covered utility shall
16 provide any information to the Commission
17 or the Secretary that the Commission or
18 the Secretary, as applicable, determines to
19 be necessary to carry out clause (ii); and

20 (ii) the Secretary shall issue to each
21 customer of that covered utility a payment
22 in an amount equal to the quotient ob-
23 tained by dividing—

1 (I) the amount forfeited under
2 subparagraph (A) and collected under
3 subparagraph (B); by

4 (II) the number of customers of
5 the covered utility.