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[H.R. 2984, the Fair Ratepayer Accountability, Transparency, and Efficiency Standards \(RATES\) Act](#)

FLOOR SITUATION

On Monday, March 14, 2016, the House will consider [H.R. 2984](#), the Fair Ratepayer Accountability, Transparency, and Efficiency Standards (RATES) Act, under suspension of the rules. H.R. 2984 was introduced on July 8, 2016, by Rep. Joe Kennedy III (D-MA) and was referred to the Committee on Energy and Commerce, which ordered the bill reported by voice vote on February 25, 2016.

SUMMARY

H.R. 2984 amends the Federal Power Act to enable parties adversely affected by the inaction of the Federal Energy Regulatory Commission (FERC) to have the right to a rehearing. Specifically, the bill provides that any absence of action by the FERC that allows a utility rate change to take effect to be treated as an order issued by the Commission, granting certain parties the right to a rehearing.¹

BACKGROUND

The Federal Energy Regulatory Commission (FERC) is an independent agency that regulates the interstate transmission of electricity, natural gas, and oil. The FERC does not regulate retail electricity and natural gas sales to consumers, which is the primary responsibility of state public utility commissions.²

The Federal Power Act authorizes the FERC to determine whether wholesale utility rate changes are “just and reasonable,” enabling the FERC to approve or deny rate increases.³ The Act also entitles any person, electric utility, State, municipality, or State commission aggrieved by an order issued by the FERC the right to a rehearing.⁴ H.R. 2984 clarifies that if the FERC does not act within 60 days on a utility’s notice of a rate increase, including instances of a deadlocked Commission, then such

¹ See Energy and Commerce Committee [Markup Background Memo](#), February 22, 2016, at 4

² See FERC Website, [What FERC Does](#)

³ [The Federal Power Act, Sec. 313\(a\)](#) at 44.

⁴ [The Federal Power Act, Sec. 313\(a\)](#) at 90.

lack of action would be treated as if FERC had issued an order accepting the change, thereby allowing any affected party to apply for rehearing.

According to the bill sponsor, “As energy rates and electric bills continue to skyrocket across New England, it is more critical than ever that consumers have a voice in this process. By increasing transparency throughout the system, the Fair RATES Act will allow consumers to hold federal regulators accountable and ensure the prices being set are truly just and reasonable. I thank my colleagues for their support of this bill and look forward to working together to move it through Congress.”⁵

COST

A Congressional Budget Office (CBO) cost estimate is currently not available.

STAFF CONTACT

For questions or further information please contact [John Huston](#) with the House Republican Policy Committee by email or at 6-5539.

⁵ See Rep. Joe Kennedy III Press Release, [“Kennedy Introduces Energy Bill to Protect New England Ratepayers.”](#) July 8, 2015.