



TO: The Honorable Members of the PA House Consumer Protection, Technology and Utilities Committee

FROM: Alex Halper, Senior Vice President, Government Affairs

DATE: June 8, 2026

RE: **PA Chamber memo: Oppose H.B. 2224 – Discouraging energy infrastructure development**

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The PA Chamber urges you to oppose H.B. 2224, which the Committee is scheduled to consider this week. This legislation is intended to statutorily cap return on equity (ROE) for all Pennsylvania utility companies.

We appreciate this committee's focus on cost and share your goal of providing reliable, affordable energy to power the Commonwealth's homes and businesses. Unfortunately, this legislation would discourage energy infrastructure investment in Pennsylvania, reduce employment, and ultimately raise costs on residential, commercial and industrial ratepayers.

Pennsylvania's energy resources, innovative industry leaders, and hardworking, talented workforce have led the Commonwealth to national superiority – supporting our region, helping our neighboring states keep the lights on and powering our communities. Our status as a national energy leader and potential for growth all depend on continued development of critical energy infrastructure, and the necessary business and regulatory environment to encourage growth.

Pennsylvania's regulated electric and natural gas utilities deliver reliable energy to nearly 9 million homes and businesses across all 67 counties and collectively invest more than \$3 billion annually in Pennsylvania infrastructure — funding grid modernization, pipeline replacements, and reliability improvements that directly benefit ratepayers and put Pennsylvanians to work. That capital spending supports more than 15,000 high-paying direct utility jobs and generates tens of thousands of additional indirect and induced jobs across construction, manufacturing, professional services, and supply chains throughout the Commonwealth. Seeking to legislatively constrain the financial returns that make this level of investment possible would reduce the capital available for the very infrastructure improvements needed for reliable and affordable energy.

Even simply discussing statutorily capping ROE has shaken investors and harmed Pennsylvania's economy. Wall Street analysts who closely track regulated utilities have warned that recent policy uncertainty in Pennsylvania is already raising the cost of capital for utilities operating here. As one major financial institution noted in research published in late April 2026, policy actions that call Pennsylvania's regulatory construct into question are "counterproductive to Pennsylvania policy goals" at a time of unprecedented infrastructure investment demand, and risk setting negative precedent that could ripple across other markets. Others have underscored that strong financial metrics and access to capital markets directly affect the long-term cost of service delivered to customers, as anything which increases financing costs ultimately gets paid

by ratepayers, not shareholders. H.B. 2224 would lock that uncertainty into statute, compounding the damage already done and permanently signaling to capital markets that Pennsylvania is not a reliable place to invest in energy infrastructure.

Pennsylvania's established regulatory process for setting utility rates through the Public Utility Commission may not be perfect, but it is a transparent, reliable process that provides for public input, oversight from consumer and small business advocates and has helped maintain and grow and critical energy infrastructure.

We urge you to hold off consideration of H.B. 2224 and instead work with stakeholders to advance public policy that improves laws related to public utilities without triggering harmful unintended consequences. Thank you for considering our views on this important matter.

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