
THIRD READING

Bill No: AB 1104
Author: Pellerin (D)
Amended: 9/5/25 in Senate
Vote: 21

SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 5-0, 6/11/25
AYES: Smallwood-Cuevas, Strickland, Cortese, Durazo, Laird

SENATE ENERGY, U. & C. COMMITTEE: 16-0, 7/7/25
AYES: Becker, Ochoa Bogh, Allen, Archuleta, Arreguín, Ashby, Caballero,
Gonzalez, Grove, Hurtado, Limón, McNeerney, Rubio, Stern, Strickland, Wahab
NO VOTE RECORDED: Dahle

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 76-0, 5/27/25 (Consent) - See last page for vote

SUBJECT: Net energy metering: construction of renewable electrical generation
facilities: public works project requirements

SOURCE: Scudder Solar Electrical Energy Systems

DIGEST: This bill 1) specifies that, for the construction of a renewable electrical generation facility and associated battery storage, the contractor who enters into a contract with the entity, *not the entity itself*, is the awarding body only for limited purposes; 2) specifies which public works requirements apply to such construction projects; and 3) authorizes a renewable electrical generation facility to remain eligible to receive service pursuant to a standard contract or tariff, regardless of a contractor's willful violation of prevailing wage requirements, if restitution has been made to the affected workers and all associated penalties and fines have been paid.

Senate Floor Amendments of 9/5/25 1) clarify the format contractors must use to fulfill existing certified payroll records requirements; 2) provide that a renewable

electrical generation facility shall *remain* eligible to receive service pursuant to a standard contract or tariff, regardless of a contractor's willful violation of specified public works requirements, if restitution has been made, as specified; 3) clarify that the entity that engaged the contractor to perform work is not an awarding body; and 4) specify that the contractor who enters into a contract with the entity is the awarding body only for the limited purposes of Section 1773.3 of the Labor Code.

ANALYSIS:

Existing law:

- 1) Establishes and vests the California Public Utilities Commission (CPUC) with regulatory authority over public utilities, including electrical corporations and gas corporations. (Article XII of the California Constitution)
- 2) Establishes within the Department of Industrial Relations the Division of Labor Standards Enforcement (DLSE) under the direction of the Labor Commissioner (LC), and empowers the LC to ensure a just day's pay in every work place and to promote justice through robust enforcement of labor laws. (Labor Code §79-107)
- 3) Defines "public works" to mean construction, alteration, demolition, installation, or repair work done under contract and paid for in whole or in part out of public funds, except work done directly by a public utility company pursuant to order of the Public Utilities Commission (PUC) or other public authority. Public works also includes, among other things, irrigation work, street improvements, and tree trimming. (Labor Code §1720(a))
- 4) Requires, except for public works projects of one thousand dollars (\$1,000) or less, not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work fixed as provided in this chapter, shall be paid to all workers employed on public works. (Labor Code §1771)
- 5) Defines "awarding body" to mean a department, board, authority, officer or agent awarding a contract for public work. (Labor Code §1722)
- 6) Requires each contractor and subcontractor on a public work to keep accurate payroll records, showing the name, address, social security number, work classification, straight time and overtime hours worked each day and week, and

the actual per diem wages paid to each journeyman, apprentice, worker, or other employee employed by the contractor or subcontractor in connection with the public work. Each payroll record shall contain or be verified by a written declaration that it is made under penalty of perjury, with specified information. (Labor Code §1776(a))

- 7) Requires an awarding body to provide notice to DIR of any public works contract subject to public works law, within 30 days of the award, but in no event later than the first day in which a contractor has workers employed upon the public work. (Labor Code §1773.3(a))
- 8) Provides that the construction of any renewable electrical generation facility, and any associated battery storage, after December 31, 2023, that receives service pursuant to the standard contract or tariff, as specified, shall constitute a public works project. (Public Utilities Code §769.2(a))
- 9) Requires a contractor who enters into a contract to perform work on a renewable electrical generation facility or associated battery storage described in 8), above, to do all of the following:
 - a) The contractor shall pay each construction worker employed in the execution of the work, at minimum, the general prevailing rate of per diem wages, except that an apprentice registered in a program approved by the Chief of the Division of Apprenticeship Standards shall be paid, at minimum, the applicable apprentice prevailing rate.
 - b) The contractor shall maintain and verify payroll records pursuant to recordkeeping provisions of the Labor Code and make those records available for inspection and copying as required by those provisions. The contractor shall not be required to provide copies of certified payroll records to any entity other than the Department of Industrial Relations (DIR) and the Public Utilities Commission (PUC).
 - c) The contractor shall biannually, on July 1 and December 31 of each year, submit to the commission digital copies of its certified payroll records for projects covered by this bill. The PUC shall retain these records as public records for five years. (Public Utilities Code §769.2(b))
- 10) Provides that the requirements in 9), above, may be enforced through the following mechanisms:

- a) Within 18 months after completing the renewable electrical generation facility, by LC through the issuance of a civil wage and penalty assessment, as specified, which may be reviewed.
 - b) By an underpaid construction worker or apprentice through an administrative complaint or civil action.
 - c) By a joint labor-management committee through a civil action. (Public Utilities Code §769.2(c))
- 11) States that if a willful violation of the prevailing wage requirement has been enforced against a contractor for the construction of a renewable electrical generation facility pursuant to 8), above, that facility shall not be eligible to receive service pursuant to a standard contract or tariff developed, as specified. (Public Utilities Code §769.2(d))
- 12) Provides that mechanics, persons furnishing materials, artisans, and laborers of every class, shall have a lien upon the property upon which they have bestowed labor or furnished material for the value of such labor done and material furnished; and the Legislature shall provide, by law, for the speedy and efficient enforcement of such liens. (Article XIV, Section 3 of the California Constitution)

This bill:

- 1) Specifies that when contractors who enter into a contract to perform work on a renewable electrical generation facility or associated battery storage fulfill existing certified payroll records requirements, they must furnish the records in a format consistent with systems used for compliance with Section 1776 of the Labor Code.
- 2) Provides that a renewable electrical generation facility shall remain eligible to receive service pursuant to a standard contract or tariff, regardless of a contractor's willful violation of specified public works requirements, if restitution has been made to the affected workers and all associated penalties and fines have been paid.
- 3) Clarifies that, for purposes of construction of a renewable electrical generation facility, the entity that engaged the contractor is not an awarding body, as defined. Public works project requirements not found in Section 769.2 of the Public Utilities Code do not apply to the entity. This does not affect the entity's

liability for nonpayment of wages or materials under (Article XIV, Section 3 of the California Constitution.)

- 4) Clarifies that for purposes of construction of a renewable electrical generation facility and associated battery storage, the contractor who enters into a contract with the entity described in 3), above, is an awarding body only for the limited purposes of Section 1773.3 of the Labor Code.

Background

AB 2143 (Carrillo, Chapter 744, Statutes of 2022). In 2022, the Legislature extended public works requirements to the construction of any renewable electrical generation facility and any associated battery storage after December 31, 2023 (Carrillo, 2022). Contractors who enter into a contract to perform work on projects subject to AB 2143's requirements must 1) pay each construction worker, at minimum, the general prevailing rate of per diem wages, 2) maintain and verify payroll records and make those records available for inspection and copying, as specified, and 3) submit biannually, on July 1 and December 31, to the PUC digital copies of certified payroll records. Unlike other public works projects, AB 2143 only requires contractors to provide certified payroll data to DIR and the PUC. The LC, an underpaid construction worker or apprentice, and joint labor-management committees are authorized to enforce the prevailing wage requirement. Renewable electrical generation facilities built by contractors who willfully violated AB 2143's provisions are not eligible to receive service pursuant to a standard contract or tariff, as specified.

Awarding Bodies. Awarding bodies and contractors working on public works projects are required to abide by a set of laws that ensure the responsible use of public funds. AB 1104 would clarify that the entity that engaged the contractor for the construction of a renewable electrical generation facility and any associated battery storage is not an awarding body and that public works requirements not found in Section 769.2 of the Public Utilities Code (AB 2143, Carrillo, 2022) do not apply to the entity. Instead, the contractor who enters into a contract with the entity is the awarding body *only for the limited purposes of Section 1773.3 of the Labor Code*. Section 1773.3 requires, among other things, awarding bodies to notify DIR of any public works contract within 30 days of the award, but in no event later than the first day in which a contractor has workers employed upon the public work. While this removes some of the administrative responsibilities associated with public works projects, it preserves the requirements to pay prevailing wages and maintain certified payroll records. AB 1104 also authorizes a renewable electrical generation facility to remain eligible to receive service

pursuant to a standard contract or tariff, regardless of a contractor's willful violation of specified public works requirements, if restitution has been made to the affected workers and all associated penalties and fines have been paid.

Related/Prior Legislation

AB 2143 (Carrillo, Chapter 744, Statutes of 2022) required a contractor who enters into a contract to perform work on the renewable electrical generation facility or associated battery storage to pay each construction worker employed in the execution of the work, at minimum, the general prevailing rate of per diem wages and each apprentice, at minimum, the applicable apprentice prevailing rate, as specified.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT: (Verified 9/5/25)

Scudder Solar Electrical Energy Systems (Source)

180 Solar Power

Aeterna Energy

All Seasons Roofing & Waterproofing, INC.

Allterra Solar

Associated Builders and Contractors Northern California Chapter

Aws Solar

Baker Home Energy

Brighten Solar

California Building Industry Association

California Solar & Storage Association

Capital City Solar

Chico Electric

Cinnamon Energy Systems

Citadel Roofing and Solar

Cleanfi

Climate Action California

Collective Sun

Corda Solar

Core Energy

Energy Team, Climate Action California

Enphase Energy

Estriatus Law Pc

Excite Energy

Grid Alternatives

Harmony Air
Individual
Kodiak Roofing & Waterproofing Co.
Mr. Roofing
MW Energy
Mynt Systems
Nova West Energy
Pearlx Infrastructure
Pickett Solar
Sandbar Solar & Electric
Santa Cruz County Chamber of Commerce
Santa Cruz Westside Electric, dba Sandbar
Schneider Electric
Simply Solar
Six Rivers Solar
Solar Energy Builders, Inc.
Solar Renewable Energy
Solar Rights Alliance
Solar Symphony Construction
Solar Technologies
Solex Applied Solar Energy
Source Solar
SPCA Monterey County
Sun Light & Power
Sungreen Systems
Tenco Solar
Your Solarmate

OPPOSITION: (Verified 9/5/25)

None received

ARGUMENTS IN SUPPORT: According to the sponsors, Scudder Solar Electrical Energy Systems, “AB 1104 is narrowly tailored to protect small businesses’ access to solar energy while upholding AB 2143’s labor standards and protecting the environment. This bill is vital to safeguard small businesses’ ability to access and own clean energy sources, which is particularly important during a natural disaster, such as a wildfire, or when the grid is down or unavailable.

As the sponsor of AB 1104, Scudder Solar Electrical Energy Systems believes that this bill offers a critical policy fix to the recent declines in the commercial solar

market. It strikes the right balance between supporting small businesses, sustaining clean energy progress, and maintaining our state's labor standards and their enforcement. We respectfully ask for your support of AB 1104 and thank you for your time, consideration and dedication to the people of California.”

ASSEMBLY FLOOR: 76-0, 5/27/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Bennett, Jeff Gonzalez, Nguyen

Prepared by: Emma Bruce / L., P.E. & R. / (916) 651-1556
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