

CONCURRENCE IN SENATE AMENDMENTS

AB 1104 (Pellerin)

As Amended September 5, 2025

Majority vote

SUMMARY

Makes changes regarding labor laws governing construction of larger, nonresidential renewable electrical generating facilities.

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; also specifies which public works requirements apply to such construction projects; and 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 Amendments

Make clarifying amendments which:

- 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.

COMMENTS

In 2022, California enacted AB 2143 (Carrillo, Chapter 774, Statutes of 2022) to require that prevailing wage be paid for certain solar projects over 15 kilowatts constructed after December 31, 2023, that are interconnected under the Net Energy Metering (NEM) tariff. AB 2143 sought to ensure workers on larger solar projects are paid fairly and with family-sustaining wages. The policy behind paying a prevailing wage is to ensure that contractors are not awarded these solar projects by virtue of paying low wages and undercutting competitors who provide higher compensation. Typically requirements for prevailing wage fall on both the contractor undertaking the work, as well as the public agency – or in the case of rooftop solar, the customer-generator of a 15 kilowatts (or greater) system taking service under a NEM tariff – hiring the contractor to perform the work. This bill removes the requirements on the customer-generator.

The author motivates this change by noting compliance with labor law for large, public agencies can be onerous to the small businesses seeking to install rooftop solar. Principally, the author notes under AB 2143 businesses have to 1) register as an "awarding body" at the Department of

Industrial Relations (DIR); 2) register their solar project as a public works project with DIR; 3) obtain prevailing wage rates from DIR; 4) specify these rates in making bid calls; 5) prepare bid specifications, including prevailing wage notices in contracts; and 6) post wage rate info at the job site. This bill removes some of the administrative responsibilities of these solar system owners by no longer defining them as "awarding bodies," thus not having to do any of the aforementioned steps. However, this bill, importantly, does not remove the prevailing wage requirements as laid out in AB 2143 for the contractor, and upholds that the rooftop solar owner's liability for nonpayment of wages or materials is not affected.

According to the Author

According to the author, "Although California has committed to achieving 100% clean energy by 2045, the state's commercial solar market is facing serious setbacks that threaten this goal. AB 1104, the Small Business Renewable Energy Access and Protection Act, will expand opportunities for small businesses to access renewable energy by reducing administrative burdens. Specifically, it will exempt the owners of commercial solar projects under 1 MW from registering as an awarding body with the Department of Industrial Relations, while maintaining all current prevailing wage and apprenticeship requirements."

Arguments in Support

The bill is supported by a coalition of solar energy businesses and advocacy organizations, as well as building and roofing organizations. Scudder Solar Electrical Energy Systems, the sponsors of the bill write, "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."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, this bill will result in cost of an unknown amount to the Labor Commissioner. The Senate Committee on Appropriations passed this measure out pursuant to Senate Rule 28.8 finding that any state costs of the measure are not significant.

VOTES:

ASM LABOR AND EMPLOYMENT: 6-0-1

YES: Ortega, Flora, Chen, Elhawary, Kalra, Ward

ABS, ABST OR NV: Lee

ASM UTILITIES AND ENERGY: 18-0-0

YES: Petrie-Norris, Patterson, Boerner, Calderon, Chen, Davies, Fong, Mark González, Harabedian, Hart, Irwin, Papan, Rogers, Schiavo, Solache, Ta, Wallis, Zbur

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

ASSEMBLY FLOOR: 76-0-3

YES: 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

ABS, ABST OR NV: Bennett, Jeff Gonzalez, Nguyen

UPDATED

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