

CONCURRENCE IN SENATE AMENDMENTS

AB 1273 (Patterson)

As Amended September 4, 2025

Majority vote

SUMMARY

Changes the California Public Utilities Commission (CPUC) rules regarding items eligible for the consent agenda and public comment periods for rate setting cases. The bill also changes the eligibility of Renewable Portfolio Standard (RPS) compliance for local publically owned electric utilities (POUs) who have existing large hydroelectric resources.

Senate Amendments

- 1) Prohibits rate increases to be placed on the consent agenda at CPUC meetings for only electrical corporations with a revenue requirement exceeding \$1,000,000,000.
- 2) Mandate the public comment period only for increases in rates of an electrical corporation's customers by more than 5%.
- 3) Maintains an exemption for POUs that allows the inclusion of large hydroelectric resources in meeting their RPS mandate past 2030.

COMMENTS

The CPUC *Rules of Practice and Procedure* states that a case "non-controversial, of a routine nature, and/or not requiring subsequent Commission action," is currently worthy of inclusion on the consent agenda. Decisions that increase costs may be considered routine at the CPUC, since they happen frequently. As a result, the CPUC puts such items on the consent agenda to expedite business, where the Commissioners do not comment and vote on all Consent Agenda items together. AB 1273 prohibits the CPUC from placing ratesetting proceedings on its consent agenda that increase rates to customers of an electrical corporation that has a revenue requirement that exceeds \$1,000,000,000. By moving these proceedings off the consent agenda, Commission voting meetings would likely be longer.

The number of rate cases on the consent agenda in the last five voting meetings was limited to five rate cases (including all types of utilities). All other proceedings that increase ratepayer costs, as identified in the CPUC's published agenda, would result in a total of 38 cases on the consent agenda. All 38 additional cases were regarding energy utilities. Most of the cases in this expanded category were intervenor compensation proceedings (the payment to consumer protection groups) and were each less than \$350,000 dollars. One of the cases in this expanded category was for \$36.4 million for Wildfire Mitigation Cost Recovery. If the authors focus on just rate cases for energy utilities, this would have minimal impact on the length and efficiency of hearings. Including rate cases in the regular agenda provides an opportunity for the public to hear the Commissioners orally justify their thinking about rate-increases as growing energy bills has led to frustrations and concerns about cost of living.

AB 1273 mandates a minimum of a 30-minute public comment period on ratesetting proceedings that increase rates of an electrical corporation's customers by more than 5%. According to current CPUC rules the public may address the CPUC during the Public Comment Period during a CPUC Voting Meeting. The committee is not aware of a limit on total time for this portion of the agenda

but every speaker is limited to one minute. However, because these rules are at the discretion of the CPUC, this could change at any time. This law would ensure a minimum comment period.

SB 100 (De León, Chapter 312, Statutes of 2018) established the state policy that renewable and zero-carbon resources should supply 100% of retail sales and electricity procured in the state by 2045. This policy was recently updated under SB 1020 (Laird, Chapter 361, Statutes of 2022) which accelerated the requirement on state agencies to 100% by 2035, and established interim targets of 90% by 2035 and 95% by 2040 for all other entities. California has made progress in decarbonizing its energy sector, almost 58% of the state's electricity mix arising from zero-carbon resources. Solar energy has been the dominant source of California's renewable energy resources. This growth is largely attributed by the cheaper prices of solar photovoltaics in recent years and California's abundant solar capacity. However, as solar generation increases in California, the mismatch between when energy is generated and when it is needed poses challenges for grid stability and operation. As a result, California's retail electric providers often need to purchase electricity to serve both RPS and reliability compliance (capacity) obligations

According to the CEC, in 2023 total generation for California was 281,141 gigawatt-hours (GWh). Approximately 58% was due to zero-carbon generation (nuclear, hydroelectric, and renewables); while almost 12% was due solely to large hydro generation. California's RPS program, and other energy programs predating RPS, have distinguished between smaller and larger hydroelectric facilities as those that are either at or below (small) or over (large) 30 MW – enough electricity to power nearly 30,000 households. These distinctions have reflected state policy concerning natural river habitats which discourage more damming of rivers, as well as to encourage the development of new, alternative renewable energy projects.

SB 100 (De León, Chapter 312, Statutes of 2018), and previous RPS updates (SB 350, Chapter 547, Statutes of 2015), include an exemption for POUs that requires they procure renewable energy only up to the retail sales unserved by large hydroelectric generation. This applies to POUs that generate more than 40% of their electricity from existing large hydroelectric sources in a given year. The exemption applies only through the year 2030, while the RPS program itself extends indefinitely beyond 2030. This gap between the exemption timeline and expected lifetime of the RPS program affects a small group of POUs who source much of their renewable energy from large hydroelectric generation. The City of Palo Alto Utilities (CPAU) is one of the POUs negatively affected by expiration of this exemption; their analysis estimates it will cost CPAU roughly \$25 million from 2030 – 2045 in excess renewable energy procurement. This bill would clarify that the current exemption continues beyond the 2030 date to include future compliance periods.

According to the Author

"Currently the CPUC uses a consent calendar to consolidate multiple agenda items into one. The issue is that electricity rate increases get put on the consent calendar causing electric utility users to be prohibited from commenting on the electricity rate hikes. The consent calendar has been misused to bypass public comment on several critical issues. For instance, the CPUC's February 20, 2025 agenda included 32 items on the consent calendar, compared to just six regular agenda items. These items have increasingly impacted consumers. According to KMPH, at least two rate increases were passed in 2024 using the consent calendar."

Arguments in Support

The transparency advocacy group Media Alliance writes in support AB 1273, arguing that rate increases by electrical corporations should not be part of the CPUC's consent agenda as these type of actions decrease the public's trust in government oversight. The Northern California Power Agency writes in support of AB 1273 because it includes an extension of the state policy including POU large hydroelectric generation under the RPS program. They state that it "ensures that communities that help fund the federal hydropower system can realize the benefits of their long-term investment in critical public infrastructure."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Senate Committee on Appropriations the bill will cost hundreds of thousands of dollars annually to the CPUC for the increased length of Commission agenda meetings and to otherwise implement the provisions of this bill.

According to the Assembly Committee on Appropriations, which evaluated the bill with few material differences regarding Commission meetings, the bill will have no significant costs to the CPUC.

Since these evaluations, the bill has narrowed its impact to (1) ratesetting proceedings that would result in an increase in rates to customers of an electrical corporation that has a revenue requirement that exceeds one billion dollars (\$1,000,000,000) and (2) ratesetting proceedings that increases the rates of an electrical corporation's customers by more than 5%.

VOTES:

ASM UTILITIES AND ENERGY: 18-0-0

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

ASM APPROPRIATIONS: 14-0-1

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

ABS, ABST OR NV: Pellerin

ASSEMBLY FLOOR: 69-0-10

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

ABS, ABST OR NV: Arambula, Boerner, Carrillo, Flora, Gallagher, Jeff Gonzalez, Irwin, Celeste Rodriguez, Sanchez, Wallis

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