

THIRD READING

Bill No: AB 1301
Author: Petrie-Norris (D)
Amended: 8/13/26 in Senate
Vote: 27

SENATE ENERGY, U. & C. COMMITTEE: 17-0, 6/16/26

AYES: Allen, Ochoa Bogh, Archuleta, Arreguín, Becker, Caballero, Gonzalez, Grove, Hurtado, McNerney, Niello, Reyes, Richardson, Rubio, Stern, Strickland, Wahab

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26

AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 69-0, 5/15/25 (Consent) - See last page for vote

SUBJECT: Electricity

SOURCE: Author

DIGEST: This bill makes various changes to code regarding the California Public Utilities Commission (CPUC) and the California Energy Commission (CEC), including, but not limited to, extending the sunset of the Energy Conservation Assistance Act (ECAA) from 2028 to 2038, removing existing law that specifies that the CEC's Public Advisor must be an attorney, and exempting electrical cooperatives from provisions of the Public Utilities Act effective after January 1, 2027, unless statute expressly applies those provisions to electrical cooperatives.

ANALYSIS:

Existing law:

- 1) Establishes the position of the public advisor at the CEC who is nominated by the CEC and appointed by the Governor to ensure the full and adequate participation of interested groups and the public in the proceedings of the CEC.

Existing law requires the CEC's Public Advisor to be an attorney licensed to practice law in California. (Public Resources Code §25217.1)

- 2) Establishes the ECAA to provide grants and loans to local governments and public institutions to maximize energy use savings, expand installation of energy storage systems, and expand the availability of electric vehicle (EV) charging infrastructure, including, but not limited to, technical assistance, demonstrations, and identification and implementation of cost-effective energy efficiency, energy storage, and EV charging infrastructure measures and programs in existing and planned buildings or facilities. Existing law sunsets ECAA on January 1, 2028. (Public Resources Code §25410 et. seq.)
- 3) Establishes the Electricity Oversight Board (EOB) to oversee the California Independent System Operator (CAISO), specifies the membership of the board, and prescribes the board's duties. (Public Utilities Code §335-341.4)
- 4) Establishes the Attorney General as the successor to the EOB to engage in any litigation or settlement to obtain ratepayer recovery for the effects of the 2000–2002 energy crisis, as specified. (Public Utilities Code §343)
- 5) Exempts electrical cooperatives from rate regulation by the CPUC. Existing law also specifies that an electrical cooperative is subject to provisions of the Public Utilities Act, except as otherwise specified in statute. (Public Utilities Code §2777-2778)

This bill:

- 1) Removes provisions in existing law that require the CEC's Public Advisor to be an attorney.
- 2) Extends the sunset date for the ECAA program from January 1, 2028, to January 1, 2038.
- 3) Specifies that, for provisions of the Public Utilities Act effective after January 1, 2027, an electrical cooperative is subject to a provision of the Public Utilities Act only if the provision expressly specifies that it applies to an electrical cooperative.

- 4) Modifies the deadlines for completing specified regular reports for the CEC's Equitable Building Decarbonization program and the CPUC's Family Electric Rate Assistance (FERA) program.
- 5) Removes outdated references in code, including references to the EOB.
- 6) Makes various technical, non-substantive changes in statutes regarding the CPUC and CEC.

Background

It's not clear that the CEC's Public Advisor needs to be an attorney. Since the enactment of the Warren-Alquist Act in 1974, existing law has required the CEC's Public Advisor to be an attorney licensed in California. Statute specifies that the role of the public advisor is to ensure the full participation of interested parties and the public in CEC proceedings. Unlike the CPUC, the vast majority of CEC proceedings are open to the public and do not require registration as an intervenor. The CEC's thermal powerplant siting proceedings include an intervenor process; however, the public advisor also arranges opportunities for public comment on power plant siting, state policy initiatives, and other CEC activities. The CEC maintains attorneys, including a chief counsel position, who assist in ensuring that the CEC complies with meeting notice and accessibility requirements for proceedings. As a result, it is not clear that it is necessary for the public advisor to be an attorney. Restricting this position to only attorneys licensed in California limits individuals who may be qualified to serve as the CEC's Public Advisor from considering the position. This restriction may limit the CEC's ability to recruit otherwise qualified candidates for the position.

Bill extends the ECAA program for 10 years. The CEC's ECAA program provides low and no interest loans to state and to local governments, health facilities, educational institutions, and Native American tribes to implement projects that will improve energy conservation, expand EV charging, and install behind-the-meter solar and storage systems. The CEC has operated the ECAA program since 1979. The Legislature has passed multiple measures expanding the program and extending its operation. Most recently, the Legislature passed AB 33 (Ting, Chapter 226, Statutes of 2021), which expanded the types of projects eligible for ECAA funding and expanded participation in the program to California Native American tribes. Under existing law, ECAA is scheduled to sunset in 2028. This bill would extend that sunset date to 2038.

Finally removing the Electricity Oversight Board and Power Exchange from statute. Both the Power Exchange (PX) and EOB emerged during energy sector de-regulation in 1996. The PX operated as a day-ahead market for electricity transactions. However, the PX failed at the height of the 2000-2001 energy crisis. The PX ceased operations in 2001. Similarly, the EOB was established as part of the de-regulatory scheme of the 1990s, to oversee the CAISO. The EOB also represented the state in litigation regarding refunds stemming from overcharging during the 2000-2001 electricity crisis. Subsequent legislation broke up the EOB's duties and assigned its responsibility to represent the state in litigation for energy market manipulation to the Attorney General. Multiple bills extended and ultimately, established the Attorney General's energy crisis litigation duties indefinitely. Despite the dissolution of both the EOB and the PX, statute continues to reference both entities. This bill removes those outdated references.

Bill would exempt electrical cooperatives from future Public Utilities Act provisions unless expressly included in those provisions. Electrical cooperatives are private, non-profit electric utilities. While electrical cooperatives meet the Public Utilities Act definition of an electrical utility subject to CPUC regulation under the Public Utilities Act, existing statute exempts electrical cooperatives from CPUC rate regulation. Frequently, additions to the Public Utilities Act are not intended to capture electrical cooperatives. However, existing amendments and additions to the Public Utilities Act would apply to electrical cooperatives unless they are expressly exempt from those provisions in statute. This bill clarifies that for any provisions of the Public Utilities Act that become effective after January 1, 2027, electrical cooperatives would not be subject to those provisions unless the legislation expressly includes electrical cooperatives.

Prior/Related Legislation

AB 1533 (Utilities and Energy Committee, Chapter 353, Statutes of 2024) was an omnibus bill making various changes to statutes related to the CEC and CPUC, including deleting outdated statutes.

AB 33 (Ting, Chapter 226, Statutes of 2021) expanded the list of projects eligible for ECAA funding to include installation of energy storage systems and EV charging infrastructure. The bill also expanded the entities that can participate in ECAA to include California Native American tribes.

SB 110 (Committee on Budget and Fiscal Review, Chapter 55, Statutes of 2017) allocated remaining funds from Proposition 39 to the ECAA-Ed program and

established a competitive solicitation process for those awards.

SB 1207 (Hueso, Chapter 675, Statutes of 2016) extended the sunset on ECAA from January 1, 2018, to January 1, 2028, and made other technical and clarifying changes.

SB 506 (Hueso, Chapter 150, Statutes of 2019) reinstated the Attorney General's authority to act as the successor to the EOB indefinitely.

SB 1524 (Committee on Utilities and Commerce, Chapter 343, Statutes of 2015), extended the Attorney General's authority to act as the successor to the EOB from 2016 to 2018.

SB 1533 (Padilla, Chapter 226, Statutes of 2012) extended the Attorney General's authority to act as the successor to the EOB from January 1, 2013 to January 1, 2016.

AB 1390 (Committee on Utilities & Commerce, Chapter 179, Statutes of 2011) designated the Attorney General as the successor to the EOB and tasked the Attorney General with the responsibility of representing the state in any litigation or settlement to obtain electricity ratepayer relief as a result of the 2000-2002 energy crisis.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee:

- Unknown but likely significant ongoing fiscal impacts to the General Fund and possibly tax-exempt revenue bonds or other funding sources—potentially in the tens of millions of dollars, starting in 2028 and spread over several decades as existing loans are repaid and the funds are not recirculated—due to the ten-year sunset extension of the ECAA program. Staff notes that this extension would merely delay the fiscal impact, and that the same impact is still expected to occur following the 2038 sunset that would be established in this bill.
- The CEC estimates any changes in administrative costs due to extending the program are likely to be minor and absorbable.

SUPPORT: (Verified 8/13/26)

Golden State Power Cooperative

Public Advocates Office

OPPOSITION: (Verified 8/13/26)

None received

ARGUMENTS IN SUPPORT: According to the author:

AB 1301 addresses a number of needed code clean up provisions. This includes removing references to the now obsolete and defunded Power Exchange and Electricity Oversight Board, updating the date of reports for the California Public Utilities Commission and Public Advocate's Office, consolidating reporting requirements for the California Energy Commission's (CEC) Equitable Building Decarbonization program, editing the requirements for the CEC Public Advisor, extending the sunset date for the Energy Conservation Assistance Act revolving loan program, and clarifying when statutes apply to electrical co-ops. The goal of this legislation is to update California law in a practical manner to reflect the realities of the agencies tasked with implementing and adhering to the Public Utilities and Public Resources Code.

ASSEMBLY FLOOR: 69-0, 5/15/25

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

NO VOTE RECORDED: Alanis, Arambula, Bennett, Caloza, Castillo, Jeff Gonzalez, Hart, Quirk-Silva, Ramos, Stefani

Prepared by: Sarah Smith / E., U. & C. / (916) 651-4107
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