
THIRD READING

Bill No: AB 1423
Author: Irwin (D)
Amended: 7/10/25 in Senate
Vote: 21

SENATE ENERGY, U. & C. COMMITTEE: 12-1, 7/7/25

AYES: Becker, Allen, Archuleta, Arreguín, Ashby, Caballero, Gonzalez, Hurtado, Limón, McNerney, Rubio, Stern

NOES: Wahab

NO VOTE RECORDED: Ochoa Bogh, Dahle, Grove, Strickland

SENATE TRANSPORTATION COMMITTEE: 15-0, 7/8/25

AYES: Cortese, Strickland, Archuleta, Arreguín, Blakespear, Cervantes, Dahle, Gonzalez, Grayson, Limón, Menjivar, Richardson, Seyarto, Umberg, Valladares

SENATE APPROPRIATIONS COMMITTEE: Senate Rule 28.8

ASSEMBLY FLOOR: 78-0, 6/2/25 - See last page for vote

SUBJECT: Transportation electrification: electric vehicle charging stations:
payment methods

SOURCE: Author

DIGEST: This bill authorizes the California Energy Commission (CEC) to modify requirements for electric vehicle (EV) charger payment systems.

ANALYSIS:

Existing law:

- 1) Establishes payment and billing standards for EV chargers. Provides the CEC with the authority to implement and adopt EV charger payment and billing standards, starting on July 10, 2023. Existing law specifies that the California

Air Resources Board (CARB) has the authority to enforce EV charger payment and billing standards until the CEC adopts new payment and billing standards. Existing law specifies that any standards adopted by the CEC will supersede any regulations adopted by CARB. (Health and Safety Code §44268.2)

- 2) Prohibits the CEC from modifying EV charger payment requirements before January 1, 2028.
- 3) Prohibits an EV charger owner-operator from requiring consumers to pay a subscription fee or obtain membership in a club, association, or organization as a condition of using the station. (Health and Safety Code §44268.2)
- 4) Requires public disclosure of the total actual charges for using an EV charging station at the point of sale, including any additional network roaming charges for non-members. (Health and Safety Code §44268.2)
- 5) Requires chargers that require payment to facilitate payment with major credit cards using a contactless payment method. For the purposes of this requirement “contactless payment method” means a secure method for consumers to purchase services using a debit card, credit card, smartcard, or another payment device, by using radio frequency identification (RFID) technology and near-field communication (NFC). Chargers must also provide a toll free phone or text system to allow the customer to initiate and pay for charging. Under existing law, the CEC may modify payment methodologies in light of changing technologies through regulations. These regulations may not take effect sooner than January 1, 2028. (Health and Safety Code §44268.2)
- 6) Requires publicly accessible direct current fast chargers (DCFCs) installed on or after July 10, 2023, to offer plug and charge payment capabilities. (Health and Safety Code §44268.2)

This bill:

- 1) Authorizes the CEC to modify the payment methods required for EV chargers.
- 2) Allows the CEC to adopt changes to EV charger payment methods before January 1, 2028.
- 3) Requires the CEC to consider cost impacts of EV charger payment methods when adopting or modifying rules.

Background

Instant replay: Legislature has passed multiple measures in recent years aimed at addressing EV charger reliability. Charger reliability concerns are a subset of larger consumer concerns about charger availability. EV drivers' range anxiety is exacerbated by the lack of ubiquitously available EV charging. While many EV homeowners charge at home, renters and EV owners in multifamily dwellings are more likely to lack opportunities to charge at home. Additionally, EV drivers with longer commutes may experience a scarcity of charging opportunities in certain areas, increasing their reliance on a small number of publicly available chargers.

Several reports show that publicly accessible chargers that have received state funds are not functioning as reported. A 2022 report by researchers at the University of California at Berkeley indicated that charger outages and malfunctions reduce charger availability significantly. The report studied all publicly accessible DCFCs in the greater Bay Area and found that only 72.5% of the chargers had functional electric vehicle service equipment.

To address these concerns, the Legislature passed AB 2061 (Ting, Chapter 345, Statutes of 2022), which required the CEC to define uptime for EV chargers, set uptime recordkeeping and reporting, and assess EV charger uptime every two years. In 2023, the Legislature passed AB 126 (Reyes, Chapter 319, Statutes of 2023), which extended the operation of the Clean Transportation Program (CTP) and required the CEC to set standards for how stations receiving CTP grants and ratepayer funding will notify customers about the availability and accessibility of public chargers.

Bill allows the CEC to modify the types of payment systems an EV charger must include. In earlier stages of EV charger deployment, few rules governing drivers' ability to pay for charging existed. Many early stage EV charging networks established a membership structure that required EV drivers to join a membership in order to pay for EV charging. In some cases, the charging networks required consumers to pay a fee for membership. While some networks allowed non-members to pay for charging using other methods, EV drivers needing to reliably use a variety of companies' chargers were forced to become members of many network clubs. To address EV adoption barriers associated with the EV charger "club card" and membership programs, the Legislature passed SB 454 (Corbett, Chapter 418, Statutes of 2013), also known as the EV Charging Stations Open Access Act. The bill prohibited EV charging networks from requiring consumers to join memberships in order to pay for EV charging and required EV chargers that

require payment for charging to facilitate payment through credit card, mobile technology, or both. The bill also authorized CARB to adopt regulations regarding EV charger payment systems. Since the enactment of SB 454, the statute regarding EV charger payment systems has been revised several times. Simultaneously, CARB adopted regulations requiring EV chargers to transact payment using credit card readers. Many EV charging networks expressed concerns that traditional credit card readers were costly and more likely to experience malfunctions in outdoor public chargers. In 2023, budget legislation reassigned the authority to regulate EV charger payment systems from CARB to the CEC, required EV chargers to offer a contactless payment option for using major credit cards to pay for charging, and prevented the CEC from revising this requirement until January 1, 2028.

The transfer of charger payment system regulatory authority from CARB to the CEC has created a system of fractured regulatory compliance for charger payment systems. Under existing law, chargers installed prior to July 10, 2023, may be subject to CARB's rules, which required most public chargers to have a credit card payment system with a chip reader installed on the machine. Chargers installed after July 10, 2023, may use a contactless credit card payment system like a tap-and-pay system or near field communication. However, some charging providers, like Tesla, have also been caught in a legal gray area where it is unclear whether they meet any of these definitions because Tesla only recently started entering into arrangements to open its charging network to vehicles from other manufacturers. While regulatory changes are needed to address these inconsistencies and update payment systems to reflect market trends and technologies, existing law prevents the CEC from making changes until January 1, 2028.

This bill allows the CEC to modify requirements for EV charger payment systems and adopt those rules sooner than January 1, 2028. This bill could enable the CEC to clarify the existing confusion regarding the extent to which varying payment method requirements apply to different charging providers. This bill may also allow the CEC to adopt rules that would eliminate certain credit card payment systems from varying types of EV chargers. Under existing law, Level 1 and 2 chargers are required to offer at least one contactless credit card payment method and the option to pay via text message or a toll free call. DCFCs installed after July 10, 2023, must also provide the option to initiate a charge through plug-and-charge transactions. Plug-and-charge technology is facilitated through communications protocols between the charger and a car, enabling the car to transact the charge without use of a separate payment system. Manufacturers are increasingly including plug-and-charge capabilities in EVs, including Ford's Mustang Mach-E

and F-150 Lightning. However, not all EV models have plug-and-charge capabilities. While EV charging companies have financial incentives to ensure that chargers can complete as many transactions as possible to increase revenue from the charging, this bill may enable the CEC to establish rules that would lead charging networks to largely shift towards initiating charging through payments via mobile application payment systems. To the extent that the CEC eliminates requirements for EV chargers to include contactless payment systems, drivers may be faced with requirements to download a variety of different applications on their phone in order to pay for charging across the state in lieu of using a text message or toll-free system.

Related/Prior Legislation

AB 2697 (Irwin, Chapter 735, Statutes of 2024) clarified the CEC's authority to adopt roaming standards for EV charging networks. The bill specified that any roaming standards adopted by the CEC shall only apply to major EV charging network operators, and the standards must enable network managers to choose between different mechanisms to establish roaming agreements.

AB 1349 (Irwin) of 2023, would have required EV charger owners and operators that accept state grants to provide certain data about their chargers and charging network to third-party software developers for free, as specified. The bill died in the Senate Committee on Energy, Utilities and Communications.

AB 126 (Reyes, Chapter 319, Statutes of 2023) modified and extended the operation of the CTP until January 1, 2035. The bill also required the CEC to set standards by January 1, 2025, regarding how EV charging stations receiving CTP or ratepayer funds will notify customers about the availability and accessibility of chargers.

SB 123 (Committee on Budget and Fiscal Review, Chapter 52, Statutes of 2023) made various changes to law regarding energy resources. The bill also reassigned duties to implement and enforce EV payment and billing standards from CARB to the CEC. The bill specified that chargers installed after the bill's enactment must offer a contactless method for accepting major credit and debit cards. For the purposes of this requirement "contactless payment method" means a secure method for consumers to purchase services using a debit card, credit card, smartcard, or another payment device, by using RFID technology and NFC.

AB 2061 (Ting, Chapter 345, Statutes of 2022) required the CEC to define uptime for EV chargers, set uptime recordkeeping and reporting, and assess EV charger uptime every two years.

AB 1424 (Berman) of 2019, would have modified credit card payment requirements for EV chargers and delayed additional rulemaking on EV chargers. The bill was held in the Senate Appropriations Committee.

AB 2127 (Ting, Chapter 365, Statutes of 2018) required the CEC to conduct a statewide assessment every two years of EV charging infrastructure needed to support the levels of EV adoption required for the state to meet its goals of putting at least five million ZEVs on California roads by 2030, and of reducing emissions of GHG to 40 percent below 1990 levels by 2030.

SB 454 (Corbett, Chapter 418, Statutes of 2013) established the EV Charging Stations Open Access Act, which prohibited EV charger owner-operators from requiring individuals to join clubs or pay subscription fees to use a charger. The bill required chargers to accept credit card payment and authorized CARB to establish interoperable billing standards for EV chargers if a national organization has not adopted such standards by 2015.

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

SUPPORT: (Verified 8/25/25)

AAA Northern California, Nevada & Utah
Automobile Club of Southern California
California Electric Transportation Coalition
Center for Sustainable Energy
ChargePoint, Inc.
Electric Era Technologies, Inc.
Electric Vehicle Charging Association
Plug in America
Rivian Automotive, LLC
Union of Concerned Scientists

OPPOSITION: (Verified 8/25/25)

None received

ARGUMENTS IN SUPPORT: According to the author:

California has set ambitious climate and greenhouse gas reduction goals for the transportation sector. Governor Newsom's Executive Order N-79-20 establishes a goal to transition California away from gas-powered vehicles by 2035. This massive undertaking is lagging behind and will require a rapid and large-scale transition to electric vehicles and a significant investment in charging infrastructure. California has spent over \$1.7 billion on electric vehicle charging infrastructure. To date, only 150,000 of the estimated 2.1 million chargers needed have been deployed. Of publicly available chargers, J.D. Power has found that they are not functioning 20 to 30 percent of the time. Without consumer confidence in public charging infrastructure, California jeopardizes its investment and commitment to transition away from gas-powered vehicles. The California Energy Committee is finalizing regulations to improve charger uptime and the driver experience for chargers installed with state grants after 2024. AB 1423 applies these standards to all public chargers so that drivers can feel confident in their choice to switch to an electric vehicle.

ASSEMBLY FLOOR: 78-0, 6/2/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, 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: Muratsuchi

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8/26/25 16:07:31

**** END ****