

CONCURRENCE IN SENATE AMENDMENTS

AB 1423 (Irwin)

As Amended September 3, 2025

Majority vote

SUMMARY

Authorizes the California Energy Commission (CEC) to modify requirements for electric vehicle (EV) charger payment systems.

Senate Amendments

- 1) Authorize the CEC to modify the payment methods required for EV chargers.
- 2) Allow the CEC to adopt changes to EV charger payment methods before January 1, 2028.
- 3) Require the CEC to consider cost impacts of EV charger payment methods when adopting or modifying rules.
- 4) Includes chaptering language to align with SB 533.

COMMENTS

In 2020, Gov. Gavin Newsom issued Executive Order (EO) N-79-20, mandating that 100% of cars sold in California by 2035 be zero-emission vehicles (ZEVs) to reduce greenhouse gas emissions. To help meet its ambitious climate goals and encourage the adoption of ZEVs, the state provides incentives to develop a robust network of EV charging stations.

With an expected 15.2 million EVs on the road by 2035, the CEC projects that over 2 million additional EV chargers will need to be built in the next decade. To date, the CEC reports that over 170,000 total public and shared private EV chargers are available to charge the over

1 million light-duty passenger ZEVs (including plug-in hybrids) currently on the road. Despite the fact that one in four cars sold in the state in 2023 were ZEVs, the majority of consumers have real concerns about whether they will be able to find a nearby, working EV charging station if they buy an EV. As the state continues to push for more and more ZEVs, ensuring that the supporting EV charging infrastructure is accessible and reliable remains a critical hurdle.

Charging an electric car is unlike refilling a gasoline car. In contrast to the average 10-minute stop at a gas station, the length of time required to fully charge an EV can range from 30 minutes to several hours overnight depending on the type of charger. Although 100,000 charging stations have been built, many of these stations are difficult to find, scarce in rural areas, and frequently non-operational. If a working charging station can be found, the station may not have the proper connector to charge the ZEV in question, and the cost of the charging session and the speed at which the station will dispense electricity may not be clear.

EV Charger Payment Methods. 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.

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."

Arguments in Support

According to Plug in America, "as the national consumer voice for plug-in electric vehicles (EVs), Plug In America promotes policies and programs that drive access to affordable and accessible EVs and charging. EVs save consumers money, promote clean air, and can be powered with clean, affordable, domestic electricity. An electrified transportation sector is a major element of the solution that will enable California to meet its emissions reduction goals.

Plug In America conducts regular surveys of EV drivers to understand their experience with EVs and charging. Our surveys nationally and in California show that EV drivers overwhelmingly love their vehicles, and experience with an EV decreases concerns about the technology. We are working to continue to ensure that more drivers can access EVs to experience their many benefits and that drivers have options and consistency in how they charge their vehicles.

We support this bill's intention to provide the CEC with more immediate authorization to set minimum required payment standards for charging infrastructure. The agency has the in-house subject matter expertise to understand driver needs and technological advancements. Allowing the CEC to set the requirements will help better match the needs of EV drivers with the appropriate payment methods as they become ubiquitous in the market, like plug-and-charge technology."

Arguments in Opposition

None on file.

FISCAL COMMENTS

Unknown.

VOTES:**ASM TRANSPORTATION: 14-1-1**

YES: Wilson, Davies, Aguiar-Curry, Ahrens, Carrillo, Harabedian, Hart, Jackson, Lackey, Lowenthal, Macedo, Ransom, Rogers, Ward

NO: Hoover

ABS, ABST OR NV: Papan

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: 14-0-1

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

ABS, ABST OR NV: Sanchez

ASSEMBLY FLOOR: 78-0-1

YES: 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, García, 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

ABS, ABST OR NV: Muratsuchi

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