
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 1715 (Schiavo) - Public utilities: reporting

Version: June 23, 2026

Urgency: No

Hearing Date: June 29, 2026

Policy Vote: E., U. & C. 14 - 2

Mandate: Yes

Consultant: Ashley Ames

Bill Summary: This bill would require specified quarterly and annual reporting by electrical and natural gas corporations regarding federal and other funding received.

Fiscal Impact:

- Unknown but likely significant ongoing costs, potentially in the hundreds of thousands of dollars annually (ratepayer funds), for the California Public Utilities Commission (CPUC) to accept reports of any taxpayer funding a utility applied for or received, review and analyze any such report, report annually to the Legislature and, as necessary, pursue enforcement actions.

Background:

Resolution E-5254. In April 2023, the CPUC adopted *Resolution E-5254, Adopts Procedural Mechanisms for Review and Approval of Electric and Gas Investor-Owned Utility Cost Recovery Requests for Infrastructure Investment and Jobs Act and Other Federal Grant Programs*, which formalized tracking of electric and natural gas IOU federal funding opportunities. Resolution E-5254 establishes procedural mechanisms for California's electric and gas IOUs to seek cost recovery for expenses (i.e., matching funds and tax liabilities) associated with federal grant programs, including the Infrastructure Investment and Jobs Act (IIJA), the Inflation Reduction Act (IRA), and the Creating Helpful Incentives to Produce Semiconductors and Science Act (CHIPS).

In response to Governor Newsom's Executive Order N-5-24 concerning addressing utility bill affordability, the CPUC summarized some of the various federal funding opportunities California's IOUs have secured and reported as part of Resolution E-5254.

Pacific Gas & Electric's \$15 Billion Loan. The largest of these federal funding amounts is a \$15 billion loan from the Department of Energy (DOE) to Pacific Gas & Electric (PG&E). Announced in December 2024, the \$15 billion loan is to modernize PG&E's power grid and expand clean energy infrastructure across Northern and Central California. This initiative, known as Project Polaris, is part of the DOE's Energy Infrastructure Reinvestment program under the IRA. The loan's key objectives include refurbishing PG&E's 61 hydroelectric powerhouses, supporting the expansion of battery energy storage systems, upgrading transmission lines through reconductoring and grid-enhancements, and deploying virtual power plants. The loan is expected to support ongoing job creation and community investment, as well as generate an estimated \$1 billion in customer savings, according to PG&E, over the life of the loan.

Proposed Law: This bill would:

1. Require each utility, defined as an investor-owned electrical corporation or gas corporation, to report certain information for any taxpayer funding, as defined, greater than or equal to \$1 million that the utility has applied for or received.
2. Define “taxpayer funding” to mean any funds received from public entities in the form of grants, loans, or bonds that were appropriated by the U.S. Congress and provided under specified federal laws.
3. Require each utility to include specified information in the quarterly reports required by CPUC Resolution E-5254.
4. Require the CPUC, for each application in which a utility is seeking ratepayer funding, to require the utility to report all relevant taxpayer funding greater than or equal to \$1 million that the utility is pursuing or has secured.
5. Authorize the CPUC to impose a penalty against the utility if the CPUC determines that a utility is not in compliance with the reporting requirements.
6. Require the CPUC to require each utility to promptly deliver to ratepayers the financial benefits of taxpayer funding received, including all value to or savings expected to benefit ratepayers.
7. Require the CPUC, by January 1, 2028, and annually thereafter, to provide an annual report to the Legislature with a summary of the information on taxpayer funding reported by each utility, including the number of grants or loans, the source of those grants or loans, the dollar amount received, the projects funded by the grants or loans, and the demonstrated ratepayer savings.
8. Repeal the provisions of this bill on January 1, 2037.

Related Legislation:

AB 1020 (Schiavo, 2025) included nearly identical language as this bill, except it did not include the requirement for a searchable database or the customer notices for advice letters. The bill was held on the Suspense File in this committee.

AB 2666 (Boerner, Chapter 413, Statutes of 2024) required the CPUC to review forecasted costs by electric and gas utilities on a more frequent basis after the approval of each general rate case (GRC), and to adjust the authorized revenue requirement in the subsequent GRC, as appropriate, based on actual past cost.

AB 3256 (Irwin, 2024) would have required the CPUC to annually determine if accounts of public utilities have achieved their intended purpose; and if not, to deny ratepayer recovery of the costs recorded therein and to limit the public utility in using such accounts. Additionally required the CPUC to include the status of utilities’ accounts as part of an existing report. The bill was held on the Suspense File in this committee.

AB 3264 (Petrie-Norris, Chapter 762, Statutes of 2024) included a suite of proposals to help address energy costs; these included requiring large electrical corporations, as defined, and large gas corporations, as defined, by January 1, 2026, and each year thereafter, to publish on their internet websites and provide to the CPUC a visual representation of certain cost categories included in residential electric or gas rates for the succeeding calendar year.

Staff Comments: The \$15 billion loan from the U.S. DOE that PG&E secured has the potential to reduce costs for customers. Public financing, with lower interest rates compared to traditional lending and direct grants, offers potential savings for ratepayers. The sponsors of this bill, The Utility Reform Network (TURN), and others, acknowledge the potential benefits of the funding. However, they are also concerned that PG&E may not pass the savings on to customers as promised. Alternative financing methods may be one key to address utility rate concerns while meeting grid infrastructure and wildfire prevention priorities. Such methods include tapping into federal funding opportunities, along with any funds provided by the state, such as the alternative transmission financing from SB 254 (Becker, Chapter 119, Statutes of 2025). Though TURN supports these alternative financing approaches, they want to ensure there is appropriate accounting that will ensure the savings for customers are realized. As such, they seek to codify many of the requirements in the CPUC Resolution requiring specified reporting of any federal funding secured from IRA, IIJA, and CHIPS. This bill would also expand on those provisions to include any other funding sources or attempts to secure those funding sources.

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