THIRD READING

Bill No: AB 1715
Author: Schiavo (D)
Amended: 8/20/26 in Senate
Vote: 21

SENATE ENERGY, U. & C. COMMITTEE: 14-2, 6/16/26
AYES: Allen, Archuleta, Arreguín, Becker, Caballero, Gonzalez, Hurtado, McNerney, Niello, Reyes, Richardson, Rubio, Stern, Wahab
NOES: Ochoa Bogh, Strickland
NO VOTE RECORDED: Grove

SENATE APPROPRIATIONS COMMITTEE: 5-0, 8/13/26
AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab
NO VOTE RECORDED: Seyarto, Dahle

ASSEMBLY FLOOR: 67-8, 5/26/26 - See last page for vote

SUBJECT: Public utilities: reporting

SOURCE: The Utility Reform Network

DIGEST: This bill requires quarterly reporting by electrical and natural gas corporations regarding federal funding received from federal or other funds. This bill requires the California Public Utilities Commission (CPUC) to ensure any savings are delivered to customers; requires the CPUC to impose penalties on electrical and natural gas corporations for failing to comply with the required reporting; and requires the CPUC to annually report to the Legislature information reported by electrical and gas corporations pursuant to the quarterly reports.

Senate Floor Amendments of 8/20/26 are minor and clarifying to address requests from the CPUC, including removing specific reference to a CPUC adopted resolution and references to pursuant to federal law.

ANALYSIS:

Existing law:

1) Establishes and vests the CPUC with regulatory authority over public utilities, including electrical corporations and gas corporations. (Article XII of the California Constitution)

2) Authorizes the CPUC to fix the rates and charges for public utilities and requires those rates and charges to be just and reasonable. (Public Utilities Code §451)

3) Authorizes the CPUC to inspect the accounts, books, papers, and documents of any public utility, or any affiliate, subsidiary, or holding corporation of that utility; and to examine under oath any officer, agent, or employee of such a utility in relation to its business and affairs. (Public Utilities Code §314)

4) Requires every public utility to furnish to the CPUC all information the CPUC requests, including tabulations, computations, maps, reports, books, and records. (Public Utilities Code §§581, 582, 585)

5) Establishes information provided by utilities to the CPUC is confidential and not open to public inspection unless ordered by the CPUC. Makes unauthorized disclosure by CPUC personnel a misdemeanor. (Public Utilities Code §583)

6) Requires the CPUC to determine and fix, by order, the just, reasonable, or sufficient rates, classifications, rules, practices, or contracts to be thereafter observed and in force whenever it finds, after a hearing, the rates or classifications, demanded, observed, charged, or collected by any public utility for or in connection with any service, product, or commodity, or the rules, practices, or contracts affecting such rates or classifications are insufficient, unlawful, unjust, unreasonable, discriminatory, or preferential. (Public Utilities Code §728)

7) Requires electrical corporations and gas corporations to submit various information to the CPUC and requires the CPUC to annually report to the Legislature on, among other things, all sources and amounts of funding and actual and proposed expenditures, including any costs to ratepayers, related to entities or programs established by the CPUC. (Public Utilities Code §910.4)

8) Requires the CPUC to prepare a report on the costs of programs and activities conducted by the major electric and gas IOUs. (Public Utilities Code §913)

This bill:

1) Requires each utility, defined as an electrical corporation or gas corporation, to report certain information for any taxpayer funding greater than or equal to $1 million that the utility has applied for or received.

2) Defines "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, including the Inflation Reduction Act and the Infrastructure and Investment Jobs Act.

3) Requires each utility to include specified information in quarterly reports.

4) Requires 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) Authorizes 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) Requires the CPUC to require each utility to deliver to ratepayers the financial benefits of taxpayer funding received, including all value to or savings expected to benefit ratepayers.

7) Requires 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) Repeals the provisions of this bill on January 1, 2037.

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, as shown below.

Summary of Federal Funding Secured by Electric IOUs (Source: CPUC)			
Applicant	**Project**	**Award Amount**	**Description**
PG&E, SCE, CEC, CPUC, CAISO, UC Berkeley	CHARGE-2T (California Harnessing Advanced Reliable Grid Enhancing Technologies for Transmission	$600 million federal share/ $901 million ratepayer share	Reconductor 100+ miles of transmission lines to increase transmission capacity.
PG&E, Redwood Coast Energy Authority, Schatz Energy Research Center at Cal Poly Humboldt	Tribal Energy Resilience and Sovereignty (TERAS) Project	$88 million federal share/ $89 million ratepayer share	Implement nested microgrids serving Hoopa Valley, Yurok, Karuk, and Blue Lake Rancheria tribal lands to reduce outage durations.
Liberty Utilities	Project Leapfrog	$13 million federal share/ $13 million ratepayer share	Upgrade distribution system for real-time information gathering and faster outage management.
CPUC, CEC, CA Infrastructure Economic Development Bank, CA Labor & Workforce Development Agency	Solar for All (EPA Award)	$249.8 million	Deliver residential solar for low-income and disadvantaged communities across the state. [Subject of litigation]
PG&E	Maintaining & Enhancing Hydroelectricity Section 247 (US DOE Award)	$34.5 million for 39 projects	Maintain and improve hydropower facilities.
PG&E	Project Polaris	$15 billion loan	Expand hydropower generation and battery storage, upgrade transmission capacity through reconductoring and grid enhancing technologies, and enable virtual powerplants.

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.

Advice letters. An advice letter is a document prepared by a utility to request action by the CPUC, including approval, authorization, or other relief. Most commonly, advice letters are requests for a tariff change, such as an informal request for approval to furnish service under rates, charges, terms or conditions other than those contained in the utility's approved rates and terms and conditions. Statute has largely deferred to the CPUC to adopt rules and procedures for addressing advice letters. Advice letters are procedurally less formal than other proceedings at the CPUC that require more judicial-type elements of an evidentiary hearing. Advice letters are classified into three tiers, ranging from Tier 1 to Tier 3. Tier 1 advice letters generally become effective upon filing of the advice letter. However, Tier 3 advice letters require commissioners to hear the item and take a vote at a publicly noticed meeting.

CPUC Rules. Advice letter filings are governed largely under CPUC General Order 96-B. The rules include provisions related to classification of the advice letters, public notice requirements, and specified requirements by industry (such as water, energy, or telecommunications). Additionally, General Order 173 provides additional rules associated with the filing and disposition of advice letters related to certain transactions transferring interests in utility property valued at $5 million or less, pursuant to Public Utilities Code Section 851.

Comments

Need for this bill. The author states:

> Californians are suffering under high electricity rates that are only expected to grow in the coming years to pay for wildfire safety measures and needed grid infrastructure and resiliency projects. Alternative financing structures, such as

> the $15 billion Department of Energy loan to Pacific Gas and Electric, are key strategies to reduce the growth of customer energy bills. Lower financing costs projected from taxpayer funded loans or grants are savings that should be passed on to ratepayers. Assembly Bill 1715 will ensure frequent and transparent reporting on the use of public funds by investor-owned utilities, so Californians can be confident their dollars are going towards lowering their energy bills.

Concerns about ratepayer impacts. The $15 billion loan to PG&E from the U.S. DOE has the potential to reduce costs for customers. Public financing, with lower interest rates compared to traditional lending offer potential savings for ratepayers. The sponsors of this bill, The Utility Reform Network (TURN), and others, acknowledge the potential benefits of the funding and have generally advocated for alternative financing to reduce costs to ratepayers. These include tapping into federal funding opportunities, along with any 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 make certain 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 also expands on those provisions to include any other funding sources or attempts to secure those funding sources.

Related/Prior Legislation

AB 2589 (Irwin, 2026) requires the CPUC to evaluate the full effect on public utilities' tax liabilities of the changes to corporate tax federal law and explicitly includes those changes as enacted by the One Big Beautiful Bill Act, federal House Resolution 1 (Public Law 119-21). The bill is pending before the full Senate.

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 by the Senate Appropriations 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 by the Senate Appropriations 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.

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

According to the Senate Appropriations Committee, 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.

SUPPORT: (Verified 8/19/26)

The Utility Reform Network (Source)
Affordable Energy Campaign
Agricultural Energy Consumers Association
Alliance of Californians for Community Empowerment
California Alliance for Community Energy
California Environmental Voters
California Large Energy Consumers Association
California Solar & Storage Association
Center of Race, Poverty and the Environment
Central California Asthma Collaborative
Climate Action Campaign
Consumer Federation of California
Earthjustice
Public Advocates Office
Small Business Utility Advocates

OPPOSITION: (Verified 8/19/26)

Coalition of California Utility Employees

ARGUMENTS IN SUPPORT: According to The Utility Reform Network:

> By requiring strict reporting to the CPUC of non-traditional funding, such as public grants and loans, AB 1715 prevents for-profit, investor-owned utilities (IOUs) from being paid twice for the same projects. For every such funding agreement, IOUs will be required to submit detailed spending plans and quantify the savings expected to benefit ratepayers. Second, IOUs must disclose potential grants and loans in all related applications for ratepayer funding. Finally, the CPUC will ensure IOUs deliver savings to ratepayers and report back to the legislature.

ARGUMENTS IN OPPOSITION: According to the California Coalition of Utility Employees:

> As an initial matter, the bill would require an IOU, when seeking any ratepayer funding, to report to the California Public Utilities Commission all relevant nontraditional funding (e.g., federal grants or loans) the IOU applied for or received. If an IOU fails to comply with this requirement, the CPUC can impose a penalty, the amount of which is not defined. This provision of the bill could lead to substantial penalties simply for failing to report a nontraditional funding source (that an IOU may not have secured or ever will!). Even more troubling is the bill's requirement for an IOU to "promptly deliver" the financial benefits of nontraditional funding to ratepayers. This is a totally unrealistic requirement.

ASSEMBLY FLOOR: 67-8, 5/26/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, Elhawary, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, 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, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: DeMaio, Dixon, Flora, Hadwick, Johnson, Macedo, Sanchez, Tangipa
NO VOTE RECORDED: Chen, Ellis, Lackey, Muratsuchi, Celeste Rodriguez

Prepared by: Nidia Bautista / E., U. & C. / (916) 651-4107
8/24/26 13:49:40

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