

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

AB 2065 (Petrie-Norris) – As Introduced February 18, 2026

SUBJECT: Transmission Infrastructure Accelerator: private-public partnership plan

SUMMARY: Extends the deadline by five months – from July to December 2027 – for the Governor’s Office of Business and Economic Development (GO-Biz) to submit a report to the Legislature on a public-private partnership (P3) plan for the Transmission Infrastructure Accelerator.

EXISTING LAW:

- 1) Directs GO-Biz’s Energy Unit to establish a Transmission Infrastructure Accelerator (Accelerator) to develop financing opportunities for eligible electric transmission projects. Low-cost public financing would be provided to eligible recipients by the California Infrastructure and Economic Development Bank (I-Bank); the recipients would then pay it back to the Accelerator Revolving Fund (Revolving Fund), enabling the financing to be used for other transmission projects. (Government Code §§ 12100.110-12100.111, 63049.71-63050)
- 2) Authorizes the I-Bank to provide financial assistance under the Revolving Fund Program to any eligible participating party, either directly or to a lending or financial institution, in connection with the financing or refinancing of an accelerator project, in accordance with the provisions of the bill. Projects eligible for financing must meet specified conditions, including (Government Code § 12100.111):
 - a. Have at least one interconnection point within the California Independent System Operator (CAISO) balancing authority.
 - b. The applicant (or its affiliates) have previously completed a transmission project in the state.
 - c. Be a project subject to the competitive solicitation process administered by the CAISO.
 - d. Be a project consistent with the state’s reliability and greenhouse gas policy objectives.
 - e. Reduce its cost recovery requests by the amount of savings achieved through tax credits received under the provisions of the bill.
 - f. Commit to requesting a revenue requirement at the Federal Energy Regulatory Commission (FERC) that reflects only its actual capital structure to minimize ratepayer impacts.
 - g. Consistency with state policy.
- 3) Requires the Accelerator to develop a P3 plan to evaluate the role of the Accelerator to identify and develop P3s and match participating parties with public sponsors prior to the CAISO receiving bids and finalizing the competitive solicitation process. Requires the P3 plan to be submitted to the Legislature by July 1, 2027. (Government Code § 12100.112)

- 4) Allows a 20% tax credit for 10 years (January 1, 2026, and before January 1, 2036), for qualified expenditures paid or incurred by the eligible transmission project developer, not to exceed \$20 million per developer per taxable year. Prohibits the taxpayer from earning a return on equity for the eligible transmission project for the portion of the project for which the credit is claimed. Requires the I-Bank to inform the Franchise Tax Board of any eligible transmission project that the bank approves for financial assistance and to provide any other information the Franchise Tax Board requires for administration of the credits allowed by this bill. (Revenue and Taxation Code §§ 17053.40 and 23640)

FISCAL EFFECT: Unknown. This bill is keyed fiscal and will be referred to the Assembly Committee on Appropriations for its review.

BACKGROUND:

The Transmission Accelerator – Last year, the Legislature passed SB 254 (Becker, Chapter 119, Statutes of 2025) which contains extensive policies affecting the regulation and management of, and ratepayer costs arising from, the state’s investor-owned utilities. One such policy was the creation of the Transmission Accelerator at GO-Biz, establishing a new mechanism to finance electrical transmission projects with public debt. The logic behind the Accelerator policy is straightforward: public financing lowers borrowing costs, eliminates profit, and reduces federal and state tax burdens, which together can significantly reduce the overall cost of building transmission infrastructure. Given that CAISO, in its 2024 *20-year Outlook*,¹ estimated total transmission development costs of \$45.8–\$63.2 billion to meet the state’s 2045 clean energy goals, even modest savings on individual projects could add up to significant savings when applied across multiple projects over time.

SB 254 directs the GO-Biz Energy Unit to establish the Accelerator to provide low-cost public financing to eligible electric transmission projects through the I-Bank, with repayments flowing into a revolving fund to finance future projects. The Energy Unit is required to coordinate with the CPUC, CEC, CAISO, I-Bank, and other parties to develop a financing and development strategy by December 31, 2026, consistent with CAISO procedures. The Accelerator and Revolving Fund are available for a range of qualified public sponsors whose projects meet specified criteria, and once a project is selected, the Accelerator is directed to expedite its development and deployment to generate ratepayer savings, though statute provides limited guidance on how that expediting should occur in practice. As a result, the Accelerator must also develop a P3 plan by July 1, 2027, to evaluate its role in managing and matching public sponsors with private parties.

COMMENTS:

- 1) *Author’s Statement.* According to the author, “AB 2065 gives GO-Biz an additional five months to deliver its Transmission Accelerator implementation plan to the Legislature to help California finance and deliver transmission projects faster and more affordably. This small extension will improve the odds of success of one of the most consequential infrastructure undertakings in the state’s history.”

¹ CAISO, “2024 20-Year Transmission Outlook,” July 31, 2024; <https://www.caiso.com/documents/2024-20-year-transmission-outlook-jul-31-2024.pdf>

2) *Purpose of Bill.* Under existing law, GO-Biz is required to deliver its Accelerator P3 plan to the Legislature by July 2027. This bill would extend that deadline by five months. The extension is intended to provide GO-Biz additional time to develop a more complete plan for a program designed to help California finance and deliver transmission projects more efficiently. The Accelerator program addresses a significant infrastructure undertaking, and the author has indicated that the additional time is expected to improve the quality and readiness of the resulting plan. Given the Newsom Administration has proposed amendments to the Accelerator's recently-passed statute,² the additional time called for by this bill for the P3 report may be warranted to allow this nascent program to get underway.

3) *Related Legislation.*

AB 2396 (Irwin, 2026) authorizes Community Choice Aggregators (CCAs) to own, operate, and maintain – among other powers – eligible projects under the GO-Biz Transmission Accelerator, regardless of whether the electrical transmission lines convey electricity to the CCA's customer. Status: *pending hearing* – Assembly Committee on Appropriations.

Trailer Bill RN 26 10689,³ makes a number of changes to the statute governing the California Transmission Infrastructure Accelerator, including clarifying the responsibilities of the Accelerator relative to the I-Bank; specifying I-Bank's autonomy and funding obligations as separate and distinct from the Accelerator's; and specifying that transmission projects eligible for Accelerator financing are those that have selected for construction a prime contractor that has served as such for at least two transmission infrastructure projects in the state during the past 10 years, and for any contracted out maintenance, the owner of the project employs a contractor that has frequently performed electrical transmission work. Status: open item in the Senate and Assembly Committees on Budget.

4) *Prior Legislation.*

SB 254 (Becker), among its many provisions, establishes the California Transmission Infrastructure Accelerator, which created a new mechanism to finance electrical transmission projects with public debt. Status: Chapter 119, Statutes of 2025.

AB 3264 (Petrie-Norris) requires multiple studies and reports on ratepayer cost drivers, including a study of ratepayer cost reductions associated with expanding the state's electrical grid; this study includes changes to financing and ownership models of transmission. Status: Chapter 762, Statutes of 2024.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

² <https://trailerbill.dof.ca.gov/public/trailerBill/pdf/1401>

³ <https://trailerbill.dof.ca.gov/public/trailerBill/pdf/1401>

Opposition

None on file.

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