

ASSEMBLY THIRD READING

AB 2111 (Papan)

As Amended April 13, 2026

Majority vote

SUMMARY

Requires the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC), in coordination with the California Independent System Operator (CAISO), on or before January 1, 2028, to incorporate specified requirements into an update to the Memorandum of Understanding (MOU) regarding transmission and resource planning adopted by the CEC, CPUC, and CAISO on December 23, 2022, and any related workplan.

Major Provisions

1) Defines:

- a) "Planning uncertainties" as future uncertainties that may affect resource planning decisions, including, but not limited to, load growth, in-state and out-of-state resource availability, technology costs, and other factors.
 - b) "Risk prudent" to be reflective of all of (1) achieving state objectives, including ensuring a reliable electricity supply that provides optimal integration of renewable energy and resource diversity in a cost-effective manner, across a range of plausible futures informed by planning uncertainties; (2) accounting for and including characterization of the ability of near-term decisions to improve adaptability—meaning, at least, planning sufficient resources and transmission facilities to accommodate planning uncertainties, to maintain a competitive market for resource procurement, account for development and interconnection delays, and improve preparation for other contingencies; and (3) the ability of a risk prudent plan to meet state objectives is not dependent on an assumption of perfect foresight reflective of predictions or forecasts that assign one specific value to planning uncertainties.
- 2) Requires the CPUC to identify a diverse and balanced portfolio of resources needed to ensure a reliable electricity supply that provides optimal integration of renewable energy and resource diversity in a cost-effective and risk-prudent manner.
 - 3) Requires the CPUC to provide transmission-focused guidance to the CAISO that is risk-prudent and demonstrates satisfaction with specified requirements.
 - 4) Provides that it is the policy of the state that planning for new transmission facilities considers specified goals.
 - 5) Requires the CPUC, in coordination with the CEC and CAISO, by January 1, 2028, to make available on its internet website all nonconfidential input and output data used in the integrated resource planning (IRP) and transmission planning processes (TPP), consistent with requirements governing the treatment of confidential and market-sensitive information.

COMMENTS

FERC Order No. 1920 and the 2022 Memorandum of Understanding (MOU). Planning for California's electric transmission system involves multiple agencies and interconnected processes. CAISO conducts the state's annual Transmission Planning Process (TPP) to identify reliability needs, transmission upgrades, and projects needed to support state energy policies. The CPUC's Integrated Resource Planning (IRP) process develops long term resource portfolios that inform CAISO's transmission planning, while the CEC electricity and natural gas demand forecasts help inform long term planning assumptions.

Separately, CAISO, the CPUC, and the CEC developed a 20 year Transmission Outlook intended to examine longer term transmission needs associated with California's clean energy transition. Unlike the TPP, however, the outlook does not approve transmission projects or procurement. In December 2022, the three agencies also signed a Memorandum of Understanding (MOU) intended to improve coordination on transmission planning, resource development, electricity demand forecasting, interconnection, and resource procurement. Current law requires the CEC and CPUC, in coordination with CAISO, to review and revise the MOU at least every five years.

In May 2024, FERC issued Order No. 1920 to update requirements for long term regional transmission planning and cost allocation, including requirements to plan over at least a 20 year horizon and evaluate multiple future scenarios. The author contends that this bill is intended to ensure changing system conditions and sustained load growth are more fully incorporated into future transmission planning and coordination efforts.

Planning Under Changing Conditions. A recent academic paper by Princeton University examines approaches for planning transmission and energy resources under uncertain future conditions, including changes in demand, technology costs, and policy requirements. The paper discusses planning methods that evaluate how different resource portfolios perform across multiple future scenarios, rather than relying on a single forecast based on fixed assumptions. According to the paper, approaches that incorporate uncertainty into planning can result in different transmission investment decisions than models based on fixed future conditions.

The paper further notes that incorporating uncertainty into planning may increase some near-term transmission investments, but could reduce exposure to significantly higher costs if future conditions differ from earlier assumptions. Supporters of AB 2111 contend that some current transmission constraints reflect earlier planning assumptions that did not anticipate the scale of load growth, electrification, and clean energy development now expected in California. They therefore argue that this bill would help ensure future transmission planning better accounts for changing system conditions over time.

According to the Author

According to the author, "AB 2111 modernizes California's transmission planning process to ensure the state can reliably and affordably meet future electricity demand. The bill requires the California Public Utilities Commission (CPUC) to plan for a range of plausible future scenarios and better align long-term demand projections with infrastructure development timelines and resource planning. Planning for the future requires anticipating change rather than reacting to it. California's energy system must be designed to meet not just today's needs, but the demands of the future. However, the CPUC's current transmission planning process was not built to adapt to

evolving conditions. As the state's climate goals have expanded and electrification has accelerated, the limitations of a system focused primarily on near-term forecasts have become increasingly apparent. Existing planning approaches do not consistently account for long-term load growth, emerging technologies, or the scale of infrastructure needed to support a reliable, affordable, and clean electric grid. AB 2111 addresses this by ensuring that sustained load growth and evolving system requirements are fully incorporated into transmission planning. As such, the changes made by AB 2111 will help California achieve its climate goals, maintain grid reliability, and deliver long-term value for ratepayers.

Arguments in Support

AB 2111 is supported by community choice aggregators, environmental organizations, local governments, and clean energy advocates who contend that California's existing transmission planning framework does not adequately account for changing system conditions, load growth, electrification, and uncertainty in future energy demand and resource development.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, implementation of this bill would create significant new workload for the CPUC related to modifying its planning processes and making additional data available on its website. The CPUC estimates costs of approximately \$3.2 million from the Public Utilities Reimbursement Account, including approximately \$1 million annually ongoing for staffing to implement the bill's planning requirements and \$2.2 million in one-time contract costs.

The one-time contract costs include outside expertise to support advanced modeling, scenario and resource portfolio analysis, tool development, staff training, and methodology review, as well as website development to host nonconfidential IRP and TPP input and output data consistent with confidentiality requirements.

However, the CEC anticipates only minor costs associated with implementation of this bill.

VOTES

ASM UTILITIES AND ENERGY: 17-0-1

YES: Petrie-Norris, Boerner, Calderon, Chen, Davies, Mark González, Harabedian, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Ta, Wallis, Zbur

ABS, ABST OR NV: Patterson

ASM APPROPRIATIONS: 11-0-4

YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

ABS, ABST OR NV: Hoover, Dixon, Ta, Tangipa

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CONSULTANT: Lina V. Malova / U. & E. / (916) 319-2083

FN: 0002708