

ASSEMBLY THIRD READING
AB 2124 (Pacheco and Bauer-Kahan)
As Amended April 13, 2026
Majority vote

SUMMARY

Requires the California Council on Science and Technology (CCST), upon legislative appropriation, to establish a program to independently analyze certain energy-related bills that could affect electric or gas utility ratepayers.

Major Provisions

- 1) Requires the CCST, on or before January 1, 2027, to establish a program under which, upon request of the Legislature and pursuant to a timeline agreed to by the Legislature and the council, the CCST would analyze legislation that would establish a mandated program or requirement or otherwise affect electrical or gas ratepayers, including relevant specified data.
- 2) Authorizes requests for analysis to be submitted by the chairperson of the relevant policy or fiscal committee (or committee staff), the Speaker of the Assembly, or the President pro Tempore of the Senate, and requires that the legislation be provided to the council for analysis.
- 3) Requires the CCST to conduct each analysis using the best available data at the time of the analysis, and requires the state to indemnify, defend, and hold harmless the council and its officers, directors, employees, subcontractors, agents, and expert partners from any claim arising out of the analysis.
- 4) Requests CCST to develop and implement conflict-of-interest provisions to prohibit a person from participating in conducting an analysis for which the person knows or has reasons to know that the person has a material financial interest

COMMENTS

California Council on Science and Technology (CCST). The CCST was established to provide independent, science-based, and evidence-based advice to inform state policymaking and regularly convenes subject-matter experts from academia, industry, and research institutions. CCST has indicated that its model includes engaging experts with experience in utility ratemaking, energy markets, and utility regulation. This structure may allow CCST to bring in the relevant expertise needed to evaluate complex ratepayer and cost impacts contemplated by this bill.

The Burden of Rising Utility Costs. California's electricity rates are among the highest in the nation. The Public Advocates Office (PAO) has reported that the primary drivers of recent electric utility cost increases include wildfire mitigation, distribution and transmission infrastructure investments, and rooftop solar incentives provided through net energy metering (NEM) programs. AB 2124 is based on two contentions: first, that utility rates have increased significantly in recent years, and second, that state policy decisions can influence utility rates.

As California continues implementing its clean energy and climate policies, utilities are often directed to implement new programs funded through rates rather than the state General Fund.

Legislative committees regularly consider bills that would impose new utility requirements or expand existing programs, and those measures are evaluated by the Legislature's fiscal committees for their ratepayer and fiscal impacts. However, due to legislative deadlines, committees may not always have sufficient time to conduct detailed analysis of potential ratepayer impacts before a bill is voted in a committee. Therefore, providing independent cost estimates could help inform those deliberations by giving Members more information about a bill's potential ratepayer impacts before a vote.

According to the Author

According to the author, "Californians are struggling with soaring costs of goods and services, and low-income customers are disproportionately burdened. The monthly strain created by utility bills is more pronounced than ever before. According to the January 2025 Legislative Analyst's Office (LAO) report on residential electricity rates, California's residential electricity rates are now the second highest in the nation, nearly double the national average. Rates have surged in California by about 47 % from 2019 to 2023, far outpacing the overall 18 % increase in consumer prices. AB 2124 requires the California Council on Science and Technology (CCST) to conduct a review of every legislative proposal that mandates or requires services or programs that result in increased costs for electrical or natural gas corporation customers. The CCST would prepare a written analysis with relevant data on the efficacy, cost impact and overall effect of each proposed mandate before a vote in legislative policy committees."

Arguments in Support

AB 2124 is supported by business organizations, utilities, labor groups, and large industrial customers who contend that legislative and regulatory mandates have contributed to rising electricity and natural gas rates over time. Therefore, supporters further argue that this bill would provide the Legislature with independent analysis of the ratepayer impacts of proposed mandates, improve transparency regarding utility cost drivers, and help inform decisions regarding whether certain policy costs are more appropriately funded through utility rates or other funding sources.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, this measure would create potentially significant cost pressures associated with funding the program described by the bill, although the exact amount is currently unknown and would likely be paid from the General Fund or another funding source.

VOTES

ASM UTILITIES AND ENERGY: 17-0-1

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

ABS, ABST OR NV: Chen

ASM APPROPRIATIONS: 15-0-0

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

UPDATED

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