CONCURRENCE IN SENATE AMENDMENTS
AB 2124 (Pacheco and Bauer-Kahan)
As Amended August 13, 2026
Majority vote

SUMMARY

Requires the California Council on Science and Technology (CCST), upon appropriation, to establish a program to analyze, at the request of the Legislature, legislation that would establish a mandated program or requirement or otherwise affect electrical or natural gas ratepayers.

Senate Amendments

1) Requires the analysis of legislation that would increase electricity or natural gas utility rates to assess specified financial impacts, including, but not limited to, the following:

    i) The extent to which the legislation will increase or decrease costs recoverable from ratepayers, including potential costs to all categories of ratepayers.

    ii) The impact of the legislation on the total cost of electrical or natural gas service.

    iii) The extent to which costs resulting from the legislation are, or would be, shifted to other ratepayers, including both public and private entities.

    iv) The extent to which the legislation would affect access to currently available electrical or natural gas service.

    v) The extent to which the activity, service, infrastructure, or resource required by the legislation is generally used by a significant portion of the population.

    vi) The extent to which the activity, service, infrastructure, or resource required by the legislation is already generally available.

    vii) The level of public demand for the activity, service, infrastructure, or resource required by the legislation.

2) Limits who may make the request to any of the following persons:

    i) The chairperson or staff of the appropriate policy committee.

    ii) The chairperson or staff of the appropriate fiscal committee.

    iii) The Speaker of the Assembly.

    iv) The President pro Tempore of the Senate.

3) Requires the legislation to be provided to CCST at the time the request for analysis is made.

4) Makes minor and technical changes for clarification purposes.

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 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 Senate Committee on Appropriations, this bill would result in ongoing cost pressure of an unknown but significant amount from the General Fund or another funding source to fund CCST's implementation of the program.

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

ASSEMBLY FLOOR: 71-0-9
YES: Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Irwin, Jackson, Johnson, Kalra, Krell, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
ABS, ABST OR NV: Addis, Arambula, Chen, Garcia, Hoover, Lackey, Ortega, Ramos, Celeste Rodriguez

UPDATED

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