

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2175 (Garcia) – As Amended April 16, 2026

Policy Committee: Utilities and Energy

Vote: 18 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

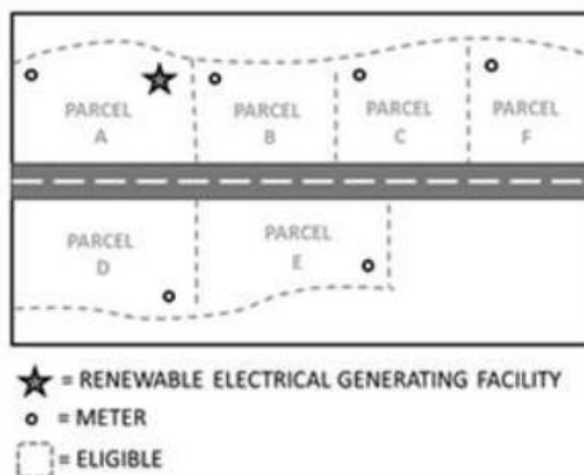
This bill requires the California Public Utilities Commission (CPUC) to ensure logistics and manufacturing businesses are eligible customer-generators for the Net Billing Tariff-Aggregation (NBT-A) program, should the CPUC determine to extend the program.

FISCAL EFFECT:

Any work created by this bill for the CPUC, if the CPUC if the extends the NBT-A program, will be incidental to work the CPUC would already need to undertake. Therefore, the costs of this bill are minor and absorbable.

COMMENTS:

Under the state’s existing net energy metering (NEM) program, the CPUC allows a participating “customer-generator” to apply electricity generated on one parcel controlled by the customer-generator to electrical meters that provide service to the customer-generator on nearby parcels, provided certain conditions are met. This is sometimes called NEM aggregation. One way to envision a typical NEM aggregation setup is to imagine a solar array, interconnected to the larger electrical grid, in a field owned by a customer generator and several properties, also owned or operated by the customer-generator, that are adjacent to the field with the solar array and each of which has a unique meter to measure electrical service provided to each property. Such a setup is illustrated below in an image included in the policy committee analysis of this bill:



In 2023, the CPUC adopted a decision that revised the NEM program, but that decision did not address NEM aggregation. Rather, the CPUC decision expressed the CPUC's intention to revisit NEM aggregation tariffs (the NBT-A program) at a later time.

The author states this bill will “clarify” that logistics and manufacturing businesses are eligible customer-generators for the NBT-A program, if the CPUC extends the program. According to the author:

The amendment ensures fair access to clean energy programs, encourages private investment, and supports progress toward the state's climate and energy goals. It also represents an important step toward making microgrids a more practical and widespread reality for Californians by enabling large-scale users to better generate and manage distributed energy across interconnected systems.

The bill is supported by a number of environmental organizations that, like the author, view this bill as enabling use of “microgrids,” especially by the large warehousing and logistics facilities.

Analysis Prepared by: Jay Dickenson / APPR. / (916) 319-2081