

Date of Hearing: April 22, 2026

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

AB 2181 (Petrie-Norris) – As Introduced February 19, 2026

**SUBJECT:** Public Utilities Commission

**SUMMARY:** Requires the Governor to ensure a diverse composition of commissioners to the California Public Utilities Commission (CPUC) by considering factors, including geographic diversity.

**EXISTING LAW:**

- 1) Establishes the CPUC and vests the agency with regulatory authority over public utilities, including telephone corporations. (Article 12 of the California Constitution)
- 2) Establishes the membership of the CPUC as five commissioners appointed by the Governor and approved by the Senate for staggered 6-year terms. Permits the Legislature to remove a commissioner for incompetence, neglect of duty, or corruption by a two-thirds vote in each house. (Article 12, § 1 of the California Constitution)
- 3) Provides that the membership of the CPUC, and the qualifications and tenure of its members, are as provided in Section 1 of Article 12 of the Constitution. (Public Utilities Code § 301)
- 4) Requires the Governor to designate a president of the CPUC from among the commissioners. Specifies that president directs all CPUC staff, except for the staff of the Public Advocate's Office, and designates the president as the presiding officer for all CPUC meetings and sessions. (Public Utilities Code § 305)
- 5) Establishes the Public Utilities Act, which, in part, declares the finding of the Legislature that the public interest is best served by a CPUC that is appropriately funded and staffed, that can thoroughly examine the issues before it, and that can take timely and well-considered action on matters before it. (Public Utilities Code §§ 401-410)
- 6) Authorizes the CPUC to supervise and regulate every public utility in the state and do all things necessary and convenient in the exercise of such power and jurisdiction. (Public Utilities Code § 701)

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

**BACKGROUND:**

*The CPUC* – The CPUC traces its origins to the California Railroad Commission, established in the late 1870s in response to the expansion of the transcontinental railroad. Public backlash against railroad influence on state government – particularly that of the Southern Pacific – fueled Progressive Era reforms, leading to a reconstituted Railroad Commission in 1911 and the passage of the Public Utilities Act in 1912, which extended the agency's jurisdiction to for-profit transportation, water, electricity, gas, and telephone and telegraph services. The agency was renamed the California Public Utilities Commission in 1946. Today, the CPUC is the largest

state utility regulator in the nation, overseeing privately owned electric, natural gas, water, and communications companies, as well as railroad safety, rail transit, and passenger-for-hire carriers, including ride-hailing companies such as Uber and Lyft. Its core mission is to ensure Californians have access to safe, reliable utility services at just and reasonable rates.

*CPUC Commissioners* – Section 1 of Article XII of the California Constitution establishes that the CPUC has five commissioners appointed by the Governor, and confirmed by the Senate, with each commissioner serving six-year staggered terms. No executive of a public utility may serve as a commissioner within two years of working for a utility. Commissioners meet at monthly (often semi-monthly) business meetings to vote on pending items at the agency. Commissioners serve full-time and receive a salary as civil executive officers. The Governor designates the president of the CPUC among the five commissioners.<sup>1</sup> The president presides at meetings and sessions of the CPUC and directs the executive director, the attorney, and other staff of the CPUC. The president of the CPUC is also required to annually appear before the appropriate policy committees of the Senate and Assembly to present the annual report of the agency.<sup>2</sup>

*Qualifications for Other State Agency Appointments* – Many state commissions or boards have education or experiential requirements as criteria for appointment, as well as attention to geographic representation.

1. California Energy Commission: The Governor and Senate must evaluate professional and educational experience as qualifying criteria for appointment.<sup>3</sup>
2. California Air Resources Board: The Governor and Senate must assess specific education qualifications or career experience for six member appointments. Six appointments must be members of various regional air districts throughout the state. Two members are appointed by the Assembly Speaker and Senate President Pro Tem, respectively, to represent underserved and highly impacted communities in the state. The final two members are two Members of the Legislature appointed separately by the Senate Committee on Rules and the Speaker of the Assembly and are ex officio, non-voting members of the Board.<sup>4</sup>
3. State Water Resources Control Board: The Governor and Senate must consider both professional background and experience of the five appointees, as well as ensure the board “to the extent possible, be composed of members from different regions of the state.”<sup>5</sup>

#### COMMENTS:

- 1) *Author’s Statement.* According to the author, “The decisions made by the California Public Utilities Commission determine what families pay for electricity, whether small businesses can keep their lights on, and whether rural communities get the same reliable service as our urban centers. AB 2181 ensures that when commissioners are appointed to the CPUC, rural perspectives will also be represented.”

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<sup>1</sup> PU Code § 305

<sup>2</sup> PU Code § 910

<sup>3</sup> Public Resources Code § 25201.

<sup>4</sup> Health and Safety Code § 39510.

<sup>5</sup> Water Code § 175.

- 2) *Purpose of Bill.* The CPUC has broad authority over utility rates, service standards, and resource planning, with decisions that affect residential customers, businesses, and communities across the state. Current law does not specify geographic criteria for commissioner appointments. This bill would establish that the Governor must ensure a diverse composition of CPUC commissioners. Though the bill lacks specifics regarding the factors to determine a diverse CPUC body, the bill does specify that geographic diversity be a consideration, including considering both rural and urban appointees. This change is intended to ensure that the range of circumstances and interests across California's diverse service territories, including those of rural communities, are reflected in the CPUC's deliberations and decision-making.
- 3) *Benefits of Regional Diversity.* This bill requires the Governor to consider diversity when selecting candidates for CPUC commissioner. Many other Governor-appointed board members and commissioners in the state are required to reflect geographic distribution across California, so this approach is not unprecedented (refer to Background section *Qualifications for Other State Agency Appointments* found above). In addition, there are distinct regional issues in energy, water, telecommunications, and transportation policy across the state, which support a need for representation. The CPUC's SB 840 Report explored options for locating operations and staff outside of the CPUC headquarters in San Francisco.<sup>6</sup> The report identified benefits from having staff reside in different parts of the state, contending that "there may well be considerable value in our staff being customers of the utilities, and being a part of the communities where the impacts of those utilities are felt." This assertion can reasonably be extended to commissioners.
- 4) *Related Legislation.*

AB 13 (Ransom, 2025) would make changes to the CPUC, including requiring specified geographic representation of commissioners and specified reporting to the Legislature concerning utility rate-setting cases. Status: *pending hearing* in the Senate Committee on Appropriations.

AB 2289 (Boerner, 2026), among its many provisions, requires the Governor to consider certain diversity factors when making appointments to the CPUC. Status: *pending hearing* in the Assembly Committee on Appropriations.

ACA 9 (Boerner, 2025) amends Article XII of the Constitution related to the CPUC to 1) increase the size of the CPUC from 5 to 9 members, 2) remove telephone and telegraph corporations from being designated as a public utility under the Constitution, 3) repeal provisions of the Constitution related to the CPUC's authority, and 4) mandates the CPUC consider the affordability of rates when setting rates. Status: *set for hearing* on April 22, 2026, in this committee.

- 5) *Prior Legislation.*

AB 1960 (Villapudua, 2022) stated regional qualifications the Governor and Senate should consider, beginning January 1, 2024, when selecting a person to serve as a commissioner on the CPUC. Largely similar to AB 1471 without the provisions to

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<sup>6</sup> "Budget Act of 2018", Committee on Budget and Fiscal Review, Chapter 341, Statutes of 2016

authorize the CPUC to consider moving its headquarters out of San Francisco. Status: Vetoed by the Governor.

AB 1471 (Villapudua, 2021) stated regional qualifications the Governor and Senate should consider when selecting a person to serve as a commissioner on the CPUC and authorized the CPUC to consider locating its headquarters in a city other than San Francisco. Status: Held under submission – Senate Appropriations.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

None on file.

**Opposition**

None on file.

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