CONCURRENCE IN SENATE AMENDMENTS
AB 2266 (Schultz)
As Amended August 21, 2026
Majority vote

SUMMARY

Requires the California Public Utilities Commission (CPUC), to consider a process, by January 1, 2030, to consolidate the Integrated Resource Plan (IRP) and Renewables Portfolio Standard (RPS) plans submitted by load serving entities (LSE) into a single procurement plan. If the CPUC determines that consolidation is not feasible, the CPUC is required to report on its reasoning for this conclusion.

Senate Amendments

1) Strike the requirement that the CPUC use the same capacity valuation methodology when setting resource adequacy procurement requirements and evaluating a load serving entity's compliance status with IRP and RPS plans.

2) Strike the requirement that the CPUC include a report on backstop procurement needs ordered by the California Independent System Operator (CAISO).

3) Change the requirement on the CPUC for the consolidation of procurement plans from initiating the process by January 1, 2030, to considering a consolidation process by that date.

4) Strike the requirement that the consideration of procurement plan consolidation include RA procurement.

5) Change the basis for procurement plan consolidation from CPUC compliance reporting obligations to the plans submitted by the LSEs.

6) Moves back the requirement that the CPUC finalize compliance reporting requirements prior to LSE submissions from 20 calendar days to 30 business days.

COMMENTS

The CPUC requires each LSE to demonstrate it has procured sufficient energy resources to meet its legal obligations. One such obligation is that the LSE demonstrates to the CPUC each month that it has procured an adequate supply of energy resources to meet 1) its portion of the energy needs of the entire electrical system (system reliability), 2) the energy needs of a local area (local reliability) and 3) the energy resources to meet rapid increases in demand (flexible capacity). Together, this obligation is referred to as resource adequacy, or "RA."

In addition, the CPUC requires each LSE to file with it every three years an integrated resource plan (IRP), which demonstrates how the LSE will procure energy resources sufficient to meet increasingly stringent obligations that such resources be renewable, pursuant to the RPS, and overall reduce the amount of emitted greenhouse gases.

This bill directs the CPUC to consider a process to consolidate plans submitted by LSEs for compliance with IRP and RSP requirements. The author describes this bill as "increasing transparency of compliance data through streamlined reporting."

According to the Author
"AB 2266 would streamline overlapping CPUC procurement and compliance processes, improve transparency, and help align how resource reliability is evaluated across programs. As California has built on its success as a clean-energy leader, separately enacted programs have created a patchwork of CPUC processes over time. This bill seeks to reduce duplicative reporting, provide clearer procurement signals, and improve confidence in whether the state is procuring the right mix of resources. AB 2266 would minimize California's reliance on expensive backstop procurement by directing the CPUC to resolve inconsistent reliability valuation methods used for compliance review across key energy resource programs. The bill would require the CPUC to explain, in its annual resource adequacy report, whether any backstop procurement was driven by LSE noncompliance or by methodological inconsistencies. Taken together, these changes are intended to support continuous process improvements, more efficient planning, better accountability, and better outcomes for ratepayers."

Arguments in Support
This bill is supported by Ava Community Energy, the Alliance for Retail Energy Markets (AReM), NRG Energy, and the Environmental Defense Fund. AReM notes that "the inconsistent application of capacity valuation methods to the same molecule of energy depending on which program is looking causes challenges in the marketplace and increases the potential for over- or under-calculations." AReM goes on to note the bill "will help streamline the integration of renewables into the grid, improve reliability procurement processes, increase public transparency, and keep costs low for California."

Arguments in Opposition
None on file

FISCAL COMMENTS

According to the Senate Committee on Appropriations, this bill could result in unknown but significant ongoing CPUC costs, possibly around a million dollars annually.

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: 73-0-7
YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Ávila Farías, Bains, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas
ABS, ABST OR NV: Arambula, Bauer-Kahan, Chen, Gabriel, Celeste Rodriguez, Ta, Wicks

UPDATED

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