

GOVERNOR'S VETO
AB 2369 (Rogers)
As Enrolled September 2, 2026
2/3 vote

SUMMARY

Requires specified actions to increase opportunities for the deployment of energy-only resources, including requiring California's energy agencies to provide transmission-focused information to California Independent System Operator (CAISO) to identify cost-effective transmission capacity expansions that increase the reliability contribution of, or mitigate congestion affecting planned or existing energy-only resources.

Senate Amendments

- 1) Addresses chaptering conflicts with AB 2369 (Rogers) of the current legislative session by adding double-jointing language to Public Utilities Code Section 454.57.
- 2) Makes technical changes for clarification purposes.

Governor's Veto Message

This bill makes energy-only resources eligible to satisfy long-term planning and procurement requirements under the Integrated Resource Plan and would designate energy-only resources as long-lead-time resources for purposes of the California Independent System Operator's (CAISO) interconnection process.

Increasing the role of "energy-only" resources in state procurement and transmission planning is an important goal, and I appreciate the author's work on this issue. However, this bill is premature. The CAISO is currently studying the potential of energy-only resources as part of the 2026–2027 Transmission Planning Process, with results expected in November 2026. These results will inform the California Public Utilities Commission's development of the new Reliable and Clean Power Procurement Program, which seeks to align requirements of long-term procurement planning, resource adequacy, and other processes. This bill would predetermine the treatment of these energy-only resources before that essential work is complete.

COMMENTS

Clean Energy and Transmission Planning in California. SB 100 (De León, Chapter 312, Statutes of 2018) established the state's policy of supplying 100% of retail electricity sales with renewable and zero-carbon resources by 2045. Meeting these goals will require significant development of new generation and transmission infrastructure. The California Public Utilities Commission's (CPUC's) Integrated Resource Planning (IRP) process identifies the resources needed to meet the state's clean energy, reliability, and greenhouse gas reduction goals, while the California Energy Commission (CEC) develops demand forecasts used by the CPUC and CAISO in resource and transmission planning.

CAISO conducts an annual transmission planning process to identify transmission needed to maintain reliability, meet state policy goals, and address economic needs. SB 887 (Becker, Chapter 358, Statutes of 2022) requires the CPUC, in consultation with the CEC, to provide CAISO with transmission-focused guidance regarding expected renewable and zero-carbon

resources and requires the CPUC and CEC to provide resource and demand projections extending at least 15 years to inform CAISO transmission planning.

Energy-Only Resources and Deliverability. Energy-only resources can interconnect to the grid without being studied for deliverability and therefore generally do not provide resource adequacy capacity. CAISO has explored pathways that could allow certain energy-only resources to obtain deliverability after coming online when sufficient transmission capacity becomes available. Limited transmission capacity can constrain the ability of renewable resources, including geothermal and wind, to obtain deliverability and participate more fully in the state's resource planning and procurement processes.

AB 2369 seeks to increase the role of energy-only resources in state procurement and transmission planning. It also requires the CPUC and CEC to identify cost-effective transmission expansions that could enable planned or operating energy-only resources to obtain deliverability and request CAISO to reserve associated deliverability for geothermal and wind resources. Additionally, the bill requires the CPUC to designate energy-only resources as long lead-time resources for purposes of CAISO's interconnection process scoring. While acknowledging the importance of increasing the role of energy-only resources, the Governor vetoed the bill as premature, citing CAISO's ongoing evaluation of these resources through its 2026–2027 Transmission Planning Process.

According to the Author

According to the author, "Today, most of California is functionally off-limits to new renewable energy development due to a lack of interconnection availability caused by transmission constraints. This is especially acute in Northern California, where there is great potential for expansion of wind and geothermal resources. Over 21 gigawatts (GAW) of projects currently in the queue are functionally unable to be interconnected to the grid, and that's just in 2026. The state risks losing hundreds of GWs of projects over the next two decades if this challenge is not addressed, along with the associated ratepayer benefits, jobs, and reinvestment in our communities. A new approach to grid management can help resolve this problem by allowing vastly more clean energy resources to interconnect to the grid through a smarter approach to grid management. Simply put, California will not reach our ambitious clean energy goals without a better approach to interconnecting new projects to the grid."

Arguments in Support

According to the bill's co-sponsors, Abundance Network and Sonoma Clean Power, transmission constraints have made much of California functionally off-limits to new clean energy development because of limited interconnection availability. They argue that, if these constraints are not addressed, California could lose hundreds of gigawatts of clean energy projects over the next two decades, along with associated ratepayer benefits, jobs, and community investment. The co-sponsors also contend that AB 2369 would help address these constraints by allowing clean energy resources to interconnect to the existing grid more quickly and at a greater scale.

Arguments in Opposition

The Independent Energy Producers Association (IEP) opposes AB 2369, arguing that the bill could create reliability risks and increase ratepayer costs by allowing energy-only resources that lack full deliverability to satisfy long-term planning procurement requirements. IEP argues that, if those resources are not fully deliverable when needed, load-serving entities may have to procure more expensive backup resources. IEP also notes that CAISO and the CPUC are already

studying the role energy-only resources can play in meeting the state's reliability needs. While IEP recognizes that these resources can help meet California's clean energy goals, it believes their use should be considered through the work already underway at CAISO and the CPUC.

FISCAL COMMENTS

According to the Senate Committee on Appropriations, this bill would result in ongoing CPUC costs of an unknown amount, potentially in the hundreds of thousands of dollars annually from ratepayer funds, to identify transmission opportunities for energy-only resources, analyze CAISO deliverability and transmission capacity data, and incorporate those findings into transmission planning guidance, among other activities. The CEC anticipates minor and absorbable costs.

VOTES

ASM UTILITIES AND ENERGY: 16-0-2

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

ABS, ABST OR NV: Chen, Ta

ASM APPROPRIATIONS: 12-1-2

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

NO: Tangipa

ABS, ABST OR NV: Dixon, Ta

ASSEMBLY FLOOR: 63-8-9

YES: Addis, Aguiar-Curry, Ahrens, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Elhawary, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Ward, Wicks, Wilson, Zbur, Rivas

NO: Alanis, DeMaio, Ellis, Gallagher, Johnson, Macedo, Sanchez, Tangipa

ABS, ABST OR NV: Dixon, Flora, Hadwick, Hoover, Lackey, Muratsuchi, Celeste Rodriguez, Ta, Wallis

SENATE FLOOR: 37-2-1

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNeerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Seyarto

ABS, ABST OR NV: Choi

ASSEMBLY FLOOR: 67-6-6

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, Elhawary, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO: DeMaio, Ellis, Johnson, Macedo, Sanchez, Tangipa
ABS, ABST OR NV: Dixon, Flora, Hadwick, Lackey, McKinnor, Ta

UPDATED

VERSION: September 2, 2026

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FN: 0004614