



Development (GO-Biz) to provide public financing of electric transmission projects. (See SB 254 (Becker), Chapter 119, Statutes of 2025.)

The author intends this bill, too, to lower the cost of transmission projects through public financing, namely through financing by a CCA, which is a public entity that procures electricity on behalf of participating customers in the CCA's jurisdiction who continue to receive delivery of that electricity through the incumbent investor-owned utility's (IOU) transmission and distribution lines. According to the author:

California's electricity rates are among the highest in the country, and transmission is one driver of those costs. Public agencies like CCAs, in partnership with the private sector, can play an important role in delivering low-cost financing for transmission projects. AB 2396 would allow CCAs to finance and develop transmission projects in partnership with IOUs and the private sector, which has the potential to reduce costs for ratepayers by roughly 20% per transmission line.

Similarly, bill sponsor Clean Power Alliance describes AB 2396 as building on CCAs' "successful track record of using their public agency status – particularly the ability to issue tax-exempt debt – to bring down electricity costs."

The IOUs disagree. For example, Pacific Gas and Electric and Southern California Edison, writing jointly in opposition, assert AB 2396 "raises significant concerns related to risk allocation, customer protections, and the integrity of California's transmission planning and cost-of-service framework" and question, in general, the potential of public financing to lower transmission project costs. The two IOUs further argue:

creating gaps in accountability and increasing operational complexity. A multi-owner framework, absent clear and enforceable standards, could undermine the seamless coordination necessary to ensure a safe and reliable electric grid for all customers.

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