

ASSEMBLY THIRD READING
AB 2493 (Petrie-Norris)
As Amended April 13, 2026
Majority vote

SUMMARY

Requires the California Public Utilities Commission (CPUC) to require each large electrical corporation to retain an independent third-party auditor to review certain transmission-and interconnection-related submissions made by a large electrical corporation (also known as an investor-owned utility (IOU)).

Major Provisions

- 1) Specifies the auditor is to review (1) the IOU's progress on completing network upgrades following approval in a generator interconnection agreement or transmission plan approved by the California Independent System Operator (CAISO), (2) the IOU's compliance with requirements—created by this bill—that the IOU make specified progress on initiating permitting of approved electricity transmission projects, and (3) the IOU's compliance with any remedial actions ordered by the CPUC.
- 2) Requires the auditor to report to the CPUC annually and requires the CPUC, within 90 days of receiving the auditor's report to issue a resolution directing an IOU to take remedial actions, as specified, to address any and all deficiencies identified by the auditor.
- 3) Specifies that the IOU's record of compliance with any such remedial actions ordered by the CPUC shall be admissible evidence and considered by the CPUC in any decision approving a rate or cost of capital application.

COMMENTS

Delays in Transmission and Interconnection. California continues to add significant amounts of clean energy generation and storage, but many projects remain dependent on transmission and interconnection upgrades before they can come online. Recent CPUC and CAISO findings indicate that transmission and interconnection delays remain prevalent, with many projects delayed beyond their original in-service dates.

Interconnection Backlogs and Queue Reforms. CAISO has adopted reforms intended to reduce interconnection backlogs and prioritize commercially viable projects. However, those reforms generally do not address delays that occur after studies are completed, including utility permitting and construction of required transmission upgrades.

Transmission Planning and Permitting. CAISO's annual Transmission Planning Process (TPP) identifies transmission projects needed to maintain grid reliability, support state policy goals, and, where appropriate, reduce transmission congestion and integrate new resources. Utilities proposing new transmission facilities are generally required to obtain CPUC approval under existing permitting requirements, including environmental review under California Environmental Quality Act (CEQA). Recent CPUC findings indicate that utilities often take several years between transmission project approval and initiation of CPUC permitting applications.

Oversight Requirements. AB 2493 would require large electrical corporations to initiate permitting for certain transmission upgrades within specified timelines and retain independent third-party auditors to review interconnection and transmission related submissions, assess upgrade progress, and evaluate compliance with CPUC ordered remedial actions. The bill builds on oversight structures previously adopted for customer energization delays under SB 410 (Becker, 2023), AB 50 (Wood, 2023), and SB 254 (Becker, 2025).

Independent Verification and Accountability. Existing CPUC reporting requirements rely largely on utility submitted information regarding transmission project status and delays. This bill would add independent third-party verification of transmission and interconnection related reporting and require the CPUC to issue resolutions directing corrective actions in response to identified deficiencies. In addition, the bill would also allow repeated delays to be considered in proceedings related to utility cost recovery and authorized returns.

According to the Author

According to the author, "Federal clean energy tax credits worth billions of dollars to California ratepayers are on the verge of expiring, and the single greatest obstacle to capturing those savings is the failure of our largest utilities to complete the grid upgrades needed to connect new clean energy projects. The CPUC's own data shows that nearly two-thirds of these transmission upgrades are delayed, with some languishing for over a decade. AB 2493 creates the independent oversight and enforceable accountability mechanisms needed to break through these delays before it is too late."

Arguments in Support

AB 2493 is supported by clean energy trade associations, environmental organizations, and clean energy developers who contend that delays in transmission and interconnection upgrades are slowing the development of new clean energy resources and increasing electricity system costs. Supporters further argue that the bill would improve oversight and accountability related to transmission upgrade delays, help bring new clean energy resources online more quickly, support electric reliability, and help reduce upward pressure on electricity rates.

Arguments in Opposition

AB 2493 is opposed by IOUs, which contend that the bill is unnecessary given the CPUC's existing authority and could increase costs, create implementation challenges, and raise safety, reliability, and jurisdictional concerns. They also contend that energization and interconnection delays are often influenced by factors outside utility control, including customer driven redesigns, permitting, procurement lead times, and right of way acquisition, and therefore should not be addressed solely through utility focused requirements.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, this bill would create significant new workload for the CPUC related to coordinating with auditors, reviewing audit reports, ordering remedial actions, and conducting enforcement activities, as necessary. The CPUC estimates annual costs of approximately \$735,000 from the Public Utilities Commission Utilities Reimbursement Account to support two analyst positions, one attorney position, and associated training and travel costs.

VOTES

ASM UTILITIES AND ENERGY: 14-1-3

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

NO: Ta

ABS, ABST OR NV: Patterson, Chen, Wallis

ASM APPROPRIATIONS: 11-3-1

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

NO: Dixon, Ta, Tangipa

ABS, ABST OR NV: Hoover

UPDATED

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