
THIRD READING

Bill No: AB 2493
Author: Petrie-Norris (D)
Amended: 8/13/26 in Senate
Vote: 21

SENATE ENERGY, U. & C. COMMITTEE: 13-4, 6/30/26

AYES: Allen, Archuleta, Arreguín, Ashby, Becker, Caballero, Gonzalez, Hurtado, McNERNEY, Reyes, Richardson, Stern, Wahab

NOES: Ochoa Bogh, Dahle, Grove, Strickland

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/13/26

AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 57-17, 5/26/26 - See last page for vote

SUBJECT: Electrical corporations: interconnection: Public Utilities
Commission: transmission development monitor.

SOURCE: American Clean Power-California
Union of Concerned Scientists

DIGEST: This bill requires the California Public Utilities Commission (CPUC) to require specific actions to help accelerate interconnection of generating resources to electric transmission lines.

ANALYSIS:

Existing law:

- 1) Establishes the Federal Energy Regulatory Commission (FERC) has exclusive jurisdiction over the transmission of electricity in interstate commerce and over all facilities for the transmission or sale of electricity in interstate commerce. (Federal Power Act §§201, 205, 206 (Title 16 United States Code (USC) 824, 824d, 824e))

- 2) Establishes and vests the CPUC with regulatory authority over public utilities, including electrical corporations. (Article 12 of the California Constitution)
- 3) Establishes the State Energy Resources Conservation and Development Commission (California Energy Commission (CEC)) and requires the CEC to assess trends in energy consumption and analyze the social, economic, and environmental consequences of trends. (Public Resources Code §25200 *et seq.*)
- 4) Establishes the California Independent System Operator (CAISO) as a nonprofit public benefit corporation and requires it to ensure efficient use and reliable operation of the electrical transmission grid. (Public Utilities Code §345)
- 5) Requires, under the California Global Warming Solutions Act of 2006, the California Air Resources Board (CARB) to adopt a statewide greenhouse gas (GHG) emissions limit. Authorized CARB to include market-based compliance mechanisms to comply with the regulations. (Health and Safety Code §38500 *et seq.*)
- 6) Requires every electrical corporation that owns electrical transmission facilities to annually prepare, as part of the FERC Order 890 process, and submit to the CPUC, a report identifying any electrical transmission facility, upgrade, or enhancement that is reasonably necessary to achieve the Renewables Portfolio Standard (RPS) procurement requirements. Requires each electrical corporation that owns electrical transmission facilities to annually prepare, and submit to the CPUC, a report on any changes to previously reported in-service dates of transmission and interconnection facilities necessary to provide transmission deliverability to eligible renewable energy resources or energy storage resources that have executed interconnection agreements. (Public Utilities Code §399.13)
- 7) Provides that the CPUC may supervise and regulate every public utility in the state and may do all things, whether specifically designated or in addition, which are necessary and convenient in the exercise of such power and jurisdiction. (Public Utilities Code §701)
- 8) Requires the CPUC to report to the Legislature by November 1 of each year specified information in order to evaluate the progress of the state's electrical corporations in complying with the California RPS Program (Article 16 (commencing with Section 399.11) of Chapter 2.3). This includes a

systemwide assessment of delays to interconnection or transmission approvals for eligible renewable energy resources or energy storage resources, based on the annual reports submitted to the CPUC by electrical corporations pursuant to Public Utilities Code §399.13. (Public Utilities Code §913.4)

This bill:

- 1) Requires each large electrical corporation, within 180 days following the adoption of a transmission plan by the CAISO through the transmission planning process (TPP), or a successor process, or within 180 days following the execution of a generator interconnection agreement, that is assigned or obligated to construct a project that requires approval by the CPUC to submit to the transmission development monitor at the CPUC a project specific schedule for the project, as provided.
- 2) Requires the CPUC, on or before July 1, 2027, to establish a transmission development monitor within the CPUC.
- 3) Requires the transmission development monitor to monitor and review certain transmission- and interconnection-related facilities submitted by the large electrical corporation, the large electrical corporation's progress on completing network upgrades following approval in a generator interconnection agreement or transmission plan approved by the CAISO, the large electrical corporation's compliance with the schedule submitted to the transmission development monitor, and the large electrical corporation's compliance with any remedial actions ordered by the CPUC, as specified.
- 4) Requires the transmission development monitor to report to the CPUC on an annual basis, as provided, and notify the CPUC within 15 days of identifying a material deficiency, as defined.
- 5) Requires the CPUC, within 90 days of receiving an annual report or notification of material deficiency to issue a resolution directing the large electrical corporation to take remedial actions material deficiencies identified by the transmission development monitor, as specified.
- 6) Makes legislative findings and declares that Section 1 of the bill, which adds Section 769.4, to the Public Utilities Code, imposes a limitation on the public's right of access to the meetings of public bodies or the writings of public officials and agencies within the meaning of Section 3 of Article 1 of the

California Constitution in order to protect the confidential and market-sensitive information of an entity (electrical corporation) subject to Section 1 of this act.

Background

SB 100/SB 1020 clean energy goals. With the adoption of SB 100 (De León, Chapter 312, Statutes of 2018) and SB 1020 (Laird, Chapter 361, Statutes of 2022) statute establishes the policy of the state that eligible renewable energy resources and zero-carbon resources supply 90% of all retail sales of electricity to California end-use customers by December 31, 2035, 95% of all retail sales of electricity to California end-use customers by December 31, 2040, 100% of all retail sales of electricity to California end-use customers by December 31, 2045, and 100% of electricity procured to serve all state agencies by December 31, 2035. SB 100 increased the RPS requirement from 50% by 2030 to 60% of retail sales for each retail seller. SB 100 also required CARB, CEC, and CPUC to issue a joint report by January 1, 2021, and at least every four years, that describes technologies, forecasts, affordability, and system and local reliability. The report is required to include an evaluation of costs and benefits to customer rate impacts, as well as barriers to achieving the SB 100 policy. The first Joint Agency report was issued January 2021 and found that in order to meet the state's energy goals California will need to roughly triple its current electricity power capacity.

CAISO. The CAISO is a nonprofit public benefit corporation created by California statute as part of the effort to deregulate the electricity market in the late 1990s. The CAISO manages the flow of electricity across the high-voltage bulk power system that makes up 80% of California's, and a small part of Nevada's, electric grid. CAISO is registered as both a transmission operator and balancing authority (BA) under federal reliability requirements. As with other BAs, the CAISO is regulated by federal statute and regulations with oversight by FERC and the North American Energy Reliability Corporation (NERC).

Transmission planning process. Each year, the CAISO conducts its TPP to identify potential system limitations as well as opportunities for system reinforcements that improve reliability and efficiency. The CAISO Transmission Plan provides a comprehensive evaluation of the CAISO transmission grid to address grid reliability requirements, identify upgrades needed to successfully meet California's policy goals, and explore projects that can bring economic benefits to consumers. The plan relies heavily on key inputs from state agencies in translating legislative policy into actionable policy driven inputs. The development of the transmission plan entails annual public stakeholder process that is conducted pursuant to the

CAISO's FERC-approved tariff. It includes a three-phase process that leads to annual CAISO Board of Governor approval of transmission plan and associated transmission projects.

Forecasting by CEC and supply-side inputs by CPUC. The CEC conducts demand forecast that is used to inform several planning processes, including the CAISO's TPP. The demand forecast is often a 10-year (recently 15-year) outlook for electricity and natural gas sales, consumption, and peak and hourly electricity demand. Additionally, the CPUC provides energy resource supply-side inputs, including an annual resource portfolio, to inform the transmission planning by the CAISO.

Transmission Development Forum. The Transmission Development Forum is a recent joint effort between the CAISO and the CPUC to discuss and track Participating Transmission Owners expansion and network upgrade projects and schedules. The Transmission Development Forum creates a single forum to track the status of transmission network upgrade projects that affect generators and all other transmission projects approved in the CAISO's TPP. The effort allows for increased transparency for all stakeholders about transmission projects and enhances accountability of transmission owners by having them explain schedule changes, delays, and address stakeholders' questions.

Tracking Energy Development (TED) Task Force. The TED Taskforce is also a recent joint effort of the CPUC, CEC, CAISO, and the Governor's Office of Business and Economic Development (GO-Biz) to track new energy projects under development. According to the CPUC, the objective is to build on the success of ad hoc 2021 efforts to provide energy resource project development support, as appropriate, and identify barriers and mitigation strategies to accelerate energy project development.

CAISO 20-year Transmission Outlook. The CAISO embarked on creating a 20-Year Transmission Outlook for the electric grid, in collaboration with the CPUC and the CEC, with the goal of exploring the longer-term grid requirements and options for meeting California's GHG reduction and renewable energy objectives reliably and cost-effectively. The CAISO also intends for the expanded planning horizon to provide valuable input for resource planning processes conducted by the CPUC and CEC, and to provide a longer-term context and framing of pertinent issues in the CAISO's ongoing annual 10-Year Transmission Plan. The 2024 20-Year Transmission Outlook estimates \$45 to \$65 billion in transmission costs to

meet the state clean energy needs, load growth, and offshore wind generation development.

CAISO reforms of interconnection queue. The CAISO has also been instituting a number of reforms to address delays, particularly as the volume of projects entering the CAISO queue has grown significantly with the passage of federal legislation by the Biden administration to incentivize clean energy, state procurement directives, resource adequacy requirements, and clean energy targets. The CAISO has implemented a number of reforms through the Interconnection Process Enhancements to modify how projects enter and advance through the queue, including screening and prioritization criteria based on commercial readiness, system need, and project viability.

Comments

Need for this bill. 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 completion of 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.

Seeking legislative remedies to address delays in infrastructure build-out. The sponsors and supporters of this bill seek legislative remedies to address delays in interconnecting generating facilities to transmission and distribution grid. They note widespread delays in transmission projects, citing the CPUC's *2025 RPS Report* which found that 64% of in-development transmission projects are delayed past their original in-service dates, including Pacific Gas & Electric (PG&E) at 63% and Southern California Edison (SCE) at 70%, though San Diego Gas & Electric was excluded due to incomplete data. They further note the delay of 449 transmission projects with dependent generation, or storage is affecting 21.8 gigawatts of clean energy and storage capacity. While they acknowledge there has been much attention to the issue at the CPUC and CAISO, the longstanding delays threaten grid reliability, clean energy progress, and the ability to access the sunseting federal tax credits that can reduce costs for Californians. As such, the

supporters seek legislative remedies to require auditing of the electric IOUs' progress to build-out the needed infrastructure.

Electric IOUs oppose the bill stating it singles them out while ignoring other responsible parties and conflicts with existing oversight. The electric IOUs raise concerns that the bill only focuses on their actions and no other responsible parties. They share that transmission and interconnection projects can often be delayed due to issues outside their control, including a project developer's lack of financing, lack of land rights, or component supply shortages. They also raise concerns that the approved projects in the CAISO TPP are mostly conceptual and often lack critical information that must be prepared prior to determining how (or if) to file for applicable permits. They noted there is extensive work related to engineering, costs, and contracts before the projects can begin the permitting process. They raise concerns that the strict deadlines for submitting requests will result in longer permitting timelines, not shorter.

Prior/Related Legislation

(See Senate Energy, Utilities and Communications Committee Analysis.)

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee, ongoing costs, possibly in the high hundreds of thousands of dollars annually (ratepayer funds), for the California Public Utilities Commission (CPUC) to establish a transmission development monitor and otherwise implement the provisions of this bill.

SUPPORT: (Verified 8/13/26)

American Clean Power- California (Co-source)

Union of Concerned Scientists (Co-source)

Advanced Energy United

California Energy Storage Alliance

California Environmental Voters

California Wind Energy Association

Ceres, INC.

EDF Power Solutions

ENGIE North America

Environmental Defense Fund

Fluence Energy Systems

Independent Energy Producers Association
Large-Scale Solar Association
Natural Resources Defense Council
Ormat
Sierra Club California
Solar Energy Industries Association

OPPOSITION: (Verified 8/13/26)

Pacific Gas and Electric Company
San Diego Gas and Electric Company

ARGUMENTS IN SUPPORT: According to a coalition of organizations, including the co-sponsors of this bill and 14 other organizations listed above:

...California has set an ambitious goal to decarbonize its power grid by 2045. Realizing this goal depends on our ability to connect new clean power generation quickly and affordably. ...Unfortunately, the IOUs are falling behind on those upgrades, delaying the addition of new power to the grid. ...AB 2493 will help stabilize electricity prices and keep California's grid reliable by requiring the large IOUs to connect new clean energy projects faster. First, AB 2493 sets a deadline for the larger IOUs to initiate permitting for major grid upgrades. Second, the bill requires an independent auditor to assess the root causes of interconnection upgrades delays and report findings to the CPUC. ...An independent audit will provide the rigorous, consistent data that state regulators need to understand why projects are falling behind and what remedies will be most effective. Third, AB 2493 requires the large IOUs to develop solutions aligned with the auditor's findings, including facilities advanced equipment procurement to mitigate supply chain constraints, expanding opportunities for entities other than the large IOUs to complete certain upgrades, and implementing a prioritization framework to fast-track upgrades that affect 100 MW or more of clean energy capacity. Finally, the bill directs the CPUC to evaluate the large IOUs' progress in addressing interconnection delays in their rate requests and cost of capital applications.

ARGUMENTS IN OPPOSITION: According to PG&E:

AB 2493 would not address the primary drivers of delays identified in numerous publications and discussed at length in the Assembly Utilities Hearing held on February 18th. This include delays related to land rights,

procurement lead times, permitting timelines, and customer-driven project design changes. Instead, AB 2493 would (1) create jurisdictional conflicts and competing compliance obligations for utilities by directing corrective actions that may be inconsistent with FERC-jurisdictional requirements and CAISO planning and cost parameters; (2) duplicative existing CPUC and CAISO oversight and reporting frameworks, including the CPUC's Transmission Project Review Process under Resolution E-5252; (3) divert specialized engineering and interconnection staff away from completing studies and executing network upgrades; (4) increase costs for customers without clear, reasonable cost recovery parameters; (5) raise security concerns by requiring public posting of audit reports that could include sensitive critical infrastructure information; and (6) focus on utilities without addressing end-to-end contributors to delay across all responsible parties (utilities, manufacturers, land-owners, developers, and federal, state & local agencies).

ASSEMBLY FLOOR: 57-17, 5/26/26

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

NOES: Chen, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hadwick, Hoover, Johnson, Macedo, Patterson, Ramos, Sanchez, Ta, Tangipa, Valencia, Wallis

NO VOTE RECORDED: Alanis, Castillo, Flora, Lackey, Muratsuchi, Celeste Rodriguez

Prepared by: Nidia Bautista / E., U. & C. / (916) 651-4107
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**** END ****