

ASSEMBLY THIRD READING
AB 2505 (Carrillo)
As Amended April 13, 2026
Majority vote

SUMMARY

Directs each electrical corporation (IOU) to file an advice letter by April 1, 2027, and requires the California Public Utilities Commission (CPUC) to approve by September 1, 2027, a new tariff authorizing the IOU to design, construct, own, operate, and maintain all electrical distribution and facilities on the IOU side of the meter necessary to provide separately metered electrical service to hydrogen refueling stations serving vehicles 14,001 pounds or greater, including stations collocated at existing facilities that already receive electrical service. These provisions sunset on January 1, 2033.

Major Provisions

The new tariff must:

- 1) Authorize the IOU to extend distribution and service facilities from the existing distribution system to a dedicated revenue meter serving hydrogen refueling stations for vehicles 14,001 pounds or greater, consistent with design and construction standards comparable to those applied under the IOU's existing EV infrastructure tariff.
- 2) Authorize installation of a dedicated revenue meter for the hydrogen refueling station load, including where the premises already receives electrical service through another meter, provided applicable safety and reliability criteria are met.
- 3) Treat cost allocation and customer contributions as line and service extensions subject to the Rule 15/16 framework, with customer allowances determined using the same revenue-based methodology applied under those rules.
- 4) Requires the applicant to bear any costs exceeding the applicable allowance, subject to any refund provisions the CPUC may approve.
- 5) Provides that to the extent an IOU capitalizes costs for a facility installed pursuant to the tariff that are not paid by the applicant, the IOU shall recover its resulting revenue requirement through periodic general rate case or other appropriate ratesetting proceedings. Those costs shall be treated in a manner consistent with other necessary electrical distribution infrastructure, with the CPUC ensuring that ratepayers are not unreasonably burdened.

COMMENTS

The core problem the bill aims to solve is that hydrogen refueling stations currently cannot get a dedicated meter or direct utility service line, forcing developers to use costlier behind-the-meter options. The bill fixes this by letting IOUs extend a service line from the nearest grid point and install a dedicated meter, reducing upfront construction costs.

Regulatory Context:

- 1) Rule 15/16/Exceptional Case Filing: IOUs already handle atypical large customers (e.g., Valley Transit Authority, Genetech, Microsoft) through case-by-case exceptions to standard Rule 15/16. This existing process could potentially address hydrogen station needs.
- 2) Rule 30: This emerging rule governs new transmission-level customers whose costs exceed what Rule 15/16 was designed for. Its ratepayer protections – upfront cost payments, actual-cost billing, and revenue-tied refunds – are relevant here because they guard against stranded assets if hydrogen demand falls short of projections. It's currently unclear whether hydrogen stations would generate enough load to reach Rule 30 thresholds.
- 3) Load size gap: The bill sets no cap on electrical demand. Its only qualifying criterion is vehicle weight, not load size, leaving the demand profile open-ended.

The bill's deadlines are aggressive. The CPUC's standard timeline for this type of proceeding is 18 months; the bill compresses that significantly.

According to the Author

"Assembly Bill 2505 is about removing barriers that make it unnecessarily expensive to build hydrogen fueling stations where we need them most. Right now, outdated rules drive up costs at places like existing truck stops, even when the infrastructure is already in place. By allowing these sites to access a standard utility connection and meter, we can cut unnecessary costs and speed up deployment. This bill creates a practical, fair pathway that lowers costs while still protecting ratepayers and strengthening our electric grid."

Arguments in Support

One of the supporters of the bill, Air Products and Chemicals, Inc., states that: "One of the barriers to deploying hydrogen refueling infrastructure at scale is the inability of stations collocated at existing facilities to obtain dedicated utility meters and service connections. Without a dedicated tariff, hydrogen refueling stations must install costly behind-the-meter electrical infrastructure rather than connecting directly to the utility's distribution system. This adds substantial cost, delays deployment, and prevents stations from participating in demand response, distributed energy resource, and rate design programs that depend on separately metered loads. AB 2505 directly addresses this barrier."

Arguments in Opposition

None on file

FISCAL COMMENTS

According to the Assembly Appropriations Committee: The CPUC will need to review and approve the advice letters submitted by the IOUs and oversee IOU implementation of the new tariff or rule. This will entail significant new workload for the CPUC, particularly during the period which the CPUC is reviewing and approving the advice letters. The CPUC believes it will need one new, permanent position, at an annual cost of \$218,000 (Public Utilities Commission Utilities Reimbursement Account) to establish energization targets for the heavy-duty hydrogen electric rule, review and approve six advice letters and oversee heavy-duty hydrogen electric rule costs and implementation. While, as noted, the committee agrees the bill creates ongoing workload for the CPUC, it is reasonable to expect the CPUC's ongoing workload to be much less than its workload in 2027 and 2028, the years during which the CPUC will review and approve advice letters and establish program rules.

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

UPDATED

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