
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2518 (Sharp-Collins) - San Diego Gas and Electric Company: energization pilot program

Version: April 27, 2026

Urgency: No

Hearing Date: June 22, 2026

Policy Vote: E., U. & C. 16 - 0

Mandate: Yes

Consultant: Ashley Ames

Bill Summary: This bill would establish a five-year pilot project regarding specified timelines to energize customers within the San Diego Gas & Electric (SDG&E) service territory.

Fiscal Impact:

- The California Public Utilities Commission (CPUC) estimates ongoing costs of \$380,000 annually (ratepayer funds) to establish new reporting requirements to track SDG&E's compliance with the bill's energization timelines and oversee the pilot project, among other things.

Background: Rules governing the ability of new buildings and generation and storage resources to connect to the electric and gas distribution grid are generally determined by statute, CPUC rules, and tariffs, (i.e., documents that specify rates, charges, rules, and conditions under which an electrical corporation will provide services to the public) for each of the electrical corporations. New service connections refer to extending an electricity or expanding distribution infrastructure to service new or expanded customer load, known as “energization.” Electric Tariff Rules 15 and 16 establish the guidelines for design, cost allocation, and responsibilities of a project applicant and a utility for electric distribution line extensions. The ability to connect to the larger electrical system can take months (if not, years, in some cases) as the process can entail the need for designs, assessments on cost allocations associated with improvements on the electric distribution system to allow for the connection, and other issues. In the case of new building developments, depending on the size of the development, the need for electric service extensions may be needed in phases over months, or years.

Proposed Law: This bill would:

- 1) Define terms.
- 2) Require, until January 1, 2032, SDG&E to energize construction-ready projects within specified timeframes, specifically:
 - a) Category 1 projects: within 40 business days of being deemed construction ready. Category 1 projects are development projects that are designed to protect, support, or advance the public health, safety, or welfare of the community, and includes only:
 - i) Affordable housing developments.

- ii) Development of essential services buildings.
 - iii) Development of health facilities.
- b) Category 2 projects: within 55 business days of being deemed construction ready. Category 2 projects are the development of a municipal facility or an electric vehicle charger and charging station.
 - c) Category 3 projects: within 70 business days of being deemed construction ready. Category 3 projects are the development of any other facility and project type.
- 3) Require, only until January 1, 2032, reporting on the energization of those construction-ready projects to be included in SDG&E's biannual energization reporting submitted to the CPUC.
 - 4) Provide, if an issue specific to the project arises after SDG&E determines a project is construction ready that reasonably prevents SDG&E from safely and compliantly completing the energization, the timeframes do not apply until the issue has been resolved to the mutual satisfaction of SDG&E and the project applicant.
 - 5) State that SDG&E's compliance with the requirements of this section is not a violation of Public Utilities Code §453 concerning preferential treatment of customers.
 - 6) Require that SDG&E's compliance with the proposed timeframes complement, and not conflict with nor supersede, any rule, order, or determination by the CPUC pursuant to the Powering Up Californians Act, pursuant to Public Utilities Code §§930 *et seq.*)

Related Legislation:

SB 1196 (McNerney) of 2026, requires the CPUC by September 30, 2027, in a new or existing proceeding, to establish timelines for electrical corporations to respond to and process requests to energize accessory dwelling units and junior accessory dwelling units.

SB 254 (Becker, Chapter 119, Statutes of 2025) among its provisions required the CPUC to evaluate and report to the Legislature on or before January 1, 2027, whether to require an electrical corporation to have an executive incentive compensation structure that includes incentive compensation based on meeting the energization targets for all executive officers. The bill also required, on or before January 1, 2027, the CPUC to establish an enforcement policy for the energization targets that include penalties for not complying with the remedial actions and requires the CPUC to require each electrical corporation to retain an independent third-party auditor to review the electrical corporation's business practices and procedures for energizing new customers.

SB 1210 (Skinner, Chapter 728, Statutes of 2024) required electrical, gas, sewer, and water service utilities, with exceptions, to post estimated fees and timeframes for new service connections needed to connect new housing construction projects.

AB 50 (Wood, Chapter 317, Statutes of 2023) required the CPUC, by July 1, 2025, to determine the criteria for customers to receive timely electricity service when requesting new service connections or upgraded service, known as “energization.”

SB 410 (Becker, Chapter 394, Statutes of 2023) required the CPUC to establish by September 30, 2024, reasonable average and maximum target energization time periods in order to connect new customers and upgrade the service of existing customers to the electrical grid.

AB 1026 (Wood, Chapter 446, Statutes of 2019) required an electrical or gas corporation to apply only those construction and design specifications, standards, terms, and conditions that are applicable to a new extension of service project for the 18 months following the date the application for a new extension of service project is approved.

Staff Comments: The CPUC notes that AB 2518 is duplicative and potentially harmful to an existing, more comprehensive rulemaking effort. The CPUC is already doing this work in R.24-01-018, where it established energization timelines for all three large IOUs based on five years of historical data. That proceeding is actively evolving: a public workshop is scheduled for June 18 to discuss data reporting and potential timeline modifications, including the kind of granular, step-specific timelines this bill would mandate.

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