

CONCURRENCE IN SENATE AMENDMENTS

AB 353 (Boerner)

As Amended August 21, 2026

Majority vote

SUMMARY

Original Committee of Reference: Communications and Conveyance

This bill requires the Governor to appoint an Inspector General (IG) of the California Public Utilities Commission (CPUC), subject to Senate confirmation, for a six-year term. The Inspector General would oversee the CPUC's internal audit unit, with a focus on improving accountability and transparency in the agency's executive and operational management.

Senate Amendments

Current Committee Recommendation: Senate Amendments be Concurred In

- 1) Remove the entire contents of the bill, previously related to affordable home internet.
- 2) Replace the bill's contents with the present language related to an IG at the CPUC.

COMMENTS

The CPUC's Chief Internal Auditor, created by SB 19 (Hill) Chapter 421, Statutes of 2017, reports to the CPUC's commissioners through the Audit Committee and oversees a six-person Office of Internal Audit Services that conducts assurance, advisory, and risk-assessment work, completing nearly 30 audits over five years. The Internal Auditor's reports are internal, unlike federal IG offices, where about half of the federal IGs are presidentially appointed with Senate confirmation and operate independently within their agencies.

This bill replaces the Chief Internal Auditor at the CPUC with an IG modeled on that federal approach, appointed by the Governor and confirmed by the Senate for a six-year term. This measure raises the question of whether the current arrangement – where the auditor serves at the commissioners' pleasure and reports are not public – still fits given growing scrutiny of CPUC operations, including the author's concerns about a federal IG audit that found dead and duplicate Lifeline subscribers enrolled by California providers, with no public CPUC follow-up.

This bill grants the new IG office the ability to access records from the CPUC and utilities. The new IG office can also request records from other entities that are regulated by the CPUC and participate in programs administered by the CPUC.

According to the Author

"Although the California Public Utilities Commission is an independent agency of state government, its internal operations should be transparent to the public and subject to regular independent review by an outside entity to ensure efficient operations, economic administration of ratepayer funds, and compliance with state law. As utility costs continue to rise, regulatory decisions are continuously delayed, grant funds are held back for years, and Commissioners decline to participate in legislative oversight hearings it is clear that more accountability is needed on the agency operations. By establishing an independent Inspector General at the

CPUC, the public and the Legislature will be better informed about the agency's internal operations."

Arguments in Support

None received.

Arguments in Opposition

The California Water Association (CWA) opposes this bill on three grounds: 1) the bill was substantially amended late in session, leaving stakeholders and the Legislature insufficient time to evaluate its merits or unintended consequences; 2) the bill would politicize the CPUC, a quasi-judicial body whose independence underpins its credibility in ratemaking and technical proceedings, by installing a politically appointed Inspector General within its structure, eroding institutional integrity and public confidence; and 3) the CPUC already has robust audit capacity, making the new office a duplicative cost to ratepayers.

FISCAL COMMENTS

According to the Senate Appropriations Committee, ongoing costs of about \$2.5 million annually for the CPUC to implement the provisions of this bill.

VOTES

ASM COMMUNICATIONS AND CONVEYANCE: 7-2-1

YES: Boerner, Ahrens, Bonta, Caloza, Garcia, Lowenthal, Rogers

NO: Hoover, Castillo

ABS, ABST OR NV: Blanca Rubio

ASM APPROPRIATIONS: 11-3-1

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache

NO: Dixon, Ta, Tangipa

ABS, ABST OR NV: Sanchez

ASSEMBLY FLOOR: 58-18-3

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

NO: Alanis, Ávila Farías, Castillo, Chen, Davies, DeMaio, Dixon, Ellis, Gallagher, Jeff Gonzalez, Hoover, Lackey, Macedo, Patterson, Sanchez, Ta, Tangipa, Wallis

ABS, ABST OR NV: Arambula, Flora, Hadwick

SENATE FLOOR: 30-7-3

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Stern, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Seyarto

ABS, ABST OR NV: Ochoa Bogh, Strickland, Valladares

ASM UTILITIES AND ENERGY: 17-0-1

YES: Petrie-Norris, Patterson, Boerner, Calderon, Chen, Davies, Harabedian, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Ta, Wallis, Zbur

ABS, ABST OR NV: Mark González

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