

CONCURRENCE IN SENATE AMENDMENTS

AB 420 (Petrie-Norris)

As Amended July 17, 2025

Majority vote

SUMMARY

Exempts certain sales of large investor-owned utilities (IOU) property valued at \$100,000 or less from review by the California Public Utilities Commission (CPUC). Authorizes the value threshold to increase with the cost of inflation.

Senate Amendments

- 1) Clarifies the exemption applies only to an easement or a change to an easement, and
- 2) Specifies IOUs must file via a Tier 1 advice letter all transactions subject to the exemption by April 1 of each year. The Assembly version of this measure required this filing as part of the IOU general rate case.

COMMENTS

State law prevents an IOU from broadly disposing of or encumbering its assets over \$5 million that are necessary or useful in the performance of its duties to the public, unless the IOU has secured an order from the CPUC. For a qualified transaction at or below \$5 million, approval from the CPUC can be obtained through an advice letter. Generally, the process of filing an advice letter with the CPUC is much less onerous than the process of securing an order from the CPUC.

Despite the availability of the advice letter process, the author believes an even more-streamlined process is needed to allow IOUs to complete very small transactions. This bill provides such a streamlined process by exempting outright certain property transactions from CPUC review, with an annual report to the CPUC of all transactions that qualified for the exemption.

According to the Author

According to the author, "California has some of the most robust utility customer protections in the nation. Unfortunately, some of the processes within the CPUC have become overly time consuming, and seem to favor process over outcomes. AB 420 identifies and streamlines a subset of minor land transactions that are delaying projects like new housing and interconnections to renewables. These delays can add 6-12 months to projects for transactions that are rarely questioned or controversial."

Arguments in Support

Writing in support of the bill, the California Building Industry Association, referencing housing projects specifically, argues the CPUC advice letter process "can often stall or prolong the building process while easements within a development are moved or transferred." They note the exemption provided in this bill "will streamline the review of the necessary movement or transfer of easements to ensure development projects do not experience unnecessary delay."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, any costs to the CPUC for this measure should be minor and absorbable. The Senate Committee on Appropriations passed this measure out pursuant to Senate Rule 28.8 finding that any state costs of the measure are not significant.

VOTES:

ASM UTILITIES AND ENERGY: 18-0-0

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

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Sanchez, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

ASSEMBLY FLOOR: 71-0-8

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Calderon, Caloza, Carrillo, Castillo, Connolly, Davies, DeMaio, Dixon, Elhawary, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wilson, Zbur, Rivas

ABS, ABST OR NV: Bryan, Chen, Ellis, Nguyen, Sanchez, Schultz, Sharp-Collins, Wicks

SENATE FLOOR: 37-0-3

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Alvarado-Gil, Hurtado, Rubio

UPDATED

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