

## ASSEMBLY THIRD READING

AB 710 (Irwin)

As Amended January 7, 2026

Majority vote

**SUMMARY**

Establishes requirements on both electrical corporations and publicly owned utilities (POUs) related to smart grid readiness.

**Major Provisions**

- 1) Requires the California Public Utilities Commission (CPUC), by January 1, 2028, to require each electrical corporation to offer optional dynamic pricing tariffs consistent with California Energy Commission (CEC) standards and a CPUC pricing framework.
- 2) Requires both electrical corporations and POUs to analyze, by January 1, 2028, the feasibility of deploying advanced metering infrastructure (AMI) to all customers, and develop a plan, by January 1, 2029, for complete advanced metering infrastructure deployment, where feasible.

**COMMENTS**

Load flexibility generally refers to the capability to shift or shed electric demand (referred to as "load") away from times when electricity is, as described by the CEC, "expensive, polluting and scarce" to times when it is "inexpensive, clean and plentiful." According to the CEC, load flexibility will be critical to "aligning customer demand with the supply of clean energy to integrate new renewables onto the grid, reduce the strain new electric load places on the grid, and help maintain electric reliability."

Recently, the Legislature passed SB 846 (Dodd), Chapter 239, Statutes of 2022, which, among many other things, directed the CEC, in consultation with the CPUC and the California Independent System Operator, a) to adopt, and regularly adjust, a goal for load shifting to reduce net peak electrical demand and b), to recommend policies to increase demand response and load shifting that do not increase greenhouse gas emissions or increase electric rates.

Accordingly, in May 2023, the CEC released a report—the appropriately named "Senate Bill 846 Load-Shift Goal Report"—which established a load-shifting goal of 7,000 megawatts by 2030. The CEC report notes "many pathways exist to achieve the load-shift goal" and that the goal reflects "growth of loads under TOU [time-of-use] rates such as electric vehicles and the policy preference for dynamic pricing-based load flexibility." The CEC report also made several recommendations, among them:

- 1) The CPUC should direct the IOUs to implement dynamic pricing options for as many customers as possible, consistent with the CEC Load Management Standards and the CPUC California Flexible Unified Signal for Energy hourly dynamic pricing proposal.
- 2) All California utilities, including POUs, should analyze the feasibility of advanced metering infrastructure deployment to all customers. Using this analysis, utilities should then move toward developing plans for complete AMI deployment, where feasible.

The author intends this bill to ensure implementation of these two recommendations, tying these actions to reduced electricity costs.

### **According to the Author**

According to the author, "Californians are facing an affordability crisis in the form of rapidly rising electricity rates. One mechanism to help promote affordability in the electric sector is the widespread use of dynamic pricing, also known as time-of-use rates, which encourages customers to use electricity at times when it is inexpensive while discouraging usage during peak times, when electricity is both more expensive to generate and more emissions-intensive. Advanced metering infrastructure, often referred to as smart meters, can facilitate dynamic pricing and support better utilization of the electrical grid, potentially providing additional cost savings to ratepayers. Encouraging the adoption of dynamic pricing and the installation of advanced metering infrastructure will help move California toward a modernized electrical grid and reduce costs to ratepayers."

### **Arguments in Support**

The California State Association of Counties note that counties "support the adoption of real-time metering and time-of-use metering, allowing consumers to make choices about their consumption of electrical energy based on the real-time price of electricity."

### **Arguments in Opposition**

Two of the state's largest utilities, San Diego Gas & Electric (SDG&E) and Pacific Gas & Electric, oppose the bill. SDG&E describes the state as facing a choice: either the state can "let expert regulators, utilities, and stakeholders do their job to implement modern pricing structures thoughtfully," or, SDG&E warns, "it can impose rigid statutory requirements and deadlines that will waste money, delay system upgrades, and potentially increase customer bills." According to SDG&E, "AB 710 takes the second path," describing the bills as "rushed legislative micromanagement."

## **FISCAL COMMENTS**

According to the Assembly Committee on Appropriations, this bill will entail new work of the CPUC with the resultant costs ranging in the hundreds of thousands to low millions of dollars. However, the CPUC contends it cannot more accurately estimate the workload implications of this bill unless the bill were amended to provide "more specificity."

## **VOTES**

### **ASM UTILITIES AND ENERGY: 11-0-7**

**YES:** Petrie-Norris, Boerner, Mark González, Harabedian, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Zbur

**ABS, ABST OR NV:** Patterson, Calderon, Chen, Davies, Hart, Ta, Wallis

### **ASM APPROPRIATIONS: 11-0-4**

**YES:** Wicks, Stefani, Calderon, Caloza, Fong, Mark González, Krell, Bauer-Kahan, Pacheco, Pellerin, Solache

**ABS, ABST OR NV:** Hoover, Dixon, Ta, Tangipa

**UPDATED**

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