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**SENATE COMMITTEE ON  
BUSINESS, PROFESSIONS AND ECONOMIC DEVELOPMENT**  
Senator Angelique Ashby, Chair  
2025 - 2026 Regular

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**Bill No:** AB 825  
**Author:** Petrie-Norris  
**Version:** June 2, 2025  
**Urgency:** No  
**Consultant:** Sarah Mason

**Hearing Date:** July 14, 2025

**Fiscal:** Yes

**Subject:** Energy: electricity

**SUMMARY:** Requires the Infrastructure and Economic Development Bank (IBank) to administer a new Public Transmission Financing Program to provide financial assistance and financing for eligible energy transmission projects and updates requirements for regional notification centers in the Dig Safe Act, as well as tasks the Underground Safety Board (Dig Safe Board) with developing regulations to address various coordination efforts. Makes numerous other changes related to energy transmission projects, funding, oversight, and wildfire mitigation planning.

**NOTE:** This bill is double-referred to the Senate Committee on Energy, Utilities, and Communications, second.

**Existing law:**

- 1) Establishes the Governor's Office of Business and Economic Development (GO-Biz) within the Governor's Office for the purpose of serving as the lead state entity for economic strategy and marketing of California on issues relating to business development, private sector investment and economic growth. (Government Code (GC) §§ 12096 – 12098.5)
- 2) Establishes the Bergeson-Peace Infrastructure and Economic Development Bank Act and creates the IBank. (GC § 63000 *et seq.*)
- 3) Establishes the GO-Biz as the administrator of the Fund. (GC § 63021)
- 4) Authorizes IBank to make loans, issue bonds, and provide other economic development assistance, among other things. (GC § 63050 *et seq.*)
- 5) Authorizes IBank to provide financial assistance in connection with the financing or refinancing of various climate catalyst projects under the under the Climate Catalyst Revolving Loan Fund Program, with various state agencies named as consulting agencies. Specifies consulting agencies and the corresponding areas of climate catalyst projects they will provide consultation. (GC § 63048.93)
- 6) Establishes the Dig Safe Board within the Office of Energy Infrastructure Safety to coordinate education and outreach activities that encourage safe excavation practices, along with developing standards and investigating violations, as specified.

(Government Code (GC) § 4216.12)

- 7) Requires every operator of a subsurface installation, except the Department of Transportation (Caltrans), to become a member of, participate in, and share in the costs of a regional notification center, as specified. (GC § 4216.1(a))
- 8) Requires an excavator planning to conduct an excavation to delineate the area to be excavated before notifying the appropriate regional notification center, and if the area is not delineated, an operator may, at its own discretion, choose not to locate and field mark until the area to be excavated has been delineated. (GC § 4216.2(a))
- 9) Prohibits, unless an emergency exists, an excavator from beginning an excavation until the excavator receives a response from all known operators of subsurface installations, as specified, and until the completion of any required onsite meeting. (GC § 4216.2(g))
- 10) Requires each excavator, operator, or locator to communicate with each other and respect the appropriate safety requirements and ongoing activities of the parties, if known, at an excavation site. (GC § 4216.4(4)(d))
- 11) Requires provisions for operators and excavators to apply to state agencies and local agencies, except Caltrans, and authorizes a local agency to charge a fee in an amount sufficient to recover the cost of providing the services. (GC § 4216.5(a))
- 12) Establishes and vests the California Public Utilities Commission (CPUC) with regulatory authority over public utilities, including electric IOUs. Authorizes the CPUC to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable. (Article XII of the California Constitution and Public Utilities Code § 451)
- 13) Establishes the CEC, and requires the CEC to assess trends in energy consumption and analyze the social, economic, and environmental consequences of trends. (Public Resources Code § 25200 et seq.)
- 14) Establishes Energy Safety within the Natural Resources Agency which, as of July 1, 2021, subsumed the Wildfire Safety Division (WSD) responsibilities at the CPUC, including to review the WMPs of IOUs. (Government Code §§ 15740 et seq. and 15475.6, Public Utilities Code §§ 326 and 8385)

**This bill:**

*IBank Provisions*

- 1) Requires IBank to administer the Public Transmission Financing Program to provide financial assistance and financing for eligible transmission projects sponsored or owned, in whole or in part, by a public transmission sponsor. Requires IBank to respond to requests from public transmission sponsors to evaluate, and consult on, the financing of proposed eligible transmission projects but specifies that consultation does not indicate IBank approval. Establishes a Public Transmission Financing Fund in the State Treasury for the purpose of financing specified projects.

- 2) Authorizes IBank to provide financial assistance to any public transmission sponsor or participating party either directly or to a lending or financial institution, in connection with the financing or refinancing of an eligible transmission project owned or financed, in whole or in part, by a public transmission sponsor, in accordance with an agreement or agreements, between IBank and the public transmission sponsor either as a sole lender or in participation or syndication with other lenders. Specifies that financial assistance may include direct funding, debt financing, and the issuance of revenue bonds. Authorizes IBank to issue taxable or tax-exempt bonds loan the proceeds to a public transmission sponsor and deposit the proceeds into the Public Transmission Financing Fund or use the proceeds to refund bonds previously issued.
- 3) Prohibits IBank from providing financing or other support for eligible transmission projects that recover costs through an authorized revenue requirement approved by the Federal Energy Regulatory Commission according to specified requirements. Requires any revenues in excess of the costs associated with supporting the actual capital structure, the actual cost of capital for the eligible transmission project, necessary financial reserves, eligible transmission project overhead and administration, wildfire liability, and costs related to operations and maintenance to be refunded through a bill credit to retail customers. Requires bill credits to be provided by the public transmission owner to each local publicly owned electric utility located within the balancing authority area of the Independent System Operator and requires each local publicly owned electric utility to use the bill credits to reduce customer bills.
- 4) Requires public transmission sponsors that participate in the Program to participate in the Wildfire Fund, as specified, and submit wildfire mitigation plans to the Office of Energy Infrastructure Safety.

#### *Dig Safe Board and Regional Center Provisions*

- 1) Requires a regional notification center to facilitate the exchange of planning and design information for electrical infrastructure undergrounding projects and requires every operator of that subsurface installation, except CalTrans, to participate in this information exchange. Requires a regional notification center, upon request by a federally recognized or nonfederally recognized California Native American tribe to notify the tribe of specified proposed excavations within the geographic area with which the tribe is traditionally and culturally affiliated.
- 2) Tasks the Dig Safe Board with determining, through regulations:
  - a) Appropriate timelines and standard processes associated with the information exchange, the information required to be shared, and any requirements that excavators and operators are required to fulfill to accomplish this information exchange.
  - b) In order to facilitate the expedient and efficient implementation of electrical infrastructure undergrounding projects, whether and under what circumstances an excavator is required to notify the regional notification center more than two

working days before the legal excavation start date and time, if the excavator is submitting a volume of concurrent notifications in excess of the capacity of the operators in the area to fulfill their responsibilities. Specifies that electrical infrastructure undergrounding projects includes, but is not limited to, undergrounding projects in an electrical corporation's or local publicly owned electric utility's distribution undergrounding and wildfire mitigation plans.

- 3) Prior to implementing procedures to comply with the requirements above, requires a regional notification center to submit its procedures to the Dig Safe Board for review and approval, including before implementing any substantive changes to these procedures. Requires the Dig Safe Board to engage with affected stakeholder groups and allow for public comment before approving the procedures.

*Other provisions*

- 1) Establishes the Permitting Local Assistance for Clean Energy Program (PLACE) at the California Energy Commission (CEC), to include: a central pool of subject matter experts on project siting and permitting available to local permitting authorities upon request; matching funds available to local permitting authorities that participate in the PLACE program to supplement the permitting costs that would otherwise be paid entirely by the project applicant; and awards to local permitting authorities for each 100 megawatts generated by participating projects that meet permitting timelines established by the CEC.
- 2) Establishes a statewide demand side management (DSM) task force within the CEC to identify all energy efficiency and demand response programs deployed throughout the state (including investor-owned utility (IOU) and publicly -owned utility (POU) programs); evaluate each program, as specified; identify whether each program individually advances specified goals or metrics, or duplicates other programs; establish simple rules for DSM project investment; recommend by July 31, 2026, consolidation or closure of programs that do not meet specified goals or metrics; consult with various entities in developing their recommendations; and submit a report to the Legislature by December 31, 2027 on its findings and recommendations. Requires agencies or program administrators to consolidate or close programs recommended by the task force by January 1, 2027, after a period of public comment and appeal.
- 3) Authorizes electric IOUs to finance undergrounding costs through a fixed charge on customers' electric utility bills, also known as "securitization;" and sunsets this authorization in ten years.
- 4) Requires actions related to wildfire mitigation by IOUs to take into account the time required to implement proposed mitigations and the amount of risk reduced for the cost and risk remaining, among other requirements.

**FISCAL EFFECT:** This bill is keyed fiscal by Legislative Counsel. According to the Assembly Committee on Appropriations, the bill will result in cost pressure of \$330 million (Proposition 4) and IBank estimates it would need approximately \$3.6 million from the appropriation—\$1.6 million for staffing and \$2 million for technical advisors,

program evaluation and other expenses over three years until program reaches sustainability.

## COMMENTS:

1. **Purpose.** This bill is sponsored by The Utility Reform Network (TURN). According to the Author, “California’s ambitious clean energy goals require that renewable and zero-carbon energy resources supply 100 percent of electric retail sales to customers by 2045. In addition to needing to quadruple clean energy capacity, improving our infrastructure to adapt to climate change as well as electrifying all aspects of our economy will require an enormous expansion in new infrastructure. Unfortunately, it is becoming increasingly likely that relying solely on the traditional investor-owned utility financing and development model for deployment of this multi-billion-dollar infrastructure portfolio will result in substantial increased costs to ratepayers.

AB 825 offers a handful of solutions to reduce electric costs and drive down customer bills. These include preventing utilities from earning profits on the first \$15 billion they spend on undergrounding power lines, setting up a public financing program to help fund new transmission projects at lower cost, creating a task force to evaluate energy efficiency and demand-side programs for customers, launching a new program to help local governments permit clean energy projects with expert support and incentives, and updating the state’s wildfire safety planning requirements.”

The Author advises the bill seeks to address the following:

- *Underground Infrastructure Coordination.* While wildfire-related operating expenses, such as vegetation management and liability insurance coverage, make up the majority of recent cost increases, wildfire-related capital expenses are anticipated to grow in time. Capital-related expenses, such as installing covered conductor or undergrounding portions of a distribution system, have a larger cumulative impact on rates relative to operating expenses, as capital costs are recovered over a much longer time horizon during which the IOUs also earn an authorized profit.
- *Transmission Infrastructure Costs.* High costs of debt and equity, exacerbated by the risk profile of the state’s IOUs, are driving up the cost of electric bills. Currently, there is no way for the state to use its bonding capacity and credit rating to inject cheaper money into the transmission financing market in order to drive down the cost of projects while increasing the number of completed projects. What makes this situation even more difficult is how wildfire-related investments translate into consumer costs. Remarkably, for every \$1 billion spent on capital projects, ratepayers end up being charged approximately \$3.05 billion over time. This is primarily due to how utilities currently recover costs through traditional financing models that include equity returns and debt servicing. Given this multiplier effect, it’s critical we find smarter, more cost-effective ways to make these essential investments without unduly burdening the public.

- *Local Permitting Support.* Historically, the burden of siting and approving clean energy infrastructure has fallen squarely on cities and counties. These local agencies are often left to navigate complex permitting and planning challenges on their own, with limited resources and expertise. As new technologies emerge—such as advanced storage systems or next-generation solar—local governments frequently struggle to keep pace, slowing the momentum of progress even when there's strong community support for clean energy.
- *Statewide Demand Side Management Program Review.* Californians are paying billions toward programs intended to transform our energy system and mitigate the effects of climate change. That transformation must be executed effectively, responsibly, and with clear, measurable benefits for those footing the bill: the ratepayers.
- *Financing for Undergrounding Projects / Wildfire Mitigation Plans.* One of the largest and most urgent factors driving up electricity rates in California is wildfire-related spending. As we confront the realities of the climate crisis, we are caught in a perfect storm: on one hand, we are paying for the devastating damage wildfires have already caused; on the other, we must make massive investments to prevent even more destructive—and costly—disasters in the future. However, the state must implement policies that encourage utility companies to strike a balance between perfect mitigation and the costs for that work that will ultimately be borne by ratepayers.

## 2. Background.

*IBank.* According to its Annual Comprehensive Financial Report for the fiscal year (FY) ending in June 2024, IBank was created in 1994 to finance public infrastructure and private development that promote economic revitalization and public improvements necessary to maintain and create employment within California. IBank is now organized within GO-Biz and is governed by a five-member Board of Directors, consisting of the Director of GO-Biz, the State Treasurer, the Secretary of State Transportation Agency, the Director of the Department of Finance, or their respective designees, and an appointee of the Governor. IBank has broad authority to provide a wide array of financings, including issuing tax-exempt and taxable revenue bonds, providing direct financing to public agencies and certain tax-exempt nonprofit organizations that are sponsored by public agencies, providing credit enhancements (including guarantees), acquiring or leasing facilities, and leveraging State and Federal funds. IBank's current programs include the Infrastructure State Revolving Fund Loan Program, the Bond Financing Program, the Climate Catalyst Revolving Loan Fund Program (Climate Catalyst), the Expanding Venture Capital Access Program, and the Small Business Finance Center's (SBFC) Programs, including the Small Business Loan Guarantee Program, the Farm Loan Program, the Jump Start Loan Program, the Disaster Relief Loan Guarantee Program, and the California Rebuilding Fund. The Climate Catalyst Revolving Loan Fund Program was established in June 2020. The SBFC was established within IBank during FY 2013-2014. The Expanding Venture Capital Access Program was created in FY 2022-23 with a portion of federal State Small Business Credit Initiative funds. IBank

funds are generally continuously appropriated for IBank's programs without regard to fiscal years.

*California Underground Facilities Safe Excavation Board (Dig Safe Board).* SB 661 (Hill, Chapter 809, Statutes of 2016) established the "Dig Safe Act" and the Board). The purpose of that bill was to update California's excavation safety laws and practices and establish the centralized authority to enforce those laws. The enactment of SB 661 followed other legislation and trends aimed at reducing incidents at construction sites, whereby injuries or death occur as the result of workers not realizing they were digging into underground lines.

The Board, under the office of Energy Infrastructure Safety (formally under the Office of the State Fire Marshall), is charged with investigating accidents, developing excavation safety standards, and coordinating education and outreach programs. The Board's mission is to *improve public and worker safety by facilitating communication and learning among excavators and the operators of subsurface installations, by investigating accidents to determine their causes, and by developing solutions to improve safety outcomes. The California Underground Facilities Safe Excavation Board strives to be a model regulatory and investigatory board for other states to emulate.*

*"Call Before you Dig."* Current law requires an individual or entity wishing to perform an excavation where they will dig, drill, or bore below the ground to inform the regional notification center of the planned excavation so owners of underground facilities such as gas lines, sewer lines, water mains or communication cables in the area, can mark those lines and prevent excavators from unknowingly digging in that area and damaging their property. Damage to underground structures may result in the disruption of essential services and poses potential safety hazards to workers, the public, and the environment.

Once an excavator contacts a regional notification center, then one or more utility operators are notified to mark the location of their subsurface installations (underground facilities) with paint, flags, or by other means. According to information on the USA North 811 regional notification center website, every six minutes an underground utility line is damaged when someone digs without first calling 811. In addition the regional center receives over approximately 100,000 ticket requests per month.

*Regional Notification Centers.* There are two regional notification centers that serve California, the Underground Service Alert of Northern California and Nevada, also known as USA North 811; and, also known as DigAlert. Collectively, the two centers are commonly referred to as 811 centers. A regional notification center is an association of owners and operators of subsurface installations (water, gas, electric, telephone, sewer, oil lines, etc.). GC §§ 4216-4216.9 requires anyone planning to excavate to contact the appropriate regional notification center at least two working days (but not more than 14 calendar days) before beginning to excavate. The center will issue an inquiry identification number to the excavator as confirmation, and will notify any member, if known, who has a subsurface installation in the area of the proposed excavation. Under current law, owners or operators of subsurface installations that are non-pressurized sewer lines, non-pressurized storm drains or

other non-pressurized drains are not required to mark those prior to an excavation. Current law requires every operator of a subsurface installation (except the Department of Transportation) to become a member of a regional notification center which includes participating in marking of subsurface installations and sharing the costs associated with those facilities. Current law also prohibits a regional notification center from charging a fee to a person for notifying the regional center to obtain a ticket.

*Notifications from Regional Center.* An operator of a subsurface installation has the responsibility to do one of three things in response to receiving a ticket from the regional notification center that an excavation is planned in area where they may have a subsurface installation: 1) locate and mark the operator's subsurface installations with paint, flags, or other markings; 2) provide the excavator information, such as maps, to assist the excavator with finding the subsurface installation; or, 3) notify the excavator that the operator has no subsurface installations in the proposed area of excavation.

In response to concerns about the workload of regional notification centers' with respect to the goal of increasing underground infrastructure work, this bill requires regional notification centers to help facilitate sharing of design and planning information for electrical undergrounding infrastructure projects. In addition, the bill provides the Board with authority to establish regulations to help achieve efficiencies in the notification/excavation process.

As part of the Board's 2022 annual report, the Board recommended that that it be authorized to place reasonable advanced notification and utility coordination requirements on excavators making a significant proportion of overall excavation notifications to address situation when an excavator should notify a regional center with more than two-days notice, if the excavator has a large number of notifications that would make it challenging for a regional center to obtain a voluminous number of responses. This bill will also affirmatively require a regional notification center, upon request, to notify a California Native American tribe of proposed excavations within the geographic area with which the tribe is traditionally and culturally affiliated if it so requested.

*Moving forward, the bill may benefit from additional clarifications to improve the direction to the Board and enhance the important role coordination at the regional center level can play in protecting communities.*

3. **Arguments in Support.** According to the Climate Center, "Infrastructure costs in California have reached unsustainable levels, placing a significant financial burden on ratepayers and underscoring the urgent need for more cost-effective development strategies. This bill addresses the issue by promoting public partnerships in transmission projects, which help lower the overall expenses of developing and maintaining essential energy infrastructure."

The Utility Reform Network (TURN) appreciates that this bill contains a number of major provisions designed to promote electric ratepayer affordability. According to TURN, "Given the affordability challenges caused by rapidly rising electricity rates, the Legislature should recognize the importance of



prioritizing strategies that can lower the costs of future transmission development that are passed through to customers. TURN urges the Legislature to seize this opportunity.”

Net-Zero California states that “Public financing for transmission infrastructure, especially where it reduces or eliminates return on equity, is one of the most effective ways to reduce the long-term costs of improving our energy grid...An alternative approach, using lower-cost public financing and public ownership, much like is already used for many other types of large infrastructure, would result in huge savings for customers. Scaling up this approach would deliver proven economic savings to customers across the state. Research commissioned by Net-Zero California and the Clean Air Task Force indicates the potential for up to \$3 billion in annual ratepayer savings through a combination of low-cost public debt, modified institutional structures instead of IOU rate of return profits, lower taxes, and increased competition.”

4. **Arguments in Opposition.** California Efficiency and Demand Management Council, Advanced Energy United, and Silicon Valley Clean Energy oppose this bill unless it is amended. California Efficiency and Demand Management writes that “California already has a mechanism for managing the energy efficiency and demand side management portfolio through the California Public Utilities Commission. Absent a due process framework, the proposed Task Force risks adding another layer of bureaucracy to an already complex regulatory environment. Alternative oversight structures may offer other benefits. Advanced Energy United also asks to remove provisions that it states could “enable the elimination of beneficial demand-side programs without due process and that give utilities additional authority to implement new fixed charges.” The organization supports the bill’s goals to reduce ratepayer costs through public financing of transmission infrastructure California urgently needs, as well as the use of Proposition 4 funds to fast track this process. Public financing and public-private partnerships for eligible transmission projects could reduce overall project costs by as much as 57% and deliver \$3 billion in annual savings to California ratepayers, per a recent Net-Zero California and Clean Air Task Force analysis. According to Silicon Valley Clean Energy, “SVCE is deeply concerned about the bill’s State Demand Side Management Program proposal. AB 825’s statewide task force has broad authority to determine ratepayer funding rules and to recommend consolidation, termination or the start of energy efficiency and demand response programs. This broad language captures programs funded solely by SVCE and infringes on the authority of SVCE’s Board of Directors to determine its own program offerings.” Marin Clean Energy, San Diego Community Power, and California Community Choice Association are also concerned with this provision of the bill.

Pacific Gas and Electric Company and Southern California Edison state that the bill introduces significant changes and risk to wildfire mitigation, clean energy development, energy efficiency, and capital financing—areas that warrant thorough review and public input.

San Diego Gas and Electric writes that “AB 825 would reduce SDG&E customer bills by less than \$1 per year, or ~\$0.08 per month, in the first year, and peak at about \$1.50 in savings per year, or ~\$0.12 per month, after seven years. These

minimal savings are likely to be erased by increasing costs for investor-owned utilities (IOUs) to attract low-cost capital investments. As IOUs become less attractive to investors, they will have to obtain financing at higher rates. Those increased costs will flow straight back onto customer bills for decades. This complex legislation revives dormant state agencies, expands bureaucratic oversight, and imposes new financing requirements—all without meaningful input from the people who understand how the electric grid actually works. It is evident in the flawed provisions of AB 825 that effective policy requires careful planning, not rushed decisions that sound good but create unintended consequences. For example, AB 825 would make the Dig Safe Board responsible for information sharing associated with planning and design of undergrounding projects—areas far beyond its established expertise in excavation safety. While presented as a measure to streamline undergrounding, these provisions could overwhelm the existing DigAlert system, strain IOU and third-party resources, and increase the risk of delays or errors.”

The Western Wood Preservers Institute, North American Wood Pole Council, and Treated Wood Council write “If the majority of utility lines were to be undergrounded, the number of incidents—such as gas accumulation, arc faults, cable insulation failures, and delayed emergency access—would increase significantly. Since the current rate of failures and safety hazards is already a concern for such a small percentage of buried lines, massively increasing that percentage would proportionally raise the total number of these dangerous events. This presents a clear risk, not only to utility workers and infrastructure but also to public safety, especially in urban environments with high pedestrian traffic... For wildfire protection, there are new technologies used to protect wood poles from fire. Pole wraps have emerged as an effective and economical way to protect poles against fire. These wraps can be applied to new poles as well as those in the field. Wraps can be applied using common tools and the labor required to protect the poles is minimal compared to the labor required for undergrounding. We ask that you consider pole wraps, and the installation cost to the cost and safety of undergrounding lines. Ratepayer or taxpayers, someone has to pay for expensive underground systems. We are concerned with the assumption that undergrounding utility infrastructure is safer and more reliable than overhead lines.”

## **SUPPORT AND OPPOSITION:**

### Support:

The Climate Center  
The Utility Reform Network

### Opposition:

Advanced Energy United  
California Efficiency and Demand Management Council  
North American Wood Pole Council  
Pacific Gas and Electric  
Southern California Edison  
Treated Wood Council

Western Wood Preservers Institute

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