
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**

**Senator Benjamin Allen, Chair
2025 - 2026 Regular**

Bill No:	ACA 9	Hearing Date:	6/8/2026
Author:	Boerner		
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Urgency:		Fiscal:	Yes
Consultant:	Sarah Smith		

SUBJECT: Public Utilities Commission

DIGEST: This would place a ballot measure before voters to modify the California Public Utilities Commission's (CPUC's) constitutional composition and authority to do the following: 1) expand the membership of the CPUC from five to nine commissioners to include two commissioners appointed by the Speaker of the Assembly and two commissioners appointed by the Senate Rules Committee; 2) delete telephone and telegraph service from the constitutional definition of a utility service; 3) specify that the Legislature may set the CPUC's duties related to telecommunications services, including assigning those duties to another state agency; and 4) require the CPUC to consider affordability when setting rates.

ANALYSIS:

Existing law:

- 1) Establishes the CPUC, which is comprised of five members appointed by the Governor and approved by the Senate, for staggered six-year terms. Existing law specifies that when a vacancy exists on the CPUC, a commissioner filling that vacancy shall serve the remainder of the term for that vacancy. Existing law also allows the Legislature to remove a CPUC commissioner with a vote of 2/3 of each house for the following reasons: incompetence, neglect of duty, or corruption. (California Constitution, Article XII, §1)
- 2) Authorizes the CPUC to establish its own procedures, subject to statutory requirements and due process. Authorizes any designated CPUC commissioner to hold a hearing or investigation or issue an order, subject to CPUC approval. (California Constitution, Article XII, §2)
- 3) Specifies that all the following entities are public utilities subject to control by the Legislature: private corporations and persons that own, operate, control, or manage a line, plant, or system for the transportation of people or property, transmission of telephone and telegraph messages, or the production,

generation, transmission, or furnishing of heat, light, water, power, storage, or wharfage directly or indirectly to or for the public, and common carriers.

Existing law authorizes the Legislature to designate additional classes of private corporations or other persons as public utilities. (California Constitution, Article XII, §6)

- 4) Authorizes the CPUC to fix rates, establish rules, examine records, issue subpoenas, administer oaths, take testimony, punish for contempt, and prescribe a uniform system of accounts for all public utilities subject to its jurisdiction. (California Constitution, Article XII, §6)
- 5) Specifies that a city, county, or other public body may not regulate matters over which the Legislature grants regulatory power to the CPUC. This section does not affect power over public utilities relating to the making and enforcement of police, sanitary, and other regulations concerning municipal affairs pursuant to a city charter existing on October 10, 1911, unless that power has been revoked by the city's electors, or the right of any city to grant franchises for public utilities or other businesses on terms, conditions, and in the manner prescribed by law. (California Constitution, Article XII, §8)
- 6) Defines a "public utility" subject to the CPUC's jurisdiction as every common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, and heat corporation, where the service is performed for, or the commodity is delivered to, the public or any portion thereof. Whenever any of these entities delivers a service or commodity to the public for compensation, the entity is a public utility subject to regulation by the CPUC. (Public Utilities Code §216)
- 7) Specifies that telephone lines include all conduits, ducts, poles, wires, cables, instruments, and appliances, and all other real estate, fixtures, and personal property owned, controlled, operated, or managed in connection with or to facilitate communication by telephone, whether such communication is had with or without the use of transmission wires. (Public Utilities Code §233)
- 8) Defines a "telephone corporation" as every corporation or person owning, controlling, operating, or managing any telephone line for compensation within this state. Existing law establishes certain exemptions from this definition for services within certain temporary accommodations and one way paging services. (Public Utilities Code §234)

- 9) Defines “Voice over Internet Protocol” (VoIP) as a voice communication that uses internet service to enable real-time two-way voice communication using a broadband connection and allows a user to place and receive calls through the publicly switched telephone network. (Public Utilities Code §239)
- 10) Defines “internet protocol (IP) enabled service” as any service using internet service to send or receive messages in an IP format using broadband, regardless of whether the communication is voice, data, or video. (Public Utilities Code §239)
- 11) Authorizes the CPUC to supervise and regulate every public utility in the state and permits the CPUC to do anything that is necessary and convenient to exercise its power and jurisdiction. (Public Utilities Code §701)
- 12) Authorizes the CPUC to set rates for public utilities and specifies that every cost charged by utilities to customers must be just and reasonable. (Public Utilities Code §451)

This measure:

- 1) Modifies the membership of the CPUC by raising the number of members appointed as commissioners from five to nine members.
- 2) Specifies that CPUC commissioners shall be appointed as follows:
 - a) Five commissioners shall be appointed by the Governor.
 - b) Two commissioners shall be appointed by the Senate Rules Committee.
 - c) Two commissioners shall be appointed by the Assembly Speaker.
- 3) Specifies that upon the effective date of this measure, a CPUC commissioner shall remain a commissioner for the remainder of the commissioner’s term or until the commissioner resigns or is removed from the CPUC.
- 4) Specifies that if a CPUC commissioner resigns or is removed from the CPUC, the appointing authority for that commissioner shall appoint a replacement commissioner.
- 5) Deletes existing law allowing the CPUC to establish its procedures subject to statute and due process. This measure also deletes existing law authorizing a CPUC commissioner to hold a hearing, investigation or issue an order subject to CPUC approval.

- 6) Deletes existing law designating any corporation that provides telephone or telegraph service from the definition of a public utility.
- 7) Specifies that the Legislature may prescribe the CPUC's duties, functions, and jurisdiction related to telephone corporations, telecommunications service, and broadband service, including, but not limited to, assigning these duties to a different state entity.
- 8) Requires the CPUC to consider the affordability of rates when setting rates for public utilities.

Background

Measure follows a long line of efforts to reform the CPUC. This measure would place a ballot measure before voters to make certain changes to the constitutional composition and authority of the CPUC, with the goal of increasing the Legislature's voice and authority in CPUC activities as well as setting the stage for reassigning certain duties of the CPUC to other agencies. In the past decade, the Legislature has considered a number of bills aimed at restructuring, reforming, and modifying the CPUC. Some of these measures were aimed at addressing specific concerns at the CPUC, including clarifying rules for ex-parte communications and ensuring that the CPUC regularly engages with the Legislature on its activities; however, other measures have been aimed at improving the efficiency and speed of proceedings at the CPUC. In limited cases, the Legislature has reassigned a narrow selection of CPUC duties to other agencies. While this measure follows these reform efforts, this measure also diverges from the majority of recent CPUC reform measures by seeking significant constitutional changes to the CPUC's membership, independent rulemaking authority, and the scope of items defined as utilities under the California Constitution.

Would this measure resolve concerns with the CPUC? This measure's author identifies several concerns regarding the CPUC that this measure is intended to address:

- Utility bill affordability.
- Commissioner attendance at non-voting meetings.
- The duration and complexity of CPUC proceedings, including classification of some proceedings as ratesetting, which restricts ex-parte communication
- The Legislature's limited ability to influence decisions made at the CPUC.

The Legislature has passed a number of measures setting specific deadlines for CPUC proceedings and requiring the CPUC to regularly report to the Legislature on CPUC activities, including CPUC commissioner attendance at hearings. While a number of the issues identified by this measure's author may necessitate legislation, it is not clear that expanding the CPUC's membership, removing certain services from the definition of a utility, or limiting the CPUC's authority to adopt procedures or independently conduct proceedings would address these concerns. Not all delays in proceedings stem from the CPUC's calendar or commissioner availability. Some proceedings are extended due to requests from intervenors in the proceeding or delays in receiving responses from parties in a proceeding. Limiting the CPUC's authority may also limit the CPUC's ability to respond to urgent utility issues in a timely manner or expedite proceedings by limiting the CPUC's ability to conduct proceedings outside directions set in statute.

Making Telecommunications Great Again? This measure would delete telephone and telegraph services from the constitutional definition of a utility service subject to regulation by the CPUC. Telephone service has been regulated by the CPUC since the 1912 enactment of the Public Utilities Act. The drive to provide the CPUC with greater constitutional authority to regulate telephone service coincided with financial institutions pushing greater consolidation in the communications market. In 1907, J.P. Morgan gained control of AT&T, and in 1909, AT&T gained control of Western Union. These consolidations put a large portion of early communications systems under monopoly control, and these monopolies leveraged control of the telephone market to limit consumer choice and extract greater fees for interconnecting telephone service. Progressive-era reforms in California sought to limit monopoly influence over state government and create rules to control rates of utility services. The Public Utilities Act of 1912 expanded the California Railroad Commission's constitutional authority to regulate a number of services, including telephone and telegraph services, by including these services in the definition of a public utility subject to the commission's authority. The Railroad Commission ultimately became the CPUC.

Measure comes at a time of increased consolidation and federal de-regulation of telecommunications services. Federal regulation of telecommunications services has waxed and waned since the enactment of Public Utilities Act; however, the CPUC has retained constitutional authority to regulate telephone and telegraph services throughout periods of technological change and federal deregulation. While the telecommunications sector does not have strict monopoly infrastructure like the electricity sector, the telecommunications sector is currently undergoing a period of increased consolidation. In 2020, the CPUC approved the merger of Sprint and T-Mobile. The CPUC approved a merger between Verizon and Frontier in February 2026, and the CPUC is in the process of reviewing a proposed merger

between Charter and Cox Communications. As part of these mergers, some of the largest telecommunications providers in California will consolidate from six to three companies. Further consolidation may impact the degree of competition in the telecommunications sector in California, increasing the tendency towards monopoly control in some parts of the state.

The telecommunications sector is also experiencing a period of substantially less regulation at the federal level at a time when providers are increasingly seeking to shift all telecommunications services to internet-based communications. Since 2016, the majority of California's households have received home phone service through internet-based communications. At the federal level, the Trump Federal Communications Commission (FCC) has classed broadband service as an "information service" and declined to regulate broadband communications as a utility service. The absence of regulation at the federal level has largely pushed any effort to set requirements on broadband service to states. As the CPUC seeks to update telecommunications regulations to reflect the increasing reliance on and absence of federal regulation over IP-enabled services, telecommunications providers have litigated the CPUC's authority to make these changes.

Measure may have de-regulatory effects for certain telecommunications services. This measure's removal of telephone and telegraph services from the definition of a utility service may limit the CPUC's regulatory authority over telecommunications provided by entities that are not telephone corporations. Recent court decisions have limited the discretion that courts may provide to the CPUC regarding the CPUC's interpretation of statutory authority. As a result, removal of constitutional authority in the absence of clear statutory authority may result in limiting or eliminating the CPUC's powers to oversee certain telecommunications services. Existing statute provides the following separate definitions regarding calling services:

- Telephone lines: Include various facilities used to facilitate communication by telephone.
- Telephone corporations: Include entities owning or managing telephone lines for compensation, with certain narrow exceptions.
- Internet Protocol (IP) Enabled Services: Include any service that enables an end user to send or receive communications through a broadband connection – regardless of whether that communication is voice, data, or video.
- Voice over Internet Protocol (VoIP): A two-way voice communication service using a broadband connection that can facilitate calls over the publicly switched telephone network.

Existing law does not expressly include communications using internet-based services in the definition of services provided over a telephone line or clarify that telephone corporations include entities that provide internet-based communications services. Separate definitions between telephone services and IP-enabled services create statutory ambiguity regarding the extent to which companies that provide voice services using broadband networks can be considered telephone corporations. This measure may limit the CPUC's ability to regulate on any issue where existing statute does not clearly provide the CPUC with direction or authority to establish regulations, and it may impact the ability for the CPUC to continue to regulate on any issue where the CPUC has relied on its constitutional authority to establish rules for telecommunications.

What types of telecommunications services may be impacted? The CPUC has used its constitutional authority to regulate telephone services in circumstances where an urgent issue must be addressed before legislation can be enacted. In 2019, widespread public safety power shutoffs by the electric investor-owned utilities (IOUs) led a number of communities to also lose telecommunications services, including access to 911 calling. In January 2020, this committee conducted an oversight hearing on these telecommunications outages and agencies' responses to the outages. Following this hearing, the CPUC adopted decisions requiring telecommunications providers to have 72 hours of backup power in portions of their networks located in the Tier 2 and Tier 3 high fire threat zones. The CPUC relied on its constitutional authority when adopting these decisions in 2020. The Legislature later passed a bill expressly providing the CPUC with authority to set backup power requirements for telecommunications networks; however, the bill was not enacted until 2022. The CPUC has also partly based its ability to adopt decisions requiring emergency billing and fee relief for consumers impacted by wildfires and other disasters its constitutional authority to regulate telephone service as a utility. The CPUC is in the process of modifying rules for several other telecommunications regulations for which existing statute does not expressly state the CPUC's authority. These regulations include Carrier of Last Resort (COLR) obligations and telephone service quality rules.

Measure repeals CPUC constitutional authority without replacing it with commensurate statutory direction. In addition to deleting the telephone and telegraph service from the constitutional definition of a utility, this measure also deletes the CPUC's constitutional authority to set its own procedures and independently initiate investigations, issue orders, or hold hearings. While statute provides some direction regarding the CPUC's authority to regulate utilities and sets some proceeding requirements, statute does not provide the level specificity that may be necessary to ensure that services remain overseen by a state agency and that the CPUC can continue to conduct necessary utility regulation. Modifying

the CPUC's constitutional authority may set the stage for additional legislation to clarify the CPUC's duties; however, a ballot measure pursuant to this measure may take effect before such legislation can be enacted. As a result, this measure may limit the CPUC's ability to take certain actions to oversee utility services until further legislation is passed.

Affordability, Safety, Reliability, and Just and Reasonable Rates. While utility bill affordability remains a significant issue, the CPUC is already required to ensure that rates are just, and reasonable and utility services are safe and reliable.

Addressing affordability remains a priority; however, utility rate cases generally need to balance ratepayer costs with the need to ensure that utilities comply with safety requirements, affordability measures, and other state policy priorities such as renewable energy and decarbonization goals. Adding affordability to the constitution may imply that the CPUC should give greater weight to affordability than other priorities when weighing decisions about utility investments and programs. For utility requirements established by other federal and state agencies (including drinking water contaminant requirements, pipeline safety specifications, and wildfire mitigation plans), it is unclear how giving greater consideration to affordability in ratemaking would impact standards set by these other agencies. This measure also does not define what "affordability" would mean when considered by the CPUC. Should litigation lead a court to define affordability for this portion of the constitution, the CPUC and Legislature would not have the ability modify the court's interpretation.

Dual Referral. Should this measure be approved by this committee, it will be re-referred to the Senate Elections and Constitutional Amendments Committee.

Prior/Related Legislation

AB 2289 (Boerner) of 2026, would have established the Office of Broadband and Digital Equity and transferred administration of several CPUC broadband-related programs to the new Office. The bill was held in the Assembly Appropriations Committee.

AB 693 (Boerner) of 2025, would have established the Department of Broadband and Digital Equity and transferred oversight of several broadband-related programs from the CPUC to the new Department. The bill was held in the Assembly Appropriations Committee.

AB 1532 (Committee on Communications and Conveyance, Chapter 205, Statutes of 2025) extended the Access for All (AFA) program at the CPUC to fund on-demand transportation options at the local level for individuals with disabilities.

The bill also required the CPUC to modify an existing annual report on commissioner attendance at CPUC hearings.

AB 2575 (Boerner) of 2024, would have created the Broadband and Digital Equity Commission and transferred several broadband funding programs from the CPUC to the Broadband and Digital Equity Commission. The bill was held in the Assembly Appropriations Committee.

AB 13 (Ransom) of 2025, would have made various changes to CPUC annual reporting and modified requirements for CPUC commissioner appointments. Specifically, the bill would have required the CPUC to include at least one at-large commissioner with expertise in specific consumer issues. The bill also required the Governor and Senate to consider specified regional diversity needs when appointing and confirming commissioners to the CPUC. The bill was held in the Senate Appropriations Committee.

AB 111 (Committee on Budget, Chapter 81, Statutes of 2019) established the Office of Energy Infrastructure Safety (OEIS) within the California Natural Resources Agency and reassigned specified duties related to utilities' wildfire mitigation plans from the CPUC to OEIS. The bill also established the California Catastrophe Response Council to oversee the California Earthquake Authority and the Wildfire Fund Administrator.

AB 1366 (Lorena Gonzalez) of 2019, would have extended a provision in law prohibiting the state, including the CPUC and any subdivision or agency in the state, from regulating IP-enabled communications, unless expressly authorized in statute. The bill died in the Senate Energy, Utilities and Communications Committee and was amended into a different subject matter with different authors.

SB 19 (Hill, Chapter 421, Statutes of 2017) made various reforms to the CPUC, including transferring four transportation related functions from the CPUC to other agencies or jurisdictions.

ACA 11 (Gatto) of 2016, would have allowed the Legislature to reassign all or a portion of the CPUC's functions to other agencies or jurisdictions, as specified. The bill died in the Senate Energy, Utilities and Communications Committee.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

CTIA - the Wireless Association
Los Angeles County Office of Education
USTelecom - the Broadband Association

OPPOSITION:

President Marqueece Harris-Dawson, Los Angeles City Council-District 8

Councilmember Hugo Soto-Martinez, City of Los Angeles

AARP

Alliance for a Better Community

Black in Environment

California Alliance for Community Energy

California Alliance for Digital Equity

California Alliance for Retired Americans

California Community Foundation

California Democratic Party Rural Caucus

California Farm Bureau Federation

California Federation of Labor Unions

California Partnership to End Domestic Violence

California State Association of Electrical Workers

California Water Association

Center for Accessible Technology

Center for Community Energy

Central California Asthma Collaborative

Climate Action Campaign

Coalition of California Utility Employees

Communications Workers of America, District 9

Communities in Schools of Los Angeles

Community Legal Services in East Palo Alto

Connect the Valley

Conservatorship Reform Project

Courage California

CVIIC

Debt Free Justice California

Destination Crenshaw

Digital Equity Los Angeles

East Bay Broadband Consortium

Electronic Frontier Foundation

EMF Safety Network

Everyone On

Families in Schools

Free Press Action

Glide Foundation

Haven Hills

Hispanic Federation

Hoop Valley Public Utilities District

Human Response Network
Institute for Local Self Reliance
Jesse's Place Organization
Justice2Jobs Coalition
La Defensa
Media Alliance
MediaJustice
Michelson Center for Public Policy
NextGen California
Pacific Gas and Electric Company
Pacoima Beautiful
Project Sanctuary
Prosecutors Alliance Action
Restoring Hope California
San Diego Gas and Electric Company
San Francisco Economic Justice Center
Save Landlines!
Southern California Edison
Southern California Gas Company
The Change Parallel Project
The Utility Reform Network
Unite LA
Victims Empowerment Support Team
Wireless Radiation Alert Network
YWCA of Glendale and Pasadena
14 Individuals

ARGUMENTS IN SUPPORT: According to the Author:

Californians are paying the highest, and continually rising, utility rates compared to the rest of the nation. Decisions on rate hikes take place at the California Public Utilities Commission (CPUC), an agency whose influence and decisions have reverberating effects on our daily lives. We see the impacts through ever increasing electric bills and mismanagement of our state's public utilities that has resulted in dangerous wildfires, record profits for utility executives, and inefficient programs that cost ratepayers billions. Unfortunately, the Legislature has limited authority to implement structural reforms that our constituents want without amendments to the Constitution. ACA 9 would return the power back to the people's directly elected representatives, instead of only 5 unelected political appointees. The changes in this constitutional amendment open the door for the structural reforms that are needed to get the CPUC focused on the most pressing issues Californians care about like energy affordability, meeting our climate goals, and safer utilities.

ARGUMENTS IN OPPOSITION: The state’s large IOUs oppose this measure’s provisions modifying the CPUC’s membership and authority to independently conduct proceedings. In opposition, the IOUs state:

Rather than creating a new and duplicative framework, the Legislature can exercise its current authority to prompt reform and action. Establishing statutory changes to supplant more than a century of Commission procedures risks unnecessary disruption without delivering meaningful improvements in oversight or outcomes. A more effective approach would be to utilize and strengthen the authorities already in place.

Opponents also argue that this measure’s affordability provisions are ambiguous and could negatively impact other regulatory mandates. In opposition, the Coalition of California Utility Employees and the California State Association of Electrical Workers state:

Critically, ACA-9 does not define “affordability.” This is not a minor drafting gap. Affordability is a contested concept that varies by geography, rate structure and commodity type. In addition, must the CPUC weigh affordability against safety, system reliability or state decarbonization mandates? If so, which takes precedence? The constitutional text provides no answers, leaving these foundational questions to be resolved through costly and time-consuming litigation rather than regulatory expertise.

Opponents, including The Utility Reform Network (TURN) also oppose provisions of the measure removing telephone and telegraph service from the constitutional definition of a utility. In opposition, TURN states:

Erasing the CPUC’s constitutional authority to regulate telecommunications will have enormous ripple effects that are not contemplated by ACA 9 and cause incredible uncertainty for California residents as the jurisdictional implications of this action will surely flood California’s judicial system...Digital equity advocates have spent years fighting for broadband to become a utility alongside telephones, and this amendment pushes that work back in progress for years. Eliminating the constitutional origin for equity policies, such as COLR, Lifeline, tribal programs, and DDTP, will open the door for greater discrimination in the provision of key services.