
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair

2025 - 2026 Regular Session

SB 1011 (McNerney) - Energy: Utility Infrastructure AI Safety, Oversight, and Workforce Protection Act

Version: April 22, 2026

Policy Vote: E., U. & C. 13 - 3, P., D.T., & C.P. 7 - 2

Urgency: No

Mandate: Yes

Hearing Date: May 14, 2026

Consultant: Ashley Ames

Bill Summary: This bill would require the California Public Utilities Commission (CPUC) to adopt standards for an electrical or gas corporation's use of artificial intelligence (AI) models, as provided, and direct corporations to file a plan demonstrating compliance with those standards. This bill would also authorize the CPUC to prohibit use of an AI model if it finds that its deployment would negatively impact the provision of safe, affordable, and reliable electrical or gas service.

***** ANALYSIS ADDENDUM – SUSPENSE FILE *****

The following information is revised to reflect amendments adopted by the committee on May 14, 2026

Fiscal Impact:

- Ongoing costs likely in the high hundreds of thousands of dollars annually (ratepayer funds) for the CPUC to adopt standards governing the use of AI models in utility operations, review and evaluate utility AI safety plans for compliance, establish oversight and enforcement mechanisms to ensure adherence to adopted standards, and assess and monitor any impacts to the provision of safe, affordable, and reliable electrical or gas service.

Committee Amendments: These amendments would provide greater flexibility to the CPUC in regulating utility staffing related to AI. Specifically, committee amendments would require the CPUC to:

1. Ensure that, for any job classification identified as responsible for human review and approval of an artificial intelligence model, electrical or gas corporations maintain staffing levels sufficient to support a meaningful human review and approval processes, as determined by the commission.
2. Identify and establish requirements for human review and approval of any use of artificial intelligence that is high-risk, safety-sensitive, or would have a material operational impact.
3. Remove some of the more proscriptive requirements, including that an electrical or gas corporation must demonstrate sufficient job classification personnel in a workforce plan and that AI models for certain applications must undergo human review and approval that meets specified criteria.

Providing additional flexibility to the CPUC can reduce state costs while still supporting and furthering the goals of utility infrastructure AI safety, oversight, and workforce

protection. Committee amendments preserve importation protections while simplifying requirements placed on the CPUC and lowering costs for the development, implementation, and administration of standards for the use of AI models by electrical or gas corporations.

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