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# SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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## SB 1158 (Stern) - Energy: reliability planning assessment

**Version:** February 18, 2026

**Urgency:** No

**Hearing Date:** April 27, 2026

**Policy Vote:** E., U. & C. 15 - 0

**Mandate:** No

**Consultant:** Ashley Ames

**Bill Summary:** This bill would require specified information to be included in a required quarterly energy reliability report.

### Fiscal Impact:

- The California Energy Commission (CEC) estimates ongoing costs of \$241,000 annually (Energy Resource Program Account [ERPA] or General Fund) for one position to gather the expanded information on transmission upgrades, grid capacity, and permits and applications as required by this bill. This position would also be needed to synthesize the information into the broader context of energy reliability, perform analysis including potential model improvements, and write new sections of the Joint Quarterly Reliability Planning Assessments. The CEC notes that ERPA often experiences structural shortfall and may not be an appropriate fund source to support implementation of this bill.
- The California Public Utilities Commission (CPUC) and Department of Water Resources (DWR) anticipate any costs would be minor and absorbable.

### Background:

*SB 846 (Dodd, Chapter 239, Statutes of 2022).* As part of authorizing a five-year extension of the operation of Diablo Canyon Nuclear Power Plant (DCPP), SB 846 mandated the CEC and CPUC to develop and provide to the Legislature quarterly Joint Agency Reliability Planning Assessments beginning on December 15, 2022. The assessments are required to provide specified information about forecasted energy supply and demand, the timing of new load and resources within the balancing authority of the CAISO and its transmission access charge areas. Additionally, the assessment is required to include information about imports, the interconnection status for renewable projects, and expected retirements for system and local resources. The assessment must also provide recommendations to the Legislature on actions needed to resolve any delays or barriers to connecting new resources. The most recent Joint Reliability Planning Assessment, the fourth quarterly report, was issued on January 20<sup>th</sup> earlier this year. It's been common the assessments have been delayed by months from their anticipated issuance.

*Electricity Supply Strategic Reliability Reserve Program (ESSRRP) at the DWR (funded at \$2.3 billion).* In June 2022, Budget Trailer Bills, AB 205 (Committee on Budget, Chapter 61, Statutes of 2022), AB 178 (Ting, Chapter 45, Statutes of 2022), and AB 180 (Ting, Chapter 44, Statutes of 2022), were signed into law. These three pieces of legislation collectively established the ESSRRP and set forth new responsibilities and activities by DWR, funded by the newly established Electricity Supply Strategic

Reliability Reserve Fund (ESSRRF), and separate from the State Water Project. DWR acts as an electric grid reliability backstop for the state of California by procuring and providing incremental power during extreme events. Under the ESSRRP, DWR acts as contingency insurance to help maintain electricity reliability. As part of the program, DWR contracts directly with power facilities and also enters into agreements with the state's large electric investor-owned utilities (IOUs) to reimburse for the value of imported firm energy resources to support summer reliability.

**Proposed Law:** This bill would:

1. Require the Joint Reliability Planning Assessment to include:
  - a. the status of utility transmission upgrades and electrical grid infrastructure capacity,
  - b. CPUC approvals of applications for certificates of public convenience and necessity and permits to construct utility and independent projects, and
  - c. applications for permits for projects from the CEC and the queue of projects from the California Independent System Operator (CAISO), include the expected completion dates for both system and local resources.
2. Require the Joint Reliability Planning Assessment to report on the use of fossil fuel by certain facilities constructed by, purchased by, or under contract with, the Department of Water Resources (DWR), as specified.

**Related Legislation:**

SB 846 (Dodd, Chapter 239, Statutes of 2022) authorized a five-year extension of the operations of the DCPD, among other provisions includes a requirement for a quarterly Joint Reliability Planning Assessment.

**Staff Comments:** Section 25233 of this bill would require reporting on the use of fossil fuels by facilities contracted with by DWR under the Electricity Supply Strategic Reliability Reserve Program (authorized by Water Code Section 80710). Existing law (in Water Code Section 80730) includes direction for DWR to report four times per year on the status of this program. Specifically, it requires the inclusion of "*the emissions of greenhouse gases, criteria air pollutants, and toxic air contaminants emitted by the resources funded by DWR over the period since the previous report.*" The new reporting of fossil fuel use by facilities in the CPUC/CEC assessment as would be required by this bill may be duplicative of existing DWR reporting on GHGs emitted (from the fossil fuels used) by the same facilities.

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