

SENATE THIRD READING
SB 1196 (McNerney and Wahab)
As Amended June 29, 2026
Majority vote

SUMMARY

Requires the California Public Utilities Commission (CPUC), by September 30, 2027, in a new or existing proceeding, to establish timelines for electrical corporations to respond to and process requests to energize a project that does not require distribution or service line extensions or upgrades, other than a new electric meter, which the bill defines as a "small energization project."

Major Provisions

- 1) In establishing the above timelines, the CPUC shall include, at a minimum, all of the following:
 - a) Establish the times by which an application received by an electrical corporation shall be determined to be complete and by which the determination is to be communicated to the applicant.
 - b) Require an electrical corporation, in response to an individual application, to provide a list of deficiencies for an application determined to be incomplete and an explanation of how the applicant may remedy the deficiencies.
 - c) Determine the penalties that shall be assessed on an electrical corporation for failing to comply with the timelines established by the CPUC.
- 2) In establishing the timelines, the CPUC may consider a modification to shorten the timelines as established in this bill.
- 3) In establishing timelines for energization of small energization projects, the CPUC shall require at a minimum, electrical corporations to comply with all of the following:
 - a) Allow an application for energization to be submitted with the electrical corporation at the same time an applicant applies for a building permit with the local permitting agency.
 - b) Not cancel an application for energization without the applicant's consent, unless the applicant fails to respond to the electrical corporation within a timeline established by the CPUC.
 - c) Provide the applicant with an option to engage with electrical corporation staff for preapplication project review.
- 4) Provide the applicant with the electrical corporation's estimates of costs for the completed application.
- 5) Requires an electrical corporation's compliance with this bill to complement, and not conflict with, any rule, order, or determination of the CPUC pursuant to this article.

- 6) Defines a "small energization project" to include an energization project that does not require distribution or service line extensions and whose only upgrade is a new electric meter required by an electric corporation or local jurisdiction.

COMMENTS

Energization is the process of connecting a customer to the electric distribution system so electric service can begin. The process is generally governed by the CPUC's Electric Tariff Rules 15 and 16, which address distribution and service line extensions. Depending on the size and complexity of a project, energization may involve engineering reviews, construction, cost allocation, and distribution system upgrades, with timelines ranging from several weeks to multiple years.

Demand for new electric service connections has grown as the state builds more housing, electrifies buildings and transportation, and adds new clean energy resources. At the same time, delays in the energization process have become a growing concern because they can slow housing development, business expansion, and other projects that depend on electric service. In response, the Legislature enacted SB 410 (Becker), Chapter 394, Statutes of 2023 and AB 50 (Wood), Chapter 317, Statutes of 2023, directing the CPUC to establish target energization timelines, improve transparency, require utility reporting, and create a process for customers to report delays.

The CPUC implemented these measures through Decision 24-09-020, adopted in September 2024. The decision established average and maximum target timelines for different categories of service requests and requires investor-owned utilities to report their performance, explain delays, and develop corrective strategies when they fail to meet the targets. It also requires utilities to assign a dedicated project manager, provide customers with regular status updates, and allows customers to report energization delays directly to the CPUC. More recently, SB 254 (Becker), Chapter 119, Statutes of 2025 required the CPUC to establish an enforcement policy, including penalties for noncompliance with the adopted energization targets, by January 1, 2027.

According to the Author

According to the author, "California homeowners and Accessory Dwelling Unit (ADU) builders are increasingly frustrated by long delays – up to a year – to obtain utility service connections. The problem is, there are no clear rules for when a utility must hook up an ADU – and no consequences for delays. SB 1196 would make sure that when a homeowner adds an ADU, they'll be able to get it hooked up without waiting months on end."

Arguments in Support

SB 1196 is supported by the Housing Action Coalition and other housing advocates, who argue that delays in utility connections increase costs and slow housing production. To address these concerns, this bill would establish timelines for utility processing, allow service requests to be submitted when building permit applications are filed, limit application cancellations, and authorize penalties for utilities that fail to meet the required timelines.

Arguments in Opposition

Southern California Edison opposes this bill, arguing that it would undermine the ongoing rulemaking established pursuant to AB 50 (Wood) and SB 410 (Becker) to develop energization timelines. The utility contends that enacting statutory requirements before that process is complete could duplicate or conflict with reforms already underway.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, the CPUC reports that any workload resulting from this bill can be accommodated within an existing proceeding establishing reasonable average and maximum target energization timeframes and a process for customers to report energization delays.

VOTES**SENATE FLOOR: 29-5-6**

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Reyes, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener

NO: Alvarado-Gil, Dahle, Jones, Seyarto, Strickland

ABS, ABST OR NV: Choi, Grove, Niello, Ochoa Bogh, Stern, Valladares

ASM UTILITIES AND ENERGY: 17-0-1

YES: Petrie-Norris, Patterson, Boerner, Calderon, Davies, Mark González, Harabedian, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Ta, Wallis, Zbur

ABS, ABST OR NV: Chen

ASM APPROPRIATIONS: 13-2-0

YES: Wicks, Hoover, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta

NO: Dixon, Tangipa

UPDATED

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