Office of Senate Floor Analyses
(916) 651-4171

UNFINISHED BUSINESS

Bill No: SB 1196
Author: McNerney (D) and Wahab (D)
Amended: 6/29/26
Vote: 21

SENATE ENERGY, U. & C. COMMITTEE: 14-2, 4/13/26
AYES: Allen, Archuleta, Arreguín, Becker, Caballero, Gonzalez, Grove, Hurtado, McNerney, Reyes, Richardson, Rubio, Stern, Wahab
NOES: Dahle, Strickland
NO VOTE RECORDED: Ochoa Bogh

SENATE APPROPRIATIONS COMMITTEE: 5-2, 5/14/26
AYES: Cervantes, Cabaldon, Grayson, Richardson, Wahab
NOES: Seyarto, Dahle

SENATE FLOOR: 29-5, 5/19/26
AYES: 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
NOES: Alvarado-Gil, Dahle, Jones, Seyarto, Strickland
NO VOTE RECORDED: Choi, Grove, Niello, Ochoa Bogh, Stern, Valladares

ASSEMBLY FLOOR: 56-8, 8/17/26 - See last page for vote

SUBJECT: Small energization projects: electrical service connections

SOURCE: Author

DIGEST: This bill requires the California Public Utilities Commission (CPUC), by September 30, 2027, to establish timelines for electrical corporations to respond to, and process requests to, energize small energization projects (including certain accessory dwelling units).

Assembly Amendments of 6/29/26 replace the references to "accessory dwelling units (ADUs)" and "junior ADUs" with "small energization projects"; remove specific requirements on the CPUC to establish times by when the electrical corporation must respond to connecting ADUs specifically; and make additional clarifying changes.

ANALYSIS:

Existing law:

1) Establishes and vests the CPUC with regulatory authority over public utilities, including electrical corporations. (Article 12 of the California Constitution)

2) Defines an "electrical corporation" to include every corporation or person owning, controlling, operating, or managing any electric plant for compensation within this state, except where electricity is generated on or distributed by the producer through private property solely for its own use or the use of its tenants and not for sale or transmission to others. (Public Utilities Code §218)

3) Prohibits a public utility from making or granting any preference or advantage to any corporation or person or subject any corporation or person to any prejudice or disadvantage as to rates, charges, service, facilities, or in any other respect. (Public Utilities Code §453)

4) Requires the CPUC to enforce rules governing the extension of service by electrical corporations. (Public Utilities Code §783)

5) Establishes the Powering Up Californians Act and requires the CPUC to determine the criteria for timely service for electrical customers to be energized, including categories of timely electric service through energization, as specified. (Public Utilities Code §930 *et seq*.)

6) Establishes the policy of the state that each electrical corporation promptly energize new customers, including by ensuring that new housing, new businesses, new electric equipment in buildings, and new charging for light-duty, medium-duty, and heavy-duty vehicles and off-road vehicles, vessels, trains, and equipment can be used without delay caused by a failure of the electrical corporation to implement energization projects. (Public Utilities Code §933)

7) Requires the CPUC to determine the criteria for timely service for electric customers to be energized. (Public Utilities Code §933.5)

8) Requires the CPUC, by September 30, 2024, to establish reasonable average and maximum target energization time periods. Requires the targets ensure that work is completed in a manner that minimizes delay in meeting the date requested by the customer to the greatest extent possible. Requires procedures for customers to report energization delays to the CPUC and for electrical corporations to annually report on their performance. (Public Utilities Code §934)

This bill:

1) Defines "small energization projects" 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 electrical corporation or local jurisdiction. Provides that a small energization project does not require distribution or service line extensions or upgrades under the line extension framework adopted by the CPUC pursuant to Public Utilities Code §783 and implemented in the Electric Rule 15 tariff or Electric Rule 16 tariff, or any successor or substantially similar tariffs adopted by the CPUC governing distribution or service line extensions or upgrades by an electrical corporation.

2) Requires the 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 small energization projects.

3) Requires the CPUC in establishing the timelines for energization, to require electrical corporations to comply with certain requirements.

Background

Connecting to the electric and gas distribution grid. Rules governing the ability of new buildings and generation and storage resources to connect to the electric and gas distribution grid are generally determined by statute, CPUC rules, and tariffs, (i.e., documents that specify rates, charges, rules, and conditions under which an electrical corporation will provide services to the public) for each of the electrical corporations. New service connections refer to extending an electricity or expanding distribution infrastructure to service new or expanded customer load, known as "energization." Electric Tariff Rules 15 and 16 establish the guidelines for design, cost allocation, and responsibilities of a project applicant and a utility for electric distribution line extensions. The ability to connect to the larger electrical system can take months (if not, years, in some cases) as the process can entail the need for designs, assessments on cost allocations associated with improvements on the electric distribution system to allow for the connection, and other issues. In the case of new building developments, depending on the size of the development, the need for electric service extensions may be needed in phases over months, or years.

Energization target time periods. SB 410 (Becker, Chapter 394, Statutes of 2023), the Powering Up Californians Act, required the CPUC to establish by September 30, 2024, reasonable average and maximum target energization time periods in order to connect new customers and upgrade the service of existing customers to the electrical grid. This bill also required reporting by electrical corporations and authorized specified annual cost-recovery, subject to a cap. AB 50 (Wood, Chapter 317, Statutes of 2023) required the CPUC to determine the criteria for timely service for electric customers to be energized. In CPUC proceeding (R. 24-01-018) the CPUC adopted a decision in September 2024 (D. 24-09-020) which established timelines for energization requests and a procedure for customers to report energization delays to the CPUC. The table below notes the new targets and timelines adopted by the CPUC.

Energization Type	Average Energization Target (calendar days)	Maximum Energization Target (calendar days)
Rule 15	182	357
Rule 16	182	335
Rule 15/16 combined	182	306
Application Decision	10	45
Main panel upgrade	30	45

Comments

Need for this bill. The author states:

> California homeowners and 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.

This bill requires the CPUC to require timelines of electric IOUs to respond to and process requests for energization of small energization projects. The author's office has shared their primary concern is the pace of connections within the service territory of the IOUs for ADUs. The backlog for energization has been an issue the Legislature has taken action to address with the passage of SB 410 and AB 50 among others. The CPUC initiated Rulemaking R.24-01-018 to define utility-controlled steps, adopt average and maximum timelines, and implement standardized reporting and enforcement mechanisms. Under CPUC Rulemaking 24-01-018, utilities must provide written approval or rejection of applications within an average of 10 calendar days and no more than 45 calendar days. Southern California Edison contends this bill undermines the existing CPUC rulemaking process, including introducing duplicative measures. They argue that requiring utilities to revisit established progress is unnecessary and risks diverting resources from continued implementation and improvement efforts already directed by the CPUC.

Related/Prior Legislation

SB 1210 (Skinner, Chapter 728, Statutes of 2024) required electrical, gas, sewer, and water service utilities, with exceptions, to post estimated fees and timeframes for new service connections needed to connect new housing construction projects.

AB 50 (Wood, Chapter 317, Statutes of 2023) required the CPUC, by July 1, 2025, to determine the criteria for customers to receive timely electricity service when requesting new service connections or upgraded service, known as "energization."

SB 410 (Becker, Chapter 394, Statutes of 2023) required the CPUC to establish by September 30, 2024, reasonable average and maximum target energization time periods in order to connect new customers and upgrade the service of existing customers to the electrical grid.

AB 1026 (Wood, Chapter 446, Statutes of 2019) required an electrical or gas corporation to apply only those construction and design specifications, standards, terms, and conditions that are applicable to a new extension of service project for the 18 months following the date the application for a new extension of service project is approved.

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

According to the Assembly Appropriations Committee, while the bill makes explicit requirements of the CPUC, the CPUC nonetheless asserts it can accommodate any work created by this bill in an existing proceeding in which the CPUC is establishing reasonable average and maximum target energization time periods and a procedure for customers to report energization delays.

SUPPORT: (Verified 8/17/26)

Bequall
California Solar & Storage Association
California Yimby
Casita Coalition
Housing Action Coalition

OPPOSITION: (Verified 8/17/26)

Pacific Gas and Electric Company
San Diego Gas & Electric
Southern California Edison

ARGUMENTS IN SUPPORT: According to California YIMBY:

> California has enacted numerous laws to accelerate the creation of ADUs, and today, ADUs comprise the fastest-growing sector of the housing market. However, homeowners and ADU builders are increasingly frustrated by long delays in obtaining utility service connections. In some cases, applicants have been forced to wait up to a year, placing an undue financial burden on property owners and SB 1196 will streamline ADU construction by creating clear timelines for utility service connections; allowing applicants to submit a request for a utility hookup at the same time they request a building permit; barring utilities from canceling a service for utilities that fail to provide timely hookups.

ARGUMENTS IN OPPOSITION: According to Southern California Edison:

> SB 1196 undermines the critical work taking place in the Establishing Energization Timeline Order Instituting Rulemaking (Energization OIR) established by AB 50 (Wood) and SB 410 (Becker). This bill presents duplicative measures that fail to recognize the progress that utilities have made to improve the energization process. In Phase 1 of the Energization OIR, the California Public Utilities Commission (CPUC) established a reasonable framework based on an electrical corporation's historical timelines and set new targets to reduce energization delays. …SB 1196 creates a preferential carve-out

… the bill risks unintended consequences by elevating this project type above other customers, contrary to Public Utilities Code § 453, which prohibits preferential treatment in the provision of utility services.

ASSEMBLY FLOOR: 56-8, 8/17/26
AYES: Addis, Aguiar-Curry, Ahrens, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Calderon, Caloza, Carrillo, Connolly, Davies, Elhawary, Fong, Gabriel, Garcia, Gipson, Mark González, Haney, Harabedian, Hoover, Irwin, Jackson, Kalra, Krell, Lee, Lowenthal, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Pellerin, Petrie-Norris, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Wallis, Ward, Wilson, Zbur, Rivas
NOES: DeMaio, Dixon, Ellis, Hadwick, Johnson, Macedo, Sanchez, Tangipa
NO VOTE RECORDED: Alanis, Alvarez, Bonta, Bryan, Castillo, Chen, Flora, Jeff Gonzalez, Hart, Lackey, Patterson, Quirk-Silva, Ramos, Valencia, Wicks

Prepared by: Nidia Bautista / E., U. & C. / (916) 651-4107
8/17/26 15:41:32

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