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# SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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## SB 1366 (Rubio) - Public Utilities Commission: report

**Version:** April 28, 2026

**Urgency:** No

**Hearing Date:** May 11, 2026

**Policy Vote:** E., U. & C. 12 - 1

**Mandate:** No

**Consultant:** Ashley Ames

**Bill Summary:** This bill would require the California Public Utilities Commission (CPUC) to submit a report annually to the Legislature with information related to the payment of invoices.

### **Fiscal Impact:**

- The CPUC estimates ongoing costs of about \$220,000 annually (ratepayer funds) to annually submit a report to the Legislature that includes the number of disputed invoices submitted to the commission, the number of invoices paid more than 45 days after receipt, and steps taken to mitigate cashflow barriers for small businesses and diverse suppliers participating in CPUC-administered programs.

**Background:** Under existing law, the California Prompt Payment Act applies to all state agencies. While the Act sets specific payment requirements needed for certain agencies that administer programs that must comply with federal funding requirements (such as the Department of Health Care Services administration of payments for Medi-Cal), all agencies must comply with the provisions of the California Prompt Payment Act. Since the establishment of the California Prompt Payment Act, legislation has modified various requirements under the Act. Recent legislation (AB 590, Hart, Chapter 535, Statutes of 2023) authorized state agencies to provide up to 25% of the total funding approved by the agency for a non-profit in advance if the non-profit meets certain requirements. The bill also enabled state agencies to exceed this 25% cap under certain circumstances. These changes were intended to address non-profits' limited ability to cover costs of completing services without funding up-front. However, the legislation also established criteria to ensure that sufficient oversight and accounting mechanisms existed for the funding of these services.

**Proposed Law:** This bill would require the CPUC to report information annually about the payment of invoices. Specifically, it would require the CPUC to submit a report to the Legislature annually that includes all of the following:

- (a) The information provided required pursuant to Section 927.9 of the Government Code.
- (b) The number of invoices submitted to the CPUC that were considered disputed.
- (c) The number of invoices that were paid by the commission more than 45 days after receipt.
- (d) Steps taken to mitigate cashflow barriers of small businesses and diverse suppliers participating in programs administered by the CPUC.

**Related Legislation:**

SB 924 (Hurtado) of 2026 would modify the types of upgrades expressly eligible for funding from the CPUC's Energy Savings Assistance Program (ESAP) and require the CPUC to ensure diverse contractors can compete for ESAP funding.

AB 3017 (Hart, Chapter 664, Statutes of 2024) expanded the entities that can receive advance payments from state agencies to include federally recognized Native American tribes. The bill also authorized an entity receiving a state grant to provide an advance payment to a sub-recipient under certain circumstances.

AB 590 (Hart, Chapter 535, Statutes of 2023) authorized state agencies to provide up to 25% of the total funding approved by the agency for a non-profit in advance if the non-profit meets certain requirements. The bill also enabled state agencies to exceed this 25% cap under certain circumstances.

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