
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**
Senator Josh Becker, Chair
2025 - 2026 Regular

Bill No:	SB 836	Hearing Date:	4/21/2025
Author:	Rubio		
Version:	2/21/2025	Introduced	
Urgency:	No	Fiscal:	Yes
Consultant:	Nidia Bautista		

SUBJECT: Electricity: transmission planning and permitting

DIGEST: This bill requires the state's energy agencies and the state's largest electric grid operator to update and review their shared memorandum of understanding (MOU) regarding transmission planning every three years, instead of every five years.

ANALYSIS:

Existing law:

- 1) Establishes that U.S. Federal Energy Regulatory Commission has exclusive jurisdiction over the transmission of electric energy in interstate commerce. (Federal Power Act §§§201, 205, 206 (16 USC 824, 824d, 824e))
- 2) Establishes the California Public Utilities Commission (CPUC) with jurisdiction over all public utilities, including electrical and gas corporations. (Article XII of the California Constitution)
- 3) Requires the California Energy Commission (CEC) to conduct assessments and forecasts of all aspects of energy industry supply, production, transportation, delivery and distribution, demand, and prices and to use these assessments and forecasts to develop and evaluate energy policies and programs that conserve resources, protect the environment, ensure energy reliability, enhance the state's economy, and protect public health and safety. (Public Resources Code §25301(a))
- 4) Establishes the California Independent System Operator (CAISO) as a nonprofit public benefit corporation, and requires the CAISO to ensure the efficient use and reliable operation of the electrical transmission grid consistent with the achievement of planning and operating reserve criteria. (Public Utilities Code §345.5)

- 5) Requires the CPUC, in consultation with the CEC, on or before March 31, 2024, to provide transmission-focused guidance to the CAISO about resource portfolios of expected future renewable energy resources and zero-carbon resources, including the allocation of those resources by region based on technical feasibility and commercial interest in each region to allow the CAISO to identify and approve transmission facilities needed to interconnect resources and reliably serve the needs of load centers. (Public Utilities Code §454.57)
- 6) Requires the CEC, CPUC, in coordination with the CAISO, every five years, to review and update, as necessary, the MOU and a related workplan to ensure the MOU and workplan reflect the coordination that is needed to help meet the state's energy goals. (Public Resources Code §25308)

This bill requires the CEC, CPUC, and CAISO to review and update, as necessary, the MOU concerning transmission planning every three years, rather than every five years.

Background

SB 100/SB 1020 clean energy goals. With the adoption of SB 100 (De León, Chapter 312, Statutes of 2018) and SB 1020 (Laird, Chapter 361, Statutes of 2022), statute established the policy of the state that eligible renewable energy resources and zero-carbon resources supply 90% of all retail sales of electricity to California end-use customers by December 31, 2035, 95% of all retail sales of electricity to California end-use customers by December 31, 2040, 100% of all retail sales of electricity to California end-use customers by December 31, 2045, and 100% of electricity procured to serve all state agencies by December 31, 2035.

In March 2021, the CEC, CPUC and the California Air Resources Board (CARB) released the first joint agency SB 100 report, to determine how best to implement the 100% clean energy policy, and found that in order to meet the state's energy goals, California will need to roughly triple its current electricity power capacity. Most of California's electric transmission system was built four decades ago to deliver electricity from fossil, nuclear, and hydroelectric generation. Transmission upgrades are needed to meet the state's zero-carbon and renewable energy future. There are many reforms underway to support the need for expanded transmission, including better coordination amongst the energy entities to streamline planning, efforts to expedite permitting, and reforms to the interconnection process to ensure new resources can be delivered.

CAISO transmission planning. The CAISO conducts its transmission planning process (TPP) to identify potential system limitations, as well as, opportunities for

system reinforcements that improve reliability and efficiency. The annual transmission plan fulfills the CAISO's core responsibility to identify and plan the development of solutions, transmission or otherwise, to meet the future needs of the electricity grid. In 2021, the CAISO created a 20-Year Transmission Outlook for the electric grid with the goal of exploring the longer-term grid requirements and options for meeting the state's SB 100 clean energy objectives reliably and cost-effectively. The 20-Year Transmission Outlook estimates a significant amount, and expense, to construct and expand transmission facilities, including an estimated \$10.74 billion in upgrades to existing facilities.

CAISO annual TPP which evaluates the electricity system's needs based on energy resource portfolios developed by the CPUC, and in consultation with the CEC, identifies the necessary new transmission lines and upgrades to existing transmission lines required to assure reliability and to further public policy goals. The most recent 2023-24 TPP Portfolios were transmitted to CAISO planning for approximately 86 gigawatts of new resources by 2035. Additionally, the CAISO is in the midst of preparing the 2024-25 TPP with the expected presentation for adoption by the governing board at the May 2025 business meeting.

Transmission Development Forum. The Transmission Development Forum is a more recent joint effort between the CAISO and the CPUC to discuss and track Participating Transmission Owners' expansion and network upgrade projects and schedules. The Transmission Development Forum creates a single forum to track the status of transmission network upgrade projects that affect generators and all other transmission projects approved in the CAISO's TPP. The effort allows for increased transparency for all stakeholders about transmission projects and enhances accountability of transmission owners by having them explain schedule changes, delays, and address stakeholders' questions.

Tracking Energy Development (TED) Task Force. The TED Task Force is another more recent joint effort of the CPUC, CEC, CAISO, and Governor's Office of Business and Economic Development (GO-Biz) to track new energy projects under development. According to the CPUC, the objective is to build on the success of the *ad hoc* 2021 efforts to provide energy resource project development support, as appropriate, and identify barriers and mitigation strategies to accelerate energy project development.

December 2022 MOU. On December 23, 2022, the CPUC, CEC, and CAISO entered an updated MOU, replacing the 2010 MOU, in order to better coordinate their respective and shared efforts for the timely development of resources needed to achieve the state's clean energy goals reliably and economically. The MOU focuses on linkages between forecasting, planning, procurement direction, and the

interconnections process, among others, including those related to transmission. The MOU also includes: creating a formal linkage between CEC SB 100/Integrate Energy Policy Report activities and the CAISO and CPUC processes; reaffirming the existing state agency and single forecast set coordination; and updating references to current processes and set direction to updating process documentation.

SB 319 (McGuire, Chapter 390, Statutes of 2023). SB 319 proposed to address the need for the expanded buildout of the electric transmission system serving the CAISO balancing authority area, including the capacity limitations on existing transmission in the northern coast of the state. Among its provisions, SB 319 required the MOU remains current to better reflect any changes to conditions, specifically requiring more regular review and updates to the December 2022 MOU and related workplan no less than every five years.

Comments

Need for this bill. The author states this bill will support California's reliable and clean energy goals, including addressing the state's needs for expanding the buildout of its electricity transmission system. The author contends the more frequent review of the shared MOU and workplan by the CEC, CPUC, and CAISO will benefit the state's efforts to achieve its ambitious clean energy goals. As this bill moves forward, the author may wish to consider addressing the timing of the effective date of this bill (which would be January 2026) and the timing of the initial required three year review (which would be December 2025 for the 2022 MOU).

Prior/Related Legislation

SB 319 (McGuire, Chapter 390, Statutes of 2023) required specified actions related to electric transmission planning, including: required a review and update to a December 2022 MOU and related workplan every five years among California energy agencies and the CAISO.

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

SUPPORT:

None received

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the author:

California has ambitious clean energy goals and it is imperative that the Legislature stay updated on the state's progress towards achieving them. SB 836 is a good government bill that improves accountability and transparency by requiring the California Public Utilities Commission, the California Energy Commission, and the California Independent System Operator to review and update their work plans regarding transmission and resource planning and implementation to meet the state's energy goals every 3 years.

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