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## SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair  
2025 - 2026 Regular Session

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### SB 905 (Becker) - Electricity

**Version:** March 17, 2026  
**Urgency:** No  
**Hearing Date:** May 14, 2026

**Policy Vote:** E., U. & C. 13 - 2  
**Mandate:** Yes  
**Consultant:** Ashley Ames

**Bill Summary:** This bill would implement several policies to address electricity utility bill affordability, including the establishment of a fund for the purposes of using non-ratepayer funds to reduce costs on electricity bills, requiring evaluation of alternative financing for electrical corporation infrastructure projects, and requiring performance metrics for electrical corporations.

\*\*\*\*\* **ANALYSIS ADDENDUM – SUSPENSE FILE** \*\*\*\*\*

The following information is revised to reflect amendments  
adopted by the committee on May 14, 2026

#### **Fiscal Impact:**

- Ongoing costs, possibly in the high hundreds of thousands or low millions of dollars annually (ratepayer funds) for the California Public Utilities Commission (CPUC) to (1) reduce return-on-equity for specified capital costs, (2) initiate a proceeding to investigate, develop, and adopt a framework for performance-based metrics for large investor owned utilities, (3) have an incentive compensation structure for specified employees, (6) initiate an Order Instituting Rulemaking to evaluate opportunities for alternative methods of financing capital investments to reduce costs for ratepayers, and (7) submit a legislative report, among other things.
- To the extent that this bill impacts electricity rates, it could result in costs or savings to the state as an electric utility ratepayer. The State of California is an electricity customer, purchasing roughly one percent of the state's electricity. As such, the state incurs costs when rates increase, and realizes cost savings if rates go down (various funds).

**Committee Amendments:** The committee amendments would strike provisions related to the Policy-Oriented and Wildfire Electric Reimbursement (POWER) program and fund.

The POWER program would have, upon an appropriation, reimbursed electric utilities for expenditures driven by public policy goals. Eligible expenditures could easily be in the hundreds of millions, or maybe even billions, of dollars annually. On top of that, the California Energy Commission (CEC) estimated costs to implement the POWER program would be up to \$6.1 million annually, not including costs for its review and approval of reimbursement requests or enforcement activities. The California Public Utilities Commission also identified costs in the millions of dollars annually to develop and implement the program. By striking the program, the committee amendments would eliminate these costs and significantly reduce the bill's fiscal impact on the state.

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