

Date of Hearing: August 5, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 913 (Becker) – As Amended June 29, 2026

Policy Committee: Utilities and Energy

Vote: 15 - 0

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill makes various requirements of the California Public Utilities Commission (CPUC) to reduce barriers that prevent or hinder distributed energy resources (DERs) from qualifying as resource adequacy (RA) capacity for purposes of CPUC electricity supply planning.

More specially, this bill defines aggregated DER to mean an aggregation of more than one distributed resource that is capable of supplying electricity to, or reducing electricity demand on, the electrical distribution system when called upon to do so, but that does not include a DER, such as a rooftop solar array, participating in a net metering tariff pursuant to existing law.

In addition, the bill, among other things, requires the CPUC:

- 1) In coordination with the California Energy Commission (CEC) and the California Independent System Operator (CAISO), enhance what the bill terms “market-integrated pathways” for aggregated DERs to qualify as RA capacity.
- 2) Establish conditions under which a DER located on the customer side of the electric utility meter may export electricity past the utility meter as part of an aggregated DER, if certain conditions are met.
- 3) Allow load-serving entities (LSEs)—investor-owned electrical utilities (IOUs), community choice aggregators (CCAs) and electric service providers (ESPs)—to include aggregated DERs in RA filings with the CPUC and CPUC-ordered procurement of energy resources, if certain conditions are met.
- 4) By June 30, 2027, develop recommendations for changes to certain CAISO models to make those models consistent with the CPUC’s requirements for aggregated DERs.

FISCAL EFFECT:

This bill will entail considerable costs for the CPUC, likely in the millions of dollars, to establish conditions under which a DER located on the customer side of the electric utility meter may export electricity past the utility meter, revise the RA program in keeping with bill and complete other activities.

For its part, the CPUC asserts it will need \$7.5 million (Public Utilities Commission Utilities Reimbursement Account), though the CPUC did not attribute these costs to specific activities or personnel, contracting or equipment needs.

Costs to the CEC to coordinate with the CPUC should be minor and absorbable.

COMMENTS:

- 1) **Purpose.** The author intends this bill to forestall or displace the need to build new energy infrastructure, and the associated costs, by allowing a variety of resources on the electricity distribution level, usually on the customer side of the electricity meter, to be aggregated and count towards electricity procurement requirements. According to the author:

Californians are struggling with rising electricity bills, and we need to use our grid more intelligently and cost-effectively. Instead of always building expensive new infrastructure to meet just a few peak hours of demand, we should be making better use of the resources we already have in our homes. Millions of Californians already have tools like smart thermostats, home batteries, and electric vehicles that can help support the grid. SB 913 ensures we can use those resources to lower costs, reduce pollution, and improve reliability.

- 2) **Background.** The CPUC requires each LSE to demonstrate it has procured sufficient energy resources to meet its legal obligations. One such obligation is that the LSE demonstrates to the CPUC each month that it has procured an adequate supply of energy resources. This obligation is referred to resource adequacy, or “RA.” Essentially, the operator of an energy resource that has contracted with an LSE to provide RA is agreeing to be capable of supplying energy resources when the LSE calls upon it to do so.

In addition, the CPUC requires each LSE file with it every three years an integrated resource plan (IRP), which demonstrates how the LSE will procure energy resources sufficient to meet increasingly stringent obligations that such resources be renewable and not emit greenhouse gases.

Generally, an LSE satisfies its RA obligations by procuring capacity from resources capable of generating or storing electricity. Typically, such a resource—a power plant, a solar array, a windmill or a battery, for example—is centralized, located on the utility side of customers’ electricity meter and transmitted to customers by electricity transmission (higher voltage) and distribution (lower voltage) lines.

DERs, in contrast, are, as their name implies, a wide variety of energy resources—such as electric vehicles, storage devices and microgrids, among many others—distributed across an LSE’s distribution (lower voltage) system.

This bill envisions harnessing many dispersed DERs under contractual obligations to reduce electricity demand when called upon to do so and allowing these obligations to count towards an LSE’s RA capacity requirements and other energy procurement obligations.

The idea is not wholly new. Pursuant to AB 205 (Committee on the Budget), Chapter 61, Statutes of 2022, the energy budget trailer bill, the CEC has administered the Demand Side Grid Support (DSGS) Program to provide incentives to customers with DERs who agree to provide load reduction and backup generation to support the state’s electrical grid during extreme events.

- 3) **Support and Opposition.** Bill advocates—a large coalition that presents itself as made up of environmental organizations, ratepayer advocates, community groups and industry, describes the bill as enabling the state to maintain reliability more efficiently (though they decry exclusion of NEM-participating resources):

By enhancing how distributed energy resources participate in California's Resource Adequacy framework and wholesale energy markets, the bill will allow these technologies to help meet electricity demand when they are the most cost-effective option....Fully utilizing customer-sited resources is a common-sense approach to meeting California's growing electricity needs, reducing reliance on costly and polluting power plants, and addressing the state's electricity affordability crisis. Expanding the role of distributed energy resources can also help avoid or defer expensive new grid infrastructure, saving money for ratepayers while supporting the state's clean energy goals.

Two of the state's three largest electric IOUs disagree. Southern California Edison objects, warning this bill "risks undermining the integrity of the RA program by introducing new distributed resource eligibility standards without ensuring equivalent reliability, deliverability, and performance across existing RA resources." Similarly, Pacific Gas and Electric opposes the bill, describing it as preempting "multiple ongoing regulatory proceedings by requiring broad adoption of DER export RA value, even in cases where it might not be feasible or desirable" and that "These provisions introduce risks to customer affordability, grid reliability, and customer privacy."

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