

SENATE THIRD READING

SB 913 (Becker)

As Amended June 29, 2026

Majority vote

SUMMARY

Changes the resource adequacy (RA) program requirements to expand the use of, and RA credit allocated to, aggregated distributed energy resources (ADERs).

Major Provisions

More specially, this bill defines aggregated DER to mean an aggregation of more than one DER 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 California Public Utilities Commission (CPUC):

- 1) In coordination with the California Energy Commission (CEC) and the California Independent System Operator (CAISO), to enhance what the bill terms "market-integrated pathways" for ADERs 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 ADER, 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 ADERs 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 ADERs.

COMMENTS

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. This is analogous to a caterer (an LSE) who has a roster of on-call chefs (resources) for big events: the chefs don't cook daily but must be ready to show up, knives sharp, and cook the moment they're called.

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 – 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 a wide variety of energy resources – such as electric vehicles, batteries, and microgrids, among many others – distributed across an LSE's distribution (lower voltage) system; some reduce customer load, others produce small amounts of energy.

This bill envisions harnessing many dispersed DERs to collectively reduce electricity demand when called upon to do so and allowing such harnessing 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 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. Underlying these efforts is a practical financing concern: without a clear pathway to earn RA credit, and the revenue that comes with it, aggregators and DER providers may struggle to build viable business models around these resources, limiting deployment and participation well below what the grid could otherwise support. By establishing RA credit eligibility for ADERs, this bill aims to provide a market-based funding mechanism that does not depend on continued state budget appropriations.

According to the Author

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."

Arguments in Support

This bill is supported by a large coalition of organizations made up of environmental groups, ratepayer advocates, community groups and industry. They describe the bill as enabling the state to maintain reliability more efficiently (though they decry exclusion of net-energy-metering-participating resources). Specifically, they note, "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."

Arguments in Opposition

The bill is opposed by the Coalition of California Utility Employees who cite two areas of concern: 1) that "there is no guarantee that the DERs would actually provide RA" and 2) by creating "another revenue stream for the rooftop solar industry" that "will exacerbate an already unsustainable cost shift." It is unclear how the utility employees' position may have changed following amendments to exclude certain rooftop solar customers from the DER program, as is currently in the bill.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations, this bill will result in considerable costs for the CPUC, asserted by the CPUC to be approximately \$7.5 million.

VOTES

SENATE FLOOR: 39-0-1

YES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

ABS, ABST OR NV: Dahle

ASM UTILITIES AND ENERGY: 15-0-3

YES: Petrie-Norris, Boerner, Calderon, Mark González, Harabedian, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Ta, Wallis, Zbur

ABS, ABST OR NV: Patterson, Chen, Davies

ASM APPROPRIATIONS: 12-1-2

YES: Wicks, Arambula, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta

NO: Dixon

ABS, ABST OR NV: Hoover, Tangipa

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