SENATE THIRD READING
SB 952 (Laird)
As Amended August 06, 2026
Majority vote

## SUMMARY

Modifies existing law that requires the Department of Water Resources (DWR) to procure eligible renewable energy resources and zero-carbon resources (eligible resources) needed to power the State Water Project (SWP).

**Major Provisions**

1) Modifies existing law to allow DWR to defer procurement of zero-carbon electricity resources until no later than December 31, 2040, if procurement would require the early termination of an existing fossil generation contract, by changing the contract eligibility date from January 1, 2010, to January 1, 2011.

2) Authorizes excess procurement of eligible renewable energy resources and zero-carbon resources on and after January 1, 2036, to be applied toward any subsequent year's obligation.

3) Requires DWR, when procuring eligible renewable energy resources and zero-carbon resources for the SWP, to consider portfolio diversity, resource type, location, and hours of typical peak operation.

## COMMENTS

SB 100 (De León), Chapter 312, Statutes of 2018 established California's goal of 100% renewable and zero-carbon electricity by 2045. Subsequently, SB 1020 (Laird), Chapter 361, Statutes of 2022 established interim clean electricity targets, required the SWP to use renewable and zero-carbon electricity by December 31, 2035, and authorized DWR to defer procurement of certain zero-carbon resources until December 31, 2040, under specified conditions.

The SWP, operated by the DWR, is the nation's largest state-owned water and power system, serving 29 public water agencies that provide water to approximately 27 million Californians and 750,000 acres of farmland. It is also the largest single consumer of electricity in the state. Although it generates hydroelectric power, it consumes more electricity than it produces and relies on procured electricity to meet its operational needs. Its electricity demand also varies with hydrologic conditions and water operations, making long-term procurement planning more challenging.

The SWP's energy use fluctuates substantially depending on hydrologic conditions and water operations, ranging from approximately 4,000 to over 10,000 gigawatt-hours annually. Therefore, DWR can face challenges when forecasting electricity needs and planning procurement. This bill addresses this issue by allowing excess procurement of eligible renewable energy and zero-carbon resources to be applied toward a future year's compliance obligation. Supporters argue this approach reflects the SWP's unique operating characteristics, helps avoid unnecessary procurement costs, and maintains the project's clean energy obligations. According to the author, all SWP operating and procurement costs, averaging over $1.3 billion annually, are borne by the 29 public water agencies regardless of annual water deliveries. To the extent the bill reduces unnecessary compliance costs, those savings could be passed on to the agencies and their customers.

In addition, current law allows DWR to defer certain clean energy procurement obligations when early termination of an existing fossil generation contract would result in significant uneconomic costs. SB 952 would extend that authority to contracts entered into before January 1, 2011, instead of January 1, 2010. According to the author, this change would allow DWR's 2010 contract for energy from the Lodi Energy Center to remain eligible for the deferral, avoiding the cost of replacing the resource before the contract expires while allowing DWR to continue purchasing energy under the contract through 2040.

**According to the Author**
According to the author, ″Senate Bill 952 lowers costs to the State Water Project (SWP) by providing the Department of Water Resources (DWR) procurement flexibility when meeting the state's clean energy goals. These savings directly benefit the public water agencies contracted with DWR, ultimately reducing the costs to SWP ratepayers. The State Water Project is a water storage and delivery system that provides water to 27 million Californians across the state. To meet the state's energy goals, SWP operations must be fully powered by eligible renewable resources or zero-carbon resources by 2035, as established by SB 1020, which I authored in 2022. SB 952 allows DWR to apply excess renewable energy procurement toward future years. The bill also accounts for additional factors such as portfolio diversity and resource type and makes a technical change to maintain the intent of the provision.″

**Arguments in Support**
Supporters of SB 952, including the State Water Contractors, the Association of California Water Agencies, the California Municipal Utilities Association, and other water agencies, argue that the SWP's energy needs vary significantly from year to year based on hydrologic conditions, making long-term procurement more challenging than for traditional utilities. Therefore, they contend that this bill would provide more certainty by allowing excess energy procured in low-water years to be applied to future years when the SWP's energy needs are higher, which could help reduce costs for the approximately 27 million customers served by the SWP.

**Arguments in Opposition**
None on file.

## FISCAL COMMENTS

According to the Assembly Appropriations Committee, the bill is expected to have negligible costs.

## VOTES

**SENATE FLOOR: 36-0-4**
**YES:** Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Durazo, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
**ABS, ABST OR NV:** Becker, Dahle, Gonzalez, Stern

**ASM UTILITIES AND ENERGY: 18-0-0**
**YES:** Petrie-Norris, Patterson, Boerner, Calderon, Chen, Davies, Mark González, Harabedian, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Ta, Wallis, Zbur

**ASM APPROPRIATIONS: 15-0-0**
**YES:** Wicks, Hoover, Arambula, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

## UPDATED

VERSION: August 06, 2026

CONSULTANT: Lina V. Malova / U. & E. / (916) 319-2083 FN: 0003378