

Date of Hearing: March 26, 2025

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY  
Cottie Petrie-Norris, Chair  
AB 13 (Ransom) – As Amended March 17, 2025

**SUBJECT:** Public Utilities Commission: reports

**SUMMARY:** Establishes additional legislative oversight and proposes reform of the California Public Utilities Commission (CPUC), to include, among other mandates, specific requirements for CPUC commissioner appointees and additional CPUC reporting requirements to the Legislature. Specifically, **this bill:**

- 1) Requires the Governor to appoint four of the five CPUC commissioners to represent geographic districts consistent with the four Board of Equalization districts beginning January 1, 2026.
- 2) Requires the Governor to appoint one at large member of the CPUC with expertise in nongovernmental public advocacy or public interest law and with a nongovernmental background.
- 3) Creates the option for each house of the Legislature to appoint a liaison officer to the CPUC.
- 4) Establishes a one-year cool-down period for all legislators, employees of the legislative branch, and employees of the executive branch prior to being appointed to the CPUC.
- 5) Requires the CPUC to annually appear before the Legislature to present a briefing on rate affordability and any decisions the CPUC has made on ratemaking cases in the last twelve months.
- 6) Amends the existing annual report that is submitted to the Legislature to include the number of ratemaking cases the CPCU has failed to issue a decision within the existing statutory deadline.
- 7) Requires the CPUC to transmit a report to the Legislature fifteen days after the adoption of a final decision in a ratesetting case.

**EXISTING LAW:**

- 1) The California Constitution establishes the CPUC with five members appointed by the Governor and confirmed by the Senate, and empowers it to regulate privately owned public utilities in California. (Article XII of the California Constitution; Public Utilities Code § 301 et seq.)

- 2) Mandates that it is the intent of the Legislature that the commission reduce rates for electricity and natural gas to the lowest amount possible. (Public Utilities Code § 747)
- 3) Requires the CPUC to report annually on the status of its proceedings, specifically, on timeliness in resolving cases, information on the disposition of applications for rehearing, and the number of days that commissioners presided in hearings. (Public Utilities Code § 910.1)
- 4) Requires the CPUC to report to the Joint Legislative Budget Committee and appropriate fiscal and policy committees of the Legislature on all sources and amounts of funding and actual and proposed expenditures, both in the two prior fiscal years and for the proposed fiscal year, including any costs to ratepayers. (Public Utilities Code § 910.4)
- 5) Requires the CPUC to submit a report to the Legislature regarding service disconnections for each community choice aggregator and each of the four electrical and gas corporations that have the greatest number of customers. (Public Utilities Code § 910.5)
- 6) Requires the commission to mandate large utilities to report and study cost saving measures to the CPUC. In addition, the commission shall prepare and submit a written report to the Governor and Legislature with recommendations for actions that can be undertaken during the succeeding 12 months to limit utility cost and rate increases. (Public Utilities Code § 913.1)
- 7) Requires the CPUC to report to the Legislature the aggregated costs and cost savings of renewable energy expenditures and contracts for the previous year. (Public Utilities Code § 913.3)
- 8) Outlines the procedures for hearings, investigations and proceedings before the CPUC including rehearing requests, timeliness, and the nature of proceedings. (Public Utilities Code § 1701.1)

**FISCAL EFFECT:** Unknown. This bill is keyed fiscal and will be referred to the Assembly Committee on Appropriations for its review.

**CONSUMER COST IMPACTS:** Uncertain. This bill seeks greater transparency and Legislative oversight of utility cost increases. As such, it may impact consumer prices in the long-term but have little impact in the near-term.

**BACKGROUND:**

*CPUC History* – In 1911, the California Railroad Commission was established by constitutional amendment. The Commission has since been renamed the Public Utilities Commission and grown its regulatory authority since that time to include privately owned telecommunications, energy, water, passenger transportation and in-state moving companies. The commission is responsible for licensing, fixing rates, establishing rules and implementing safety regulations for

these utilities. The CPUC presides over hearings in order to issue decisions and orders. These hearings are open to ratepayers, utilities, consumer advocacy and industry organizations.<sup>1</sup>

*The Need for Reform* – As the jurisdiction of the CPUC has grown, so has its impact on Californians. This greater responsibility has also led to greater scrutiny. In the last fifteen years, independent audits have identified issues with budgeting functions<sup>2</sup> and revenue collection within the CPUC.<sup>3,4</sup> Tragedies such as the San Bruno Disaster, where eight people were killed as a result of a natural gas pipeline explosion, and the 2018 Camp Fire, where Pacific Gas & Electric Company was found negligent and guilty of 84 counts of involuntary manslaughter, have focused criticism on the CPUC’s safety mandates and regulatory activities. These events have led to a number of legislative efforts toward CPUC reform (see the Prior Legislation section below). In recent years, a primary concern under the purview of the CPUC is rising electricity prices and ratepayer affordability. With California’s electricity prices second highest in the United States,<sup>5</sup> there is growing interest in the details of rate setting, General Rate Case (GRC) proceedings, decision making by Commissioners, and how to increase transparency and oversight of these processes.

*CPUC Commissioners* – Pursuant to Section 1 of Article XII of the California Constitution, the CPUC has five commissioners appointed by the Governor, and confirmed by the Senate, with each commissioner serving six-year staggered terms. Commissioners cannot have an official relation to or a financial interest in anything regulated by the commission.<sup>6</sup> In addition, no executive of a public utility may serve as a commissioner within two years of working for a utility. Commissioners meet at monthly (often semi-monthly) business meetings to vote on pending items at the agency. Commissioners serve full-time and receive a salary as civil executive officers. The Governor designates the president of the CPUC, pursuant to Public Utilities Code § 305, among the five commissioners. The president presides at meetings and sessions of the CPUC and directs the executive director, the attorney, and other staff of the CPUC. The president of the CPUC is also required to annually appear before the appropriate policy committees of the Senate and Assembly to present the annual report of the agency, required pursuant to Public Utilities Code § 910.

*Qualifications for Other State Agency Appointments* – Many state commissions or boards have education or experiential requirements as criteria for appointment as well as attention to geographic representation.

1. **California Energy Commission:** The Governor and Senate must evaluate professional and educational experience as qualifying criteria for appointment.<sup>7</sup>
2. **California Air Resources Board:** The Governor and Senate must assess specific education qualifications or career experience for six member appointments. Six

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<sup>1</sup> CPUC, 2021, *Rules of Practice and Procedure*

<sup>2</sup> Department of Finance, Audit and Evaluation Reports, 2013, *California Public Utilities Commission Budget Process Performance Audit* (138660016BIR).

<sup>3</sup> Department of Finance, Audit and Evaluation Reports, 2021, *California Public Utilities Commission Performance Audit* (Report No. 21-8660-028), 2021.

<sup>4</sup> <https://information.auditor.ca.gov/reports/agency/77>, accessed March 21<sup>st</sup>, 2025.

<sup>5</sup> Legislative Analyst’s Office, 2025. *Assessing California’s Climate Policies Residential Electricity Rates in California*.

<sup>6</sup> Public Utilities Code § 303.

<sup>7</sup> Public Resources Code § 25201.

appointments must be members of various regional air districts throughout the state. These regional air districts include the Bay Area Air Quality Management District, San Diego Air Pollution Control District, South Coast Air Quality Management District, an air district from among the five in the greater-Sacramento region, and a member of any air district. Two members are appointed by the Assembly Speaker and Senate President Pro Tem, respectively, to represent underserved and highly impacted communities in the state. The final two members of the board are two Members of the Legislature appointed separately by the Senate Committee on Rules and the Speaker of the Assembly and are ex officio, non-voting members of the Board.<sup>8</sup>

3. **State Water Resources Control Board:** The Governor and Senate must consider both professional background and experience of the five appointees, as well as ensure the board “to the extent possible, be composed of members from different regions of the state.”<sup>9</sup>

*CPUC Reporting Requirements* – The CPUC has multiple reports due to the Legislature on an annual basis, including those addressing issues regarding telecommunications, energy, and general topics. In 2024, the CPUC generated and publically posted fourteen reports for the Legislature and Governor on their “Reports to Legislature” website.<sup>10</sup> Included below is a description of some of the reports written by the CPUC and delivered to the Legislature that cover topics relevant to this committee and related to this bill.

Energy	Code §	Goal of the Report
Resolution of Proceedings, Disposition of Applications for Rehearing, and Commissioner Presence at Hearings 2024	PUC § 910.1	Report annually on the status of its proceedings, on timeliness in resolving cases, information on the disposition of applications for rehearing, and the number of days that commissioners presided in hearings
Senate Bill 695 Report to the Governor and Legislature on Actions to Limit Utility Cost and Rate Increases Pursuant to Public Utilities Code 912.1	PUC § 912.1	Report recommendations to limit cost and rate increases for California’s Investor-Owned Utilities (IOUs) while aligning with the state’s energy and environmental goals. Additionally, the IOUs are mandated to propose measures to control costs and rate increases.
Report on Residential and Household Utility Service Disconnections Pursuant to Public Utilities Code Section 910.5	PUC § 910.5	Report by April 1 of each year the number of residential and household gas and electric service disconnections from community choice aggregator and each of IOUs

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<sup>8</sup> Health and Safety Code § 39510.

<sup>9</sup> Water Code § 175.

<sup>10</sup> <https://www.cpuc.ca.gov/about-cpuc/divisions/office-of-governmental-affairs/2023-reports-to-the-legislature> accessed March 18<sup>th</sup>, 2025.

California Electric and Gas Utility Costs Report, AB 67 Annual Report to the Governor and Legislature	PUC § 913	Submitted to the Governor and the Legislature by April 1st of each year and includes  1. Each program mandated by statute and its annual cost to ratepayers. 2. Each program mandated by the CPUC and its annual cost to ratepayers. 3. Energy purchase contract costs and bond-related costs (DWR costs) 4. All other aggregated categories of costs currently recovered in retail rates as determined by the CPUC.
General	Code §	Goal of the Report
CPUC Annual Report	PUC § 910	Submitted to the Governor and the Legislature by February 1st of each year and includes  1. A workplan that describes the scheduled proceedings and other decisions that may be considered by the commission during the calendar year. 2. Performance criteria for the commission and the executive director. 3. An accounting of the commission’s proceedings from the prior year. The accounting shall include the activities that the commission has taken, and plans to take, to reduce the costs of, and the rates for, water and energy, including electricity. 4. A description of activities taken and processes instituted to both solicit the input of customers from diverse regions of the state. 5. A list of the public meetings held outside San Francisco the previous year and schedule for next year. 6. A summary of deenergization event trends and the effect of deenergization events. 7. A description of the audits and inspections conducted to ensure compliance with the commission’s backup electricity rules for providers of telecommunications service.

*CPUC Proceedings and Timeliness* – There are four types of proceedings held before the CPUC with varying deadlines set forth by statute.<sup>11</sup> Adjudicatory proceedings investigate violations of state law or CPUC orders and must be resolved within twelve months. Rate-setting proceedings, which set or investigate the rates that utilities charge, and quasi-legislative proceedings, which establish policies affecting regulated entities, must be resolved within eighteen months. This timeline can be changed for both rate-setting and quasi-legislative proceedings if the commissioner’s scoping memo or a CPUC order extends the statutory time. Catastrophic wildfire proceedings, which allow utilities to recovery wildfire related costs, must be resolved within twelve months. There remains significant concerns about the number of proceedings that remain unresolved over many years. The CPUC can issue extension orders over its own rate-making and quasi-legislative cases, often some of the most consequential hearings before the CPUC, and as a

<sup>11</sup> PUC § 1701

result, there are no hard deadlines for these cases. Pursuant to Public Utilities Code § 910.1, the CPUC must annually report the status of proceedings and the timeliness in resolving cases. In 2024, 170 out of 173 proceedings were completed within statutory deadlines, either due to resolution within the deadline, or because the Commission extended the deadline. In 2024, 116 extensions were granted in 101 proceedings.

Summary Table  
Timeliness of CPUC Proceedings During 2024<sup>12</sup>

	Resolved Timely With No Extension Orders	Resolved With Extension Orders	Resolved Late	Currently Active	Total
Total	180	45	4	303	532

**COMMENTS:**

- 1) *Author’s statement:* “Over the last several years, Californians have witnessed their utility bills increasing rapidly. The rates of California utilities have not only surpassed the rate of inflation, but have also outpaced the growth in other states. The residential electricity rates in California are, on average, close to double those in the rest of the nation. Addressing rate affordability is vital. However, if the California public doesn’t know or understand how the Legislature and CPUC are going about curbing our utility rates, how can everyday Californian’s trust the work we are doing? The overwhelming lack of transparency and accessibility into the CPUC’s deliberations, processes, and decision making has created an environment where the California public is beyond frustrated with the CPUC as the sole regulators of California utility companies. This lack of transparency and accessibility has demonstrated the need for the California Legislature to reform the CPUC and increase our legislative oversight to ensure the CPUC is accountable to California ratepayers.”
- 2) *Outlining New Guidelines for Appointing CPUC Commissioners.*
  - a. *Regional Diversity of CPUC Commissioners.* This bill requires the Governor and the Senate to consider regional diversity when selecting candidates for CPUC commissioner. Many other Governor-appointed board members and commissioners in the state are required to reflect geographic distribution across California, so this approach is not unprecedented (refer to Background section *Qualifications for Other State Agency Appointments* found above). In addition, there are distinct regional issues in energy, water, telecommunications, and transportation policy across the state, which supports a need for representation. The CPUC’s SB 840 Report explored options for locating operations and staff outside of the CPUC headquarters in San Francisco.<sup>13</sup> The report identified benefits from having staff reside in different parts

<sup>12</sup> California Public Utilities Commission, 2025, *Resolution of Proceedings, Disposition of Applications for Rehearing and Commissioner Presence at Hearings, 2024*

<sup>13</sup> “Budget Act of 2018”, Committee on Budget and Fiscal Review, Chapter 341, Statutes of 2016

- of the state, contending that “there may well be considerable value in our staff being customers of the utilities, and being a part of the communities where the impacts of those utilities are felt.” This assertion can reasonably be extended to commissioners.
- b. *Appointing an At-Large Consumer Advocate.* The bill requires the appointment of one commissioner with “expertise in nongovernmental public advocacy or public interest law and with a nongovernmental background in consumer advocacy, consumer protection, or advocating for residents, especially vulnerable groups.” Having a consumer advocate as commissioner is laudable at a time when consumer costs are central to the dialogue around electric utilities. However, the specificity of the language may limit the number of candidates that qualify. The California Air Resources Board has narrow requirements for six of its members so such specificity is not exceptional (e.g. “One member shall have training and experience in chemistry, meteorology, or related scientific fields, including agriculture or law”).<sup>14</sup> Such explicit qualifications are likely to lead the potential pool of candidates to have little experience in the energy sector, which may prove difficult when assuming such an appointment.
- c. *Implementing a Legislative Branch and Executive Branch Cooling Off Period.* A “cooling off” period is a timeframe restriction that disqualifies someone from participating in specific activities or filling positions of employment as a result of previous activities or employment. An example is found in the Political Reform Act in California, which institutes a one-year ban for public officials from acting as lobbyists. In the Public Utilities Code, there is a two-year restriction for utility executives from being appointed as CPUC commissioners. These types of temporal restrictions are intended to minimize influence across institutions. In this case, this bill is instituting a one-year restriction on elected members or employees of the legislature or executive branch from being appointed CPUC commissioner. The result of this would be to minimize influence of the legislature and executive branch on the CPUC. When surveying the background of current and previous CPUC commissioners, eleven of the last twelve Commissioners (from 2012-2025) were appointed directly from a position in the executive branch. Of the 12 preceding commissioner appointments (2000-2012), only four were appointed directly from the executive branch. No commissioner since 2000 has been appointed from a position in the legislature. The benefits of appointing commissioners from other parts of the state government is the likelihood of expertise. Utility regulation is a complex issue and knowledge of the field is primarily gained through experience in government or working for the utilities. With both these pools of candidates unavailable for direct appointment, there may be an impact on the available talent. However, this bill is proposing a temporary restriction of a year, not an outright ban.
- 3) *Redundancy in Hearings and Reports.* This bill mandates new interactions between the CPUC and the Legislature in multiple ways. It empowers both houses of the Legislature to

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<sup>14</sup> Health and Safety Code § 39510.

appoint a liaison to directly interface with the CPUC. It requires the president of the CPUC to appear before the appropriate policy committees to report on affordability and rate-setting cases, on a separate occasion from the required annual report to the Legislature. This bill also expands on an existing report regarding timeliness of resolving ongoing cases at the CPUC. Finally, the bill mandates a report from the CPUC to the Legislature 15 days after all rate-making decisions, which would include a summary of the decision and other details. Increasing interaction between the Legislature and the CPUC may enable improved oversight of proceedings, and better and broader understanding of the process of ratemaking. However, some of the mechanisms proposed in the bill are redundant with existing processes and may not have the impact that the authors intend. For example, requiring the generation of additional reports for information that is publicly available, like the outcome of rate-making decisions, may dilute the impact of reporting as mechanism for legislative oversight.

4) *Related Legislation*

AB 705 (Boerner, 2025) establishes the Independent Office of Audits and Investigations at the CPUC, which would be led by the Inspector General. The new office would be responsible for assessing accounting practices, or any fraud or malfeasance among other responsibilities.

AB 1273, (Patterson, 2025) forbids the CPUC from placing applications for a rate increase from electrical corporations onto its consent calendar. The bill also requires at least 30 minutes of public comment at a hearing to consider an application for a rate increase from electrical corporations.

SB 593 (Hurtado, 2025) requires, among many provisions, that the CPUC shall submit a report to the Legislature regarding the implementation and effectiveness of power surge notifications and impact of the bill on reducing damages from power surges. This is not directly related to subject matter but does require the generation of an additional report from the CPUC to the Legislature.

5) *Prior Legislation.*

AB 1960 (Villapudua, 2022) stated regional qualifications the Governor and Senate should consider, beginning January 1, 2024, when selecting a person to serve as a commissioner on the CPUC. Largely similar to AB 1471 without the provisions to authorize the CPUC to consider moving its headquarters out of San Francisco. Status: Vetoed by the Governor.

AB 1471 (Villapudua, 2021) stated regional qualifications the Governor and Senate should consider when selecting a person to serve as a commissioner on the CPUC, and authorized the CPUC to consider locating its headquarters in a city other than San Francisco. Status: Held under submission – Senate Appropriations.

AB 979 (Holden) requires publicly held corporations to fill their board seats with a minimum number of directors from underrepresented communities, as specified. Status: Chapter 316, Statutes of 2020.



SB 19 (Hill) or the California Public Utilities Commission Governance, Accountability, Training, and Transportation Oversight Act of 2017 mandates a set of reforms for the CPUC including the addition of staff positions such as an ethics officer, increased internal auditing, and outlining ethical conflicts of interest for commissioners. Status: Chaptered, Statutes of 2017.

SB 215 (Leno) mandates a series of reforms over the rules and operation governing the CPUC. This in particular relates to laws and rules governing ex parte communications and recusal processes for commissioners. Status: Chapter 807, Statutes of 2016.

SB 840 (Committee on Budget and Fiscal Review), among its many provisions, requires the CPUC to report by March 31, 2017 on options to locate their operations and staff outside of the CPUC's San Francisco headquarters. Status: Chapter 341, Statutes of 2016.

SB 512 (Hill) proposes a suite of reforms to the operations and governance of the CPUC, including removing the requirement that the CPUC monthly meetings be held in San Francisco; requiring the CPUC to solicit input from customers from diverse regions of the state, process that input into CPUC decision making, and report on the efforts to increase public participation; and requiring the CPUC to list the public meetings held outside San Francisco both for the previous year and anticipated in the coming year; report on timeliness of ratecases. Status: Chapter 808, Statutes of 2016.

AB 2903 (Gatto, 2016), among its many provisions, required the CPUC to report by March 31, 2017 on options to locate their operations and staff outside of the CPUC's San Francisco headquarters. Status: Died – In Committee – Senate Energy, Utilities, and Communications.

AB 825 (Rendon, 2015) proposed a suite of reforms to the CPUC to make the agency more accessible and transparent to the public. Status: Vetoed by the Governor.

AB 1023 (Rendon, 2015) proposed to codify the summary log requirements currently required at the CPUC for ratesetting proceedings and extend those requirements to quasi-legislative proceedings. Status: Vetoed by the Governor.

SB 48 (Hill, 2015) proposed a suite of reforms to the governance and operations of the CPUC, including some of the same reforms in SB 611 (Hill, 2013). Status: Vetoed by the Governor.

SB 660 (Leno and Hueso, 2015) proposed many of the same reforms included in SB 215 of the ex parte communications laws related to ratesetting and quasi-legislative proceedings, addresses the process for disqualifying a commissioner from a proceeding, and other reforms of the CPUC. Status: Vetoed by the Governor.

SB 695 (Kehoe) among many provisions, the bill required the commission to report to the Governor and Legislature recommendations for actions that can be undertaken during the upcoming year to limit utility cost and rate increases. The bill would require the commission to annually require electrical and gas corporations to study and report to the commission on

measures that they recommend be undertaken to limit costs and rate increases. Status: Chapter 337, Statutes of 2009.

AB 67 (Levine) requires the president of the CPUC to appear annually before the appropriate policy committees to report on the costs of programs and activities conducted by each electrical corporation and gas corporation. Status: Chapter 562, Statutes of 2005

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

School Energy Coalition  
San Joaquin County

**Opposition**

None Reported

**Support If Amended**

San Diego Gas and Electric Company

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