

Date of Hearing: July 9, 2025

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

SB 330 (Padilla) – As Amended June 30, 2025

**SENATE VOTE:** 28-10

**SUBJECT:** Electrical transmission infrastructure: financing

**SUMMARY:** Authorizes the Governor to select projects to develop, finance, or operate electrical transmission infrastructure that meets specified requirements. Specifically, **this bill:**

- 1) Grants the Governor the authority to select one or more transmission projects to develop, finance, or operate transmission infrastructure that meets specified criteria. These include, among other things, that the project is identified by CAISO in its transmission planning process as subject to competitive bidding, and is necessary to meet California's clean energy goals, provides a significant cost reduction to ratepayers compared to alternatives, and complies with CPUC General Order 95.
- 2) Requires the Governor to designate existing state agencies, local public agencies, tribal organizations, or joint powers authorities to implement the pilot projects.
- 3) Authorizes the pilot projects to develop, finance, operate, and maintain transmission lines and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for the conveyance of electricity, as specified.
- 4) Authorizes the Governor to issue guidelines regarding application and certification of pilot projects.
- 5) Authorizes Local public agencies or groups of local public agencies to apply for authority to implement a pilot project.
- 6) Authorizes an agency, organization, or authority implementing a pilot project to commit to requesting a revenue requirement at the FERC that reflects only its actual capital structure and actual cost of capital, in order to minimize costs recovered through the Transmission Access Charge.
- 7) Authorizes the Governor to issue guidelines regarding application and certification of pilot projects.
- 8) Requires the Governor to submit to the Joint Legislative Budget Committee a determination that a transmission project is eligible as a pilot project, and provides the Committee 30 days to concur or nonconcur.
- 9) Requires the owner of a pilot project designated by the Governor to participate in the Wildfire Fund.

- 10) Authorizes the pilot project owner who participates in the Wildfire Fund to seek payment for an eligible claim resulting from a covered wildfire as defined and consistent with relevant requirements applicable to IOUs and subject to requirements that include:
- a) The Wildfire Fund Administrator shall determine the timing and amount of contributions required from the pilot project owner.
  - b) The pilot project owner shall submit regular wildfire mitigation plans to the Office of Energy Infrastructure Safety and comply with all directives issued by the office to achieve maximum feasible risk reduction.
  - c) The costs of participating in the Wildfire Fund and complying with wildfire mitigation plan requirements may be recovered in a transmission revenue requirement filed with FERC.

**EXISTING LAW:**

- 1) Establishes that the U.S. Federal Energy Regulatory Commission (FERC) has exclusive jurisdiction over the transmission of electric energy in interstate commerce. Also establishes the process and procedures for establishing transmission of electric energy in interstate commerce by public utilities, i.e., the rates, terms & conditions of interstate electric transmission by public utilities. (Federal Power Act §§201, 205, 206 (16 USC 824, 824d, 824e))
- 2) Establishes the California Public Utilities Commission (CPUC) has regulatory authority over public utilities, including electrical corporations. (Article XII of the California Constitution)
- 3) Prohibits an electrical corporation from beginning construction of a line, plant, or system, or of any extension thereof, without having first obtained from the CPUC a certificate that the present or future public convenience and necessity requires or will require its construction. (Public Utilities Code §1001)
- 4) Requires the CPUC, in a proceeding evaluating the issuance of a certificate of public convenience and necessity for a proposed transmission project, to establish a rebuttable presumption with regard to need for a proposed transmission project in favor of California Independent System Operator (CAISO) governing-board approved need evaluation if specified conditions are met. (Public Utilities Code §1001.1)
- 5) Makes an environmental leadership development project, as defined, that meets specified requirements and is certified by the Governor, eligible for streamlined procedures under the California Environmental Quality Act (CEQA). (Public Resources Code §21184 and 21185)
- 6) Authorizes persons proposing eligible facilities, including certain electrical transmission lines and electrical transmission projects, to file applications, on or before June 30, 2029, with the State Energy Resources Conservation and Development Commission (also known as the California Energy Commission (CEC) to certify sites and related facilities

as environmental leadership development projects, as specified. (Public Resources Code §25545 et seq. and 25545.1)

- 7) Makes a site and related facility certified by the CEC as an environmental leadership development project subject to streamlined procedures under CEQA with no further action by the applicant or the Governor. (Public Resources Code §25545.13)
- 8) Provides that the CEC's certification of sites and related facilities is in lieu of any permit, certificate, or similar document required by any state, local, or regional agency, or federal agency to the extent permitted by federal law, for the use of the sites and related facilities, and supersedes any applicable statute, ordinance, or regulation of any state, local, or regional agency, or federal agency to the extent permitted by federal law, except as specified. (Public Resources Code §25545.1)
- 9) Establishes the California Independent System Operator (CAISO) as a nonprofit, public benefit corporation to manage the transmission grid and related energy markets, as provided. (Public Utilities Code §345 et seq.)
- 10) Establishes the policy (100% Clean Energy Policy, or SB 100 Policy) of the state that eligible renewable energy resources and zero-carbon resources supply 90% of all retail sales of electricity to California end-use customers by December 31, 2035, 95% of all retail sales of electricity to California end-use customers by December 31, 2040, 100% of all retail sales of electricity to California end-use customers by December 31, 2045, and 100% of electricity procured to serve all state agencies by December 31, 2035. (Public Utilities Code § 454.53)
- 11) Establishes the Office of Energy Infrastructure Safety (OEIS) within the Natural Resources Agency, which, as of July 1, 2021, subsumed the Wildfire Safety Division (WSD) responsibilities at the CPUC, including to review the wildfire mitigation plans (WMPs) of electrical corporations and oversee and enforce electrical corporations' compliance with wildfire safety. Transferred all functions of the WSD to the OEIS effective July 1, 2021. Requires the OEIS to adopt guidelines setting forth the requirements, format, timing, and any other matters required to exercise its powers, perform its duties, and meet its responsibilities. (Government Code §§15740 et seq. and 15475.6, Public Utilities Code §§326 and 8385)
- 12) Requires the OEIS to approve or deny each WMP and update submitted by an electrical corporation within three months of its submission. Establishes procedures for the OEIS to oversee compliance with an approved WMP. (Public Utilities Code §8386.3)
- 13) Permits the California Public Utilities Commission (CPUC) to allow for the recovery of costs and expenses arising from a covered wildfire occurring after January 1, 2019, if the CPUC finds the costs and expenses just and reasonable. Establishes a standard of reasonable conduct of an electric corporation (IOU), for purposes of cost recovery, based on whether a reasonable utility would have undertaken the action in good faith under similar circumstances. Specifies that the IOU bears the burden to demonstrate that its conduct was reasonable, unless it has a valid safety certificate; at which point, the IOU's conduct is deemed reasonable unless a third party creates serious doubt as to the reasonableness of the IOU's conduct. (Public Utilities Code § 451.1)

- 14) Requires each IOU to annually prepare and submit to Energy Safety a WMP for review and approval. Requires the wildfire mitigation plan (WMP) to include a description of preventative strategies and programs to minimize the risk of catastrophic wildfire, including consideration of dynamic climate change risk; a description of the metrics used to evaluate the plan's performance and underlying assumptions for the use of those metrics; and a list that identifies, describes, and prioritizes all wildfire risks and drivers of those risks throughout the IOU's service territory. (Public Utilities Code § 8386 (b) and (c))
- 15) Establishes the Wildfire Fund, which is a continuously appropriated fund, to provide funds to participating electrical corporations to satisfy eligible claims arising from covered wildfires, as specified. (Public Utilities Code § 3284)
- 16) Requires local publicly owned electric utilities and electrical cooperatives to annually prepare and submit to the WSAB, on or before July 1 of each year, WMPs. (Public Utilities Code § 8387)
- 17) Authorizes IOUs to participate in the Wildfire Fund if they provide initial and annual contributions to the fund, as specified. (Public Utilities Code § 3285 (c))

**FISCAL EFFECT:** According to the Senate Committee on Appropriations, the Governor's Office of Land Use and Climate Innovation (LCI) estimates ongoing General Fund costs of approximately \$567,000 annually to implement this measure. Additionally, potentially significant costs could result for other state agencies, including the CEC, to engage in program development or project implementation, depending on their roles and existing resources.

**CUSTOMER COST IMPACTS:** This measure seeks to provide low-cost public financing to lower transmission development costs and, ultimately, reduce future ratepayer costs. The full impact of these efforts is unknown to this committee.

## **BACKGROUND:**

*Scaling Up for 2045* – California has ambitious clean energy goals. According to the SB 100 Joint Agency Report, achieving these goals, requires the state to roughly triple its current electricity capacity. Specifically, the report projects that the state will need to add approximately 6 gigawatts (GW) of new renewable capacity annually — nearly double the historical average. In parallel, a study conducted by the Clean Air Task Force and the Environmental Defense Fund concluded that, at a minimum, California will need to double transmission capacity by 2045 to accommodate new renewables and ensure grid reliability.<sup>1</sup> Given the scale of new infrastructure development needed, meeting California's clean energy goals equally requires significant transmission investments, planned in a way that supports affordability for ratepayers.

*Transmission Planning Process (TPP)* –The TPP, occurs annually, and begins with California Independent System Operator (CAISO) identifying potential system limitations as well as transmission projects in need of upgrades or new infrastructure in need of construction to chiefly

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<sup>1</sup> Lucid Catalyst, Clean Air Task Force, and the Environmental Defense Fund, "California's Clean Energy Transition: Understanding Today's Challenges to Reach Tomorrow's Goals," presentation January 18, 2022.

meet reliability, state policy goals, and economic or other needs for the state.<sup>2</sup> First, CAISO receives demand forecast of electricity and natural gas sales, consumption, and peak and hourly electricity demand from the CEC's integrated energy policy report (IEPR).<sup>3</sup> Corresponding to this action, the CPUC's Integrated Process (IRP)<sup>4</sup> then works to identify the optimal mix of system-wide resources capable of meeting GHG planning targets for the electric sector.<sup>5</sup> CAISO receives the IRP results as inputs into its TPP. The core of these efforts is to meet the GHGs targets for electricity sector established by CARB's scoping plan. CAISO updates its transmission plan annually, culminating in approval by the CAISO Board of Governors. The CAISO Board recently approved its 2023-2024 TPP in May 2024<sup>6</sup>, which calls for 85 GW of new resources<sup>7</sup> in the next decade. It identified 26 transmission projects—at an estimated \$6.1 billion—needed for reliability and to meet state policy goals; 2 of these projects are eligible for competitive solicitation. This plan does not recommend any projects based solely on economic considerations

*What Happens Next?* – The approved plan identifies necessary transmission buildouts<sup>8</sup> and authorizes cost recovery through CAISO-administered transmission rates, subject to final approval by the Federal Energy Regulatory Commission (FERC). Under the Federal Power Act, FERC is responsible for ensuring that transmission rates for interstate electricity service are just, reasonable, and not unduly discriminatory.<sup>9</sup> Because transmission rates fall under FERC's jurisdiction, the transmission revenue requirements for utilities participating in CAISO are determined through formal Transmission Owner rate case proceedings at FERC. By statute, the CPUC represents the interests of the ratepayers, in legal proceedings before FERC to ensure rates are just and reasonable.

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<sup>2</sup> Pg.4; “CAISO 2023-2024 Transmission Plan; Board approved May 23, 2024; Accessed April 17, 2024

<sup>3</sup> The CEC uses these assessments and forecasts to develop energy policies that conserve resources, protect the environment, ensure energy reliability, enhance the state's economy, and protect public health and safety. To carry out these assessments, “the Commission may require submission of demand forecasts, resource plans, market assessments, and related outlooks from electric, natural gas utilities, transportation fuel and technology suppliers, and other market participants.” The CEC is also required to publish a strategic plan for California's transmission grid and include it in the IEPR.

<sup>4</sup> Called for under SB 350 (De León, Chapter 547, Statutes of 2015). The legislation establishes targets to increase retail sales of qualified renewable electricity to at least 50 percent by 2030.

<sup>5</sup> Via the Reference System Plan (RSP) and Preferred System Plan (PSP). The CPUC creates the Reference System Plan (RSP) to meet the electric sector target informed by the California Air Resources Board Climate Change Scoping Plan. The CPUC uses this RSP to establish filing requirements for the load-serving entities. The second year considers the procurement each load-serving entity proposes to meet these GHG targets. As each load-serving entity has its own local constraints to consider, each files its own plan. The CPUC reviews, modifies, and aggregates these individual load-serving entities' plans into a preferred system plan (PSP). Based on the approved PSP, the CPUC considers authorizing load-serving entities to procure resources within the next 1-3 years to meet GHG planning targets.

<sup>6</sup> CAISO; “2023-2024 Transmission Plan”, May 23, 2024; <https://www.caiso.com/documents/iso-board-approved-2023-2024-transmission-plan.pdf>

<sup>7</sup> Commencing in 2023, the CAISO has been conducting a stakeholder process to enhance its interconnection process, driving transformational changes to better enable rapid deployment of new generation for reliability, affordability, and decarbonization. Through a robust stakeholder process and considering the urgent need to bring historic amounts of new capacity online as quickly and as efficiently as possible, the CAISO has developed reforms that emphasize up-front project readiness and alignment with local and state resource and transmission planning efforts. A comprehensive briefing on the initiative and its final proposal is being provided at the May 2024 Board of Governors meeting.

<sup>8</sup> as well as identifying non-transmission solutions that will be pursued in other venues as an alternative to building additional transmission facilities.

<sup>9</sup> 16 U.S. Code § 824e(a)

*Transmission Revenue Requirement* — Within the CAISO’s footprint, new transmission infrastructure is generally developed, financed, and owned by investor-owned utilities (IOUs)—such as Pacific Gas and Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E)—as well as merchant developers<sup>10</sup> and other private entities<sup>11</sup>. To recover their project costs, transmission developers submit rate filings to the FERC, seeking approval of their Annual Transmission Revenue Requirement (TRR),<sup>12</sup> which outlines the revenue needed to cover capital, operating, and maintenance expenses. Once approved, these costs are incorporated into CAISO’s Transmission Access Charge (TAC), which is ultimately passed on to ratepayers. While this model provides a pathway for financing large-scale infrastructure, it has also been associated with high capital costs, and relatively slow project delivery—challenges that have become more pressing as the state accelerates its clean energy and reliability goals.

*Transmission Access Charge (TAC)* – The TAC is a volumetric fee (per megawatt-hour) assessed on all load-serving entities (LSEs) that need access to the CAISO-managed transmission grid. TAC costs are directly correlated with electricity consumption: Customers incur higher TAC costs as their energy usage increases over a billing cycle. For instance, residents in hotter regions often rely heavily on air conditioning, leading to higher electricity consumption and, consequently, elevated TAC costs. Statewide electricity demand is expected to increase significantly in the coming decades as California advances its electrification efforts. While this trend aligns with the state’s clean energy goals, it also contributes to higher TAC obligations for ratepayers. As of July 2024, the TAC rate stood at \$ 11.60/MWh.<sup>13</sup> Looking ahead, the TAC is expected to increase to approximately \$52.10/MWh by 2045, representing a 350% increase over the 2024 rate.<sup>14</sup> This substantial increase is driven by the anticipated investments in transmission infrastructure required to support California’s clean energy goals, including the development of offshore wind, utility-scale solar, and battery storage projects.

*20-Year Transmission Outlook* – Released in 2022, the 20-Year Transmission Outlook is a long-term planning study initiated by the California Independent System Operator (CAISO) outside its normal transmission planning cycle, in coordination with the CEC and the California Public Utilities Commission (CPUC). The study evaluates the longer-term grid needed to reliably and

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<sup>10</sup> According to FERC, Merchant transmission developers are generally private, independent entities that assume all risks associated with the project. In return, these developers can charge negotiated rates for transmission service, though they cannot pass their risks onto captive customers. FERC clarifies that merchant transmission developers are permitted to allocate capacity through negotiated agreements with a subset of customers, provided the selection criteria are not unduly discriminatory or preferential. This approach allows developers to secure anchor customers and negotiate rates, terms, and conditions directly, thereby facilitating the financing and construction of transmission projects without relying on traditional cost-of-service recovery structures, typically through negotiated capacity sales or open solicitations.

<sup>11</sup> Typically refers to non-incumbent transmission developers that may not be traditional utilities or full merchant developers, but still participate in competitive or special-purpose transmission development. These can include Independent Power Producers, Horizon West, a subsidiary of NextEra Energy Transmission among others.

<sup>12</sup> Western Energy Markets; “Glossary of terms and acronyms”;

[https://www.westerneim.com/Pages/glossary.aspx?PageFirstRow=51&Paged=TRUE&PagedPrev=TRUE&SortDir=Desc&SortDir=Desc&SortField=Term&SortField=Term&View=%7BB96B7836-A451-4EB2-8075-475D0E5EBCF7%7D&p\\_ID=1536&p\\_SortBehavior=0&p\\_Term=Total+CAISO+Markets+Uplift](https://www.westerneim.com/Pages/glossary.aspx?PageFirstRow=51&Paged=TRUE&PagedPrev=TRUE&SortDir=Desc&SortDir=Desc&SortField=Term&SortField=Term&View=%7BB96B7836-A451-4EB2-8075-475D0E5EBCF7%7D&p_ID=1536&p_SortBehavior=0&p_Term=Total+CAISO+Markets+Uplift)

<sup>13</sup> Public Advocates Office; “Public Advocates Office”; Transmission Data Dashboard (as of October 2024). Accessed March 21, 2025.

<sup>14</sup> Public Advocates Office; “Public Advocates Office”; Transmission Data Dashboard (as of October 2024). Accessed March 21, 2025.

cost-effectively achieve the state's 100% Clean Energy Policy. To achieve this effort, the study provides a conceptual roadmap for how the transmission grid should evolve over the next two decades. It incorporates projected resource development and electricity demand, guided by input from state agencies on load forecasting and resource planning. The initial study projects that approximately \$30.5 billion in transmission development will be needed to meet California's 2045 clean energy goals.<sup>15</sup> However, the 2024 updated study, which builds on the 2022 analysis, estimates the state will require between \$45.8 billion to \$63.2 billion in new transmission infrastructure by 2045.<sup>16</sup> The CAISO notes that the projected "transmission needs will range from high-voltage lines that traverse significant distances to access out-of-state resources, as well as major generation pockets, including offshore wind and geothermal resources located in California."<sup>17</sup>

*CAISO's 2023-2024 Transmission Planning Process (TPP)* – The CAISO's TPP released in May 2023,<sup>18</sup> calls for 85 GW of new resources in the next decade.<sup>19</sup> The plan is driven by California's GHG reduction goals and anticipated load growth including the increased demand from electrification.<sup>20</sup> The plan identifies 26 transmission projects totaling \$6.1 billion, with individual project costs ranging from \$1.5 billion to \$4.6 billion. While the plan reflects the scale of infrastructure required to support California's clean energy and reliability goals, it also underscores the need for evaluating how these investments will impact ratepayers. With electricity rates continuing to rise, there is growing concern about how the costs of large-scale transmission development will be managed to ensure long-term affordability. In response, there has been growing interest in exploring alternative financing models that can support critical infrastructure investments while minimizing additional costs on ratepayers.

## COMMENTS:

- 1) *Author's statement.* According to the author, "California ratepayers suffer from some of the highest energy rates in the nation. Authorizing pilot projects to use public-private partnerships for competitively bid transmission projects using public financing can save ratepayers billions of dollars while helping California meet its energy needs."
- 2) *Alternative Approach to Transmission Financing.* A significant driver of California's high electricity costs is transmission, which currently accounts for about 30% of a utility's base revenue—a share that is expected to grow in the coming years. As alluded to earlier, transmission access charge is projected to rise by 350% increase over the 2024 rate — all at the expense of ratepayers. Given these trends, identifying alternative, cost-

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<sup>15</sup> Pg.3, CASO; "20-Year Transmission Outlook"; May 2022

<sup>16</sup> Pg.2, CASO; "20-Year Transmission Outlook"; May 2024

<sup>17</sup> Pg.1, CASO; "20-Year Transmission Outlook"; May 2024

<sup>18</sup> CAISO; "2023-2024 Transmission Plan", May 23, 2024; <https://www.caiso.com/documents/iso-board-approved-2023-2024-transmission-plan.pdf>

<sup>19</sup> The CPUC-provided portfolio calls for 85 GW of installed capacity, beyond its baseline of existing resources and resources already

contracted for and under development

<sup>20</sup> The CEC adopted the 2021 IEPR Energy Demand Forecast, 2021-2035 on January 26, 2022

[<https://www.energy.ca.gov/datareports/reports/integrated-energy-policy-report/2021-integrated-energy-policy-report/2021-1>] The CEC subsequently adopted 2021 IEPR Additional Transportation Electrification Scenario that on July 1, 2022, the CEC and CPUC requested the ISO utilize in the 2022-2023 Transmission Plan. (<http://www.caiso.com/InitiativeDocuments/2022-2023TransmissionPlanningProcessPortfolioTransmittalLetter.pdf>)

effective approaches to financing transmission infrastructure will be critical to advancing California's decarbonization goals while minimizing additional costs to ratepayers.

- 3) *Scope of Gubernatorial Authority*: This measure grants the Governor broad authority to designate transmission pilot projects. This includes the ability to:
- Select one or more transmission projects that meet the bill's specified criteria, including identification by the CAISO as part of its TPP, consistent with the state's clean energy goals, and provide significant cost savings to ratepayers compared to other alternatives.
  - Designate public entities —such as local agencies, tribal organizations, or joint powers authorities—to develop, finance, operate, or maintain the selected transmission infrastructure;
  - Issue guidelines outlining the certification process for pilot projects and the information required from applicants.
  - Submit project determinations to the Joint Legislative Budget Committee (JLBC) for concurrence or nonconcurrence within a 30-day period.

*As such, several question remain, including:*

**Project Selection:** Will there be a public process to support or challenge project designations? How does the Governor's selection of a project interact with the competitive solicitation process at CAISO? Would the Governor be able to preselect project recipients prior to the competitive solicitation? How would that help or remove cost savings and project efficiency?

**Designate public entities:** What safeguards are in place to ensure that authorized public entities designated to implement transmission pilot projects do so effectively—especially in wildfire-prone areas, where failure could carry significant safety and cost implications?

**Issuing Guidelines:** Will the Governor be required to develop project certification guidelines through a formal public process or is there discretion to issue them through administrative procedures?

**JLBC Role:** To what extent does the 30-day JLBC concurrence/nonconcurrence process provide meaningful legislative oversight? Or is it effectively a passive review process? Should circumstances change after the 30-day review period, does the JLBC retain any authority to revisit or modify its concurrence, or is its initial decision binding and final regardless of subsequent developments?

- 4) *Continuity of Gubernatorial Authority*. Given current delays in California's transmission development, what measures are in place to ensure that the pilot projects do not further impede timely project delivery—particularly during transitions between gubernatorial administrations? Is there a mechanism to maintain continuity if executive priorities shift mid-development, or could future governors alter or revoke project designations without a formal process?



- 5) *Significant Cost Savings.* This legislation requires that designated pilot projects provide “significant cost savings” to ratepayers compared to alternatives, but it does not define how those savings are to be measured or evaluated. For instance, what qualifies as “significant” savings—relative to which alternatives, under what assumptions, and over what timeframe? Without clear criteria, there is uncertainty about how such cost savings will be determined, verified, or enforced.
- 6) *Need for Amendments.* Amid these and other outstanding questions, the committee recommends recasting the provisions of this bill. Given the author’s intent to identify alternative financing tools that could deliver needed infrastructure at lower cost to ratepayers, the committee recommends a fulsome approach that retains the desire for alternative financing structures while removing the Governor’s designation of pilot projects. To this end, the committee recommends recasting the bill to:
  - a. Establish a Public Transmission Financing Fund within the State Treasury to finance critical transmission projects needed to meet California’s clean energy goals.
  - b. Create a Public Transmission Financing Program, administered by I-Bank to support the financing of public partnerships of transmission projects.
  - c. Require the Program and the Fund be available to a range of public sponsors, including state agencies, local public agencies, tribal organizations or joint powers authorities.
  - d. Under the direction of the California Consumer Power and Conservation Financing Authority (Power Authority), authorize the I-Bank to provide financial assistance—either directly or through a lending institution—for the financing or refinancing of eligible transmission projects sponsored by public entities, including through direct funding, debt financing, or the issuance of revenue bonds under the direction of the Power Authority.
  - e. Expand the responsibilities of the Power Authority beyond its original 2001 mandate, which primarily focused on developing power generation facilities rather than transmission infrastructure.
  - f. Require the Power Authority to direct the I-Bank, at its discretion, to implement approved financing in the form and on the terms the Authority determines to be most appropriate.
  - g. Require the Power Authority to consider the opinion of I-Bank in developing the financing plan for an eligible transmission project to ensure ratepayer savings.
  - h. Expand the definition of “eligible transmission projects” to retain (1) new transmission lines identified by CAISO in its transmission planning process as projects subject to competitive solicitation; and add (2) transmission projects whose costs are not eligible for recovery through the CAISO transmission access

charge—i.e., 'merchant' projects and (3) utility-owned and constructed transmission projects.

- i. Prohibit the authority from financing an eligible transmission project unless the IOU or POU has selected their employees for the construction of the project; the public transmission sponsor has selected only a prime contractor who has served as such for at least two transmission projects in the state during the prior 10 years.
- j. Prohibit the authority from financing any project unless it complies with the CPUC's General Order 95, which establishes safety rules for overhead electric line construction and maintenance.
- k. Require that in proceedings to approve a CPCN for a proposed transmission project:
  - An IOU identify potential public transmission sponsors that could provide public financing and take a minority ownership or leasehold interest.
  - An IOU evaluate the ratepayer savings that could be achieved through the use of a public transmission sponsor as a minority owner or leaseholder of the project.
- l. Require the CPUC direct an IOU to include a public transmission sponsor in the financing and ownership of a proposed transmission project, or to serve as a leaseholder, if a public transmission sponsor is available and the ratepayer savings are determined to be material.
- m. Require that for a transmission project owned, developed, or financed by the authority, the Power Authority may do any of the following:
  - i. Partner with other public entities to develop, construct, finance, lease, or operate the transmission project.
  - ii. Contract with private parties, including electrical corporations, for the development and construction of the transmission project.
  - iii. Contract with private parties, including electrical corporations, for operation and maintenance of the transmission project.
  - iv. Enter into partnerships with electrical corporations or other private entities under which the authority would purchase a long-term leasehold for a portion of the transmission asset that establishes eligibility to receive revenues from the CAISO.
- n. Require the CPUC, by June 30, 2026, to open a proceeding to evaluate the benefits of partnering with public transmission sponsors in the development of new transmission projects. The proceeding must establish standardized methodology for assessing ratepayer benefits. Subsequently, by December 31, 2027, the CPUC must submit a report to the Legislature with recommendations for any statutory changes needed to support the effective use of public financing for transmission projects in a manner that maximizes ratepayer savings.
- o. Retain wildfire mitigation plan and Wildfire Fund requirements in this measure applicable to eligible projects.

- p. Striking the remaining provisions of the bill.

*The committee recommends adopting all amendments (a-p) listed above.*

7) *Related Legislation.*

AB 825 (Petrie-Norris) proposes a range of policies affecting electrical corporations, specifically measures to address rising utility bills, including a prohibition on allowing electrical corporations to include \$15 billion in undergrounding capital investments in their rate base for purposes of earning equity returns; establishing a public financing mechanism to reduce costs associated with the development of eligible transmission projects; establishing a task force to review various customer demand side management programs; creating a local permitting program to provide incentives and a pool of experts to aide local agencies in siting clean energy projects; and revising wildfire mitigation planning. Status: Senate Committee on Utilities & Communications

SB 254 (Becker, 2025) proposes various policies related to electrical corporations, including changes to: wildfire mitigation regulatory framework, the allocation to customers of the Climate Credit, electric transmission infrastructure permitting and deployment, permitting of clean energy infrastructure, including energy storage facilities, and various proposals to address electricity utility bills, including prohibiting equity rate basing by electrical corporations of \$15 billion in capital investments. Status: Assembly Committee on Utilities & Energy

SB 769 (Caballero, 2025) would establish the Golden State Infrastructure Corporation (Corporation) within the State Treasurer's Office as a not-for-profit corporation for the purpose of financing infrastructure projects. Status: Assembly Committee on Economic Development, Growth, and Household Impact

8) *Prior legislation.*

AB 3264 (Petrie-Norris) includes a suite of proposals to help address energy costs, including requiring a study by the CEC, California and Economic Development Bank (I-Bank), and CAISO, by July 1, 2025, to submit to the Governor and the Legislature a study identifying proposals to reduce the cost to ratepayers of expanding the state's electrical transmission grid. Status: Chapter 762, Statutes of 2024.

SB 1003 (Dodd) of 2024) makes numerous changes to the processes for addressing wildfire mitigation by electrical corporations, and other electric utilities, including clarifying the roles of relevant state agencies in addressing wildfire risk; and requires electrical corporations to take into account both the amount of wildfire risk reduction for the cost-effectiveness and time value of the proposed mitigation measure within the utility's wildfire mitigation plan. Status: Died in Assembly.

SB 1032 (Becker, 2022) creates the Clean Energy Infrastructure Authority as a public instrumentality of the state for the purpose of leading the state's efforts to build critical electrical transmission infrastructure necessary to enable the state to transition to 100 percent clean energy, as specified. Status: Held under submission in the Assembly Committee on Appropriations.

SB 1020 (Laird) establishes interim targets to the statewide 100% clean energy policy. Additionally requires state agencies to accelerate their 100% clean energy policy goal by 10 years. An early version of the bill sought to establish the California Affordable Decarbonization Authority as a nonprofit public benefit organization as a mechanism to help fund various electric utility-related programs and activities. Status: Chapter 361, Statutes of 2022.

SB 887 (Becker) adjusted the planning horizon for the annual electricity transmission plan from 10-years to 15-years, and requires approval of at least two transmission projects as part of the CAISO 2022-23 transmission planning process. Status: Chapter 358, Statutes of 2022.

AB 2696 (E. Garcia) of 2022 would have required the CEC to conduct a study that reviews lower costs ownership and alternative financing for new transmission facilities, among other provisions. Status: Held in the Senate Appropriations Committee.

SB 1174 (Hertzberg) required specified reporting related to electric transmission projects, and also requires the CPUC in coordination with other state agencies to identify and advance all interconnections or transmission approvals necessary, as specified. Status: Chapter 229, Statutes of 2022.

SB 1032 (Becker, 2021) would have established a new Clean Energy Infrastructure Authority as a public instrumentality of the state for the purpose of leading the state's efforts to build critical electrical transmission infrastructure necessary to enable the state to transition to 100% clean energy. Status: Held under submission in the Assembly Committee on Appropriations.

AB 111 (Committee on Budget) created OEIS within the Natural Resources Agency, under the supervision of a director appointed by the Governor, to oversee electrical corporations' wildfire mitigation plans. Status: Chapter 81, Statutes of 2019.

AB 1054 (Holden) included numerous provisions related to addressing wildfires caused by electric utility infrastructure, including: bolstering safety oversight and processes, such as required updates to each electric corporation's wildfire mitigation plans, recasting recovery of costs from damages to third-parties, including the authorization for an electrical corporation and ratepayer jointly funded Wildfire Fund to address future damages, and changes to provisions concerning the workforce of a change of ownership of a full or portion of an electrical or gas corporation. Status: Chapter 79, Statutes of 2019.

SB 901 (Dodd) addressed numerous issues concerning wildfire prevention, response and recovery, including funding for mutual aid, fuel reduction and forestry policies, WMPs by electric utilities, and cost recovery by electric corporations of wildfire-related damages. Status: Chapter 626, Statutes of 2018.

SB 1028 (Hill) required electric CPUC-regulated utilities to file annual wildfire mitigation plans and requires the CPUC to review and comment on those plans. Status: Chapter 598, Statutes of 2016.

SB 100 (De León) established the 100 Percent Clean Energy Act of 2018 which increases the RPS requirement from 50 percent by 2030 to 60 percent, and created the policy of planning to meet all of the state's retail electricity supply with a mix of RPS-eligible and zero-carbon resources by December 31, 2045, for a total of 100 percent clean energy. Status: Chapter 312, Statutes of 2018.

**REGISTERED SUPPORT / OPPOSITION:**

*This bill has been significantly amended since these support letters have been received by the committee. It is unclear how the following positions might have changed.*

**Support**

350 Humboldt  
350 Humboldt: Grass Roots Climate Action  
Advanced Energy United  
Agricultural Energy Consumers Association  
Brightline Defense  
California Community Choice Association  
California Environmental Voters  
California Large Energy Consumers Association  
California State Association of Electrical Workers  
Clean Air Task Force  
Clean Power Alliance of Southern California  
Clean Power Campaign  
Climate Action California  
Climate Reality Project San Diego  
Coalition of California Utility Employees  
Elder's Climate Action Norcal  
Elders Climate Action Socal Chapter  
Marin Clean Energy (MCE)  
Natural Resources Defense Council (NRDC)  
Net-zero California  
Norcal Elder Climate Action  
NRDC  
San Diego Community Power  
San Jose Clean Energy  
Santa Cruz Climate Action Campaign  
Socal Elders Climate Action  
Solar Energy Industries Association  
State Water Contractors  
Sustainable Mill Valley  
The Climate Center  
The Utility Reform Network (TURN)  
Union of Concerned Scientists

**Opposition**

Calchamber

Edison International and Affiliates, Including Southern California Edison

Pacific Gas and Electric Company

San Diego Gas & Electric

Southern California Edison

**Other**

Anza-borrego Foundation

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