

Date of Hearing: April 8, 2026

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

AB 2289 (Boerner) – As Introduced February 19, 2026

SUBJECT: Public utilities: telecommunications

SUMMARY: Changes portions of the Public Utilities Code related to the governance and organization of the California Public Utilities Commission (CPUC), to a) state that a corporation providing telecommunications service is a public utility under CPUC control; b) require the Governor to ensure a diverse composition of CPUC commissioners; and c) codify statutory authority of the CPUC's constitutional powers to establish its own procedures, including designating an assigned commissioner over hearings and investigations.

EXISTING LAW:

- 1) Establishes the California Public Utilities Commission (CPUC) and vests the agency with regulatory authority over public utilities, including telephone corporations. (Article 12 of the California Constitution)
- 2) Establishes the CPUC may establish its own procedures and authorizes a designated commissioner to hold a hearing or issue an order. (Article 12, § 2 of the California Constitution)
- 3) Provides that the membership of the CPUC, and the qualifications and tenure of its members, are as provided in Section 1 of Article 12 of the Constitution. (Public Utilities Code § 301)
- 4) Establishes the Public Utilities Act, which, in part, declares the finding of the Legislature that the public interest is best served by a CPUC that is appropriately funded and staffed, that can thoroughly examine the issues before it, and that can take timely and well-considered action on matters before it. Additionally, funding the commission by means of a reasonable fee imposed upon regulated entities helps to achieve those goals and is, therefore, in the public interest. (Public Utilities Code §§ 401-410)
- 5) Authorizes the CPUC to supervise and regulate every public utility in the state, and do all things necessary and convenient in the exercise of such power and jurisdiction. (Public Utilities Code § 701)
- 6) Provides that all hearings, investigations, and proceedings shall be governed by this part and the CPUC's Rules of Practice and Procedure; establishes the different categories of proceedings. (Public Utilities Code §§ 1701, et. seq.)

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

BACKGROUND:

The CPUC – The CPUC traces its origins to the California Railroad Commission, established in the late 1870s in response to the expansion of the transcontinental railroad. Public backlash against railroad influence on state government – particularly that of the Southern Pacific – fueled

Progressive Era reforms, leading to a reconstituted Railroad Commission in 1911 and the passage of the Public Utilities Act in 1912, which extended the agency's jurisdiction to for-profit transportation, water, electricity, gas, and telephone and telegraph services. The agency was renamed the California Public Utilities Commission in 1946. Today, the CPUC is the largest state utility regulator in the nation, overseeing privately owned electric, natural gas, water, and communications companies, as well as railroad safety, rail transit, and passenger-for-hire carriers, including ride-hailing companies such as Uber and Lyft. Its core mission is to ensure Californians have access to safe, reliable utility services at just and reasonable rates.

CPUC Commissioners – Section 1 of Article XII of the California Constitution establishes that the CPUC has five commissioners appointed by the Governor, and confirmed by the Senate, with each commissioner serving six-year staggered terms. 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.¹
2. California Air Resources Board: The Governor and Senate must assess specific education qualifications or career experience for six member appointments. Six 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.²
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.”³

¹ Public Resources Code § 25201.

² Health and Safety Code § 39510.

³ Water Code § 175.

COMMENTS:

- 1) *Author's Statement.* According to the author, "This bill, alongside changes proposed in a constitutional amendment, will establish a more focused, efficient, and consistent approach to the state's structure for regulating various utilities. By splitting telecommunications and broadband regulation from the CPUC, and vesting those responsibilities with a new agency, the CPUC can continue to focus its attention on the most pressing issues: energy reliability, safety, and affordability. Outside of the CPUC, the Department of Broadband and Digital Equity will enable a focused and efficient regulatory structure for telecommunications and broadband programs."
- 2) *Purpose of this Bill.* This bill has two aims: 1) to duplicate in statute constitutional powers of the CPUC that, if ACA 9 (Boerner, 2025) were to pass, would leave these powers solely as statutory authorities; and 2) to add diversity composition requirements to the appointments of CPUC commissioners. The bill is a continuation of years of effort by the author to reform the processes and procedures of the CPUC.
- 3) *Legislative Precedent to Consolidate or Move Government Functions.* The California Constitution provides that authority may be granted, by statute, to the Governor to assign and reorganize functions among executive officers and agencies and their employees. Pursuant to Government Code §§ 12080 et. seq., the Governor is delegated specific authorities and procedures to reorganize state agencies. Nonetheless, the Legislature still retains the authority through legislation to transfer, abolish, consolidate, and coordinate the powers of state agencies. There is recent and historical precedent for the Legislature exercising such powers. For example, SB 156 created the Office of Broadband and Digital Literacy within the Department of Technology. AB 111 (Committee on Budget, 2019) created the Office of Energy Infrastructure Safety within the Natural Resources Agency, which transferred some existing work related to utility wildfire mitigation plans from the CPUC. There was also the Warren-Alquist Act, passed in 1975, that established the California Energy Commission (CEC).

While this bill does not establish a new department, it does set the stage for such activity by moving current constitutional powers of the CPUC into statute. The author also notes extensively in background materials submitted to the committee that the solution to the "state's approach to regulating telecommunications... is not most effectively solved by internal reforms to the CPUC, which would also affect all other classes of public utilities, but rather to full restructuring of those functions to an outside agency." This suggests a larger effort may be in the works.

- 4) *Regional Diversity of CPUC Commissioners.* This bill requires the Governor 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.⁴ The report identified benefits from having staff reside in different parts 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.

5) *Related Legislation.*

AB 13 (Ransom, 2025) would make changes to the CPUC, including requiring specified geographic representation of commissioners and specified reporting to the Legislature concerning utility rate-setting cases. Status: *pending hearing* – Senate Committee on Appropriations.

ACA 9 (Boerner, 2025) amends Article XII of the Constitution related to the CPUC to: 1) make commissioner appointments approved by both the Senate and Assembly; 2) strike the authorization that the CPUC may establish its own procedures; 3) strike the CPUC’s regulatory authority over telephone and telegraphs; and 4) mandates the CPUC consider the affordability of rates when setting rates. Status: *pending referral* – Assembly Committee on Rules.

6) *Prior Legislation.*

AB 693 (Boerner, 2025) would have established the Department of Broadband and Digital Equity (DBDE) within the Government Operations Agency (GovOps), as well as the Broadband and Digital Equity Commission to advise and assist DBDE and the Legislature in its broadband and digital equity activities. Status: Assembly - Died – Appropriations.

AB 768 (Boerner, 2024) would have established within state government the Office of Broadband and Digital Equity, to serve as a centralized state office for broadband and digital activities within the state. Status: Assembly - Died - Communications and Conveyance.

7) *Double Referral.* This bill is double referred. Upon passage in this committee, it will be referred to the Assembly Committee on Communications and Conveyance for its review.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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⁴ “Budget Act of 2018”, Committee on Budget and Fiscal Review, Chapter 341, Statutes of 2016