

Date of Hearing: June 24, 2026

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

SB 1196 (McNerney) – As Amended April 20, 2026

SENATE VOTE: 29-5

SUBJECT: Accessory dwelling units and junior accessory dwelling units: electrical service connections

SUMMARY: Requires the California Public Utilities Commission (CPUC), by September 30, 2027, in a new or existing proceeding, to establish timelines for electrical corporations to respond to and process requests to energize accessory dwelling units (ADUs) and junior accessory dwelling units (JADUs). Specifically, **this bill:**

- 1) Defines an “accessory dwelling unit” as set forth in Section 66313 of the Government Code and defines “junior accessory dwelling unit” has the same meaning as set forth in Section 66313 of the Government Code.
- 2) Requires the CPUC, by September 30, 2027, in a new or existing proceeding, to establish timelines for electrical corporations to respond to and process requests to energize ADUs and JADUs, as follows:
 - a) Establish the times by which an application is to be determined complete and by which that determination is to be provided to the applicant.
 - b) Require an electrical corporation to provide a list of deficiencies, and an explanation of how to cure them, for an application determined incomplete.
 - c) Establish the time by which an electrical corporation must respond to a cured application.
 - d) Establish the time by which an electrical corporation must complete a load assessment for an ADU or JADU and inform the applicant whether a new electrical panel or meter is required.
 - e) Establish the time by which an electrical corporation must verify that installation of a required panel or meter is complete.
 - f) Establish the time by which an electrical corporation must complete the service connection after notification that construction is complete.
 - g) Establish a process for an applicant to file a complaint with the CPUC for a violation of these requirements.
 - h) Determine the penalties to be assessed on an electrical corporation for failing to comply with the timelines.
- 3) Requires the CPUC, in establishing the timelines for energization, to require electrical corporations to comply with all the following:
 - a) Allow an energization application to be submitted at the same time the applicant applies for a building permit with the local permitting agency.

- b) Not cancel an energization application without the applicant's consent.
- c) Provide the applicant the opportunity to extend the timeline if the applicant requests a delay in completing the service connection.
- d) Provide the applicant the option to engage with electrical corporation staff for a preapplication project review.
- e) Provide the applicant upfront cost estimates — including fees, charges, and potential infrastructure upgrades — for planning purposes.

EXISTING LAW:

- 1) Establishes the CPUC and vests the agency with regulatory authority over public utilities, including telephone corporations. (Article 12 of the California Constitution)
- 2) Requires the CPUC to require each electrical corporation to retain an independent third-party auditor to review the electrical corporation's business practices and procedures for energizing new customers and how the electrical corporation is planning for demand growth, including new customer energizations, and to evaluate the electrical corporation's current and future energization performance. (Public Utilities Code § 940)
- 3) Requires the CPUC to require each electrical corporation to retain an independent third-party auditor to review the electrical corporation's business practices and procedures for energizing new customers and how the electrical corporation is planning for demand growth, including new customer energizations. (Public Utilities Code § 940(a))
- 4) Requires the independent third-party auditor to report to the CPUC on a biannual basis regarding the electrical corporation's business practices and procedures for energizing new customers and how the electrical corporation is planning for demand growth, including new customer energizations. (Public Utilities Code § 940(c))
- 5) Requires the CPUC to ensure that each electrical corporation has sufficient and timely recovery of costs, consistent with the findings and policies of the Powering Up Californians Act, including for energization projects. (Public Utilities Code § 936)
- 6) Requires each electrical corporation to annually report to the CPUC on its energization performance, including progress toward meeting the targets established pursuant to Section 934. (Public Utilities Code § 935)
- 7) Requires the CPUC, on or before September 30, 2024, to establish reasonable average and maximum target energization targets and a process for customers to report energization delays to the CPUC. (Public Utilities Code § 934(a))
- 8) Requires the CPUC to periodically update the energization time periods and requirements established pursuant to this section to reflect changed circumstances, new information, and experience. (Public Utilities Code § 934(e))
- 9) Requires the CPUC to establish annual reporting requirements for electrical corporations to report customer energization projects in order to evaluate each electrical corporation's

compliance with timely electrical service obligations and requires all such reports to be made publicly available. (Public Utilities Code § 933.5)

- 10) Authorizes 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)
- 11) Requires each public utility to furnish and maintain adequate, efficient, just, and reasonable service, instrumentalities, equipment, and facilities, as are necessary to promote the safety, health, comfort, and convenience of its patrons, employees, and the public. (Public Utilities Code § 451)
- 12) Prohibits a public utility from making or granting any preference or advantage to any corporation or person or subjecting any corporation or person to any prejudice or disadvantage, as to rates, charges, service, facilities, or in any other respect. (Public Utilities Code § 453)

FISCAL EFFECT: Unknown. According to the Senate Appropriations Committee, the bill is expected to have negligible state costs pursuant to Senate Rule 28.8.

BACKGROUND:

Electric Service Extensions – Electric service extensions are generally governed by Electric Tariff Rules 15 and 16. These establish the guidelines for the design of electric service extensions, allocation of associated costs, and the respective responsibilities of the utility and project applicant. Connecting a project to the electric distribution system can take months, and in some cases years, as the process may require engineering reviews, system upgrades, and determinations regarding the allocation of costs associated with distribution infrastructure improvements. For larger developments, electric service extensions may be constructed in phases over the course of months or years, depending on the size and scope of the project.

Electric Tariff Rule 15 relates to distribution line extensions. Specifically, new distribution facilities that are a continuation of, or branch from, the nearest available existing permanent distribution line to the point of connection of the last service. Rule 15 generally pertains to electric distribution grid equipment used by multiple customers, for example, a transformer serving multiple homes.

Electric Tariff Rule 16 relates to service line extensions. The overhead and underground primary or secondary facilities (including but not limited to utility-owned service facilities and applicant owned service facilities) extending from the point of connection at the distribution line to the service delivery point. Rule 16 generally pertains to network equipment used by just one customer.

Energization Lifecycle – The time required to energize a new customer connection depends on project characteristics and the condition and capacity of the distribution system. Energization processes vary by utility territory and project type, ranging from relatively simple upgrades, such as residential panel replacements, to more complex commercial or public facility projects. Timelines may be affected by the need for system upgrades and factors outside the utility's control, including supply chain delays, weather, permit approvals, and the timing of customer

application materials. The process typically includes application review, engineering assessment, cost estimation, construction planning, and final inspection and service connection, and often requires coordination with local permitting authorities. Utilities frequently process multiple requests simultaneously, and some projects require distribution system upgrades or other infrastructure work that can extend timelines. For these reasons, energization may take from about a month to multiple years, depending on project scope and conditions.

As shown in Figure 1, there are many steps—and thus many opportunities for delay—in the customer energization lifecycle. The energization process spans seven sequential phases from pre-application through construction. Preliminary engineering and design alone may take 16 to 23 weeks.

Figure 1: Customer Project Lifecycle (for complex projects)¹



Energization Delays – California’s clean energy and climate policies, including the expansion of renewable electricity, the electrification of buildings, and the transition to zero-emission transportation, are increasing demand for new electric service connections and upgrades to the distribution grid. At the same time, state efforts to accelerate housing production, driven by statutory requirements, depend on timely and reliable access to electric service.

Delays in energizing new customer connections and service upgrades can occur at multiple stages of the process and may extend project timelines beyond initial expectations.

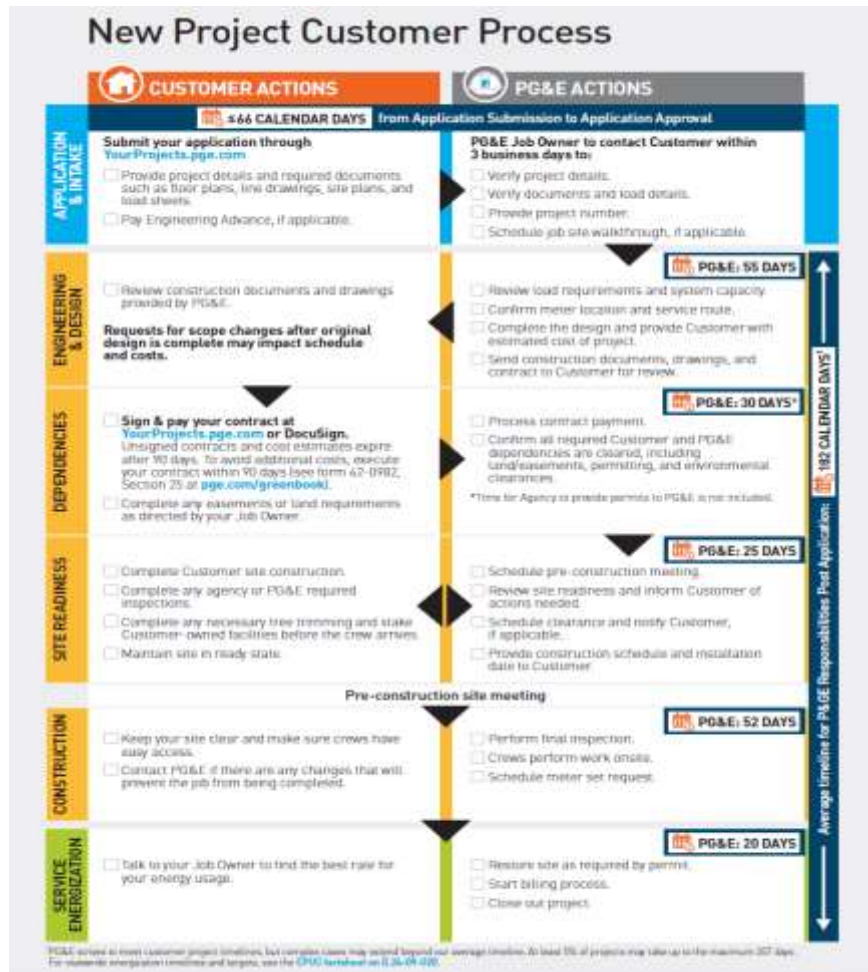
Legislative Response to Energization Delays – To provide certainty around timelines for electric service connections and upgrades, the Legislature enacted SB 410 (Becker, Chapter 394, Statutes of 2023) and AB 50 (Wood, Chapter 317, Statutes of 2023). SB 410 requires the CPUC to establish average and maximum target energization time periods by September 30, 2024. It also requires electrical corporations to report on their performance in meeting those targets, including information on staffing levels and workforce projections. The CPUC is further required to establish a process for customers to report delays and to consider actions in response. AB 50 addresses related issues of transparency in the energization process. It requires the CPUC to define timely electric service, including establishing categories of service, setting target timeframes, and identifying exceptions for more complex projects. The measure also requires utilities to provide customers with information about the status of their service requests and expected timelines.

¹ Example provided by SDG&E and representative of their territory. Timelines and activities reflect those for complex projects (e.g., subdivisions, developments involving design by SDG&E). Requests that do not involve SDG&E design tend to have shorter timelines. Duration of the project phases are estimates only and represent activities managed by SDG&E; i.e. do not include time for activities that are the customer responsibility.

Together, these measures establish expectations for energization timelines and provide the CPUC with tools to monitor utility performance. However, they rely on target setting and reporting, rather than requiring compliance with fixed timelines for individual projects. The statutes also recognize that timelines may vary based on project characteristics, system conditions, and the need for upgrades, and leave implementation details to the CPUC to work through its regulatory proceedings.

CPUC Decision Implementing SB 410 (Becker) and AB 50 (Wood) – On September 12, 2024, the CPUC issued Decision 24-09-020 implementing SB 410 and AB 50. It sets both average and maximum timeframes for different categories of service requests and requires IOUs to track and report their performance against those timeframes. The decision established an eight-step energization process to identify which steps are within IOU control and which are within customer or third-party control. Steps 2, 4, 6, 7, and 8 are solely within the control of an IOU. IOUs must submit biannual energization reports to the CPUC, with the first report due March 31, 2025, and the second due September 30, 2025. Those reports must include average completion times, explanations for energization periods that exceed the maximum target, and an analysis of obstacles affecting energization. The IOUs are required to report compliance with the CPUC's adopted energization targets in those biannual reports. When an IOU is out of compliance, it must provide a detailed strategy for meeting the adopted targets in the future. However, the CPUC may require the IOUs to take specific remedial actions based on reported non-compliance to achieve the mandated timelines.

The decision requires IOUs to assign a dedicated project manager within 10 business days of application approval to serve as a single point of contact. The project manager must provide monthly status updates and communicate with customers when delays arise, including the cause, responsible party, and estimated resolution timeframe. The decision also adopted an Energization Delay Reporting Form, which provides customers the ability to report energization delays directly to the CPUC's Energy Division. Upon receipt, the Energy Division contacts both the customer and the IOU to request additional information and works with both parties to resolve the delay in a timely manner. In February 2026, the CPUC issued an additional decision in the proceeding addressing flexible service connections for distribution customers facing capacity constraints. The CPUC is developing a record in Phase 2 on existing enforcement policies and associated penalties. SB 254 (Becker, Chapter 119, Statutes of 2025) requires the CPUC, on or before January 1, 2027, to establish an enforcement policy for the energization targets established by the decision, including penalties for non-compliance with remedial actions.



The Customer Energization Map – **Figure 1: (Titled New Project Customer Process)**: Figure 1 outlines the sequence of actions that a customer (e.g., a project developer) and an IOU — PG&E, in this case, must take to establish electric service for new construction projects. The process has six phases:

- 1) Application intake,
- 2) Engineering and design
- 3) Dependencies
- 4) Site readiness
- 5) Construction
- 6) Service energization.

The process begins when the customer submits project details and pays any upfront engineering fees. PG&E contacts the customer within 3 business

days to verify documents. This application and intake phase must be completed within 66 calendar days of application submission. PG&E then reviews requirements, finalizes the engineering design, and sends construction documents and a contract to the customer. The customer signs and pays for the contract within 90 days. PG&E then confirms all required clearances, including environmental approvals. PG&E then schedules a pre-construction meeting and provides the customer with a construction schedule. PG&E crews then perform onsite construction work and a final inspection, taking 52 days. Service energization follows, during which PG&E restores the site, starts billing, and closes out the project, taking 20 days. Construction and service energization alone account for 72 days of PG&E responsibility.

COMMENTS:

- 1) *Author's Statement.* According to the author, "California homeowners and ADU builders are increasingly frustrated by long delays – up to a year – to obtain utility service connections. The problem is, there are no clear rules for when a utility must hook up an ADU – and no consequences for delays. SB 1196 would make sure that when a homeowner adds an ADU, they'll be able to get it hooked up without waiting months on end."
- 2) *Broadening the Scope of the Bill.* While reducing delays in the energization of ADUs and JADUs may help facilitate housing development, establishing energization timelines that

apply only to a specific type of project may be difficult to justify when other similarly situated projects face many of the same energization challenges. Projects that require distribution or service line extensions or upgrades under Electric Rules 15 or 16 may require additional engineering review, system upgrades, and cost-allocation determinations that can extend project timelines, while projects that do not require such work are generally less complex. Prior legislative efforts addressing utility energization timelines have generally applied across broad categories of customers rather than a particular project type. Given that energization timelines are often driven by the scope of utility work required to provide service, *the committee recommends expanding the bill to apply to only small energization projects. For purposes of this bill, "small energization projects" would mean projects that do not require distribution or service line extensions or upgrades pursuant to Electric Rule 15 or Electric Rule 16, or any successor or substantially similar tariff adopted by the CPUC, unless the sole upgrade required is the installation of a new electric meter.*

- 3) *ADU-Specific Energization Requirements.* This measure would require the CPUC to establish timelines for several steps in the energization process, including load assessments, determinations regarding whether a new electrical panel or meter is required, verification of panel installation, completion of the service connection, and a complaint process for violations of those requirements. These provisions would create project-specific requirements that are not generally applicable to other customers. Recent legislation, including SB 410 (Becker, Chapter 867, Statutes of 2023) and AB 50 (Ward, Chapter 811, Statutes of 2024), focused on utility energization processes applicable across customer classes rather than establishing separate requirements for individual project types. *Consistent with that approach, the committee recommends deleting proposed subdivision (b)(4) through (b)(7) of Section 934.5, relating to load assessments, electrical panel and meter determinations, verification of panel installation, completion of service connections, and the associated complaint process.*
- 4) *Cancellation of Energization Applications.* SB 1196 would prohibit an electrical corporation from cancelling an application for energization without the applicant's consent. Since the committee recommends broadening the bill to apply to small energization projects generally, the committee further recommends deleting references to ADUs and JADUs in this provision for consistency. *The committee also recommends specifying that an electrical corporation may cancel an application if the applicant fails to respond to the electrical corporation within a timeline established by the CPUC.*
- 5) *Consistency with the Powering Up Californians Act.* The CPUC is currently implementing the Powering Up Californians Act pursuant to SB 410 (Becker, Chapter 867, Statutes of 2023), which directed the commission to establish energization timelines and related requirements. *Given the overlap between the CPUC's implementation of the Powering Up Californians Act and the requirements proposed by this bill, the committee recommends adding a provision specifying that compliance with this section shall complement, and not conflict with, any rule, order, or determination adopted by the CPUC pursuant to the Powering Up Californians Act.*
- 6) *Technical Amendments.* This bill contains several provisions that would benefit from additional clarity. *As such, the committee recommends several technical amendments.*

7) *Prior Legislation.*

SB 1210 (Skinner) required electrical, gas, sewer, and water service utilities, with exceptions, to post estimated fees and timeframes for new service connections needed to connect new housing construction projects. Status: Chapter 728, Statutes of 2024.

AB 50 (Wood) required the CPUC, by July 1, 2025, to determine the criteria for customers to receive timely electricity service when requesting new service connections or upgraded service, known as “energization.” Chapter 317, Statutes of 2023.

SB 410 (Becker) required the CPUC to establish by September 30, 2024, reasonable average and maximum target energization time periods in order to connect new customers and upgrade the service of existing customers to the electrical grid. Status: Chapter 394, Statutes of 2023.

AB 602 (Grayson) required, among its provisions, a city, county, or special district that has an internet website to post and update on their websites specified information, including a current schedule of housing development project costs, zoning ordinances and development standards, annual impact fee reports, and an archive of specified impact fee nexus studies. Status: Chapter 347, Statutes of 2021.

REGISTERED SUPPORT / OPPOSITION:

Support

Adu West Coast
Bequall
California Yimby
Casita Coalition
Hello Housing
Housing Action Coalition
Inspired Adus
Snapadu
Southern California Obtainable Housing
Tentmakers INC

Oppose

Edison International and Affiliates, Including Southern California Edison
Pacific Gas and Electric Company
San Diego Gas and Electric Company

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