



Staff Report Item 5:

To:	Ava Community Energy Authority
From:	Sam Sadle, Principal Legislative Manager
Subject:	2026 California Legislative Preview
Date:	March 6, 2026

Summary/Recommendation

This staff report provides the Marketing, Regulatory, and Legislative sub-committee with an overview of the current state of play in the California legislature and previews future Board action to take legislative positions at the March and April Board meetings.

This is informational. No action is required.

Financial Impact

N/A

Analysis and Context

This presentation provides a summary of the current state of play in the California Legislature as it relates to legislative and budget proposals that may have an impact on Ava Community Energy and our Legislative Program. The presentation also provides frameworks through which to analyze the various proposals working through the legislature and background ahead of Board position proposals in March (SUPPORT: AB 1761 and SB 1138) and April (TBD).

Attachments (if applicable)

Presentation entitled "2026.03.06 2026 MRL Item 5 2026 California Legislative Preview"

2026 California Legislative Preview

Sam Sadle, Kendall Downie, Dominic Faria – March 6, 2026



2026 California Legislative Timeline

<p>January</p> <p>5: Legislature reconvenes 10: Governor submits budget</p>	<p>February</p> <p>20: Bill introduction deadline</p>	<p>We are here</p>	<p>March</p>	<p>April</p> <p>24: Policy cmtes move fiscal bills to fiscal cmtes (1st chamber)</p>
<p>May</p> <p>1: Policy cmtes move non-fiscal bills to floor (1st chamber) 29: Last day for bills to be passed by 1st house</p>	<p>June</p> <p>15: Budget bill must be passed</p>	<p>July</p> <p>2: Policy cmtes move bills to fiscal cmtes or floor (2nd chamber)</p>		<p>August</p> <p>14: Fiscal cmtes move bills to floor (2nd chamber) 31: Last day for each chamber to pass bills</p>
<p>September</p> <p>30: Last day for Governor to sign/veto bills</p>	<p>October</p>	<p>November</p>	<p>December</p>	

2026 Ava Legislative Review Process

Full universe of bills

83 bills related to our JPA

Securing electrical energy supply

Addressing climate change by reducing energy related greenhouse gas emissions

Promoting electrical rate price stability

Fostering local economic benefits such as jobs creation, community energy programs, and local power development

Promot[ing] the development and use of a wide range of renewable energy sources and energy efficiency programs

Today: Short list of bills that demand further analysis

37 bills related to the Ava Legislative Program

Making Electricity More Affordable

Protecting Community Choice

Accelerating Decarbonization

Promoting Local Development

Increasing Bill Transparency and Understanding

April: Bill position recommendations

3 criteria

Directly impacts our operations or legislative program

Supports the JPA's vision of an affordable, sustainable, and local energy ecosystem and has broad-based support.

Ava's perspective has specific resonance with key decisionmakers and could impact the legislative language or path forward.

Full Universe of Bills

AB 13	Ransom (D)	PUC membership and reporting
AB 34	Patterson (R)	Extends the authority of POU's to count large hydro towards RPS
AB 61	Pacheco (D)	Require PAO to analyze ratepayer impacts of mandated programs
AB 705	Boerner (D)	Creates independent PUC audit office
AB 706	Aguiar-Curry (D)	Fire fuel reduction procurement program
AB 710	Irwin (D)	Dynamic pricing and advanced metering mandate
AB 942	Calderon (D)	Changes climate credit
AB 1016	Gonzalez (R)	State certification exemption for geothermal power plants
AB 1020	Schiavo (D)	Requires IOUs to report taxpayer funding
AB 1117	Schultz (D)	Require IOUs to offer optional dynamic rate
AB 1156	Wicks (D)	Updates farmland solar-use easement statute
AB 1553	Connolly (D)	Spot bill -- CEQA reform
AB 1577	Bauer-Kahan (D)	Data Center Monthly Reporting
AB 1677	Boerner (D)	Require IOUs to cut rates by 25%
AB 1761	Rogers (D)	PCIA data transparency

Full Universe of Bills

AB 1774	Boerner (D)	Spot bill -- IOU rates
AB 1787	Schultz (D)	Require IOUs to offer a dynamic tariff if smart meter infrastructure is in place Prohibits CARB from adopting regulations that would add more than 2 cents to a gallon of gas or \$2,000 to a home
AB 1791	Sanchez (R)	
AB 1942	Bauer-Kahan (D)	Restrictions on class 2 and class 3 ebikes
AB 1975	Schultz (D)	PUC to consider of maintenance costs for IOU structure siting decisions
AB 1995	Patel (D)	State Fire Marshal lithium battery working group
AB 2057	DeMaio (R)	Prohibits city and counties from implementing gas bans
AB 2111	Papan (D)	Transmission planning alignment with affordability and FERC Order 1920
AB 2175	Garcia (D)	Removes advanced electricity storage from smart grid deployment objectives
AB 2181	Petrie-Norris (D)	Requires PUC commission diversity
AB 2182	Irwin (D)	Creates IOU run industrial decarbonization program
AB 2234	Papan (D)	CEQA exemptions for geothermal exploratory projects
AB 2239	Carillo (D)	Infrastructure-constrained energization areas and IOU energization timelines
AB 2266	Schultz (D)	RA valuation standardization
AB 2369	Rogers (D)	Spot bill

Full Universe of Bills

AB 2383	Zbur (D)	Require creation of a large load customer class and rate schedule
AB 2396	Harabedian (D)	Spot bill
AB 2408	DeMaio (R)	Require all PPPs be detailed on bill and an annual report to each ratepayer
AB 2459	Wallis (R)	Spot bill -- climate credit
AB 2463	Petrie-Norris (D)	Require PUC to study IOU return on equity
AB 2464	Wicks (D)	Require PUC to study clean firm's role in 2045 goal
AB 2493	Petrie-Norris (D)	Require IOUs to have an interconnection auditor
AB 2508	Hoover (R)	Creates PPP vehicle to spend GGRF funds on EE programs run by RENs
AB 2516	Petrie-Norris (D)	California Grid Manufacturing Initiative
AB 2518	Sharp-Collins (D)	Spot bill -- utilities
AB 2554	Addis (D)	Spot bill -- utilities
AB 2589	Irwin (D)	Requires PUC to analyze OBBBA and adjust rates to reflect impacts Require PUC to develop rates that do not impose an "unreasonable hardship" on low-income communities in hot climate zones
AB 2611	Bains (D)	
AB 2612	Schultz (D)	Building standards for plug-in solar systems
AB 2647	Calderon (D)	Bans new nuclear power plants without fuel reprocessing capacity or adv tech

Full Universe of Bills

AB 2688	Zbur (D)	Spot bill – offshore wind
AB 2699	Zbur (D)	Spot bill -- utilities
AB 2700	Gallagher (R)	Spot bill -- rates and air pollution
AB 2710	Bauer-Kahan (D)	Intent of legislature to make changes in IOU bankruptcy processes
AB 2748	Quirk-Silva (D)	Revert EV regulations to 2022 state building code for BMR housing
AB 2762	Boerner (D)	Spot bill -- rates
SB 222	Weiner (D)	Heat pump water heater and HVAC system permitting streamlining
SB 327	McNerney (D)	Prohibits IOUs from using ratepayer funds for advocacy activities related to municipalization
SB 330	Padilla (D)	Transmission infrastructure financing pilots
SB 332	Wahab (D)	Study breaking up IOUs
SB 453	Stern (D)	Microgrid incentive program
SB 742	Perez (D)	IOUs to remove unused transmission facilities
SB 842	Stern (D)	Report on firm zero-carbon resources
SB 868	Wiener (D)	Plug-in solar interconnection exemption
SB 875	Wiener (D)	PG&E municipalization advancement

Full Universe of Bills

SB 886	Padilla (D)	Large load cost shift prevention
SB 887	Padilla (D)	Large load CEQA application
SB 905	Becker (D)	Spot bill -- Non-bypassable charges
SB 913	Becker (D)	Spot bill
SB 924	Hurtado (D)	PUC to consider affordability when looking at home weatherization
SB 925	McNerney (D)	Spot bill -- Energy efficiency
SB 943	Becker (D)	Industrial billing and NBC/TAC reform
SB 978	Perez (D)	Special tariff for large load customers
SB 1035	Strickland (R)	Suspend gas tax for one year
SB 1097	Weiner (D)	Spot bill -- Energy permitting
SB 1138	Padilla (D)	RA transactability
SB 1158	Stern (D)	Adds status of utility transmission upgrades and electrical grid infrastructure to Reliability Planning Assessment
SB 1167	Blakespear (D)	Clarifies ebike definition and bans advertising of non-eligible bikes
SB 1168	McNerney (D)	Data center gas usage surcharge
SB 1187	Durazo (D)	Brown Act meeting updates
SB 1215	Cortese (D)	Require IOUs to 3x the number of multifamily level 2 and 3 chargers

Full Universe of Bills

SB 1219	Strickland (R)	Requires PUC to consider discontinuation of nonperforming EE programs within 180 days
SB 1233	Allen (D)	Spot bill -- rates
SB 1245	Stern (D)	Intent of legislature to address cost containment of renewable integration into grid
SB 1282	Becker (D)	V2G standards
SB 1295	Stern (D)	Requires PUC to consider procurement of 40GW of storage and allocate procurement to LSEs
SB 1354	Archuleta (D)	Spot bill -- renewable energy
Budget Trailer	Dept of Finance	Reallocates outstanding funding from the Distributed Energy Backup Assets (DEBA) program to the Demand Side Grid Support (DSGS) program

2026 Ava Legislative Review Process

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Promot[ing] the development and use of a wide range of renewable energy sources and energy efficiency programs

Today: Short list of bills that demand further analysis

37 bills related to the Ava Legislative Program

Making Electricity More Affordable

Protecting Community Choice

Accelerating Decarbonization

Promoting Local Development

Increasing Bill Transparency and Understanding

April: Bill position recommendations

3 criteria

Directly impacts our operations or legislative program

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Ava's perspective has specific resonance with key decisionmakers and could impact the legislative language or path forward.

Making Electricity More Affordable

Rate affordability via PUC process and consideration changes

AB 1975 – Schultz

Require PUC to consider maintenance costs when approving infrastructure spending

AB 2266 – Schultz

Require PUC to set a single RA value for all types and duration of generation contracts

AB 2463 – Petrie-Norris

Require PUC to study IOU return on equity and propose how to link earnings to outcomes

AB 2611 – Bains

Require PUC to develop rates that do not impose an "unreasonable hardship" on low-income communities in hot climate zones

SB 924 – Hurtado

Require PUC to consider costs and affordability in home weatherization programs

SB 742 – Perez

IOUs to remove unused transmission facilities

Transmission and distribution affordability via process changes and faster timelines

AB 2111 – Papan

Transmission planning alignment with affordability and FERC Order 1920

AB 2239 – Carillo

Require PUC to designate "infrastructure-constrained energization areas" to expedite development and interconnection

AB 2493 – Petrie-Norris

Require IOUs to have an interconnection auditor

AB 2516 – Petrie-Norris

Require GOBiz to procure or manufacture grid infrastructure in bulk and sell it to IOUs

Protecting Community Choice

CalCCA-sponsored Bills

AB 1761 - Rogers

Require the PUC to ensure that all data relied on in any decision or ruling, or in any proposal or analysis provided by an electrical corporation, the commission's staff, or any other party, for the determination or application of a calculation methodology for the Power Charge Indifference Adjustment (PCIA) be made available to LSEs and ratepayer advocates.

SB 1138 – Padilla

Require the PUC to permit LSEs to demonstrate compliance with RA requirements by selling to, or otherwise making transactions with, another LSE to meet not more than 25% of its compliance obligation, on a short-term basis, and to permit those transactions to be denominated in the same unit of time used to denominate RA compliance requirements.

Protecting Community Choice

Managing data center growth

AB 1577 – Bauer-Kahan

Require monthly energy and water use reporting from all data centers

AB 2383 – Zbur

Creates large load tariff (>20 MW) to prevent costs shifts and require facilities to pay for interconnection over 15 years

SB 886 – Padilla

Require PUC to create large load definition and tariff that prohibits costs shifts, requires 50% onsite zero-carbon storage, participation in demand response (among other requirements)

SB 887 – Padilla

Subjects all data centers to CEQA unless they install 100% zero-carbon energy storage (4 hrs) and procure 100% zero-carbon generation (at least 75% net new) within 5 years (among other requirements)

SB 978 – Perez

Require PUC to create large load tariff (>75 mw) with upfront T&D upgrade payments and require all backup generation to be onsite solar paired with backup batteries

Accelerating Decarbonization

Supporting industrial and large load decarbonization

SB 943 – Becker

Directs PUC to develop new TAC and NBC regimes that encourage industrial decarbonization and electrification

SB 1168 – McNerney

Impose a surcharge on all gas generation used by data centers and use funds to support CARE/FERA

Supporting decarbonized utility-scale generation

AB 1156 – Wicks

Updates the Solar-Use Easement law to encourage development of solar on water-constrained farmland

AB 2464 – Wicks

Require the PUC to do a study on clean firm zero-carbon and what is needed to achieve state's 2045 goals

SB 1295 – Stern

Requires PUC to consider procurement of an additional 40GW of storage and allocate procurement to LSEs

Promoting Local Development

Distributed energy resources

AB 2612 – Schultz

Requires the Building Standards Commission to adopt mandatory standards for portable solar systems

SB 868 – Weiner

Exempts portable solar generation (max output of 1,200 watts) from interconnection requirements

SB 222 – Weiner

Require local communities to adopt heat pump water heater and HVAC system permitting streamlining

Budget trailer – DSGS

Reallocates remaining DEBA funding to DSGS (~\$20 million)

Transportation electrification

AB 1942 – Bauer-Kahan

Require class 2 and 3 ebikes to be registered with the DMV and plated

SB 1167 – Blakespear

Clarifies the definition of ebikes and bans advertising of non-eligible vehicles as ebikes

SB 1215 – Cortese

Require IOUs to 3x the number of level 2 and 3 vehicle chargers in multifamily housing and recover costs as O&M

SB 1282 – Becker

Require the Energy Commission to study and adopt Vehicle-to-Grid (V2G) regulations

Increasing Bill Understanding and Transparency

Dynamic rates

AB 710 – Irwin

Require IOUs to offer dynamic pricing and require IOUs and POUs to plan for smart meter rollout to all customers

AB 1787 – Schultz

Require IOUs to offer dynamic pricing if smart meter infrastructure is in place

Other

Brown Act updates

SB 1187 – Durazo
Defines "majority" for purposes of open meetings requirements

PUC reform

AB 13 – Ransom
Requires Governor to consider diversity in PUC appointments and PUC to publish an annual "affordability" report

AB 2181 – Petrie-Norris
Requires Governor to consider geographic diversity in PUC appointments

20(!!!) spot or intent of legislature bills

AB 1677 – Boerner
Intent of legislature to reduce customer bills by 25%

AB 2396 – Harabedian
Spot bill – "Energy"

IOU spending restrictions

SB 327 – McNerney
Prohibits IOUs from using ratepayer funds for advocacy activities related to municipalization

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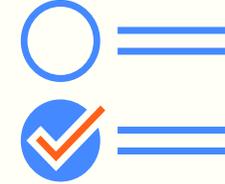
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What comes next? Bill review and positions



- **March Board informational item:**

- Present 2026 legislative preview to the MRL, CAC, and Board for feedback
- Continue cross-functional and cross-CCA legislative analysis

- **March Board action items:**

- Propose SUPPORT AB 1761 PCIA transparency
- Propose SUPPORT SB 1138 RA transactability

- **April Board action items:**

- Propose annual updates to the [Ava Legislative Program](#)
- Propose additional bill positions (Support, Support If Amended, Oppose Unless Amended, Oppose) to MRL, ExCo, CAC, and Board

What comes next? Legislative session

First house

- **April 24:** First house policy committee deadline (fiscal)
- **May 1:** First house policy committee deadline(non-fiscal)
- **May 15:** First house suspense deadline
- **May 29:** First house passage deadline
- **Throughout May:** Budget trailer hearings
- **June 15:** Budget deadline

Second house

- **July 2:** Second house policy committee deadline
- **August 14:** Second house suspense deadline
- **Aug 31:** Second house floor passage deadline
- **September 30:** Veto/signature deadline