Staff Report Item 5:

To:	Ava Community Energy Authority
From:	Sam Sadle, Principal Legislative Manager
Subject	Approval of staff recommended legislative positions
Date:	April 10, 2026

Summary/Recommendation

Since 2019, Ava staff has worked to implement the Board approved Legislative Program. The Legislative Program provides a framework for staff to identify, assess, track, and (with Board approval) take advocacy-related action regarding proposed legislation.

This recommendation will be formally considered at the upcoming April 15 Board meeting.

Ava staff recommends the Board adopt a "***support***" position on three bills:

- **Senate Bill 222 (Wiener)** - Streamlines permitting for installations of residential heat pump water and HVAC systems;
- **Senate Bill 1168 (McNerney)** - Establishes new surcharges on natural gas consumption by large data centers, with revenues collected to be directed toward low-income ratepayer assistance programs; and
- **Assembly Bill 2266 (Schultz)** - Requires the use of a consistent method across regulatory proceedings for calculating how much reliability value different energy resources provide, so that short-term, mid-term, and long-term procurement programs all count resources the same way.

Ava staff recommends the Board adopt a "***support if amended***" position on five bills:

- **Senate Bill 868 (Wiener)** - Sets rules for "plug in" or "balcony" solar systems;
- **Senate Bill 913 (Becker)** - Allows aggregated distributed resources to serve as

Resource Adequacy capacity;

- **Assembly Bill 1577 (Bauer-Kahan)** - Requires monthly reporting on data center energy usage;
- **Assembly Bill 1975 (Schultz) -** Establishes a "grid utilization metric" that calculates load as a percentage of rated distribution capacity; and
- **Assembly Bill 2389 (Irwin)** - Extends property tax exemption for customer-sited solar.

Financial Impact

- **SB 222 (Wiener) – Support:** Unlikely to have a direct fiscal impact on Ava.
- **SB 1168 (McNerney) – Support:** Unlikely to have a direct fiscal impact on Ava. May reduce customer bill charges related to wildfire expenses.
- **AB 2266 (Schultz) – Support:** Possible reduction in regulatory reporting costs.
- **SB 868 (Wiener) – Support if Amended:** Potential modest reduction in Ava revenues via net load reduction during daytime hours in areas with high plug-in solar adoption. Depending on how the legislation is implemented, it may increase available resources for virtual power plant initiatives, thus increasing load shift capacity and softening potential financial impacts.
- **SB 913 (Becker) – Support if Amended:** Depending on how the program is implemented it may lessen Resource Adequacy compliance costs.
- **AB 1577 (Bauer-Kahan) – Support if Amended:** Unlikely to have a direct fiscal impact on Ava.
- **AB 1975 (Schultz) – Support if Amended:** Unlikely to have a direct fiscal impact on Ava as currently written. May lead to a lessening of transmission and distribution charges for Ava customers or modest savings for the Agency should desired amendments be adopted.
- **AB 2389 (Irwin) – Support if Amended:** Unlikely to have a direct fiscal impact on Ava. Depending on how the legislation is implemented, it may increase available resources for virtual power plant initiatives.

Analysis and Context

- **SB 222 (Wiener) – Support:** If passed, SB 222 would standardize and streamline local permitting for residential heat pump water heaters and heat pump HVAC systems, including by requiring an option for asynchronous inspections and online automated permitting. The bill would support the State's target of installing six million heat pump systems by 2030, an objective the State is currently set to miss by roughly two million units. In 2025, Ava supported SB 282 (which was largely the same language). **T**his bill supports Ava's electrification-related policy objectives.

- **SB 1168 (McNerney) – Support:** If passed, SB 1168 would impose surcharges on electricity and natural gas consumption by large data centers. Revenues collected would be apportioned by the PUC to fund wildfire-related costs included in rates. The bill is aimed at ensuring that rapidly growing data center loads contribute to system costs and wildfire-related programs. SB 1168 supports Ava's affordability objectives and the State's decarbonization goals.

- **AB 2266 (Schultz) – Support:** AB 2266 would require the PUC, when setting certain resource adequacy and resource procurement obligations for load-serving entities such as Ava, to use a single capacity valuation method to assess the reliability contribution of each resource type. The bill would also require the Commission, to consolidate certain compliance reporting. The current system of having multiple standards across multiple obligation types adds unneeded complexity and increases regulatory costs. Ava has supported this type of standardization in regulatory forums. AB 2266 supports Ava's affordability objectives by decreasing compliance costs.

- **SB 868 (Wiener) – Support if Amended:** SB 828 would legalize small-scale "plug in" or "balcony" solar installations and under certain conditions exempt these installations from participating in the interconnection process. To be eligible, systems must not exceed a maximum output of 1,200 watts, must be in line with National Electric Code standards and Underwriters Lab certification, and must feature a mechanism that isolates the device from the building's electrical system to prevent back feeding. The bill also prohibits a utility from requiring utility permission for the device or utility fees for installing the system or the electricity generated by it. The bill does allow utilities to require customers to notify the utility of the address and size of the portable solar generation device. Ava recommends using this bill as an opportunity to promote the evolution of residential self-generation systems. Maximizing the value of "plug in" and "balcony" solar requires pairing it with storage, making it potentially eligible for Ava's Virtual Power Plant initiative. Accordingly, staff recommends that Ava condition its support for the bill on amendments that would require eligible portable solar devices be paired with storage.

- **SB 913 (Becker) – Support if Amended:** SB 913 would require the PUC to "enhance existing market-integrated pathways" for distributed energy resources (DERs) to qualify as Resource Adequacy (RA) capacity and authorize load serving entities (such as Ava) to include distributed capacity resources in RA filings and PUC-ordered procurement. SB 913 aligns with Ava's policy priorities related to customer affordability, decarbonization, and promoting local development by allowing aggregated DERs (like those enrolled in a Virtual Power Plant program) to receive compensation based on the capacity value they provide to the grid and enable LSEs to count aggregated DERs toward RA compliance. These reforms have the potential to incentivize DER adoption and VPP participation, reduce emissions, and lower customer bills through avoided capacity procurement and infrastructure buildout. However, Ava staff support amending the bill to ensure DERs are eligible to be used for RA compliance obligations with the same status as traditional RA products, avoiding any mandatory procurement.

- **AB 1577 (Bauer-Kahan) – Support if Amended:** AB 1577 would require the PUC to establish a process for data centers to submit specified energy and water usage data upon energization and monthly thereafter. The bill would also require the PUC, as part of the 2029 edition of the integrated energy policy report, to include an assessment of electrical load trends for data centers and annually publish the information submitted in an anonymized and aggregated format. AB 1577 supports Ava's decarbonization policy objective by requiring transparent public reporting. However, Ava staff recommend pursuing an amendment to allow adequate reporting timelines to ensure the Agency does not inadvertently run afoul of new reporting obligations due to forces outside of the Agency's control.

- **AB 1975 (Schultz) – Support if Amended:** AB 1975 requires the PUC to establish a "grid utilization metric" that calculates electrical load as a percentage of rated distribution capacity and creates performance-based incentives and Investor-Owned Utility ("IOU")-run programs for utilities to meet annual minimum grid utilization metrics. AB 1975 supports Ava's affordability objective by supporting increased utilization of the existing distribution grid to avoid unnecessary infrastructure costs and support customer affordability. However, staff supports improving AB 1975 through the inclusion of amendments that ensure CCAs can be rewarded for supporting greater grid utilization through demand response and load flexibility.

- **AB 2389 (Irwin) – Support if Amended:** AB 2389 would extend from 2026 to 2031 the "newly constructed" property tax exemption for customer-sited solar systems of 2MW or less and for new systems that are sited on the property of a public entity. The California Constitution generally limits the maximum property tax rate to 1% of the appraised value of the property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment. Existing property tax law excludes any "active solar energy system" (including storage) from the definition of "newly constructed" through the 2025–26 fiscal year. This means that if a property owner installs a new solar system or adds to an existing system, that action alone would not trigger a new property assessment. As discussed in connection with AB 868, incentives for self-generation should be technology-forcing. Accordingly, staff recommends Ava condition support of AB 2389 on a requirement that solar installations be paired with battery storage to qualify for the property tax exclusion.

Attachments

A. Resolution in Support of SB 222, SB 1168, AB 2266 and Support if Amended of SB 868, SB 913, AB 1577, AB 1975, and AB 2389
B. SB 222 Fact sheet
C. SB 1168 Fact sheet
D. AB 2266 Fact sheet

E. SB 868 Fact sheet
F. SB 913 Fact sheet
G. AB 1577 Fact sheet
H. AB 1975 Fact sheet
I. AB 2389 Fact sheet
J. Presentation - “2026.04.10 Board Item XX 2026 California Legislative Position Recommendations”

RESOLUTION NO. R-2026-__

A RESOLUTION OF THE BOARD OF DIRECTORS

OF THE AVA COMMUNITY ENERGY AUTHORITY IN

SUPPORT OF

SB 222 (WIENER), SB 1168 (MCNERNEY), AB 2266 (SCHULTZ) AND SUPPORT IF AMENDED SB 868 (WIENER), SB 913 (BECKER), AB 1577 (BAUER-KAHAN), AB 1975 (SCHULTZ), AND AB 2389 (IRWIN)

WHEREAS Ava Community Energy Authority ("Ava") was formed as a community choice aggregation agency ("CCA") on December 1, 2016, under the Joint Exercise of Powers Act, California Government Code sections 6500 *et seq.,* among the County of Alameda, and the Cities of Albany, Berkeley, Dublin, Emeryville, Fremont, Hayward, Livermore, Piedmont, Oakland, San Leandro, and Union City to study, promote, develop, conduct, operate, and manage energy-related climate change programs in all of the member jurisdictions. The cities of Newark and Pleasanton, located in Alameda County, along with the City of Tracy, located in San Joaquin County, were added as members of Ava and parties to the Joint Powers Agreement ("JPA") in March of 2020. The city of Stockton was added as a member to Ava in September of 2022. The city of Lathrop was added as a member to Ava in October of 2023. San Joaquin County was added as a member to Ava in July 2024. On October 24, 2023, Ava legally adopted the name Ava Community Energy Authority, where it had previously used the name East Bay Community Energy Authority since its inception.

WHEREAS the California state legislature consider numerous legislative proposals throughout the year that can have either a beneficial or negative impact on Ava Community Energy and our customers;

WHEREAS Ava Community Energy's Legislative Program was first adopted in 2019 and has been updated frequently since then;

WHEREAS Ava Community Energy seeks to advance policy positions on a variety of issues including rate affordability, transmission affordability, managing data center growth, utility scale decarbonization, industrial and large load decarbonization, distributed energy resources, transportation electrification, dynamic rates, among others;

WHEREAS the 2026 state legislative session is ongoing and bills are moving through the legislative process;

NOW, THEREFORE, THE BOARD OF DIRECTORS OF AVA COMMUNITY ENERGY AUTHORITY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The Board of Directors hereby expresses its support for Senate Bill 222 (Wiener), Senate Bill 1168 (McNerney), and Assembly Bill 2266 (Schultz).

Section 2. The Board of Directors hereby expresses its support if amended for Senate Bill 868 (Wiener), Senate Bill 913 (Becker), Assembly Bill 1577 (Bauer-Kahan), Assembly Bill 1975 (Schultz), and Assembly Bill 2389 (Irwin).

ADOPTED AND APPROVED this 15th day of April, 2026.

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Betsy Andersen, Chair

ATTEST:

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Adrian Bankhead, Clerk of the Board

Senator Scott Wiener, 11th Senate District

SB 222- Heat Pump Access Act

SUMMARY

SB 222, the Heat Pump Access Act, saves Californians on energy bills, reduces indoor air pollution, mitigate the effects of extreme weather, and reduces greenhouse gas emissions by improving access to safe heat pump water heater and HVAC systems.

SB 222 requires automated permitting for standard heat pump water heater and HVAC installations, streamlining the permitting process for a key affordability and climate technology.

BACKGROUND/EXISTING LAW

Heat pumps are a win-win-win climate solution—they provide efficient, cost-saving, zero-emission cooling and heating that can displace dirty and hazardous fossil fuel furnaces with a single appliance.

Because heat pumps are highly energy efficient, the average household in the US can save nearly $400 a year by switching to a heat pump.[1] When paired with solar and/or battery systems, and outfitted with demand response capabilities, heat pumps can save residents even more.

Water and space heating through gas water heaters and furnaces are responsible for the majority of greenhouse gas emissions from residential buildings. Buildings– including both residential and commercial – are responsible for 25% of California's greenhouse gas emissions. . To be on track for meeting California's climate goals, at least 20% of existing buildings will need to convert their fossil-powered appliances to electric alternatives by 2030.[2]

Replacing these gas appliances with highly efficient electric heat pump devices not only reduces emissions but also improves the health and safety of buildings. According to the Rocky Mountain Institute (RMI), a heat pump installed in California today will cut emissions from space heating by 93% over the lifetime of the equipment compared to a gas furnace. By replacing oil and propane heating systems, heat pumps can reduce harmful pollutants like carbon monoxide, NO2, and volatile organic compounds both inside the home and in the air outside.[3] Heat pumps also provide potentially life-saving AC as our climate warms, regulate humidity, and automatically filter air to boost air quality indoors.

California has already taken action to reduce permit barriers for homeowners seeking to electrify and decarbonize their homes. State laws mandate automated permitting processes for solar photovoltaics and home batteries (Senate Bill 379, Wiener, 2021), require expedited solar permitting and restrict reasons for denying solar permits (Assembly Bill 2188, Muratsuchi, 2014), and limit high fees for solar permits (AB 1132, Friedman, 2023). For electric vehicle charging stations, California requires an expedited and simplified permit process focused solely on a health and safety review (AB 1236, Chiu, 2015), and limits jurisdictions to a simple nondiscretionary permit type (AB 970, McCarty, 2021).

Heat pumps have yet to receive such streamlining — despite heat pump contractors regularly citing time-consuming and cost-driving complexities associated with local permitting and despite ambitious clean air rules and state climate targets

[1] A Guide to Cutting Costs with Heat Pumps | Rewiring America

[2] Neumann, Ingrid. "Key Building Decarbonization Strategies towards California Climate Goals." PowerPoint presented at Redwood Energy Zero Carbon Retreat, January 21, 2021

[3] American Lung Association, "Literature Review on the Impacts of Residential Combustion," July 2022

setting the stage for enormous heat pump growth. In 2023, the Bay Area Air Quality Management District (AQMD) passed a rule to require newly installed space and water heaters to be zero-emission. CARB is considering similar rules for residential customers. Similarly, Governor Newsom has set a building decarbonization goal of installing 6 million heat pumps statewide by 2030.

PROBLEM

Meeting California's climate goals will require a considerable wave of residential heat pump appliances to be installed quickly and cost-effectively over the coming years. However, a patchwork of burdensome local permitting requirements adds cost, time, and hassle to these clean appliance retrofits. In interviews, heat pump installers say that that a number of barriers at the local level are slowing installations of heat pump equipment, including long inspection wait times, local architectural requirements, wide variations in requirements across jurisdictions, high permit fees, and the need to obtain multiple permit types for a water heater installation.

These burdensome requirements can drive up the cost of installations for homeowners, and limit the time that qualified contractors have to work on other projects, further tightening the supply of labor available to meet increasing demand for heat pumps and other appliances. Because public rebate and direct install programs for heat pumps require permit verification, onerous permit requirements risk impacting the efficiency of hundreds of millions in funding for heat pumps, much of which is targeted toward low-income customers. This problem is costly for California - a recent Energy Commission study estimated that permitting noncompliance for the 2022 Energy Code will cost the state $2.8 billion.

California has only 5 years left to install over 4 million heat pumps in order to meet Governor Newsom's ambitious target of installing 6 million heat pumps statewide by 2030.

SOLUTION

Heat pump permitting must be modernized in line with other pro-climate technologies to improve access to a cost-saving technology and meet California's ambitious climate goals.

This bill would streamline heat pump permitting and ensure California meets its climate goals by:

1. Mandating automated permitting for standard Heat Pump installations
2. Prohibiting HOAs from imposing architectural review on clean appliance installations
3. Requiring a maximum of one permit for heat pump water heater installations
4. Prohibiting excessive setbacks, noise restrictions, or documentation requirements on heat pump installations
5. Capping fees for heat pump permits to the reasonable cost of providing service

SUPPORT

- **Building Decarbonization Coalition, Sponsor**
- **San Francisco Bay Area Planning and Urban Research Association (SPUR), Sponsor**
- **Bay Area Air District, Sponsor**
- 350 Humbolt Action
- 350 Sacramento
- AO Smith Corporation
- Active SGV
- California Environmental Voters
- California Association of Sheet Metal and Air Conditioning Contractors National Association
- California Center for Sustainable Energy
- California Climate Action
- California State Pipe Trades Council
- Carbon Free Palo Alto
- Carbon Free Silicon Valley
- Carrier Global Corporation
- Center for Biological Diversity
- Citizens Climate Lobby Long Beach
- Climabridge
- Climate Action California
- Climate Health Now Action Fund
- Climate Reality Project, Orange County Chapter
- Climate Resolve
- Earthjustice
- Efficiency First California
- Electrify My Home

- Evergreen Action
- Green Building Initiative
- LG Electronics USA
- Mothers Out Front Silicon Valley
- Natural Resources Defense Council (NRDC)
- QuitCarbon
- Redwood Energy
- RRI: Resource Renewable Institute
- RAMP: Regional Asthma Management & Prevention
- Resource Renewal Institute
- Rewiring America
- San Diego Building Electrification Coalition
- San Francisco Climate Emergency Coalition
- StopWaste
- The Climate Center
- Western States Council of Sheet Metal Workers
- US Green Building Council

FOR MORE INFORMATION

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Senate Bill 1168
Data Centers Pay Their Fair Share
Senator Jerry McNerney (SD 5)

THIS BILL

Californians pay some of the highest utility rates in the country. And rates are expected to climb even higher with the rapid development of data centers, because they require large amounts of energy and often cause utilities to spend ratepayer dollars on infrastructure upgrades.

SB 1168 would protect Californians from bearing the costs associated with data centers in their communities. This bill would impose an energy usage surcharge on electricity and natural gas use by data centers and use that money to pay for existing programs that lower energy rates for Californians. This will reduce rates for *all* Californians, as low- and middle-income rate assistance programs are currently paid for by all ratepayers.

ISSUE

Silicon Valley innovation has been a driver of the state's economy, providing economic growth, general fund revenue, and jobs to the state. But the industry's need for huge amounts of data processing power has led to growth in data centers in California and around the nation. According to DataCenterMap, California is home to the third largest number of data centers in the United States.

The California Independent System Operator (CAISO) expects data center load to grow by 2.3 gigawatts by 2030. The CA Energy Commission reports in their 2025 Integrated Energy Policy Report (IEPR) that data centers have requested 18.7 GW of new power over the next several years, enough to power 18 million homes. PG&E alone expects 10 GW of new load from data centers in the next 10 years.

This rapidly increasing demand for power, along with the need for transmission and distribution upgrades to deliver that power, could raise utility rates for all ratepayers. Californians are already paying the second-highest price for energy bills in the nation, due to wildfire mitigation, extreme heat, and catching up on deferred maintenance by the state's investor-owned utilities.

The state already requires Investor-Owned Utilities to offer low- and middle-income rate assistance programs to ratepayers. The California Alternative Rates for Energy Program (CARE) and the Family Electric Rate Assistance Program (FERA) are public purpose programs paid for by all other ratepayers. Most publicly owned utilities have similar rate assistance programs. In 2025, the CA Public Utilities Commission published a letter to the Governor offering suggestions on how to reduce electricity rates in California. One of the suggestions was to find alternative funding sources for public purpose programs, which would relieve pressure on rates.

According to Stanford University, over $37 billion was spent on AI infrastructure in 2024 alone. Another report from McKinsey estimated an investment total of $5.2 trillion in data centers by 2030 to power artificial intelligence. This level of investment shows that AI companies and investors have the means to cover their own costs without harming all ratepayers. Funding existing ratepayer expenses, like public purpose programs, is one way of offsetting data centers' cost to society.

SOLUTION

SB 1168 would:

- Impose an excess energy usage surcharge on data centers over 20 MW
- Use the surcharge funds to keep rates from increasing for all other ratepayers and pay down rates for low- and moderate-income rate assistance programs, such as CARE and FERA

CONTACT

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AB 2266 – CPUC Power Procurement Process Streamlining

Summary:

Determinations of how much energy is necessary to meet California's power needs are currently performed via a patchwork of separately enacted clean energy programs. AB 2266 directs the CPUC to streamline these planning decisions into one cohesive workflow, to use consistent methodologies across all programs, and to improve accountability through a yearly evaluation of the real-world impact of their calculations on actual energy purchases.

Background:

Reliability is the backbone of what keeps the lights on in California. When wildfires, heat waves, or climate change-induced weather events push our power usage to its max, whether California's energy providers bought enough power makes all the difference.

Reliability of energy supply is currently influenced by three separate CPUC programs: the Renewables Portfolio Standard program, the Integrated Resource Plan, and the Resource Adequacy program. As a result, determinations are performed in separate programs using separate calculations.

The agency does its best to collaborate and share across programs, but such complex filings are difficult to track and have different standards against which they are measured. This overlap creates inefficiencies, increases the likelihood for over or under-calculations, and results in longer processes, all of which cost California ratepayers.

With the substantive foundation for clean energy policy already laid, the next step is to streamline the regulatory processes and integrate the three major procurement programs to ensure consistency, increase confidence in reliability determinations, and reduce costs for ratepayers.

Problem #1: Reliability is assessed across multiple CPUC programs, workflows, and reports.

Solution #1: Create consistent reliability assessments by streamlining reliability evaluations to a single compliance reporting workflow. This bill directs the CPUC to begin the process of consolidating the inter-related reliability components of these statutes into a central procurement compliance filing. It does not dictate the precise process. Instead, it gives the CPUC flexibility – and almost 4 years – to develop and implement a centralized reporting and compliance review workflow.

Problem #2: Different CPUC programs use different reliability valuation methods.

Solution #2: Improve accountability by using consistent evaluation methods across all procurement programs. This bill creates internal and cross-program consistency by directing the CPUC to use the same capacity valuation – the technical term for how reliable a particular power source is when needed by the grid operator – across all programs when evaluating short-, mid-, and long-term reliability power needs.

Problem #3: CPUC and the California Independent System Operator (CAISO) use different valuation methods for reliability.

Solution #3: Require the CPUC to do an after-the-fact analysis when the CAISO is required to use expensive backstop procurement to fill a reliability gap. The bill ensures accountability by directing the CPUC to yearly evaluate the root cause for the purpose of continuously improving the CPUC reliability program.

Support:

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Senator Scott Wiener, 11th Senate District

SB 868 – Plug And Play Solar Act

SUMMARY

To save Californians on energy bills and increase the number of homes installing safe solar energy systems, Senate Bill 868, the Plug And Play Solar Act, streamlines approvals and establishes safety standards for portable solar energy devices. Plug-in solar, also known as balcony solar, are portable solar energy devices that increase consumer access to safe, clean, and low-cost energy, especially on hot summer days when air conditioning needs are at their highest.

Portable solar energy devices are a win-win climate and energy affordability solution. SB 868 will cut red tape for this key affordability and climate-friendly technology, expand access to clean energy to renters and apartment dwellers, save Californians on energy bills, and help meet our state's ambitious greenhouse gas emissions reduction targets.

BACKGROUND/EXISTING LAW

Californians are faced with record high energy prices. Electricity rates for PG&E customers increased nearly 40% between 2022 and 2025 and increased 100% in the last decade.[1] As a result, Californians now pay higher rates for electricity than any other state except Hawaii.[2]

Solar arrays can lower energy costs for consumers and reduce reliance on investor-owned utilities. SB 868 expands those options to even more households, especially for renters, condo owners, and those with older or shaded roofs.

California has long been a leader in the transition to clean energy. Senate Bill 379 (Wiener, 2022) boosted safe solar energy system installations in homes by requiring certain-sized jurisdictions to provide an online instant solar permitting process.

Rooftop solar systems have been a major driving force behind California's clean energy transition. Portable solar energy devices, also known as "plug-in" or "balcony" solar, while smaller and therefore less powerful, offer a new way for consumers to generate safe, clean and low-cost electricity using California's abundant sunshine. The portability of these devices makes them ideal for many different types of consumers especially renters with access to a patch of sunlight on a balcony, patio, or small backyard.

This exciting technology consists of a few movable solar panels along with an integrated microinverter that allows the system to plug directly into a standard outlet where the solar electricity flows backwards, through the existing wires, to immediately power other appliances within the home, such as air conditioners, computers and lights, and refrigerators.

Where a rooftop solar system tends to be 5,000-10,000 watts in size for a typical home, plug-in solar systems are much smaller, sized around 400-1200 watts. These systems can cover up to 1/5th of a household's average energy usage, and with prices starting at $500, offer an affordable solution that can reduce energy costs and allow a broad range of people to directly access the benefits of solar energy.

Because they are so small and mobile, plug-in solar systems provide a new entry point and more flexibility to access clean affordable energy, especially renters. An estimated 44% of California households are renters, a larger percentage than every state except New York. And, while the rooftop solar market serves hundreds of thousands of rental units, plug-in solar systems are an additional and

[1] San Francisco Chronicle, "PG&E rates actually going down in 2026. Here's how much," December 30, 2025

[2] San Francisco Chronicle, "California electricity prices now second-highest in U.S.: 'Everyone is getting squeezed,'" May 2, 2024

powerful tool for expanding access to clean energy in the Golden State.

Plug-in solar has already taken off in Europe. In Germany, consumers facing high power prices and energy-security concerns have installed an estimated four million plug-in systems, adding multiple gigawatts of distributed clean energy. With California's superior sunshine and high energy costs, the potential for this technology to take off here is even greater.

Despite the small scale of these systems and their potential to save consumers significant funds, utilities like PG&E are pushing for plug-in solar systems to require full interconnection agreements, as they would for large-scale utility solar projects.

Portable solar energy devices have also begun to advance in other parts of the United States. In 2025, Utah enacted H.B. 340, a bipartisan law unanimously approved by the Legislature that exempts portable plug-in solar devices from the full interconnection process, which in turn has encouraged companies to begin selling plug-in systems in the state and to plan expansions to other states with supportive policies. Similar legislation has recently been introduced in states like Vermont, Virginia, Maryland, New Hampshire, Pennsylvania, and New York.

PROBLEM

California consumers need immediate relief from rising energy bills. Growing the market for portable solar devices will create economies of scale that will lower per unit costs making clean energy even more affordable for more consumers.

While portable solar energy devices are a safe and lower-cost solution for consumers, unnecessary utility red tape adds prohibitive costs and has delayed the adoption of this critical technology.

California utilities treat even very small customer-sited solar systems as if they are large arrays triggering complex multi-page interconnection agreements, expensive building permits, and time-consuming utility approvals. All this red tape makes installing plug-in solar more expensive and time-consuming, effectively cutting off consumer access.

While plug-in solar is now widespread in Europe and emerging in other U.S. states, these systems have not taken off in California due in part to these challenges and uncertainty around consumer ease of access.

SOLUTION

By treating qualifying plug-in solar systems as simple, household appliances rather than full-scale power plants, the bill will unlock a new market for affordable, DIY solar among renters and apartment dwellers who are otherwise stuck with the high costs charged by their utilities.

Allowing access to these cost-saving clean energy devices will reduce peak demand especially on hot summer days when air-conditioning loads are high while also supporting California's efforts to cut greenhouse gas emissions and protect public health.

Meanwhile, by establishing statewide safety standards, the bill will ensure consumers have access to safe, high-quality plug-in solar systems.

In sum, SB 868 lowers consumer energy bills, diversifies energy resources, reduces strain on the electric grid, and helps cut air pollution by:

- Defining a portable solar energy device as a small device that meets a consumer's on-site electricity needs;
- Establishing mandatory safety standards for a portable solar energy device;
- Prohibiting unnecessary red tape;
- Driving economies of scale for portable solar energy devices to help lower costs for all consumers.

SUPPORT

- **Environmental Working Group, Sponsor**
- **The Abundance Network, Co-Sponsor**
- Bright Saver
- California Public Interest Research Group (CALPIRG)
- California Solar & Storage Association (CALSSA)
- Center for Biological Diversity
- Environment California
- Solar Rights Alliance

- The Climate Center
- Caroline Torosis, Mayor, City of Santa Monica
- 350 Bay Area Action
- US Green Building Council
- Quantum Energy
- Greenbank Associates
- QuitCarbon
- Indivisible Santa Cruz County
- 350 Humboldt
- Samuel Lawrence Foundation
- West Orange County
- Clean Coalition
- Glendale Environmental Coalition
- Recolte Energy
- Albany Climate Action
- Our Green Challenge
- Vote Solar
- SocioEnergetics Foundation
- Climate Action Campaign
- Climate Action Mendocino
- Center for Community Energy
- Climate Crisis Workgroup of Grassroots Institute
- Third Act Sacramento
- Neighbors for Progressive Action
- Elders Climate Action NorCal Chapter
- 350 Conejo/San Fernando Valley
- Citizens' Climate Lobby
- SCV Eco Alliance
- GRID Alternatives
- Long Beach Alliance for Clean Energy
- Active San Gabriel Valley
- Orange County Environmental Justice
- Healing and Justice Center
- Pasadena-Foothills Chapter of Citizens Climate Lobby
- Acterra: Action for a Healthy Planet
- Greenbank Associates
- West Berkeley Alliance for Clean Air and Safe Jobs
- Laudate Deum Prayer Network for Climate Healing
- 350 Berkeley Hub
- California Alliance for Community Energy
- City of Santa Monica
- Climate Health Now Action Fund
- Community Renewable Solutions LLC
- Democratic Club of West Orange County
- Elders Climate Action (ECA) Southern California (SoCal) Chapter
- Greenpeace USA
- Humboldt Progressive Democrats
- Local Clean Energy Alliance
- Local Government Sustainable Energy Coalition
- Pacifica Climate Committee
- Pacifica Housing For All (PH4A)
- Project Green Home
- Reclaim Our Power: Utility Justice Campaign
- Sonoma County Climate Activist Network (SoCoCAN!)
- Sustainable Mill Valley
- Sustainable San Mateo County
- Sustainable Systems Research Foundation
- The Energy Coalition
- Third Act San Francisco Bay Area
- Third Act SoCal
- Western Center on Law and Poverty

FOR MORE INFORMATION

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SB 943 – Industrial Electrification Rates

SUMMARY

SB 943 makes two reforms to provide the Public Utility Commission (PUC) authority to develop electricity rates to help commercial and industrial companies switch to electricity for industrial heat. This will help keep and expand companies and jobs in CA while reducing air pollution and GHG emissions and lowering electricity bills for all consumers.

BACKGROUND

California is striving to improve air quality and reduce greenhouse gas (GHG) emissions, under pressure to improve health and meet national Clean Air Act standards and to reduce GHG emissions by 85% by 2045. Large commercial and industrial firms are a significant source of both air pollution and GHG emissions (18.6%)[1].

One of the most promising pathways for cost-effective emissions reductions is using clean electricity, instead of fuels, to generate the heat needed by industrial processes. Industrial heat – often in the form of steam that is used to cook foods, heat metals, or drive chemical processes – is responsible for a majority of industrial emissions globally.[2] Fortunately, for many applications, technologies exist to generate that same industrial heat from electricity rather than burning fuels, including industrial heat pumps, electric boilers, electric arc furnaces, and thermal energy storage systems.

Adding "beneficial load" to the grid – new demand that more than pays for its marginal cost of service and helps to pay for the fixed costs of the grid– is one of the best ways to lower rates for all consumers. Electrifying industrial heat could be a very large source of new load to help lower rates, especially if this new industrial load can mostly use power at off-peak times when the grid has spare capacity.

As state policies tighten the Cap & Invest market and air pollution regulations, industrial firms face rising costs and need to find ways to reduce emissions while remaining competitive against other firms outside of the state that are not subject to equivalent requirements. If they cannot do so, they may shut down or relocate outside of the state. Recognizing these risks, the Cap & Trade statute requires CARB to minimize "leakage," which means avoiding shifting emissions outside of the state rather than reducing them overall.[3] To achieve cleaner air and lower GHG emissions while keeping firms and jobs in CA, we need to support viable economic pathways for our industrial companies to meet these demands.

THE PROBLEM

Today, producing industrial heat from electricity is much more expensive in CA than using natural gas, but electricity *could* be cost-competitive, especially for electricity used during off-peak times. A December 2025 report[4] identified numerous reforms to make electricity more cost-competitive while still requiring industrial users to pay for their cost of service and contribute to the fixed costs of the grid. These reforms could open up a cost-effective pathway for electrifying huge amounts of industrial heat loads to reduce pollution and GHG emissions.

The PUC already has the ability to make several of the important reforms identified by the report. For example, in the middle of the day when the CA grid has an abundance of solar generation, wholesale electricity costs are often much lower than the equivalent cost for natural gas but standard industrial electricity rates do not adequately reflect the very low cost at certain locations and times of day. The PUC is already working with utilities to introduce dynamic rates that would allow customers to pay prices that change hourly, based on wholesale market prices, which would enable industrial firms to concentrate load to off-peak times to capture those very low off-

[1] California GHG Emissions from 2000-2023, Nov 2025

[2] According to Gregory P. Thiel, Addison K. Stark, "To decarbonize industry, we must decarbonize heat", Joule, Volume 5, Issue 3, 2021, producing heat causes 57% of emissions

[3] See HSC 38562(b)(9) and HSC 38505

[4] "Unlocking Industrial Electrification in California" by Industrious Labs, Sierra Club, and the American Council for an Energy-Efficient Economy.

peak prices. Another big cost on industrial electricity bills is for "demand charges," which are intended to cover the cost of ensuring enough generation capacity at peak times to serve the customer. Customers who avoid usage at peak times (and thus avoid adding costs for utilities to meet higher peak demand) should not have to pay high demand charges, and the PUC can already fix this issue by eliminating or reforming "non-coincident peak" demand charges.

Unfortunately, two important reforms are not within the PUC's current authority to make. Both nonbypassable charges (NBCs) and transmission access charges (TAC) are charged equally on every unit of electricity ("volumetrically"), regardless of whether energy is consumed on-peak vs. off-peak.

Although NBCs are intended to be a relatively small surcharge on energy bills, they can be equal to 100% or more of the wholesale cost of electricity (including energy and transmission) during off-peak times, making it very difficult to make electricity cost-competitive for fuel-switching. The PUC interprets CA statutes to require NBCs to be charged equally for all units of energy, so a legislative change would be required to prevent NBCs from doubling energy costs for customers who are only buying energy during the times with very low wholesale market prices.

In most other parts of the country, grid operators charge higher transmission fees for usage at peak times than for usage during off-peak times. This makes sense because the grid must be built to meet peak demand and load at peak times is the primary cause of grid upgrades. For those other grids, lower TAC at off-peaks times serves as an incentive to shift load away from peaks for the benefit of all ratepayers, but no such incentive exists in CA. TAC is under the authority of the CAISO (and therefore FERC), rather than the PUC, so the PUC (and state law) can only encourage the CAISO to consider making reforms to lower off-peak TAC rates, not require it of them.

THIS BILL

SB 943 will reform the two barriers to cost-effective off-peak electricity that the PUC cannot fix alone by:

1. Capping NBCs at 25% of the cost of energy for customers who are electrifying industrial heat.[5]
2. Urging the CAISO to reform TAC charges to consider on-peak vs. off-peak usage.

For NBCs, SB 943 defines "industrial transition customers" as new, separately-metered load for industrial heat. It then allows the PUC to apply an adjustment factor to NBCs (for those customers only) so that the total cost of NBCs is at most 25% of the cost of the electricity itself.[6] Because this is new load, even with discounted NBCs rates, they will still be contributing new dollars to the programs supported by the NBCs, reducing the amount that must be collected from other customers, while preventing NBCs from becoming an excessive share of the total electricity bill for these industrial heat customers.

In 2017-2018, the CAISO considered changes to TAC and proposed a hybrid model that allocated a portion of transmission costs volumetrically (as now) and a portion allocated based on load at peak times.[7] They recommended this approach to more accurately align with cost causation principles – i.e., that customers who are using power at peak times should pay more of the costs since that load is driving new transmission expenses. However, the CAISO never reached a conclusion on making these changes, and the proceeding has been "on hold" since. SB 943 urges the CAISO to follow cost causation principles in allocating TAC, and it directs the PUC to develop and issue recommendations to the CAISO for TAC reforms that would better align with cost causation principles and to request that the CAISO reopen its proceeding to consider reforms.

With these two reforms, and other changes already planned or within the PUC's existing authority, electrification of industrial heat can become a cost-effective pathway to help industrial firms reduce

[5] For comparison, NBCs are ~10-15% of a typical residential customer's bill.

[6] The bill allows the PUC to set a different cap on NBCs if they determine that a different % would be just and reasonable.

[7] "Transmission Access Charge Structure Enhancements Draft Final Proposal", CAISO, Sept 2018.

pollution and GHG emissions while keeping jobs in CA and lowering electricity rates for all consumers.

SUPPORT

350 Humboldt
Amy's Kitchen
Antora Energy
Asian Pacific Environmental Network
California Large Energy Consumers Association
Center for Community Action & Environmental Justice
Clean Coalition
Clean Earth 4 Kids
Climate Action California
Climate Action Campaign
Climate Reality Project, Orange County Chapter
Fresnans Against Fracking
Industrious Labs
Menlo Spark
Natural Resources Defense Council
Net-Zero California
Project 2030
Project Green Home
Redeemer Community Partnership
Renewable Thermal Collaborative
Rondo Energy
Santa Cruz Climate Action Network
Sierra Club California
Sierra Nevada Brewing Company
Silicon Valley Youth Climate Action
St. George Spirits
State Water Contractors
Sunflower Alliance
The 2035 Initiative at UC Santa Barbara

FOR MORE INFORMATION

Ken Branson
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AB 1577 – Data Center Energy Accountability Act

Summary

AB 1577, the Data Center Energy Accountability Act, improves grid reliability by creating statewide transparency standards around data center energy usage and efficiency.

Background

The rapid development of the artificial intelligence (AI) industry is fueling a boom in data center construction in California. These facilities, which house the servers and hardware needed to train and operate advanced AI, require vast amounts of electricity. According to a recent commentary from the Public Utility Commission's Public Advocates Office:

"As demand for data center services grows, companies are racing to develop new facilities as quickly as possible. Interconnecting these data centers to the grid poses risks for ratepayers because of the enormous infrastructure costs required to serve them. These costs may ultimately be passed on to all ratepayers, especially if the facilities use less energy than projected or shut down before the utility has recovered its associated interconnection costs. Data centers are unique in their extraordinary energy intensity, consuming 10 to 50 times more energy per square foot than a typical commercial office building. Data center developers in California increasingly plan to develop facilities with loads exceeding 50 to 100 megawatts at a single site – roughly the equivalent of the residential energy use of Santa Rosa or Huntington Beach." [1]

The California Energy Commission helps ensure California's energy infrastructure is ready to meet the needs of its population and economy by analyzing trends in energy consumption and forecasting future demand. Accurate facility-level data is essential to this work, particularly for energy-intensive buildings such as data centers. The Commission also establishes energy efficiency standards for buildings, appliances, and industrial processes, with the goal of reducing energy waste, lowering greenhouse gas emissions, and promoting sustainability.

Problem

The rapid expansion of the AI industry is driving the construction of large, energy-intensive data centers across California. The resulting growth in energy demand, combined with the grid infrastructure development needed to serve these facilities, risks increasing energy costs for Californians. At present, California lacks accurate statewide information on how many data centers exist, where they are located, how much electricity and water they consume, how efficiently they operate, and how they affect California's power grid. This information gap limits the ability of state and local agencies to plan infrastructure, evaluate efficiency opportunities, and protect ratepayers.

What the Bill Does

AB 1577 requires data centers to report specified energy usage and efficiency information to the California Energy Commission on a monthly basis, consistent with transparency frameworks established under the European Union's Energy Efficiency Directive, and requires proposed data centers to provide estimated information to local agencies prior to beginning construction.

Support

Audobon California
California Initiative for Technology & Democracy

[1] How Will Data Center Growth Impact California Ratepayers?

City of Monterey Park
Little Hoover Commission

Contact

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Slater.Sharp@asm.ca.gov
(916) 319-2673

AB 1975 – Electric Rate Reduction Through Grid Utilization

Summary:
AB 1975 reduces electricity rates by requiring utilities to make better use of the electric grid we have already built and paid for. The bill requires the state's three investor-owned utilities to measure and increase grid utilization through load flexibility programs.

Background:
Utilities have traditionally expanded the electric grid whenever they estimate there may be a need to deliver more energy. With electrification and data centers, this need could increase faster than ever, driving up electric rates.

Expanding substations and upsizing other components on the electric grid is expensive, pushing up rates. By comparison, building highways large enough so there is never a rush hour slowdown would be extremely expensive. Grid expansion is also slow. Utilities may not be able to expand the grid fast enough, at any cost, to enable transportation and building electrification at the needed scale. A modern solution is needed to handle our increasing electrical needs at the lowest cost, via resources with the least environmental impact, and at a pace that works.

However, clean, distributed customer devices can be operated in coordinated fleets to balance electricity supply and demand within the constraints of the grid. The timing of electric vehicle charging can be flexible without impacting the needs of drivers. Batteries installed on houses, campuses, and other buildings throughout California can be networked and dispatched remotely in response to grid needs. Building energy controls for appliances such as heat pumps and HVAC can adjust the timing of electricity consumption. These assets all create grid flexibility.

Grid flexibility uses existing grid capacity more efficiently. Many circuits operate significantly below capacity most of the time, and at full capacity for only a small number of hours per year. Expanding the size of grid equipment to serve a small number of hours of higher use wastes ratepayer dollars. We can get more out of the grid we have already paid for by harnessing batteries and appliance controls in the hours when usage peaks.

Utilities favor grid expansion over modern flexibility approaches because their profits are a percentage of dollars spent on the grid. Given expected increases in consumption, there will still be plenty of need for grid expansion even with extensive flexibility programs. However, utilities have been sidelining flexibility programs to limited pilots. Legislation is needed to require them to bring those programs to scale.

AB 1975:

- Requires the CPUC to create a grid utilization metric and to establish minimum standards for the state's three investor-owned utilities under that metric each year; and

- Requires the utilities to establish load flexibility programs that encourage customers to shift their electricity consumption from the grid to off-peak hours, increasing grid utilization and reducing the cost of grid upgrades.

Support:
Environment California (sponsor)

Contact:
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916.319.2044
jim.metropulos@asm.ca.gov

SUMMARY

AB 2389 extends California's property tax exclusion for customer-sited solar energy systems through January 1, 2032, preserving a crucial incentive that promotes energy affordability, solar adoption, and progress toward California's energy goals.

BACKGROUND

Customer-sited solar energy systems are a vital tool for managing rising electricity costs. These systems are a form of distributed energy resources located close to where electricity is used, rather than relying on large, centralized power plants. By producing electricity locally these resources strengthen grid reliability and reduce the need for costly transmission infrastructure.

In 1980, Californians approved Proposition 7, establishing a property tax exclusion for solar energy systems. This exclusion applies to both directly owned systems and those financed through third-party arrangements such as leases and power purchase agreements (PPAs). These financing models are widely used by public entities and schools as 87% of public schools rely on third-party financed solar projects.

The exclusion is set to sunset on January 1, 2027, effectively triggering property tax reassessments for solar installations. This couldn't come at a worse time as the 30% federal tax credit incentive for residential solar has phased out. State policies, including this property tax exclusion, have historically helped keep solar adoption financially accessible during periods of rising energy costs.

Customer-sited solar also plays a crucial role in helping California achieve its goal of 100% clean electricity by 2045. Of the 7,000 megawatts (MW) of clean energy interconnected to the grid in 2024, 23% came from customer-sited solar and storage. Maintaining incentives that support continued adoption will be critical to ensuring these distributed energy resources remain a significant contributor to the state's clean energy transition.

NEED FOR THIS BILL

If the Legislature fails to extend this property tax exclusion, consumers will face higher annual property tax assessments when installing solar energy systems, discouraging investment in clean energy. Schools and local governments who lease solar energy systems from third parties will also face higher costs, even though as public entities they are excluded from property taxes as their third-party partners will incur property tax assessments that will be factored into future lease agreements. Reduced adoption of customer-sited solar and battery storage will also weaken distributed energy resources that support grid affordability for all Californians.

THIS BILL

AB 2389 extends California's property tax exclusion for an additional five years. The bill applies to customer-sited solar energy systems up to 2 megawatts, all solar energy systems installed on property owned by schools and other public entities, and battery storage systems installed alongside qualifying solar. By preserving the exclusion, the bill ensures these systems do not trigger higher tax assessments, therefore, keeping distributed energy resources financially accessible.

SUPPORT

Environment California

CONTACT

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2026 California Legislative Session: Recommended Bill Positions

Sam Sadle, Kendall Downie, Dominic Faria – April 10, 2026

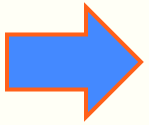
2026 California Legislative Timeline

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

2026 Bill Review

California legislators proposed **~1,800 bills**

February 20th



Ava legislative team is monitoring **~80 bills**

Ongoing

"The purposes [of Ava]… include securing electrical energy supply for customers in participating jurisdictions, addressing climate change by **reducing energy related greenhouse gas emissions**, **promoting electrical rate price stability**, and **fostering local economic benefits** such as jobs creation, community energy programs and local power development. It is the intent of this Agreement to promote the development and use of a wide range of renewable energy sources and energy efficiency programs, including but not limited to State, regional and local solar and wind energy production."

Ava Community Energy's Joint Powers Agreement

2026 Bill Review

Ava legislative team is monitoring **~80 bills**

Ongoing

Cross-functional analysis of **33 bills** (Internal, CalCCA, Board)

March

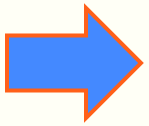
- Making Electricity More Affordable
- Protecting Community Choice
- Accelerating Decarbonization
- Promoting Local Development
- Increasing Bill Transparency and Understanding

Ava Community Energy Legislative Platform

2026 Bill Review

Cross-functional analysis of **33 bills** (Internal, CalCCA, Board)

March Board Meeting



Staff recommends Board take a position on **8 bills**

Today

1. Directly impacts our operations or legislative program.
2. Supports the JPA's vision of an affordable, sustainable, and local energy ecosystem and has broad-based support.
3. Ava's perspective has specific resonance with key decisionmakers and could impact the legislative language or path forward.

Staff Recommended Positions:

Support:

SB 222 (Wiener)
Streamlines permitting for residential heat pump water heaters and HVAC systems

SB 1168 (McNerney)
Establishes new surcharges on natural gas use by data centers

AB 2266 (Schultz)
Standardizes RA valuation across multiple procurement programs

Support If Amended:

SB 868 (Wiener)
Sets rules for "plug in" solar system

SB 913 (Becker)
Allows aggregated DERs to serve as RA capacity

AB 1577 (Bauer-Kahan)
Requires monthly data center energy use reporting

AB 1975 (Schultz)
Establishes "grid utilization" metric and associated incentives

AB 2389 (Irwin)
Extends property tax exemption for customer solar

Staff Recommended Positions:

Oppose

None

Oppose Unless Amended

None

Making Electricity More Affordable

Rate affordability via PUC process and consideration changes

Support →

AB 2266 – Schultz
Requires PUC to set a single RA value for all types and duration of generation contracts

Support If Amended →

AB 1975 – Schultz
Establishes a "grid utilization metric" that calculates load as a percentage of rated distribution capacity

Making Electricity More Affordable

Rate affordability via PUC process and consideration changes

AB 2266 Electricity: load-serving entities (Schultz):

- Requires the use of a consistent method across regulatory proceedings for calculating how much reliability value different energy resources provide, so that short-term, mid-term, and long-term procurement programs all count resources the same way.
- Requires the PUC to consolidate specified compliance reporting requirements and to provide additional reporting on the use of backstop procurement authority.

Support:	Oppose:	Staff proposed action:
(None yet registered)	(None yet registered)	Ava Community Energy: Support AB 2266 (Schultz)

Making Electricity More Affordable

Rate affordability via PUC process and consideration changes

AB 1975 Electrical corporations: grid utilization metric (Schultz):

- Requires the PUC to establish a grid utilization metric to measure electrical load as a percentage of system capacity; requires IOUs to publicly report on that metric; sets increasing minimum utilization targets; and establishes performance-based incentives or disincentives, while requiring utilities to propose programs to meet those targets.

Proposed amendments: Ensure CCAs can participate in and benefit from grid utilization programs while preventing IOU-only implementation.

Support:	Oppose:	Staff proposed action:
(None yet registered)	(None yet registered)	Ava Community Energy: Support if Amended AB 1975 (Schultz)

Protecting Community Choice

Managing data center growth

Support If Amended

AB 1577 – Bauer-Kahan
Requires monthly energy and water use reporting from all data centers

Protecting Community Choice

Managing data center growth

AB 1577 Data Centers: reporting (Bauer-Kahan):

- Requires the Energy Commission to establish a process for data center owners to submit monthly reports on energy and water usage, including specified operational metrics. Would also require the CEC to publish aggregated data and incorporate data center load trends into future energy policy reports, and would require similar information to be provided to local agencies for planning and environmental review purposes, while protecting confidential customer information.

Proposed Amendments: Align reporting timelines with IOU-to-CCA data flows and prevent penalties for delays outside LSE control to ensure feasible implementation.

Support:	Oppose:	Staff proposed action:
(None yet registered)	(None yet registered)	Ava Community Energy: Support if Amended AB 1577 (Bauer-Kahan)

Accelerating Decarbonization

Supporting industrial and large load decarbonization

Support

SB 1168 – McNerney
Imposes a surcharge on all gas generation used by data centers and use funds to support wildfire costs

Accelerating Decarbonization

Supporting industrial and large load decarbonization

SB 1168 Data centers: natural gas and electricity: surcharges (McNerney - *Coauthor Pérez*):

- This bill imposes annually set surcharges on electricity and natural gas consumed by data centers, including energy used to generate power for them. It requires utilities to collect these charges and deposits the revenues into a dedicated fund to help offset wildfire-related costs currently embedded in customer rates.

Support:	Oppose:	Staff proposed action:
(None yet registered)	(None yet registered)	Ava Community Energy: Support SB 1168 (McNerney)

Promoting Local Development

Distributed Energy Resources

Support → **SB 222 – Weiner**
Requires local communities to adopt heat pump water heater and HVAC system permitting streamlining

SB 868 – Weiner
Exempts portable solar generation (max output of 1,200 watts) from interconnection requirements ← **Support If Amended**

Support If Amended → **AB 2389 (Irwin)**
Extends property tax exclusion for customer-sited solar and storage systems to support continued deployment

SB 913 – Becker
Requires PUC to expand eligibility of aggregated distributed energy resources for resource adequacy and LSE procurement ← **Support If Amended**

Entirely new bill text

Promoting Local Development

Distributed Energy Resources

SB 222 Residential heat pump systems: water heaters and HVAC: installations (Wiener - *Coauthors: Allen, Becker, and Stern*):

- Standardizes and streamlines local permitting for residential heat pump water heaters and heat pump HVAC systems, including by requiring an option for asynchronous inspections and online automated permitting. The bill would support the State's target of installing six million heat pump systems by 2030, an objective the State is currently set to miss by roughly two million units.
- In 2025, Ava supported SB 282 (which was largely the same language).

Support:

the climate center

NRDC

SIERRA CLUB

BUILDING DECARBONIZATION COALITION

Bay Area Air District

Oppose:

RCRC

CSAC

LEAGUE OF CALIFORNIA CITIES

Staff proposed action:

Ava Community Energy

Support SB 222 (Wiener)

Promoting Local Development

Distributed Energy Resources

AB 2389 (Property taxation: active solar energy systems: customer sited: extension (Irwin - *Principal coauthor: McNerney, Coauthor: Blakespear*):

- Extends the property tax exclusion for certain customer-sited solar energy systems, including systems up to 2 megawatts and those located on public entity property, through January 2032.

Proposed amendments: Require new solar systems to include battery storage to qualify for the exemption, while preserving eligibility for existing and resilience-focused projects.

Support:

Environment California

the climate center

Sierra Club

GRID Alternatives

Oppose:

CCUE Coalition of California Utility Employees

Staff proposed action:

Ava Community Energy

Support if Amended
AB 2389
(Irwin)

Promoting Local Development

Distributed Energy Resources

SB 868 Electricity: portable solar generation devices (Wiener - *Coauthors: Arreguín, Becker, McNerney, Connolly, and Ward*):

- Exempts portable solar generation devices from interconnection requirements and prohibits IOUs and POUs from imposing fees or other related requirements. Authorizes utilities to require basic notification of device installation through a simple registration process, as specified.

Proposed amendments: Encourage storage pairing and modern inverter standards for plug-in solar while maintaining basic oversight to protect grid reliability and mitigate cost impacts.

Support:

Local Clean Energy Alliance
California Solar + Storage Association
NRDC
Solar Rights Alliance
ewg
GRID Alternatives

Oppose:

PG&E
SDGE
Southern California Edison

Staff proposed action:

Ava Community Energy — Support if Amended SB 868 (Wiener)

Promoting Local Development

Distributed Energy Resources

SB 913 Resource adequacy: aggregated distributed capacity resources (Becker):

- Requires the PUC to enhance pathways for aggregated distributed energy resources to qualify as resource adequacy capacity and to allow load-serving entities to include those resources in resource adequacy compliance and procurement. Also requires coordination with state agencies and the ISO to update market participation frameworks to support aggregated distributed capacity resources.

Proposed amendments: Enable aggregated DERs as RA capacity while preserving CCA procurement flexibility and avoiding any implicit DER procurement mandate.

Support:

the climate center

California Solar + Storage Association

Sierra Club

Local Clean Energy Alliance

Oppose:

(None yet registered)

Staff proposed action:

Ava Community Energy

Support if Amended SB 913 (Becker)

Increasing Bill Understanding and Transparency

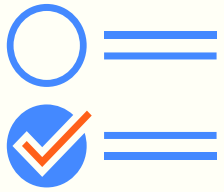
None

Other

None

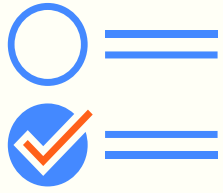
What comes next? Bill review and positions

April Board meeting



- **Two action items:**
  - Propose annual updates to the Ava Legislative Program
  - Propose bill positions (*Support, Support If Amended, Oppose Unless Amended, Oppose*) to MRL, CAC, and Board

May Board meeting



- **Possible Action Item:**
  - Propose additional bill positions (if needed) (*Support, Support If Amended, Oppose Unless Amended, Oppose*) to MRL, 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 Appropriations suspense deadline
- **May 29:** First house passage deadline

Second house

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

Budget

- **May 14:** Governor's budget revise
- **June 15:** Budget deadline
- **May to August:** Budget trailer and cleanup hearings

Full Universe of Ava Monitored Bills

AB 13	Ransom (D)	PUC membership and reporting
AB 34	Patterson (R)	Extends the authority of POUs 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 1577	Bauer-Kahan (D)	Data Center Monthly Reporting
AB 1677	Boerner (D)	Require IOUs to cut rates by 25%
AB 1738	Carillo (D)	Requires local governments to offer remote inspections
AB 1761	Rogers (D)	PCIA data transparency
AB 1774	Boerner (D)	CPUC to audit past IOU wildfire spending before approving more

Full Universe of Bills

AB 1774	Boerner (D)	CPUC-conducted audit of IOU wildfire mitigation expenditures
AB 1787	Schultz (D)	Require IOUs to offer a dynamic tariff if smart meter infrastructure is in place
AB 1791	Sanchez (R)	Prohibits CARB from adopting regulations that would add consumer costs
AB 1813	Ward (D)	Require CEC evaluation of renewable energy programs
AB 1942	Bauer-Kahan (D)	Restrictions on class 2 and class 3 ebikes
AB 1975	Schultz (D)	Grid utilization metric
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 2313	Berman (D)	Require gas corporations to offer electrification incentives

Full Universe of Bills

AB 2369	Rogers (D)	Enables partial RA, allowing energy-only resources earn RA value
AB 2383	Zbur (D)	Require creation of a large load customer class and rate schedule
AB 2389	Irwin (D)	Extension of customer-sited solar tax exemption
AB 2396	Irwin (D)	Authorizes CCAs to finance transmission infrastructure
AB 2408	DeMaio (R)	Require all PPPs be detailed on bill and an annual report to each ratepayer
AB 2459	Wallis (R)	Prevents withholding occupancy permits for nonprofits, re: EV Chargers
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)	Requires SDG&E to prioritize and fast-track affordable housing energization.
AB 2589	Irwin (D)	Requires PUC to analyze OBBBA and adjust rates to reflect impacts
AB 2611	Bains (D)	Require PUC to develop rates that do not impose an "unreasonable hardship" on low-income communities in hot climate zones
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)	Requires a report to reduce electricity rates by at least 30%
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)	Utility Cost and Performance Reform
SB 913	Becker (D)	Resource Adequacy for aggregated distributed capacity resources
SB 924	Hurtado (D)	PUC to consider affordability when looking at home weatherization
SB 925	McNerney (D)	Requires state strategy and permitting framework to advance fusion energy
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)	Streamlines CEQA for grid upgrades and certain clean energy projects
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)	Requires enhanced justification of CPUC findings tied to utility returns
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
Budget Trailer	Dept of Finance	Reallocates outstanding funding from the Distributed Energy Backup Assets (DEBA) program to the Demand Side Grid Support (DSGS) program
Budget Trailer	Dept of Finance	Transitions 2026 DSGS participants to the Emergency Load Reduction Program (ELRP) or an equivalent CPUC load reduction program.