

2026 California Legislative Session: Mid-Session Review

Sam Sadle, Kendall Downie, Dominic Faria – June 12, 2026



2026 California Legislative Timeline

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

CalCCA-Sponsored Bills

Support:

AB 1761 (Rogers)

Power Charge Indifference Adjustment (PCIA) data and input transparency

SB 1138 (Padilla)

Resource Adequacy (RA) transactability

CalCCA-Sponsored Bills

Power Charge Indifference Adjustment (PCIA) Data Transparency

AB 1761 Electricity: calculation methodology: data disclosures (Rogers):

- Official summary: *This bill would require the commission [CPUC] 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 any charge imposed on customers of a load-serving entity to recover the cost of contracts or resources owned by an electrical corporation or any value derived from that calculation is made available to load-serving entities and ratepayer advocates on behalf of customers. The bill would require that data to meet specified requirements, including that it is made through a public disclosure, except for market-sensitive data, as provided.*

(Emphasis added)

Support:



Oppose:



Process:

- Passed Assembly 61-8-11
- Next step: Senate Energy Committee date TBD

CalCCA-Sponsored Bills

Resource Adequacy (RA) Transactability

SB 1138 Load-serving entities: resource adequacy requirements (Padilla):

- Official summary: *This bill would require the commission to permit a load-serving entity to demonstrate compliance with resource adequacy requirements by selling to, or otherwise making transactions with, another load-serving entity 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 resource adequacy compliance requirements.*

(Emphasis added)

Support:



Oppose:

(None registered)

Process:

- Passed Senate 31-0-9
- Passed Assembly Energy Committee
- Next Step: Assembly Appropriations Committee

Ava 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

SB 913 (Becker)

Allows aggregated DERs to serve as RA capacity

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)

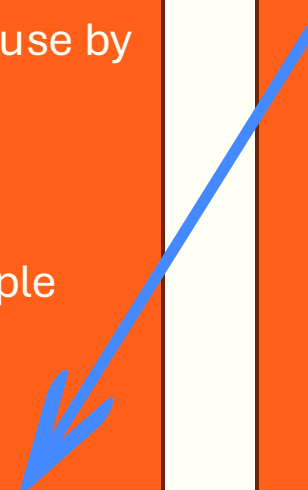
Requires monthly data center energy use reporting

~~AB 1975 (Schultz)~~

~~Establishes "grid utilization" metric and associated incentives~~

~~AB 2389 (Irwin)~~

~~Extends property tax exemption for customer solar~~



California Large Load Legislative Update

Managing data center growth

Shifting sands in 2026: From *"Should California encourage large load development?"* to *"Under what conditions should large load be served?"* From CPUC-led to a core Legislative priority.

Large Load Legislative Questions

Cost Responsibility &
Ratepayer Protection

Reliability & Clean
Energy Requirements

Environmental &
Community Impacts

Transparency & Data
Collection

Legislative Vehicles: Now Down to Three "Classifications"

Cost Causation
Ratepayer Protections
[SB 886](#) and [AB 2383](#)

Reliability Protections:
Reflected in all proposed
large-load tariffs

Transparency
[AB 1577](#)

California Budget

- **Schedule:** State Legislature has until June 15 to adopt a budget. The Governor then has 12 days to sign it.
- **Next steps in negotiations:** Three party negotiations ongoing. Governor's office released its "May revise" and the Senate and Assembly budget committees have released their respective plans.
- **Notable line items:**
 - **Greenhouse Gas Reduction Fund (GGRF)** spending plan
 - **EV incentive program for first-time buyers** — \$200 million point-of-sale rebates for light-duty ZEVs
 - **Climate Bond (Proposition 4) 2026-2027 spending plan** — \$322 million for the California Transmission Accelerator Revolving Fund created by SB 254
 - **Demand Side Grid Support Program (DSGS)**
 - Trailer Bill 1: Shift remaining funding (~\$22 million) from the Distributed Electricity Backup Assets (DEBA) program to DSGS
 - Trailer Bill 2: Return unspent California School Healthy Air, Plumbing, and Efficiency (CalSHAPE) program funding to the IOUs and transition DSGS participants to the Emergency Load Reduction Program (ELRP), or a similar IOU-run program, for 2027 and 2028

What comes next? Legislative session

First house

Complete

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

Appendix

Support

Heat Pump Water Heater and HVAC Streamlining

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 (Wiener) which was largely the same language.

Support:



Oppose:



Process:

- Passed Senate
- Next step: 6/24 Assembly Housing Committee

Support (*no longer "if Amended"*)

Distributed Energy Resources for Resource Adequacy

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.

Amendments implemented: Bill now allows aggregated DERs as RA capacity while preserving CCA procurement flexibility and avoiding any implicit DER procurement mandate.

Support:



Oppose:



Process:

- Passed Senate
- Next Step: 6/24 Assembly Energy Committee

Support

Data Center Rate Structure Study

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

- Originally, the bill imposed an annually set surcharges on electricity and natural gas consumed by data centers, including energy used to generate power for them.
- It originally required those funds to be used to offset CARE/FERA costs. It was later amended to offset wildfire-related costs currently embedded in customer rates.
- It was eventually amended down to a study bill requiring the PUC to do a study to assess opportunities for rate structures to ensure data centers pay their fair share of infrastructure costs and identify ways to increase data center usage of non-polluting resources.

Support:



Oppose:



Process:

- Passed Senate
- Next step: 6/24 Assembly Energy Committee

Support

Consistent Methodology for RA Valuation

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.
- CalCCA is requesting amendments regarding timing and considerations required of the PUC when creating the new methodology.

Support:



Support if Amended:



Oppose:

(None registered)

Process:

- Passed Assembly
- Next step: 6/16 Senate Energy Committee

The logo for Ava Community Energy, featuring the word "Ava" in white on an orange background, with "Community Energy" in smaller white text to its right.

Ava Community Energy



Support if Amended

Portable (or "Plug In") Solar Streamlining

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

Support:

Support if Amended:

Oppose:

Process:



- Passed Senate
- Passed Assembly Energy Committee
- Next Step: Assembly Appropriations Committee



Support if Amended

Data Center Energy and Water Use Reporting

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:



Support if Amended:



Process:

- Passed Assembly
- Next step: Senate Energy Committee (presumably)

Support if Amended

Grid Utilization Metric and Associated Rules

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:



Support if Amended:



Oppose:



Process:

No longer moving forward – died in Assembly Appropriations Committee

Support if Amended

Rooftop Solar Installation Tax Exemption

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:



Support if Amended:



Oppose:



Process:

No longer moving forward – died in Assembly Appropriations Committee

Full Universe of Ava Monitored 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) | POU dynamic pricing and advanced metering mandate |
| AB 942 | Calderon (D) | Changes climate credit |
| AB 1020 | Schiavo (D) | Requires IOUs to report taxpayer funding |
| AB 1156 | Wicks (D) | Updates farmland solar-use easement statute |
| AB 1577 | Bauer-Kahan (D) | Data center monthly reporting |
| AB 1738 | Carillo (D) | Requires local governments to offer remote inspections |
| AB 1761 | Rogers (D) | PCIA data transparency |
| AB 1787 | Schultz (D) | Require IOUs to offer a dynamic tariff if smart meter infrastructure is in place |
| AB 1813 | Ward (D) | Require CEC evaluation of renewable energy programs |
| AB 1975 | Schultz (D) | Grid utilization metric |
| AB 2111 | Papan (D) | Transmission planning alignment with affordability and FERC Order 1920 |

Full Universe of Bills

| | | |
|-------------------------|-------------------|--|
| 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 2266 | Schultz (D) | RA valuation standardization |
| AB 2313 | Berman (D) | Require gas corporations to offer electrification incentives |
| 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 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 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 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 2700 | Gallagher (R) | Requires a report to reduce electricity rates by at least 30% |
| AB 2748 | Quirk-Silva (D) | Revert EV regulations to 2022 state building code for BMR housing |
| 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 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 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 |

Full Universe of Bills

| | | |
|--------------------------------|-----------------|---|
| SB 943 | Becker (D) | Industrial billing and NBC/TAC reform |
| 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 tariff study |
| 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 1295 | Stern (D) | Requires IOUs to evaluate distributed storage and nonwire alternatives and authorizes them to own distributed storage assets |
| 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. |