
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**

**Senator Josh Becker, Chair
2025 - 2026 Regular**

Bill No:	AB 1026	Hearing Date:	7/1/2025
Author:	Wilson		
Version:	6/17/2025 Amended		
Urgency:	No	Fiscal:	Yes
Consultant:	Nidia Bautista		

SUBJECT: Public utilities: electrical corporations: energization

DIGEST: This bill requires greater customer transparency and specified timelines by when an electrical corporation must respond to an application for an energization project.

ANALYSIS:

Existing law:

- 1) Establishes and vests the California Public Utilities Committee (CPUC) with regulatory authority over public utilities, including electrical corporations. (California Constitution Article XII)
- 2) Requires electrical corporations, as part of their distribution planning processes, to consider that produced fleet data, and other available data, to facilitate the readiness of their distribution systems to support the state's anticipated level of electric vehicle (EV) charging, as specified. (Public Utilities Code §740.21)
- 3) Authorizes the CPUC to establish an expedited distribution grid interconnection dispute resolution process with the goal of resolving disputes over interconnection applications within the jurisdiction of the CPUC in no more than 60 days from the time the dispute is formally brought to the CPUC. (Public Utilities Code §769.5)
- 4) Requires an electrical corporation to permit any new or existing customer who applies for an extension of service from that electrical corporation to install an electric extension in accordance with the regulations of the CPUC and any applicable specifications of that electrical corporation. (Public Utilities Code §783)
- 5) Establishes the Powering Up Californians Act which requires the CPUC, on or before September 30, 2024, to establish reasonable average and maximum

target energization time periods, as defined, and a procedure for customers to report energization delays to the commission, as provided. Requires the CPUC to require the electrical corporation to take remedial actions necessary to achieve the commission's targets and requires all reports to be publicly available. (Public Utilities Code §930 *et seq.*)

- 6) Defines “Energization” and “energize” to mean connecting customers to the electrical distribution grid and establishing adequate electrical distribution capacity or upgrading electrical distribution or transmission capacity to provide electrical service for a new customer, or to provide upgraded electrical service to an existing customer. “Energization” and “energize” does not include activities related to connecting electrical supply resources.
- 7) Defines “energization time period” means the elapsed time beginning when the electrical corporation receives a substantially complete energization project application and ending when the electric service is installed and energized. (Public Utilities Code §931)

This bill:

- 1) Requires an electrical corporation to compile a list of information needed to approve or deny an application for energization, to post an example of a complete, approved energization application and an example of a complete energization application for a housing development project, and to make those items available by no later than July 1, 2026.
- 2) Requires an electrical corporation to determine if an application for energization is complete and provide notice or otherwise provide certain information under a specified procedure and timeframe.
- 3) Requires an electrical corporation, upon approval of the application, to immediately transmit that determination to the applicant by electronic mail and, if applicable, by posting the response on its internet website, as specified.

Background

Connecting to the electric distribution grid. Rules governing the ability of new buildings and generation and storage resources to connect to the electric distribution grid are generally determined by statute, CPUC rules, and tariffs, (i.e., document that specify rates, charges, rules, and conditions under which an electrical corporation will provide services to the public) for each of the electrical corporations. These service connections include: new service connections which

refers to extending an electricity line or expanding distribution infrastructure to service new or expanded customer load, known as “energization.”

Electric Tariff Rules 15 and 16 establish the guidelines for design, cost allocation, and responsibilities of a project applicant and a utility for electric distribution line extensions. The ability to connect to the larger electrical system can take months (if not, years, in some cases) as the process can entail the need for designs, assessments on costs allocations associated with improvements on the electric distribution system to allow for the connection, and other issues. In the case of new building developments, depending on the size of the development, the need for electric service extensions may be needed in phases over months, or years.

Growing backlog of utility energization projects. The demands for new service connections and/or upgrades to existing distribution lines have been increasing, especially as California advances policies to deploy more EVs, shift natural gas usages to electricity in buildings, and increase housing supply, including affordable housing. These projects all rely on access to the electric grid and, often require upgrades to the electric distribution system. Additionally, the COVID-19 pandemic has created supply shortages and challenges affecting many sectors of the economy, including supply shortages for electrical equipment needed to connect new customers or expand energy load, such as transformers. Delays and challenges have been especially acute within the Pacific Gas & Electric (PG&E) service territory as the backlog for energization projects has grown substantially and delays have increased. The utility has previously acknowledged the growing backlog of identified capacity work that has delayed – sometimes by years – the in-service dates for new business customers. PG&E had shared that it is attempting to better manage their queue for projects, including forming a monthly Technical Committee work group with representatives from their labor partners, California Building Industry Association, and regional building association staff and members to work on all technical and field issues. These monthly meetings are used to provide updates on the actions underway to improve the new service connection process, the impacts of those actions and next steps. Additionally, these meetings are used to collaborate and collect feedback on the improvement efforts and to address emerging areas of concern or interest. Nonetheless, the backlog has been a growing frustration for the project developers, customers, local governments, and others waiting to have their projects energized.

CPUC adopts resolution to address energization timing. In response to a proposal from the electric IOUs, the CPUC issued Resolution E-5247 in December 2022, which established an interim 125-business day average service energization timeline for projects taking service under the EV Infrastructure Rules. This timeline excludes projects that must go through Rule 15 for distribution upgrades,

projects above two megawatts, and projects that require upgrades to a substation. The resolution directed the IOUs to collect one year of EV Infrastructure Rule implementation data to inform an updated proposal for a permanent service energization timeline.

Legislature authors legislation to address energization project backlogs. With growing customer frustration concerning the inability of various energization requests from being fulfilled, spanning hospitals, affordable and market rate housing, EV and electrification electric grid capacity upgrades, and others, the Legislature passed SB 410 (Becker, Chapter 394, Statutes of 2023) to provide customers with certainty regarding expected timelines for grid connections and service upgrades. The bill directed the CPUC to establish reasonable average and maximum target energization time periods by September 30, 2024. To ensure transparency and accountability, the legislation required electric IOUs to report their performance in meeting these targets, including detailed analyses of staffing levels and workforce projections. The CPUC is also expected to implement procedures for customers to report energization delays, enabling the CPUC to take remedial actions if necessary. In parallel, AB 50 (Wood, Chapter 317, Statutes of 2023) complements SB 410 by focusing on utility accountability and transparency in the energization process. It directed the CPUC to define criteria for timely electric service, including establishing categories of service, setting average energization timeframes, and identifying exceptions for complex projects.

CPUC Decision (D. 24-09-020) to implement SB 410 and AB 50. On September 12, 2024, the CPUC issued the decision in *Rulemaking 24-01-018* in response to SB 410 and AB 50. This decision establishes statewide energization timelines, reporting requirements, and customer engagement standards for the state's three major IOUs: PG&E, Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E), with expectations to establish timelines in future decisions for the smaller IOUs. Some of the key provisions include:

- **Statewide Energization Timelines:** Establishes average and maximum timeframes for various types of service requests.
- **Customer Engagement Standards:** Utilities are required to assign a project manager within 10 business days of application approval to serve as the main point of contact during the energization process. The project manager must:
 - Provide an overview of the energization process, including steps to complete a request and responsible parties.
 - Within 48 hours of identifying a delay or potential delay, discuss with the customer the cause, responsible party, estimated resolution timeframe, and potential remedies.

- Within 10 business days of identifying issues that could delay or cancel a customer's energization request, provide clear steps to keep the project on track.
- Customer Engagement and Communication Plan: Utilities must submit plans to the CPUC outlining how they will build the workforce needed to respond to energization requests and how they will communicate timelines and processes to customers.

Comments

Need for this bill. The supporters contend that this bill is needed to address the issue of delays in energization application timelines for housing developments as it relates to electric IOUs. They argue that though there are many parts of a development's process before it is complete, and delays can be experienced at any of these stages, utility connection is one aspect of the development process that does not have consistent timeline standards. They suggest it is one of the stages where the most problematic delays are seen. While they acknowledge that SB 410 and AB 50 directed the CPUC to provide guidelines and set timelines for the energization of electrical corporation customers, the provisions do not provide guidance for certain aspects of the application process (not the project build). This bill aims to be additive and seeks to reinforce timelines established by the CPUC proceeding, and further clarify to application review standards to reduce the amount of time a developer may be on the hook for an incomplete application and to provide greater customer transparency to the process of the review of the application (not the project build out).

Concerns about prescribing specific timelines in statute. The utilities in opposition to this bill raise concerns that this bill could undermine the existing proceedings to implement SB 410 and AB 50. They also contend that the timelines in this bill, specifically the 10 business days by when an application for energization must be reviewed for completeness is unworkable. Additionally, they argue that this bill prioritizes housing development projects above other request for energization, such as new commercial or medical buildings, upgrades related to transportation and building electrification, and others. As it relates to the concerns regarding prioritizing housing projects, the only part of this bill that speaks to housing projects is the requirement that electrical corporations provide an example (just one) of a completed application of a housing development project (with a wide range of housing types that can be selected, ranging from single family home to a large mixed-use building, farmworker or transitional housing). As to the concerns regarding the feasibility of the timeline by when an applications must be reviewed for completeness by the electrical corporation, the 10 days and maximum 45 days

is reflective of the CPUC's recent decision to implement SB 410 for large electrical corporations.

Amendments needed. Although the opposition's concerns regarding the specific timelines may be misplaced relative to the feasibility of these timelines (as that would also require the CPUC to reconsider their decision), the author and committee may wish to preserve future CPUC discretion to changing conditions (should they be warranted) as well as, the different approach the CPUC is taking between the large electrical corporations and the smaller (relatively) electrical corporations in the state. *To this end, the author and committee may wish to amend this bill to structure it similarly to both SB 410 and AB 50 which did not prescribe in statute specific timelines, but instead requires the CPUC to develop these timelines and requirements by a given date.* Additional amendments would provide clarifying changes make clear the requirements in this bill relate specifically to the review of the application for completeness (not the approval or build out of the final energization project).

Dual Referral. Should this bill be approved by this committee, it will be re-referred to the Senate Housing Committee.

Prior/Related Legislation

AB 50 (Wood, Chapter 317, Statutes of 2023) required the CPUC, to determine the criteria for customers to receive timely electricity service when requesting new service connections or upgraded service, known as "energization." Proposes several policies to address delays in connecting customers to the electrical grid, including improved information sharing with local governments, reporting by electric IOUs, and other measures.

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

AB 1026 (Wood, Chapter 446, Statutes of 2019) required an electrical or gas corporation to apply only those construction and design specifications, standards, terms, and conditions that are applicable to a new extension of service project for the 18 months following the date the application for a new extension of service project is approved. Authorized an electrical or gas corporation to adopt modifications, as specified, of the construction and design specifications, standards, terms, and conditions of a new extension of service project.

AB 2861 (Ting, Chapter 672, Statutes of 2016) authorized the CPUC to establish an expedited dispute resolution process for generating facility interconnection disputes.

SB 48 (Vuich, Chapter 1229, Statutes of 1983) established rules governing the extension of service by gas and electrical corporations to new residential, commercial, agricultural, and industrial customers.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT:

Housing Action Coalition (Sponsor)
Abundant Housing LA
California Building Industry Association
California Housing Partnership
California YIMBY
Circulate San Diego
City of El Cerrito
East Bay Housing Organizations
Fieldstead and Company, Inc.
Habitat for Humanity California
Housing California
Inner City Law Center
MidPen Housing
The Two Hundred for Homeownership

OPPOSITION:

Pacific Gas and Electric Company
Southern California Edison

ARGUMENTS IN SUPPORT: Housing Action Coalition, the sponsor of this bill, states:

California is in the midst of a housing crisis, and recent unprecedented natural disasters have exacerbated the situation. As we work to rebuild our communities and construct more housing, it is essential to remove barriers that unnecessarily delay production. ...In the context of utility connection, these delays can be caused by fragmented work order submittal procedures and a declining reliability of project queues. Though the average accepted wait time for utility connection following application approval is expected to vary

depending on project size and other circumstances (i.e., natural disasters), developers have reported delays far exceeding an acceptable timeline – making their projects much harder to finance and delaying the speed at which units can be occupied. AB 1026 seeks to address this issue by requiring investor-owned utility companies to comply with application review standards, including preparing specified application lists to be made available at the outset of an application. AB 1026 also reinforces timelines established by the CPUC’s decision 24-09-20.

ARGUMENTS IN OPPOSITION: PG&E and SCE express concerns that this bill would undermine the critical work taking place in the Establishing Energization Timelines Order Instituting Rulemaking (Energization OIR) established by SB 410 (2023). They argue that the 10-day average review timeline proposed within AB 1026 is unworkable and would likely reduce the number of approved applications. Many applicants, specifically developers, are unable to pay for their engineering advance within 30-days due to their own internal processes. Imposing a 10-day average timeline will result in application rejections, particularly when submissions are incomplete. The opposition also contends this bill would prioritize affordable housing over other projects by requiring them to provide a sample completed application for an energization project for a housing development project.

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