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

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

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<b>Bill No:</b>	SB 254	<b>Hearing Date:</b>	9/11/2025
<b>Author:</b>	Becker		
<b>Version:</b>	9/10/2025 Amended		
<b>Urgency:</b>	Yes	<b>Fiscal:</b>	Yes
<b>Consultant:</b>	Nidia Bautista		

**SUBJECT:** Energy

**DIGEST:** This urgency bill proposes various policies related to electrical corporations, including electric transmission infrastructure public financing and ownership; wildfire mitigation spending and financing; liability of wildfire property claims; permitting of clean energy projects; transparency on electrical corporation's return on equity; oversight on energization projects; prohibits large electrical corporations from including in their equity rate base an additional \$6 billion of wildfire mitigation capital expenditures.

**ANALYSIS:**

Existing law:

- 1) Establishes the Federal Energy Regulatory Commission (FERC) has exclusive jurisdiction over the transmission of electricity in interstate commerce and over all facilities for the transmission or sale of electricity in interstate commerce. (Federal Power Act §§§201, 205, 206 (16 USC 824, 824d, 824e))
- 2) Requires that a statute that limits the right of access to the meetings of public bodies or the writings of public officials and agencies be adopted with findings demonstrating the interest protected by the limitation and the need for protecting that interest. (Article I, §3 of the California Constitution)
- 3) Establishes the California Public Utilities Commission (CPUC) has regulatory authority over public utilities, including electrical corporations (also known as electric investor-owned utilities (IOUs)). (Article XII of the California Constitution)
- 4) Establishes the Bergeson-Peace Infrastructure and Economic Development Bank Act establishes the California Infrastructure and Economic Development Bank (I-Bank) in the Governor's Office of Business and Economic Development (Go-Biz). Creates within Go-Biz the Energy Unit to accelerate the

planning, financing, and execution of critical energy infrastructure projects, as specified. (Government Code §63000 *et seq.*)

- 5) Establishes the State Energy Resources Conservation and Development Commission (California Energy Commission (CEC)). Requires the CEC to assess trends in energy consumption and analyze the social, economic, and environmental consequences of trends. Vests the CEC with the exclusive jurisdiction to certify the construction of certain eligible facilities and an optional process for projects to be certified by the CEC, the AB 205 “Opt-in” certification program. (Public Resources Code §25200 *et seq.*)
- 6) Establishes the California Independent System Operator (CAISO) as a nonprofit public benefit corporation and requires it to ensure efficient use and reliable operation of the electrical transmission grid. (Public Utilities Code §345)
- 7) Establishes the Office of Energy Infrastructure Safety (OEIS) within the Natural Resources Agency which, as of July 1, 2021, subsumed the Wildfire Safety Division (WSD) responsibilities at the CPUC, including to review the wildfire mitigation plans (WMPs) of electrical corporations. (Government Code §§15740 *et seq.* and 15475.6, Public Utilities Code §§326 and 8385)
- 8) Establishes the Wildfire Fund to pay eligible claims arising from a covered wildfire, as provided. Requires the CPUC to direct an electrical corporation participating in the Wildfire Fund to collect a nonbypassable charge from the electrical corporation’s ratepayers to support the Wildfire Fund. (Public Utilities Code §§3284 and 3289)
- 9) Establishes the California Consumer Power and Conservation Financing Authority Act creates the California Consumer Power and Conservation Financing Authority (CCPCFA) (though created in statutes, it is a defunct entity). (Public Utilities Code §§3300, 3310, 3384)
- 10) Establishes the California Underground Facilities Safe Excavation Board, also known as the Dig Safe Board, within the OEIS. (Government Code §4216 *et seq.*)
- 11) Authorizes the CPUC to fix the rates and charges for every public utility and requires that those rates and charges be just and reasonable. (Public Utilities Code §451)
- 12) Establishes the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024 (bond act), approved by the

voters as Proposition 4 at the November 5, 2024, statewide general election, authorizes the issuance of bonds in the amount of \$10 billion pursuant to the State General Obligation Bond Law to finance projects for safe drinking water, drought, flood, and water resilience, wildfire and forest resilience, and other uses. Existing law makes \$850 million of that amount available, upon appropriation of the Legislature, for clean energy projects, as provided.

- 13) The California Environmental Quality Act (CEQA) requires lead agencies with the principal responsibility for carrying out or approving a project to prepare a negative declaration (ND), mitigated negative declaration (MND), or environmental impact report (EIR) for the project, unless the project is exempt from CEQA. (Public Resources Code §21000 *et seq.*)
- 14) Establishes the policy of the state that eligible renewable energy resources and zero-carbon resources supply 90% of all retail sales of electricity by December 31, 2035; 95% of all retail sales of electricity by December 31, 2040; 100 percent of all retail sales of electricity by December 31, 2045; and 100% of electricity procured to serve all state agencies by December 31, 2035. (Public Utilities Code §454.53)

This bill:

*Related to public financing and ownership of electrical transmission projects:*

- 1) Deems the financing of projects related to the clean energy projects funded by the Safe Drinking Water, Wildfire Prevention, etc. Bond Act of 2024 to be in the public interest and eligible for financing by the I-Bank or by a special purpose trust established pursuant to the bank act and would, except as specified, require that any such financing be treated as financing of an economic development facility for purposes of the bank act. This bill would authorize the I-Bank to provide any form of financial assistance, including issuing bonds.
- 2) Authorizes the I-Bank to provide financial assistance under the California Transmission Accelerator Revolving Fund Program to any eligible participating party, either directly or to a lending or financial institution, in connection with the financing or refinancing of an accelerator project, in accordance with an agreement or agreements between the I-Bank and the participating party, either as a sole lender or in participation or syndication with other lenders.
  - a) Requires that eligible projects for financing under these provisions meet specified conditions.

- b) Requires the I-Bank to prepare, and the I-Bank board to approve, guidelines for the provision of financial assistance under the Accelerator Revolving Fund Program, and exempts the accelerator financing plan and guidelines to administer the program from the rulemaking provisions of the Administrative Procedure Act.
  - c) Provides that moneys in the California Infrastructure and Economic Development Bank Fund (I-Bank Fund) in the State Treasury are available for expenditure for California Transmission Accelerator financing, only upon appropriation by the Legislature.
  - d) Creates the Accelerator Revolving Fund within the State Treasury for the purpose of providing financial assistance under the Accelerator Revolving Fund Program.
  - e) Makes the moneys in the fund continuously appropriated, without regard to fiscal year, for the support of eligible entities.
  - f) Makes an appropriation by continuously appropriating funds.
- 3) Requires the Energy Unit within Go-Biz to establish a Transmission Infrastructure Accelerator (accelerator) to develop a financing and development strategy for eligible transmission projects receiving California Transmission Accelerator financing and requires the accelerator to take the necessary steps to accelerate the development and deployment of those projects to maximize ratepayer savings.
- 4) Requires the accelerator, before December 31, 2026, to coordinate the state's ongoing activities related to transmission planning and development and to ensure accelerator projects meet specified criteria. Requires the accelerator to evaluate the results of the CAISO's transmission planning process, to select which accelerator projects have the opportunity to receive public financing, and to develop a public-private partnership plan to develop financing options that maximize debt financing, among other things.
- 5) Allows a tax credit against those taxes for each taxable year beginning on or after January 1, 2026, and before January 1, 2036, in an amount equal to 20% of the qualified expenditures paid or incurred by the qualified taxpayer during the taxable year, not to exceed \$20 million per qualified taxpayer per taxable year.
- a) Defines "qualified expenditures" for these purposes to mean costs paid or incurred for planning, design, engineering, permitting, construction, and equipment directly related to an eligible transmission project, as defined, or qualified wages, as defined, paid or incurred to employees of a qualified

taxpayer that perform services directly related to the eligible transmission project.

- b) Defines “qualified taxpayer” for these purposes to mean a taxpayer that is a participating entity under the Accelerator Revolving Fund Program, as described above.
  - c) Prohibits the taxpayer from earning a return on equity for the eligible transmission project for the portion of the project for which the credit is claimed.
  - d) Requires the I-Bank to inform the Franchise Tax Board of any eligible transmission project that the bank approves for financial assistance and to provide any other information the Franchise Tax Board requires for administration of the credits allowed by this bill.
- 6) Authorizes the CCPCFA, before January 1, 2007, to establish, finance, purchase, lease, own, operate, acquire, or construct generating facilities and other projects and enterprises, or provide financial assistance for projects or programs by participating parties, to supplement private and public sector power supplies to ensure a sufficient and reliable supply of electricity for California’s consumers at just and reasonable rates, to finance programs for consumers and businesses to invest in cost-effective energy efficient appliances, renewable energy projects, and other programs that will reduce the demand for energy in California, to finance natural gas transportation and storage projects, to achieve an adequate energy reserve capacity in California, and to provide financing for owners of aged, inefficient, electric powerplants to perform necessary retrofits to improve the efficiency and environmental performances of those powerplants.
- a) Authorizes the authority to sponsor, finance, purchase, lease, own, operate, acquire, or construct new transmission projects, as defined.
  - b) Authorizes the authority to seek financing assistance from any entity eligible to access the California Transmission Accelerator Revolving Fund.

*Related to siting and permitting clean energy projects:*

- 7) Extends the date by one year, to June 30, 2030, that a person proposing an eligible facility is authorized to apply to the CEC for certification within the AB 205 “Opt-in” program.

- 8) Authorizes the CEC to require certain supporting information to support the preparation of an EIR, MND, or ND, and would make related conforming changes.
- 9) Requires the application to include evidence that the applicant has sufficient real property rights to the proposed location to currently access, build, and operate the proposed facility. Authorizes the executive director of the CEC to require an applicant to submit missing information in the application before an application can be deemed complete and requires that any further requests by the executive director for missing information in response to additional information provided by the applicant be made within 45 days, or as soon as practicable thereafter, of receipt of that information.
- 10) Removes findings regarding the conformity of the proposed site for a thermal powerplant or electrical transmission line and related facilities with standards adopted by the CEC from an application requirement for an eligible facility.
- 11) Establishes a rebuttable presumption that the construction or operation of the facility will have an overall net positive economic benefit to the local government that would have had permitting authority over the site and related facility, as part of the AB 205 “Opt-in” certification program.
- 12) Adds community foundations to the list of community-based organizations an applicant for a facility is required to enter into a legally binding and enforceable agreements.
- 13) Extends, until July 1, 2027, an exemption from competitive bidding, or the review, consent, or approval of the Department of General Services or any other state department or agency and is not required to comply with certain contracting requirements for agreements entered into for purposes of implementing the AB 205 “Opt-in” permitting program.
- 14) Requires the CEC to prepare a program EIR to analyze the development of a class or classes of facility for which the CEC has received an application under a specific certification program, as provided.
- 15) Authorizes a public agency considering the approval of a specific facility that is within a class or classes of facility described in the program EIR prepared under these provisions to tier from that program EIR.

*Related to the Dig-Safe Board:*

- 16) Requires a regional notification center to facilitate the exchange of planning and design information for infrastructure projects and requires operators to participate in this exchange. Requires a regional notification center, upon

request, to notify a California Native American tribe of proposed excavations within the geographic area with which the tribe is traditionally and culturally affiliated. Requires the California Underground Facilities Safe Excavation Board to report to the Legislature on the advantages, barriers, and funding options for the development of an internet web-based planning and design platform for accomplishing the exchange of planning and design information and for allowing tribes to view plans for projects and to communicate with plan submitters.

*Related to wildfire mitigation by electric utilities:*

- 17) Requires electrical corporations when minimizing the risk of catastrophic wildfire posed by their electric lines and equipment to take into account the time required to implement proposed mitigations and the amount of risk reduced for the cost and risk remaining.
- 18) Requires each electrical corporation to submit a WMP to the OEIS for review at least once every four years.
- 19) Requires each electrical corporation, beginning January 1, 2027, to submit a preliminary WMP to the office at the earliest date of one year before the filing of its general rate case (GRC) application or concurrent with the filing of its Risk Assessment Mitigation Phase application with the CPUC.
- 20) Revises WMP requirements to, among other things, require the list to also include particular risks and risk drivers associated with the speed with which wildfire risk mitigation measures can and will be deployed by the electrical corporation and an estimate of cost-per-avoided ignition for each risk, or an explanation on why such a value could not be assigned to a particular risk, and require the presentation of certain cost-efficiency measures adopted by the CPUC.
- 21) Requires the OEIS to approve or deny a WMP submitted by an electrical corporation within nine months of its submission.
- 22) Requires, for a GRC application filed on or after January 1, 2027, an electrical corporation to file the WMP approved by the office or, if the plan has not been approved by the office, the preliminary wildfire plan filed with the office, and any applicable decision from the office, with the GRC application.
- 23) Requires an electrical corporation, within 45 days of the CPUC's decision on whether the cost of implementing the electrical corporation's WMP is just and reasonable in the electrical corporation's GRC or any CPUC order modifying

that decision, to submit to the office a revised WMP that conforms to the CPUC's revenue authorization.

- 24) Requires the OEIS to approve the revised WMP within two months of submission and would require the electrical corporation to file the approved revised WMP as an information-only submittal with the CPUC.
- 25) Revises and recasts provisions related to the oversight by the OEIS in the implementation of, and the enforcement by the CPUC of, the finally approved WMP.
- 26) Revises the provisions related to the expedited utility distribution infrastructure undergrounding program to, among other things, specify that the approval of a distribution infrastructure undergrounding plan is not a project for purposes of CEQA, as specified.
- 27) Repeals provisions related to the Wildfire Safety Advisory Board (WSAB).
- 28) Requires, after January 1, 2026, local publicly owned electric utilities (POUs) and electrical cooperatives to prepare and submit to the board WMPs at least once every four years on a schedule determined by the WSAB.

*Related to the Wildfire Fund*

- 29) Requires the administrator of the Wildfire Fund, on or before April 1, 2026, to prepare and submit to the Legislature and to the Governor, a report that evaluates and sets forth recommendations on new models or approaches that mitigate damage, accelerate recovery, and responsibly and equitably allocate the burdens from natural catastrophes, across stakeholders, to complement or replace the fund, as specified.
- 30) Creates the Continuation Account within the Wildfire Fund, which is separate and distinct from moneys in the fund, to be administered by the administrator, and continuously appropriates moneys in the account for purposes of payment of eligible claims arising from wildfires ignited on or after the effective date of the bill, as provided, thereby making an appropriation.
- 31) Requires each large electrical corporation, within 15 days of the effective date of this bill, to provide to the CPUC a written notification of its election to participate, or not to participate, in the account.
- 32) Specifies that the election by participating electrical corporations to participate in the account constitutes an agreement of the large electrical corporations to certain matters, including a revision of how the large electrical corporations are required to reimburse the fund for any costs and expenses arising from a



wildfire that are found not to be just and reasonable and limiting the obligation of the fund to provide payments for eligible claims arising from wildfires ignited on or before the effective date of this bill.

- 33) Requires the CPUC, if all participating electrical corporations have provided their election to participate in the account, to provide the administrator and other entities notification of their elections.
- 34) Authorizes the administrator, on or after the date the CPUC provides the notification, but not later than December 31, 2028, to determine if additional annual contributions are needed, and to provide notification of its determination to the commission and the department.
- 35) Requires the CPUC, within 15 days of receiving the notification from the administrator, to initiate a rulemaking proceeding to consider using its authority to require the large electrical corporations to collect a nonbypassable charge from ratepayers to support the account, including the payment of any bond issued for the support of the account, as provided.
- 36) Authorizes the Department of Water Resources to issue bonds, in an aggregate amount up to \$9 billion, to support the account.
- 37) Requires the large electrical corporations, if the CPUC imposes the nonbypassable charge to support the account, from calendar years 2029 to 2045, inclusive, to provide to the administrator their annual contributions, as specified, for deposit into the account.
- 38) This bill would, if the administrator determines that an additional contribution of \$3.9 billion is needed to support the account,
- 39) Authorizes the administrator, if they determine that an additional contribution of \$3.9 billion is needed, to require the large electrical corporations to provide their proportionate share of that amount in equal installment payments over a five-year period, as provided.
- 40) Authorizes a large electrical corporation to seek payment from the account to satisfy settled or finally adjudicated eligible claims arising from wildfires ignited on or after the effective date of this bill, as provided.
- 41) Require the large electrical corporations, within six months of the CPUC's decision in the application for the recovery of costs and expenses arising from the wildfire, to reimburse the fund, as provided, for any payment of costs and expenses determined not to be just and reasonable.

- 42) Makes the Account provisions inoperative if one of the large electrical corporations elects not to participate in the account.

*Related to the right of first refusal*

- 43) Requires the property insurer, for an agreement to sell or transfer to a third-party entity a right of subrogation, to first offer to settle that right, as specified, on the same terms and conditions as the proposed agreement, to a large electrical corporation, if any, that provides electrical service to the service area in which the wildfire ignited.
- 44) Requires the large electrical corporation to accept or reject the offer or to reach agreement on mutually agreeable terms for the settlement of that right within 30 days of the property insurer making the offer.
- 45) Requires the agreement and exchange of information, including the offer made and other documentation related to the offer, to be subject to a nondisclosure agreement and would prohibit the disclosure of that information. Specifies that the information provided to a public agency pursuant to law is not subject to public disclosure under the California Public Records Act or any other law.

*Related to financing orders*

- 46) Authorizes an electrical corporation to file an application requesting the CPUC to issue a financing order to authorize the recovery of certain costs and expenses, including those related to catastrophic wildfires that are determined to be just and reasonable through the issuance of recovery bonds by the electrical corporations that are secured by a rate component, as provided.
- 47) Authorizes an electrical corporation, for a catastrophic wildfire that was ignited between January 1, 2025, and the effective date of this bill, before filing an application for a determination of just and reasonableness of the settled or finally adjudicated claims associated with the catastrophic wildfire, to file an application for a determination that those claims cannot be paid by the fund and for the issuance of a financing order in the amount of those claims.
- 48) Requires the CPUC to issue a financing order if it makes certain determinations, as provided.
- 49) Requires a large electrical corporation, if it issues recovery bonds pursuant to the financing order, to file an application for a just and reasonableness determination for the costs and expenses included in the recovery bonds, as provided. Authorizes the CPUC to order a large electrical corporation to provide a credit to its ratepayers for any disallowed costs and expenses plus

any cost and expense resulting from the inclusion of the disallowed costs and expenses in the recovery bonds.

- 50) Requires the CPUC to prohibit a large electrical corporation from including in its equity rate base its share of the first \$6 billion expended in aggregate by large electrical corporations on fire risk mitigation capital expenditures approved by the commission on or after January 1, 2026, beyond the \$5 billion in AB 1054.
- 51) Authorizes an electrical corporation's share of the fire risk mitigation capital expenditures and the debt financing costs of these fire risk mitigation capital expenditures to be financed through a financing order, as specified. This bill provides that these provisions do not apply to expenditures made after December 31, 2035.

*Related to reporting on electrical corporation's return on equity*

- 52) Requires the CPUC to include in an existing annual report additional information on the transmission assets, distribution assets, and generation assets of each large electrical corporation, including information on the amount or ratebase for those assets with 10 years of historical values and the total amount for return on equity and debt collected in the revenue requirement for those assets.

*Related to energization projects*

- 53) Requires the CPUC to evaluate and report to the Legislature on or before January 1, 2027, whether to require an electrical corporation to have an executive incentive compensation structure that includes incentive compensation based on meeting the energization project targets for all executive officers.
- 54) Requires, on or before January 1, 2027, the CPUC to establish an enforcement policy for the energization targets that include penalties for not complying with the remedial actions, as specified.
- 55) Requires the CPUC to require each electrical corporation to retain an independent third-party auditor to review the electrical corporation's business practices and procedures for energizing new customers and how the electrical corporation is planning for demand growth, including new customer energizations.
- 56) Requires the third-party auditor to review specified factors and to evaluate the electrical corporation's current and future energization performance and make

recommendations as to whether the electrical corporation is adequately meeting and anticipating customer demand, adequately training and retaining an adequate workforce, and is funded at sufficient levels to meet forecasted demand growth.

- 57) Requires the third-party auditor to report to the CPUC on a biannual basis, as specified. Authorizes the CPUC to require an electrical corporation to take remedial actions necessary to address deficiencies identified in the report provided by the third-party auditor or to achieve the above-described targets. This bill repeals these provisions on January 1, 2032.

*Related to legislative findings concerning urgency and confidentiality*

- 58) Makes legislative findings to protect confidential business information.
- 59) Declares that it is to take effect immediately as an urgency statute to ensure the provision of reliable and affordable electricity to ratepayers by ensuring financial stability of electrical corporations and to protect consumers from high electricity bills.

## **Background**

*Rising electricity rates.* Californians generally enjoyed lower energy bills when compared to the rest of the country, largely due to milder weather and investments in energy efficiency, even as electric rates have been higher than many other states. However, in more recent years, these trends have been changing as California's higher energy rates are also resulting in higher electricity utility bills. As such, there are growing concerns about the affordability of utility bills on household budgets and commercial and industrial entities' balance sheets, especially as electricity rates are outpacing inflation.

*CPUC Response to Governor Executive Order (EO) N-5-24.* On October 30, 2024, Governor Newsom issued EO N-5-24 to address California's rising electricity costs and broader affordability concerns. The EO directed the CPUC and the CEC to conduct a comprehensive review of all electric ratepayer-funded programs under their jurisdiction, identifying those that drive up rates without delivering proportional benefits. It also calls for immediate action to sunset or modify underperforming or underutilized programs and return unused funds to ratepayers through bill credits. Additionally, the order instructs the CPUC and the California Air Resources Board to propose improvements to the California Climate Credit, particularly for low-income customers, and requires Energy Safety and the CPUC to recommend adjustments to wildfire oversight processes to improve cost-

effectiveness. All agencies were directed to report their findings and proposed actions to the Governor by January 1, 2025.

In February, the CPUC's response to the EO N-5-24 was released and shared with the Legislature. The CPUC's report noted three areas as "opportunities to control costs and reduce electricity bills." These included: 1) controlling the growth in utility spending; 2) finding cost-sharing opportunities; and 3) implementing equitable rates to recover wildfire, public purpose program, and fixed costs. The report concluded with seven specific strategies:

- 1) All energy-related mandates should be assessed for overall cost-effectiveness;
- 2) Wildfire and emergency response costs should be paid for by non-ratepayer sources;
- 3) Integrate WMP strategies more fully into GRC processes;
- 4) Refine Net Energy Metering;
- 5) Redistribute the Climate Credit volumetrically;
- 6) Fund cost-shifting programs from non-ratepayer sources; and
- 7) Ensure programs benefitting all electric customers are supported by all customers, including POU customers.

## Comments

*Need for this bill.* According to the author:

According to the non-partisan Legislative Analyst Office (LAO), 'California electricity rates also have been increasing rapidly in recent years—not only growing faster than inflation but also outpacing growth in other states.' The California Energy Modernization and Affordability Act is California's most ambitious effort yet to rein in these rising energy costs and put ratepayers first. This bill ensures wildfire mitigation dollars are spent where they have the greatest impact and sharpens scrutiny of utility budgets through stronger laws that will help control excessive profits and rate increases. It uses financing innovations, such as securitization and public financing of infrastructure, to lower long-term costs, and it streamlines clean energy permitting so we can build clean projects faster and more affordably. It also strengthens and extends the Wildfire Fund, which insures utilities from wildfire losses caused by their equipment, with new capital funded equally by both ratepayers and utility shareholders. Reducing bankruptcy risk from wildfires will lower utility financing costs for grid infrastructure and ultimately save ratepayers money. Finally, the bill strengthens requirements to make sure utilities provide timely service to support demand growth so that utility inaction doesn't hold

back new housing, EV charging, and other economic growth. There is no silver bullet that can immediately lower electricity bills, but collectively these provisions, once fully implemented, will hold utilities accountable and reduce the cost to ratepayers by billions of dollars annually.

**Prior/Related Legislation**

AB 825 (Petrie-Norris) of 2025, until recent amendments, included related provisions concerning transmission financing and others. The bill was recently amended to remove those provisions and replace with language concerning regional energy markets. The bill is pending in the Senate.

SB 256 (Perez) of 2025, includes various provisions related to addressing wildfire mitigation by electrical corporations, including a reference to prohibiting equity rate basing of specified wildfire mitigation by electric IOUs. The bill was held by the Assembly Appropriations Committee.

SB 330 (Padilla) of 2025, authorizes the Governor to establish projects to develop, finance, or operate electrical transmission infrastructure that meets specified requirements. The bill is pending in the Assembly Utilities and Energy Committee.

SB 332 (Wahab) of 2025, includes various proposals, including consideration of underground of electrical infrastructure within an electrical corporation's WMP. The bill was held in the Assembly Appropriations Committee.

SB 769 (Caballero) of 2025, establishes the Golden State Infrastructure Corporation within the State Treasurer's Office as a not-for-profit corporation for the purpose of financing infrastructure projects. The bill is pending in the Assembly.

AB 3264 (Petrie-Norris, Chapter 762, Statutes of 2024) included a suite of proposals to help address energy costs. These include: requiring the CPUC to develop a framework to address energy costs from electricity, natural gas, gasoline, and propane; and requiring the CPUC to submit a study to the Legislature on options to reduce costs on ratepayers of expanding the electrical transmission system.

SB 1003 (Dodd) of 2024, (nearly identical to some provisions in this bill) would have made numerous changes to the processes for addressing wildfire mitigation by electrical corporations, and other electric utilities, including clarifying the roles of relevant state agencies in addressing wildfire risk; and requires electrical corporations to take into account both the amount of wildfire risk reduction for the

cost-effectiveness and time value of the proposed mitigation measure within the utility's WMP. The bill was held on the Assembly Floor.

SB 884 (McGuire, Chapter 819, Statutes of 2022) required the CPUC to establish an expedited electric utility distribution infrastructure undergrounding program for large electrical corporations. Required the OEIS to approve or deny the plan within nine months and requires additional actions and reports.

SB 887 (Becker, Chapter 358, Statutes of 2022) adjusted the planning horizon for the annual electricity transmission plan from 10-years to 15-years, and required approval of at least two transmission projects as part of the CAISO 2022-23 TPP.

SB 1032 (Becker) of 2021, would have established a new Clean Energy Infrastructure Authority as a public instrumentality of the state for the purpose of leading the state's efforts to build critical electrical transmission infrastructure necessary to enable the state to transition to 100% clean energy.

AB 111 (Committee on Budget, Chapter 81, Statutes of 2019) created OEIS within the Natural Resources Agency, under the supervision of a director appointed by the Governor, to oversee electrical corporations' WMP.

AB 1054 (Holden, Chapter 79, Statutes of 2019) included numerous provisions related to addressing wildfires caused by electric utility infrastructure, including: bolstering safety oversight and processes, such as required updates to each electric corporation's WMP, recasting recovery of costs from damages to third-parties, including the authorization for an electrical corporation and ratepayer jointly funded Wildfire Fund to address future damages, and changes to provisions concerning the workforce of a change of ownership of a full or portion of an electrical or gas corporation.

SB 901 (Dodd, Chapter 626, Statutes of 2018) addressed numerous issues concerning wildfire prevention, response and recovery, including funding for mutual aid, fuel reduction and forestry policies, WMPs by electric utilities, and cost recovery by electric corporations of wildfire-related damages.

SB 1028 (Hill, Chapter 598, Statutes of 2016) required electric CPUC-regulated utilities to file annual WMP and requires the CPUC to review and comment on those plans.

**FISCAL EFFECT:** Appropriation: Yes Fiscal Com.: Yes Local: Yes

**SUPPORT:**

350 Humboldt  
Agricultural Energy Consumers Association  
California Democratic Party  
California Environmental Voters  
California Farm Bureau Federation  
California Large Energy Consumers Association  
California Municipal Utilities Association  
California Solar & Storage Association  
California Wind Energy Association  
Clean Air Task Force  
Climate Action California  
Climate Action Campaign  
County of San Diego  
Natural Resources Defense Council  
Net-Zero California  
Northern California Power Agency  
Pacific Gas & Electric  
Peninsula Clean Energy  
Silicon Valley Clean Energy  
Southern California Public Power Authority  
The Climate Center  
The Climate Reality Project, Silicon Valley  
The Utility Reform Network  
Union of Concerned Scientists  
Two Individual

**OPPOSITION:**

California Chamber of Commerce  
California Council for Environmental and Economic Balance  
California State Association of Counties  
California State Council of Laborers  
California-Nevada Conference of Operating Engineers  
County of Fresno  
League of California Cities  
Rural County Representatives of California  
San Diego Gas and Electric Company  
Southern California Gas Company  
The Utility Wildfire Survivor Coalition  
Underground Service Alert of Southern California



Utility Workers Union of America, Local 483  
Six Individuals

**ARGUMENTS IN SUPPORT:** A coalition of organizations, including The Utility Reform Network, Natural Resources Defense Council, California Environmental Voters, Union of Concerned Scientists, and others, state:

California faces an electricity affordability crisis. In just one decade, PG&E rates increased 104%, Southern California Edison rates jumped 83%, and SDG&E bills rose 71%. Without legislative action, electricity bills will continue climbing, placing even greater financial strain on low- and middle-income families. 85% of voters say it's important for their representatives to do everything possible to lower electricity bills this year. SB 254 adopts multiple key measures to reduce electricity bills: Public financing of transmission, securitization, and cost effective wildfire mitigation.

SB 254 also establishes a wildfire fund replenishment mechanism. California's Wildfire Fund could be wiped out entirely by claims from the 2025 Eaton fire. Under this legislation, utility shareholders will contribute 50% of the cost of replenishing the fund, and utility customers will cover the other half. This mechanism will ensure utilities maintain financial stability to continue serving customers.

The sentiments to replenish the Wildfire Fund has also been shared by numerous wildfire survivors from Southern California who lost homes and property in the January 2025 Eaton Fire.

**ARGUMENTS IN OPPOSITION:** According to California State Association of Counties, League of California Cities, and Rural County Representatives of California, state:

SB 254 does many different things to address energy affordability and renewable energy permitting challenges. Our opposition is predicated on seemingly innocuous but extremely harmful provisions related to the California Energy Commission's (CEC) AB 205 opt-in permitting program. SB 254 strengthens the CEC's ability to ignore local laws, regulations, and objections of the community in which the project will be located. SB 254 repeals provisions of Public Resources Code Section 25545.8 that require the CEC to ensure projects conform with public safety standards, air and water quality standards, and other applicable local, regional, state, and federal standards, ordinances, or laws.

Utility Wildfire Survivor Coalition, representing survivors of the Northern California wildfires that predate the Wildfire Fund, state:

[SB 254] ...unjustly and inequitably excludes 2015-2018 PG&E fire victims who still await FULL compensation for their losses. Remember, these were the wildfire survivors that were called upon by the California Legislature and the Governor to support AB-1054 in 2019 and establish the California Wildfire Fund with the promise that this would make sure we got “fully and fairly” paid for our losses. We **MUST NOT** push aside our commitments to Northern California fire victims while we look to support Southern California fire victims, our utilities and our utility investors. We must ensure that this bill provides **EQUITABLE** relief for all utility-caused wildfire survivors including those in Northern California that still suffer awaiting their full compensation.

Underground Service Alert of Southern California states:

Our concern is solely related to Section 2 of SB 254. That section requires the California Underground Safety Board to develop two regulations and authorizes specified property owners that do not own or operate underground utilities to be notified of proposed excavations. As drafted, Section 2 of SB 254 poses significant operational problems for DigAlert.

**-- END --**