SENATE COMMITTEE ON ENERGY, UTILITIES AND COMMUNICATIONS
Senator Benjamin Allen, Chair
2025 - 2026 Regular

Bill No:	AB 2618	**Hearing Date:**	6/16/2026
Author:	Connolly		
Version:	4/13/2026 Amended		
Urgency:	No	**Fiscal:**	Yes
Consultant:	Sarah Smith		

SUBJECT: Public Utilities Commission: commissioners: employment

DIGEST: This bill prohibits a California Public Utilities Commission (CPUC) commissioner from obtaining employment by an entity regulated by the CPUC for two years after the end of the commissioner's term of office.

ANALYSIS:

Existing law:

1) Requires the Legislature to enact laws prohibiting a state officer, secretary of an agency, or state department director appointed by the Governor who has not resigned or retired from service prior to January 7, 1991, from lobbying before the Executive branch for 12 months after leaving office. (California Constitution, Article V, §14)

2) Establishes the CPUC, which is comprised of five members appointed by the Governor and approved by the Senate, for staggered six-year terms. Existing law specifies that when a vacancy exists on the CPUC, a commissioner filling that vacancy shall serve the remainder of the term for that vacancy. Existing law also allows the Legislature to remove a CPUC commissioner with a vote of 2/3 of each house for the following reasons: incompetence, neglect of duty, or corruption. (California Constitution, Article XII, §1)

3) Authorizes the CPUC to establish its own procedures, subject to statutory requirements and due process. Authorizes any designated CPUC commissioner to hold a hearing or investigation or issue an order, subject to CPUC approval. (California Constitution, Article XII, §2)

4) Specifies that all the following entities are public utilities subject to control by the Legislature: private corporations and persons that own, operate, control, or manage a line, plant, or system for the transportation of people or property, transmission of telephone and telegraph messages, or the production,

generation, transmission, or furnishing of heat, light, water, power, storage, or wharfage directly or indirectly to or for the public, and common carriers. Existing law authorizes the Legislature to designate additional classes of private corporations or other persons as public utilities. (California Constitution, Article XII, §6)

5) Defines a "public utility" subject to the CPUC's jurisdiction as every common carrier, toll bridge corporation, pipeline corporation, gas corporation, electrical corporation, telephone corporation, telegraph corporation, water corporation, sewer system corporation, and heat corporation, where the service is performed for, or the commodity is delivered to, the public or any portion thereof. Whenever any of these entities delivers a service or commodity to the public for compensation, the entity is a public utility subject to regulation by the CPUC. (Public Utilities Code §216)

6) Prohibits a CPUC commissioner from having an official relationship with or having a financial interest in a person or corporation subject to CPUC regulation. Existing law requires a CPUC commissioner to resign from the CPUC or divest interests in a regulated entity if the commissioner acquires an interest in a person or corporation subject to CPUC regulation. Existing law also requires the CPUC to maintain updated conflict of interest code and prohibits a utility executive from serving as a commissioner within two years of leaving the utility's employment. (Public Utilities Code §303)

7) Establishes a one-year "cooling off" period for certain state employees and officers that make decisions that could materially impact financial interests. This cooling off period prohibits these employees from representing individuals before the state agency or officers of the state agency for which the state employee worked during the 12 months before leaving office. (Government Code §87406)

8) Prohibits a California Energy Commission (CEC) commissioner from becoming a commissioner within two years of receiving compensation from any electric utility or engaging in the sale of any major facility component. Existing law also prohibits a CEC commissioner from obtaining employment from any electric utility, applicant before the CEC, or a person who engages in the sale or manufacture of any major facility component within two years of leaving the CEC. (Public Resources Code §25205)

This bill prohibits a CPUC commissioner from obtaining employment by an entity regulated by the CPUC for two years after the end of the commissioner's term of office.

Background

Prior legislation attempted to address a potential imbalance of utility influence at the CPUC. Over the past decade, the Legislature has passed a number of bills aimed at addressing concerns about the degree of influence certain utilities may have over CPUC proceedings. In 2016, the Legislature passed SB 215 (Leno, Chapter 807, Statutes of 2016) to increase disclosure requirements regarding ex-parte communications and reform CPUC proceeding requirements. This legislation followed concerns about extensive ex-parte communications occurring between utility officers and certain CPUC staff and commissioners at that time. Ex-parte communication occurs when substantive discussions occur between a CPUC decision-maker and a stakeholder that has an interest in a proceeding before the CPUC. The Legislature also passed SB 19 (Hill, Chapter 421, Statutes of 2017), which established a variety of reforms at the CPUC, including prohibiting utility executives from serving as a CPUC commissioner within two years of leaving a utility's employment. These reforms were intended to address the extent to which utilities' relationships and communication with CPUC commissioners could provide the utilities with a disproportionate amount of influence over the CPUC and commission decision making.

Revolving doors and cooling off periods. The revolving door phenomenon occurs when an elected official or state officer leaves a government position to become an advocate for an industry for which they once made regulatory or legislative decisions. To address the potential conflicts of interest posed by revolving door employment, existing state law and rules by the Fair Political Practices Commission (FPPC) set requirements for "cooling off" periods that limit the ability to immediately switch from the regulatory or legislative side to the advocacy side of state decision making. Under existing law, most state officers and elected officials are subject to a one-year cooling off period. This bill establishes limitations on CPUC commissioners' post-commission employment that are more restrictive than those applied to most other state officers or elected officials. However, existing statute also establishes a two-year cooling off period for CEC commissioners that would be similar to the limitations in this bill.

Prior/Related Legislation

ACA 9 (Boerner, 2026) modifies the CPUC's authority over certain utilities and expand the number of commissioners on the CPUC from five to nine commissioners by adding four commissioners appointed by the Legislature. The bill also limits the CPUC's authority to adopt procedures and limits commissioners' ability to initiate proceedings. The bill is currently in the Senate Energy, Utilities and Communications Committee.

AB 2054 (Bauer-Kahan, 2023) among other provisions, would have prohibited the leadership at the CPUC and Public Advocate's Office from receiving gifts or employment, for at least one year, from any entity subject to regulation by their body. The bill was held in the Senate Appropriations Committee.

SB 19 (Hill, Chapter 421, Statutes of 2017) established a number of CPUC reforms, including prohibiting a utility executive from serving as a commissioner on the CPUC within two years following the executive's departure from the utility.

SB 215 (Leno, Chapter 807, Statutes of 2016) made various modifications to law governing the CPUC's rules of practice and procedure to expand transparency for proceedings and reform rules for ex-parte communication occurring outside the official record of a proceeding.

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

SUPPORT:

Consumer Watchdog
Teamsters California
The Utility Reform Network

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the author:

> AB 2618 helps ensure that utility rates are not being influenced by private utility companies. This bill strengthens California's revolving-door policies by prohibiting California Public Utility Commissioners from lobbying for private utility companies for 2 years after the end of their term. As California residents continue to face out-of-control rate hikes, weak ethics rules have allowed utility corporations to gather more influence over our regulatory system by recruiting former commissioners. This bill is a common-sense measure to ensure transparency within our regulatory rate-making process by closing the revolving-door.

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