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**AB-1020 Public utilities: energy: taxpayer funding: reporting.** (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

**ASSEMBLY BILL**

**NO. 1020**

Introduced by Assembly Member Schiavo

February 20, 2025

An act to add *and repeal* Sections 593 and 913.7 ~~to~~ *of* the Public Utilities Code, relating to electricity.

**LEGISLATIVE COUNSEL'S DIGEST**

AB 1020, as amended, Schiavo. Public utilities: energy: taxpayer funding: reporting.

Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations and gas corporations. Existing law requires electrical corporations and gas corporations to submit various information to the commission, and requires the commission to annually report to the Legislature on, among other things, all sources and amounts of funding and actual and proposed expenditures, including any costs to ratepayers, related to entities or programs established by the commission, as specified.

This bill would require each utility, defined as an investor-owned electrical corporation or gas corporation, to report certain information for any taxpayer funding, as defined, *greater than or equal to \$1,000,000* that the utility has applied for or received. The bill would require the commission, for each application in which a utility is seeking ratepayer funding, to require the utility to report all relevant taxpayer funding *greater than or equal to \$1,000,000 that* the utility is pursuing or has secured, and, if the commission determines that a utility is not in compliance with that requirement, the bill would authorize the commission to impose a penalty against the utility, as specified. The bill would require the commission to require each utility to promptly deliver *to ratepayers* the financial benefits of taxpayer ~~funding to ratepayers~~, *funding received*, as provided.

This bill would require the commission to provide an annual report to the Legislature with a summary of the information on taxpayer funding reported by each utility, including the number of grants or loans, the source of those grants or loans, the dollar amount received, the projects funded by the grants or loans, and the demonstrated ratepayer savings.

*The bill would repeal these provisions on January 1, 2036.*

Under existing law, a violation of the Public Utilities Act or any order, decision, rule, direction, demand, or requirement of the commission is a crime.

Because the provisions of this bill would be a part of the act and because a violation of a commission action implementing the bill's requirements would be a crime, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 593 is added to the Public Utilities Code, to read:

**593.** (a) For purposes of this section, both of the following definitions apply:

(1) "Taxpayer funding" means any funds received from public entities in the form of grants, loans, or ~~bonds~~ *bonds that were appropriated by the Congress of the United States and provided under the Infrastructure Investment and Jobs Act (Public Law 117-58), the Inflation Reduction Act of 2022 (Public Law 117-169), or the CHIPS and Science Act of 2022 (Public Law 117-167), or any future similar funding program established by the federal government, or the state, to provide loans and grants to a utility.*

(2) "Utility" means an investor-owned electrical corporation or gas corporation.

(b) (1) ~~Each~~ *Unless unchanged from the previous report, each* utility shall include all of the following information in each quarterly report required by commission Resolution E-5254 (April 6, 2023) for any taxpayer funding *greater than or equal to one million dollars (\$1,000,000) that* the utility has applied for or received:

(A) The name of the grant, loan, or bond funding source.

(B) The dollar amount applied for or received.

(C) A spending plan that includes all of the following:

(i) The project, element of operations, or other expenses for which these funds will be used.

(ii) A description of each item identified in clause (i), including project timelines.

(iii) Whether each item identified in clause (i) is new or existing.

(iv) Whether the funds used for each item identified in clause (i) are offsetting existing costs or are new costs.

~~(D) A calculation of all value to, or savings expected to benefit, ratepayers from receipt of the taxpayer funding, including estimates of all of the following:~~

~~(i) Decreases in forecasts of expenses, capital, interest, and taxes;~~

~~(ii) Locational grid benefits, such as avoided costs for future distribution, transmission, or generation investments;~~

~~(iii) Changes in revenue requirements;~~

~~(iv) Changes in average customer bills;~~

~~(v) Tax savings;~~

~~(E)~~

*(D)* The status of the application, whether it is approved, denied, or pending, and all of the following, as applicable:

(i) If the application is pending, the expected date of decision.

(ii) If the application is approved, the date awarded, a copy of the grant agreement, if applicable, the dollar amount awarded, and the duration of the grant or loan in months or years.

(iii) If the application is denied, the date that decision was announced.

~~(F)~~

*(E)* A list of all applications planned or pending at the commission where ratepayer funds are being sought for projects funded, in whole or in part, by taxpayer funding.

*(F) Only for taxpayer funding received, a calculation of all value to, or savings expected to benefit, ratepayers from receipt of the taxpayer funding, including estimates of all of the following:*

*(i) Decreases in forecasts of expenses, capital, interest, and taxes.*

*(ii) Changes in revenue requirements.*

*(iii) Changes in average customer bills.*

(2) If the commission determines that a utility is not in compliance with the quarterly reporting requirements in paragraph (1), the commission shall exercise its authority to require compliance by the utility and may pursue an enforcement action against the utility for noncompliance.

(3) The utility shall ensure that the quarterly report complies with any information disclosure requirements of each funding source and pursuant to federal law.

(c) (1) In each application in which a utility is seeking ratepayer funding, the commission shall require the utility to report all relevant taxpayer funding *greater than or equal to one million dollars (\$1,000,000) that* the utility is pursuing or has secured.

(2) If the commission determines that a utility did not comply with paragraph (1), the commission may impose a penalty against the utility.

(d) (1) Notwithstanding Section 728, the commission shall require each utility to promptly deliver *to ratepayers* the financial benefits of taxpayer funding ~~described~~ *received, as calculated* in subparagraph ~~(D)~~ *(F)* of paragraph (1) of subdivision ~~(b) to ratepayers; (b)~~, including the cost savings for activities previously approved by the commission.

(2) The commission may satisfy the requirement of paragraph (1) by requiring a utility to adjust the utility's revenue requirements and rate applications to account for ratepayer savings.

(e) This section shall not be interpreted to assume or imply that an application for, or receipt of, taxpayer funding for an activity results in a presumption or determination of the reasonableness of using ratepayer funding for that activity.

*(f) This section shall remain in effect only until January 1, 2036, and as of that date is repealed.*

**SEC. 2.** Section 913.7 is added to the Public Utilities Code, to read:

**913.7.** (a) The commission shall provide an annual report to the Legislature with a summary of the information on taxpayer funding reported by each utility pursuant to Section 593, including the number of grants or loans, the source of those grants or loans, the dollar amount received, the projects funded by the grants or loans, and the demonstrated ratepayer savings.

(b) The commission shall ensure that the annual report complies with any information disclosure requirements of each funding source and pursuant to federal law.

*(c) This section shall remain in effect only until January 1, 2036, and as of that date is repealed.*

**SEC. 3.** No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.