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**AB-1404 Electrical corporations: connections: affordable housing projects.** (2025-2026)

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AMENDED IN ASSEMBLY APRIL 21, 2025

CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

**ASSEMBLY BILL**

**NO. 1404**

Introduced by Assembly Member Ortega  
(Principal coauthor: Senator Valladares)

February 21, 2025

An act to add *and repeal* Section 783.3 ~~to~~ of the Public Utilities Code, relating to electricity.

LEGISLATIVE COUNSEL'S DIGEST

AB 1404, as amended, Ortega. Electrical corporations: connections: affordable housing projects.

Existing law vests the Public Utilities Commission with regulatory authority over public utilities, including electrical corporations. Existing law requires the commission to enforce the rules governing the extension of service by a gas or electrical corporation to new residential, commercial, agricultural, and industrial customers.

This bill would require an electrical corporation to connect an affordable housing project, as defined, to the electrical distribution grid within 60 days, except as specified. The bill would require the commission to streamline any necessary review on an affordable housing project that is ready to connect but sitting vacant and that has not been connected by an electrical corporation within the required 60 days. The bill would delay the effective date of a rate increase approved by the commission for the greater of either the amount of time the electrical corporation took, beyond 90 days from receipt of the project building plans, to provide a final contract, or the amount of time the electrical corporation took, beyond the 60 days allowed, to connect the most recently completed affordable housing project within the electrical corporation's service area. *The bill would repeal these provisions on January 1, 2029.*

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 above requirements would be a part of the act, and a violation of a commission action implementing the above-described provisions would be a crime, this 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.** (a) In 2024, the Public Utilities Commission approved six Pacific Gas and Electric Company rate increases, an average of one approval every 60 days, while hundreds of newly built affordable housing units were ready to connect to the electrical distribution grid but sat vacant.

(b) The Public Utilities Commission and utility companies move quickly when it relates to rate increases but find explanations for delay when it comes to affordable housing projects that are ready to connect to the electrical distribution grid but are sitting vacant.

(c) Delays are caused by the utility company's failure to provide a final utility installation contract for the affordable housing project, *and* other delays are caused by the utility company's failure to install the *work* contracted ~~for work for~~, for many months or even years.

*(d) The California Tax Credit Allocation makes preliminary awards of tax credits for affordable housing, but the tax credits only take effect when the project is occupied. The electrical corporations do not prioritize connecting completed affordable housing projects so they can be occupied.*

**SEC. 2.** Section 783.3 is added to the Public Utilities Code, to read:

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

(1) "Affordable housing project" means a project that is supported by any form of tax subsidy within the jurisdiction of the California Tax Credit Allocation ~~Committee~~. *Committee and the electrical corporation has been notified in writing by the affordable housing developer that the project has been approved for funding by the California Tax Credit Allocation Committee.*

(2) "Connect" means to physically connect an affordable housing project to the electrical distribution grid of an electrical corporation, including providing all work necessary to make the connection effective.

(3) "Ready" means the phase in an affordable housing project in which all necessary inspections, certifications, and permits needed to connect have been completed and the affordable housing project site is accessible to an electrical corporation to connect to the electrical distribution ~~grid~~. *grid and the connection is the next step for affordable housing occupancy and is within the full discretion of the electrical corporation.*

(b) Except for health and safety reasons, an electrical corporation shall have 60 days to connect an affordable housing project that is ready to connect to the electrical distribution grid but is sitting vacant.

(c) The commission shall streamline any necessary review of an affordable housing project that is ready to connect but sitting vacant and that has not been connected by an electrical corporation within the required 60 days.

(d) The effective date of a rate increase approved by the commission shall be delayed for the greater of either the amount of time the electrical corporation took, beyond 90 days from receipt of the project building plans, to provide a final contract, or the amount of time the electrical corporation took, beyond the 60 days allowed pursuant to subdivision (b), to connect the most recently completed affordable housing project within the electrical corporation's service area.

*(e) This section shall remain in effect only until January 1, 2029, 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.