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**SB-330 Electrical transmission infrastructure: financing.** (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

**SENATE BILL**

**NO. 330**

Introduced by Senator Padilla  
(Coauthor: [Senator Stern](#))

February 12, 2025

An act to add Chapter 6.7 (commencing with Section 25570) to Division 15 of the Public Resources Code, relating to ~~electricity~~ [electricity, and making an appropriation therefor.](#)

LEGISLATIVE COUNSEL'S DIGEST

SB 330, as amended, Padilla. Electrical transmission infrastructure: financing.

Existing law makes an environmental leadership development project, as defined, that meets specified requirements and is certified by the Governor eligible for streamlined procedures under the California Environmental Quality Act (CEQA). Existing law authorizes persons proposing eligible facilities, including certain electrical transmission lines and electrical transmission projects, to file applications, on or before June 30, 2029, with the State Energy Resources Conservation and Development Commission (Energy Commission) to certify sites and related facilities as environmental leadership development projects, as specified. Existing law makes a site and related facility certified by the Energy Commission as an environmental leadership development project subject to streamlined procedures under CEQA with no further action by the applicant or the Governor. Under existing law, the Energy Commission's certification of sites and related facilities is in lieu of any permit, certificate, or similar document required by any state, local, or regional agency, or federal agency to the extent permitted by federal law, for the use of the sites and related facilities, and supersedes any applicable statute, ordinance, or regulation of any state, local, or regional agency, or federal agency to the extent permitted by federal law, except as specified.

This bill would authorize the Governor to establish one or more pilot projects to develop, finance, or operate electrical transmission infrastructure that ~~meet the~~ [meets](#) specified criteria, including, among other things, that the transmission ~~line infrastructure~~ [infrastructure](#) is identified by the Independent System Operator in its transmission planning process as a project subject to competitive bidding and necessary to support clean energy generation to meet the state's clean energy goals. The bill would

require the Governor to designate existing state agencies, local public agencies, tribal organizations, or joint powers authorities to implement the pilot projects. The bill would authorize the pilot projects to develop, finance, operate, and maintain electrical transmission lines and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for the conveyance of electricity, as specified. The bill would authorize the Governor to issue guidelines regarding application and certification of pilot projects.

*Existing law creates the Wildfire Fund, which is a continuously appropriated fund, to provide funds to participating electrical corporations to satisfy eligible claims arising from covered wildfires, as specified. Existing law authorizes electrical corporations to participate in the Wildfire Fund if they provide initial and annual contributions to the fund, as specified.*

*This bill would require the owner of a pilot project designated by the Governor pursuant to the above-described provisions to participate in the Wildfire Fund. The bill would authorize a pilot project owner who participates in the Wildfire Fund to seek payment for an eligible claim that results from a covered wildfire, consistent with the relevant requirements applicable to electrical corporations and subject to specific requirements, including, among other things, that the Wildfire Fund Administrator determines the timing and amounts of contributions by the pilot project owner to the Wildfire Fund. The bill would require the Office of Energy Infrastructure Safety to review and approve wildfire mitigation plans relating to pilot projects, as provided, and to oversee wildfire safety performance by pilot project owners.*

*By expanding the purposes for which the continuously appropriated Wildfire Fund may be used, the bill would make an appropriation.*

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

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

### SECTION 1. (a) The Legislature finds and declares all of the following:

- (1) California's electricity rates are among the highest in the nation, ~~including~~ roughly double the national average. Rate increases that outpace inflation are forecast to continue over the coming years.
- (2) As a key component of the revenue requirement, the cost of electrical transmission infrastructure is a key factor in current and anticipated future rate increases.
- (3) The California Independent System Operator estimates that the state will require \$45.8 billion to \$63.2 billion in new electrical transmission infrastructure in order to meet forecasted energy demand and the state's 2045 clean energy goals.
- (4) Recent research identifies the potential for these transmission lines to be developed and financed using alternative institutional structures and financing, such as public-private partnerships and public financing, in doing so reducing costs to ratepayers for the same infrastructure by billions of dollars per year.
- (5) These projects could continue to be managed, operated, and maintained by investor- or publicly owned utilities or other third-party transmission operators.
- (6) These projects will generate thousands of new jobs in low-income and disadvantaged regions throughout the state.
- (7) The rapid implementation of these infrastructure projects is essential to enable new clean energy generation at a pace and scale consistent with the state's clean energy goals, such as floating offshore wind, geothermal, and utility-scale solar.

(b) It is the intent of the Legislature to authorize the development and implementation of projects to lower the cost to ratepayers of electrical transmission infrastructure necessary to meet California's clean energy goals. Methods to lower costs to ratepayers include, but are not limited to, using competitive solicitation for construction and operations, using revenue bonds or other types of public debt financing, reducing the delays related to siting and permitting projects, and a state or local government agency, or joint powers authority, holding legal title to the asset. Projects should be implemented as soon as possible to enable the state's clean energy goals.

**SEC. 2.** Chapter 6.7 (commencing with Section 25570) is added to Division 15 of the Public Resources Code, to read:

#### **CHAPTER 6.7. Electrical Transmission Infrastructure Pilot Projects**

**25570.** (a) The Governor may establish one or more pilot projects to develop, finance, or operate electrical transmission infrastructure that meet the following criteria:

- (1) The transmission ~~line~~ *infrastructure* is identified by the Independent System Operator in its transmission planning process as a project subject to competitive bidding and necessary to support clean energy generation to meet the state's clean energy goals.

(2) The pilot project provides a significant reduction in cost to ratepayers compared to alternatives.

(3) The *electrical transmission infrastructure developed pursuant to the* pilot project ~~meets the requirements of Sections 25545.3.3 and 25545.3.5.~~ *is constructed by a prime contractor that has served as the prime contractor for at least two electrical transmission infrastructure projects in the state during the prior 10 years.*

*(4) Unless it is maintained by an electrical corporation, the electrical transmission infrastructure developed pursuant to the pilot project is maintained by a contractor that has frequently performed electrical transmission infrastructure maintenance work for an electrical corporation during the prior 10 years.*

*(5) The pilot project complies with the Public Utilities Commission's General Order 95.*

(b) The Governor shall designate existing state agencies, local public agencies, tribal organizations, or joint powers authorities to implement the pilot projects established pursuant to subdivision (a).

(c) Pilot projects established pursuant to this section may develop, finance, operate, and maintain electrical transmission lines and all works, facilities, improvements, and property, or portions thereof, necessary or convenient for the conveyance of electricity. Transmission lines constructed pursuant to this chapter may be leased for operation. The designee may sell the rights to use transmission lines constructed pursuant to this chapter to any public or private entity that is engaged in the distribution, transmission, or sale of electricity. Transmission infrastructure developed pursuant to this chapter shall be controlled by a California balancing authority, as defined in Section 399.12 of the Public Utilities Code, regardless of ownership by the designee or a subsequent owner.

(d) Local public agencies or groups of local public agencies may apply for authority to implement a pilot project under this section.

(e) An agency, organization, or authority implementing a pilot project shall commit to requesting a revenue requirement at the Federal Energy Regulatory Commission that ~~only~~ reflects *only* its actual capital structure and the actual cost of capital to minimize the costs collected through the transmission access charge.

(f) The Governor may issue guidelines regarding application and certification of pilot projects pursuant to this chapter.

**25571.** (a) If the Governor determines that a pilot project is eligible pursuant to this chapter, the Governor shall submit that determination, and any supporting information, to the Joint Legislative Budget Committee for review and concurrence or nonconcurrence.

(b) Within 30 days of receiving the determination, the Joint Legislative Budget Committee shall concur or nonconcur in writing on the determination.

(c) If the Joint Legislative Budget Committee fails to concur or nonconcur on a determination by the Governor within 30 days of the submittal, the pilot project is deemed to be eligible.

**25572.** (a) *The owner of a pilot project designated by the Governor pursuant to Section 25570 shall participate in the Wildfire Fund created pursuant to Section 3284 of the Public Utilities Code.*

*(b) A pilot project owner who participates in the Wildfire Fund pursuant to this section may seek payment for an eligible claim that results from a covered wildfire, as defined in Section 3280 of the Public Utilities Code, consistent with the relevant requirements applicable to electrical corporations and subject to all of the following requirements:*

*(1) The Wildfire Fund Administrator shall determine the timing and amount of contributions by a pilot project owner to the Wildfire Fund. In making this determination, the administrator shall evaluate the proportional number of miles of transmission lines owned by the pilot project owner in high fire-threat districts as a proportion of the total miles of all transmission and distribution lines in high fire-threat districts that participate in the Wildfire Fund.*

*(2) A pilot project owner shall maintain reasonable insurance coverage as required by the Wildfire Fund Administrator.*

*(3) A pilot project owner shall submit regular wildfire mitigation plans to the Office of Energy Infrastructure Safety and take all actions required by the office to achieve maximum feasible risk reductions.*

*(4) The costs of participating in the Wildfire Fund and complying with wildfire mitigation plan requirements may be recovered in a transmission revenue requirement filed with the Federal Energy Regulatory Commission.*

*(c) The Office of Energy Infrastructure Safety shall review and approve wildfire mitigation plans relating to pilot projects submitted pursuant to paragraph (3) of subdivision (b), and shall oversee wildfire safety performance by pilot project owners.*