



## LEGISLATIVE UPDATE

### Riverside Public Utilities

#### Board of Public Utilities

January 13, 2025

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## 2024 SESSION OVERVIEW

1. California faced \$47B budget deficit in 2024
2. Resulted in scaled-back climate and infrastructure programs
3. Legislature remained active on priority utility issues
  - a. Electric & Water rate affordability
  - b. Water conservation
  - c. Infrastructure development



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## WATER SECTOR: KEY THEMES

### 1. Proposition 218-related bills

- a. AB 1827: Allows meter size in rate setting (passed)
- b. AB 2257: Establishes rate challenge process (passed)
- c. SB 1072: Clarifies excess rate revenue treatment (passed)

### 2. Conservation

- a. SB 1110: Conservation enforcement (failed)
- b. SB 1330: Conservation regulations (failed)

### 3. Infrastructure

- a. SB 867: \$10B climate resilience bond on November 2024 ballot (passed)
  - \$3.8B allocated for water projects



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## SIGNIFICANT WATER LEGISLATION

### 1. AB 460 (passed)

- a. Increased water rights violation penalties
- b. New daily fines for curtailment orders
- c. Enhanced monitoring requirements

### 2. SB 937 (passed)

- a. Modified connection fee collection timing
- b. New development fee structures
- c. Deferred payment options for residential projects



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## ENERGY SECTOR: MAJOR DEVELOPMENTS

### 1. New Requirements

- a. Multiple bills: EV charging infrastructure
  - i. AB 2037: 6-month inspection requirements
  - ii. AB 2427: Streamlined curbside charging permits
  - iii. AB 2697: Roaming standards and interoperability
- b. SB 1420: Streamlined hydrogen project permitting
- c. AB 3062: New fire notification requirements

### 2. Key Victory

- a. AB 2221 (Failed): Maintained POU control over infrastructure safety
  - Would have imposed strict broadband attachment timelines



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## FAILED BUT NOTABLE BILLS

### 1. Water Sector:

- a. SB 1255: Low-income water rate assistance
- b. AB 2079: Groundwater well restrictions
- c. SB 366: Water supply planning

### 2. Energy Sector:

- a. AB 1834: Resource adequacy modifications
- b. SB 308: Net zero emissions requirements



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## FINANCIAL IMPLICATIONS

### 1. Cost Considerations:

- a. New inspection programs
- b. System updates
- c. Compliance requirements

### 2. New Revenue Opportunities:

- a. \$10B climate resilience bond
- b. Grant funding possibilities
- c. Infrastructure development funds



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## EXPECTATIONS FOR 2025

### 1. Expected Focus Areas

- a. Utility affordability
- b. Water conservation
- c. EV charging infrastructure
- d. Climate resilience funding

### 2. Political Landscape

- a. 60% legislative turnover over two years
- b. New leadership in both houses



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# STRATEGIC RECOMMENDATIONS

## Key Action Items:

1. Update rate-setting procedures
2. Pursue climate resilience bond funding where appropriate
3. Update connection fee policies
4. Strengthen water rights compliance
5. Prepare for rate assistance legislation for both water and electric



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# STRATEGIC PLAN ALIGNMENT

## Priority 4 - Environmental Stewardship

**Goal 4.1:** Rapidly decrease Riverside’s carbon footprint by acting urgently to reach a zero-carbon electric grid with the goal of reaching 100% zero-carbon electricity production by 2040 while continuing to ensure safe, reliable, and affordable energy for all residents.

**Goal 4.6:** Implement the requisite measures to achieve citywide carbon neutrality no later than 2040.

### Cross-Cutting Threads



Community Trust



Equity



Fiscal Responsibility



Innovation



Sustainability & Resiliency



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## RECOMMENDATION

That the Board of Public Utilities receive and file this Legislative Update.



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