



2026 LEGISLATIVE UPDATE

Riverside Public Utilities

Board of Public Utilities

July 27, 2026

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2025 SESSION OVERVIEW

Overarching Themes

Affordability | Reliability | Decarbonization
Utility Financial Risk | Water Infrastructure Investment

Key Issues

1. Wildfire Liability Reform
2. Advanced Clean Fleets
3. Data Centers
4. Hydrogen & Clean Firm Resources
5. Proposition 218 Water Rate Reform
6. Water Rate Assistance



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WILDFIRE LIABILITY REFORM

In 2025, Senate Bill 254 was signed into law requiring a comprehensive assessment to analyze and develop long-term reforms that protect access to insurance, reduce litigation costs, provide fair and expeditious compensation to claimants, support wildfire mitigation, safety, and community resilience, and ensure large electrical corporations are accountable for safety and also have the financial health to attract low-cost capital on behalf of ratepayers.

Key Issues Under Discussion

1. Inverse condemnation
2. Utility liability standards
3. Catastrophic wildfire costs
4. Financial risk allocation

Potential RPU Impacts

1. Insurance costs
2. Bond ratings
3. Financial exposure
4. Customer rates



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ADVANCED CLEAN FLEETS

AB 1436 responds to CARB's proposed expansion of ACF requirements for state and local government to convert medium and heavy-duty fleets to zero emissions vehicles to contracted private fleets

Assembly Bill 1436(Ávila Farías)

1. Addresses contracted private fleets
2. Requires Fed authorization
3. Clarifies CARB authority

Potential RPU Impacts

1. Fleet operations
2. Contracted services
3. Emergency response
4. Fleet compliance costs



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DATA CENTERS

These bills address the electric and water impacts of rapidly growing data center development

AB 1577 | SB 887 | SB 1168

AB 2469 | AB 2619

1. Improves Planning
2. Increases Transparency
3. Addresses infrastructure impacts



Potential RPU Impacts

1. Electric demand
2. Water demand
3. Infrastructure planning
4. Customer costs



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HYDROGEN & CLEAN FIRM RESOURCES

The Legislature is considering proposals to expand clean energy technologies, including green hydrogen, to improve reliability and support California's clean energy goals.

Senate Bill 1350 (McNerney)

1. Makes green hydrogen RPS-eligible
2. Supports emerging technologies
3. Expands compliance pathways



Potential Benefits

1. Long-duration reliability
2. Resource diversity
3. Future procurement flexibility
4. Increases generation options to meet RPS requirements



RPS: Renewable Portfolio Standard 6

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PROPOSITION 218 WATER RATE REFORM

This proposal clarifies Proposition 218's application to water rates by codifying recent court decisions and reducing litigation risk.

Assembly Bill 2180 (Ward)

1. Clarify Prop. 218 compliance
2. Confirm use of uniform & tiered rates
3. Allow reasonable cost-allocation methodologies

Potential RPU Impacts

1. Greater rate-setting certainty
2. Reduced litigation risk
3. Improved planning flexibility
4. Customer rates



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WATER RATE ASSISTANCE

SB 1125 and AB 2739 seek to establish a statewide framework for water rate assistance

SB 1125 (Menjivar) | AB 2739 (Soria)

1. Creates assistance program
2. Establishes trust fund
3. Supports affordability

Potential RPU Impacts

1. Customer affordability
2. State funding
3. Program administration
4. Infrastructure investment



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RECOMMENDATION

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



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