

AMENDED IN SENATE MAY 18, 2026

AMENDED IN SENATE APRIL 28, 2026

SENATE BILL

No. 1350

Introduced by Senator McNerney
(Principal coauthors: Senators Archuleta and Valladares)
(Principal coauthor: Assembly Member Carrillo)
(Coauthor: Senator Caballero)

February 20, 2026

An act to amend Section 25741 of the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

SB 1350, as amended, McNerney. Energy: renewable electrical generation facilities: definition.

Existing law defines a “renewable electrical generation facility” as a facility that uses biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells or linear generators that use specified fuels, small hydroelectric generation of 30 megawatts or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current, and that meets other specified requirements. Existing law incorporates that definition into various programs, including the California Renewables Portfolio Standard Program, which requires the Public Utilities Commission to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from electrical generating facilities that meet that definition of “renewable electrical generation facility,” and the net energy metering program, in which residential customers, small commercial customers, and commercial, industrial, or agricultural

customers of an electrical utility, who use renewable electrical generation facilities, are eligible to participate, as specified.

This bill would expand the definition of “renewable electrical generation facility” to include a facility that converts hydrogen gas to electricity in a turbine and meets specified criteria, including that the hydrogen used in the turbine is solely derived from a non-fossil-based feedstock or through the electrolysis of water using electricity generated from another renewable electrical generation facility and the manufacturing of the hydrogen does not result in resource shuffling or use unbundled renewable energy credits, as specified.

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

Because a violation of a commission action implementing this 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.
State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Section 25741 of the Public Resources Code is
2 amended to read:
3 25741. As used in this chapter, all of the following definitions
4 apply:
5 (a) “Renewable electrical generation facility” means a facility
6 that meets all of the following criteria:
7 (1) The facility meets either of the following criteria:
8 (A) The facility uses biomass, solar thermal, photovoltaic, wind,
9 geothermal, fuel cells or linear generators using fuels described in
10 this paragraph that otherwise meet the requirements of this
11 subdivision, small hydroelectric generation of 30 megawatts or
12 less, digester gas, municipal solid waste conversion, landfill gas,
13 ocean wave, ocean thermal, or tidal current, and any additions or
14 enhancements to the facility using that technology.

(B) The facility converts hydrogen gas to electricity in a turbine and meets all of the following criteria:

(i) The hydrogen used in the turbine is solely derived from a non-fossil-based feedstock or through the electrolysis of water using electricity generated from another renewable electrical generation facility.

(ii) The electricity used to derive the hydrogen is not also counted toward a compliance obligation pursuant to the California Renewables Portfolio Standard Program (Article 16 (commencing with Section 399.11) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities Code) or claimed as renewable generation for any other state program.

(iii) The facility's turbine has the capacity to use a fuel for which hydrogen comprises a sufficient quantity of the blend by volume, as determined by the commission, but not below 20 percent by volume, to achieve a measurable reduction in greenhouse gas emissions, as determined by the commission.

(iv) The operator of the facility has submitted information on the hydrogen production process, as specified by the commission. *For electrolytic production, the operator shall demonstrate, for the production process, hourly matching of hydrogen production with renewable energy generation starting January 1, 2030.*

(v) The manufacturing of the hydrogen does not result in resource shuffling, as *independently* determined by the ~~State Air Resources Board, in alignment with existing regulations.~~ *commission based on regional impacts of hydrogen production on zero-carbon generation, local air pollution, and fossil fuel generation.*

(vi) The manufacturing of the hydrogen does not use unbundled renewable energy credits.

(vii) The use of the hydrogen results in a net decrease of air pollutants, as regulated by local air districts, and of greenhouse gases from the electrical sector.

(2) The facility satisfies one of the following requirements:

(A) The facility is located in the state or near the border of the state with the first point of connection to the transmission network of a balancing authority area primarily located within the state. For purposes of this subparagraph, "balancing authority area" has the same meaning as defined in Section 399.12 of the Public Utilities Code.

(B) The facility has its first point of interconnection to the transmission network outside the state, within the Western Electricity Coordinating Council (WECC) service area, and satisfies all of the following requirements:

(i) It commences initial commercial operation after January 1, 2005.

(ii) It will not cause or contribute to a violation of a California environmental quality standard or requirement.

(iii) It participates in the accounting system to verify compliance with the renewables portfolio standard established by the commission pursuant to subdivision (b) of Section 399.25 of the Public Utilities Code.

(C) The facility meets the requirements of clauses (ii) and (iii) of subparagraph (B), but does not meet the requirements of clause (i) of subparagraph (B) because it commenced initial operation before January 1, 2005, if the facility satisfies either of the following requirements:

(i) The electricity is from incremental generation resulting from expansion or repowering of the facility.

(ii) Electricity generated by the facility was procured by a retail seller or local publicly owned electric utility as of January 1, 2010.

(3) If the facility is outside the United States, it is developed and operated in a manner that is as protective of the environment as a similar facility located in the state.

(4) If eligibility of the facility is based on the use of landfill gas, digester gas, or another renewable fuel delivered to the facility through a common carrier pipeline, the transaction for the procurement of that fuel, including the source of the fuel and delivery method, satisfies the requirements of Section 399.12.6 of the Public Utilities Code and is verified pursuant to the accounting system established by the commission pursuant to Section 399.25 of the Public Utilities Code, or a comparable system, as determined by the commission.

(b) "Municipal solid waste conversion" means a technology that uses a noncombustion thermal process to convert solid waste to a clean-burning fuel for the purpose of generating electricity, and that meets all of the following criteria:

(1) The technology does not use air or oxygen in the conversion process, except ambient air to maintain temperature control.

1 (2) The technology produces no discharges of air contaminants
2 or emissions, including greenhouse gases as defined in Section
3 38505 of the Health and Safety Code.

4 (3) The technology produces no discharges to surface or
5 groundwaters of the state.

6 (4) The technology produces no hazardous wastes.

7 (5) To the maximum extent feasible, the technology removes
8 all recyclable materials and marketable green waste compostable
9 materials from the solid waste stream before the conversion process
10 and the owner or operator of the facility certifies that those
11 materials will be recycled or composted.

12 (6) The facility at which the technology is used is in compliance
13 with all applicable laws, regulations, and ordinances.

14 (7) The technology meets any other conditions established by
15 the commission.

16 (8) The facility certifies that any local agency sending solid
17 waste to the facility diverted at least 30 percent of all solid waste
18 it collects through solid waste reduction, recycling, and
19 composting. For purposes of this paragraph, “local agency” means
20 any city, county, or special district, or subdivision thereof, that is
21 authorized to provide solid waste handling services.

22 (c) “Renewable energy public goods charge” means that portion
23 of the nonbypassable system benefits charge required to be
24 collected to fund renewable energy pursuant to the Reliable Electric
25 Service Investments Act (Article 15 (commencing with Section
26 399) of Chapter 2.3 of Part 1 of Division 1 of the Public Utilities
27 Code).

28 (d) “Report” means the report entitled “Investing in Renewable
29 Electricity Generation in California” (June 2001, Publication
30 Number P500-00-022) submitted to the Governor and the
31 Legislature by the commission.

32 (e) “Retail seller” has the same meaning as defined in Section
33 399.12 of the Public Utilities Code.

34 SEC. 2. No reimbursement is required by this act pursuant to
35 Section 6 of Article XIII B of the California Constitution because
36 the only costs that may be incurred by a local agency or school
37 district will be incurred because this act creates a new crime or
38 infraction, eliminates a crime or infraction, or changes the penalty
39 for a crime or infraction, within the meaning of Section 17556 of
40 the Government Code, or changes the definition of a crime within

- 1 the meaning of Section 6 of Article XIII B of the California
- 2 Constitution.

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