



2025 LEGISLATIVE UPDATE

Riverside Public Utilities

Board of Public Utilities

January 12, 2026

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1

2025 SESSION OVERVIEW

Overarching Themes

1. Affordability and transparency
2. Climate compliance and carbon neutrality
3. Grid reliability and wildfire resiliency
4. Water quality and long-term supply planning
5. Housing Coordination



2

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2

2025 SESSION OVERVIEW

Governor signed multiple measures impacting utilities:

1. AB 1207 Cap-and-Trade Reauthorization
2. AB 825 Regional Market Participation & Governance
3. SB 254 Wildfire Mitigation & POWER Fund
4. SB 840 Greenhouse Gas Reduction Fund
5. AB 1410 Outage Notification
6. SB 72 Water Plan Modernization
7. AB 130 Housing Streamlining



3

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3

CAP-AND-INVEST & AFFORDABILITY



1. **AB 1207 (Irwin): Cap-and-Invest** (*was Cap and Trade*)
 - a. Extends cap-and-trade to 2046
 - b. Preserves Allowance Value for Ratepayer Benefit
 - c. Expands coverage to include natural gas allowances
 - d. Maintains local utility discretion in how proceeds are used
 - e. Provides long-term stability for compliance and affordability planning
2. **SB 840 (Limón): Restructures Greenhouse Gas Reduction Fund** to better align spending with climate, wildfire, and resiliency priorities; \$4.2B for climate, wildfire, and resiliency programs.



4

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4

MARKET GOVERNANCE & RELIABILITY



1. **AB 825 (Petrie-Norris):** Authorizes California's participation in a multi-state energy market through CAISO's "**Pathways Initiative**"
 - a. Establishes framework for a regional market with transition possible by 2028
 - b. Retains state oversight of governance and reliability standards
 - c. Enables greater resource sharing across the West to lower costs and supports 100% clean energy goals



5

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5

WILDFIRE MITIGATION PLANNING



1. **SB 254 (Becker):** Streamlines **wildfire-mitigation planning (WMP)**
 - a. Moves WMP cycle for POUs from annually to every four years
 - b. Maintains Board and WSAB Oversight
 - c. Allows greater focus on implementation and field mitigation
 - d. Grants new authority for public transmission financing
 - e. POWER Fund reimbursement applies primarily to IOUs, not POUs



6

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6

CUSTOMER PROTECTION, ENGAGEMENT, LOCAL PLANNING



1. **AB 1410 (Garcia):** Auto-enrollment in outage notifications by 2026 (phased to 2030 if needed)
2. **AB 777 (Rodriguez):** Outage data sharing with California Department of Social Services; MOUs optional
3. **AB 476 (Gonzalez):** Strengthens wire/copper theft protections and recordkeeping
4. **AB 39 (Zbur):** Requires cities >75,000 to adopt electrification plans by 2030
 - a. Amended to reduce burdens on Publicly Owned Utilities
 - b. Impact: Requires RPU coordination with Community and Economic Development



7

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7

VETOED BILLS



1. **AB 1408 (Irwin):** Surplus Interconnection Planning
 - Governor cited existing CAISO processes
2. **SB 292 (Cervantes):** Reliability Reporting
 - Governor cited existing mechanisms already ensuring transparency
3. **SB 541 (Becker):** Local Flexibility Reporting
 - Governor referenced existing CEC/CPUC programs addressing the same issue

General Takeaway

Governor's veto messages emphasized avoiding duplication, managing costs, and requiring clear necessity before creating new mandates.



8

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8

WATER QUALITY & SUPPLY PLANNING



1. **SB 72 (Caballero):** Integrates regional capital improvement priorities (groundwater recharge, recycled water, conservation projects) into the California Water Plan.
 - a. Impact: Complements RPU's groundwater management programs



9

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9

HOUSING & INFRASTRUCTURE PLANNING



1. **AB 130:** Housing Streamlining
 - a. Expands CEQA infill exemptions up to 20 acres for qualified sites
 - b. Amends Permit Streamlining Act to shorten approvals and make SB 330 process permanent
 - c. Accelerates ADU and multifamily approvals with 30 to 180-day timelines
 - d. RPU Impacts: Streamlined approvals accelerate development, requiring early coordination to ensure system capacity and service reliability



10

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10

IMPLEMENTATION FOCUS



Key Operational Actions for 2026 Implementation

1. AB 1207 – establish allowance sale and reporting process to maintain affordability
2. AB 825 – Track Pathways market development and potential CAISO participation impacts
3. AB 1410 – implement automatic outage-notification enrollment in 2026
4. SB 72 – Align RPU's planning with the updated California Water Plan to strengthen long-term supply reliability
5. AB 130 – coordinate with city departments on housing-driven infrastructure needs



11

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11

RECOMMENDATION



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



12

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12