

2026 LEGISLATIVE REVIEW

Distributed energy: the other half of California's clean grid

Big projects build the supply. Local resources make the system cheaper to run and faster to grow.

SB 905 · SB 913 · SB 868 · AB 1813

Three signed, one vetoed

Bill	What it does	Outcome
SB 905 (Becker)	Cuts the return on equity for certain capital costs, pushes lower-cost financing, requires distribution grid utilization data	Signed
SB 913 (Becker)	Lets aggregated distributed resources, including battery exports, count as resource adequacy capacity	Signed Sept. 30
SB 868 (Wiener)	Legalizes plug-in solar up to 1,200 W AC without a formal interconnection process	Signed
AB 1813 (Ward)	Would have required the CPUC to set up community solar subscriptions	Vetoed

Three levers toward 100% clean power by 2045

Use the grid we have

SB 905. Measure unused capacity, then fill it with load and local resources before building more.

Pay local clean capacity

SB 913. Batteries and EVs earn full credit for peak support, displacing gas peakers.

Let everyone self-supply

SB 868. Renters and apartment dwellers can add clean power without a rooftop.

California is following, not leading

Policy area	Examples in other states
Plug-in solar	Utah first (2025), then Maine, Virginia, Colorado, Maryland, Connecticut, New Hampshire, Vermont
Virtual power plants	Texas ADER pilot, Colorado battery program, Illinois utility VPP programs, Virginia pilot, Massachusetts load-management target
Grid utilization	Virginia, among other states, has pushed utilities to use existing grid capacity
Community solar	Established programs in many states; California's market remains small

Next steps: implementation decides the outcome

SB 913

CPUC enables aggregated resources in resource adequacy filings by June 30, 2027, then sends CAISO recommendations by June 30, 2028.

SB 905

CPUC rules on the reduced ROE, financing and grid utilization reporting; utilities opposed these provisions.

SB 868

Rollout of the plug-in solar framework: product standards, utility notification and consumer guidance.

AB 1813 (vetoed)

Community solar returns only if reintroduced in 2027 under a new governor.

What 2027 still needs

1. **Community solar:** a new bill so renters and low-income households can subscribe to local clean power
2. **Sustained VPP funding:** stable support while SB 913 is built out at the CPUC
3. **Utility performance metrics:** affordability and grid utilization targets, dropped from SB 905
4. **Fairer wildfire cost sharing:** less burden on ratepayers, an unresolved end-of-session issue
5. **Faster permitting:** instant online permits and remote inspection for solar and storage
6. **Older RPS contracts:** A review of older contracts and steps that can be taken to keep the power and lower the price.