

Jody London

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POLITICO
California Climate

BY NOAH BAUSTIN, CAMILLE VON KAENEL AND ALEX NIEVES

With help from Lesley Clark

TOP OF THE DAY



Lawmakers are keyed in on wildfires and electricity rates (again). | Mike Eliason/Santa Barbara County Fire Department via AP

BACK IN ACTION: California lawmakers apparently don't know that there's supposed to be a quiet after a storm.

The Legislature [ended last year with a bang](#), delivering a massive package of energy and climate legislation. But last Friday's bill introduction deadline made it clear that lawmakers aren't finished with environmental issues, and the state is on track for anything but a mellow second year of the session.

Of course, the beauty (or frustration for those of us in the business of figuring out what's going on) of spot and intent bills is that many legislators were able to hit the Friday deadline by filing skeleton bills they intend to amend later on. Nonetheless, the menu of proposals on the table, even if some are scant on details, provides valuable insight into what are shaping up to be the big focal points of the year.

Utility affordability

Electricity rates are on the minds of Sacramento lawmakers as the state grapples with some of the highest costs in the nation.

Some legislators are going straight for the utilities' profit engines, like Assemblymember **Cottie Petrie-Norris**, whose [AB 2463](#) would force regulators to reevaluate how much energy companies are allowed to pay their shareholders as compensation for funding investments. Others are trying to carve out protections for specific stakeholders, like Assemblymember **Jasmeet Bains**, whose [AB 2611](#) would prohibit rates that cause hardship for public schools and vulnerable residents in hot regions.

Sen. **Ben Allen** has also signaled his intent to dive into the utility rate fray with [SB 1233](#), a spot bill.

Meanwhile, policymakers are trying to ensure that the coming explosion of data centers don't drive rates up even higher. Sens. **Steve Padilla**, **Jerry McNerney** and **Sasha Renée Pérez** have introduced a series of bills on data centers, all of which touch on the facilities' energy use and how utilities should charge their new large customers. See [SB 886](#), [SB 887](#), [SB 978](#) and [SB 1168](#).

The Assembly intends to bring forward its own package of legislation on data centers, also targeting protections for ratepayers, according to Petrie-Norris, who told POLITICO Monday that she expects to bring forward a set of proposals next month.

Wildfires, round two

Polls have shown that a vast majority of voters want their state lawmakers to do more on wildfires, and at least some seem to be listening. In addition to the [question of liability](#), the Legislature is now digging into proposals to set up an innovation arm in Cal Fire to develop and test fire technology (Sen. **Henry Stern**'s [SB 1079](#)) and provide low-interest loans for fire-resistant home retrofits (Sen. **Josh Becker**'s [SB 894](#)) — showing a broadening of wildfire-related

proposals beyond the immediate Los Angeles recovery and rebuilding concerns that [dominated last year](#).

Lawmakers are also going after property insurers, whose higher premiums mean wildfires are hitting every Californian's pocketbooks. Take, for example, a renewed push to require insurers to cover homes in fire-prone areas if they've met minimum fire-resistant standards (Sen. **Sasha Renée Pérez**'s [SB 1076](#)). The pocketbook concerns are also driving measures to increase the now-bare-bones coverage of the state's last-resort insurer, the FAIR Plan (Assemblymember **Lisa Calderon**'s [AB 1680](#)), to speed up post-disaster insurance claims (Sen. **Steve Padilla**'s [SB 876](#)), and to create first-in-the-nation public health and insurance claims standards for smoke-damaged homes (Assemblymember **Mike Gipson**'s [AB 1795](#)).

Expanding climate authority

Lawmakers are still searching for new authority to try to fill the vacuum left by the feds' climate rollbacks. Assemblymember **Robert Garcia**'s [AB 1777](#) would expand state officials' power to regulate emissions linked to "indirect sources," such as warehouses and ports that attract trucks and trains. That's a power the California Air Resources Board first asked for last year to offset the expected emissions hit from [losing the state's electric vehicle mandate](#).

And at least some lawmakers still see the policy potential in pinning climate-fueled damages on oil and gas companies. Sen. **Scott Wiener**'s [SB 982](#) would allow the attorney general to sue the industry for climate-related increases to insurance costs, a narrower version of a failed proposal from last year.

Already, however, limits are emerging: Other state lawmakers have decided to drop — for now — their broader "Polluters Pay" proposals to tap oil and gas companies to pay into a "superfund" for climate damages, which had already stalled last year and face broad industry opposition as well as a [threat of a lawsuit](#) from President **Donald Trump**.

Renewables

California is in a race to get steel in the ground for renewable energy projects before the Trump administration pulls the plug on lucrative federal tax credits. Wiener has [SB 1097](#), an intent bill to streamline permitting for energy projects. [AB 2516](#), from Petrie-Norris, would set up a state fund to purchase electricity grid components, with the aim of eliminating the supply chain delays that can [prevent new power plants](#) from connecting to the grid. — **NB, AN, CvK**

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AROUND TOWN



The race to replace Ricardo Lara is still up for grabs. | Rich Pedroncelli/AP

IC RACE STILL OPEN: California Democrats came away from their annual party convention this weekend still divided in many statewide races, including both the governor’s race and the insurance commissioner race, as our [colleagues at California Playbook report](#).

In the race to succeed outgoing Insurance Commissioner **Ricardo Lara**, the lack of a party endorsement gives a slight boost to the candidates without much institutional ties or money, notably former San Francisco supervisor **Jane Kim** and financial manager **Patrick Wolff** — or at least it avoids giving Sen. Allen or former Sen. **Steven Bradford** a massive advantage.

That doesn’t mean there’s no interest in the race. Extreme Weather Survivors Action Fund, the political arm of a network connecting people after natural disasters, blanketed downtown San Francisco — including the Moscone Center where the convention was held — with ads spotlighting disaster survivors and blasting messages about rising insurance costs related to natural disasters. The six-figure ad buy is partly aimed at promoting Wiener’s aforementioned SB 982, to recoup insurance costs from oil and gas companies, a bill the group is sponsoring. — **CvK**

FROM THE CAPITOL



Jay Leno's classic-car smog exemption bill is back. | Jeff Kowalsky/AFP via Getty Images

LENO'S BACK: State lawmakers have revived the **Jay Leno**-backed proposal to exempt old collector cars from California's smog check requirement — and this time a powerful Democrat is attached to it.

Senate Transportation Chair **Dave Cortese** and Republican Sen. **Shannon Grove** introduced [SB 1392](#) late Friday, renewing an effort that failed last year to expand the list of vehicles carved out from smog check rules.

Cortese adding his name to the bill could give it a boost after the previous measure stalled out in the Assembly Appropriations Committee. The policy, dubbed "Leno's Law" in a nod to the former Tonight Show host's extensive collection of rare cars, would exempt cars manufactured before 1981 and registered with the state as historic vehicles from smog checks. (Classic car advocates say owners can struggle to find smog stations with the proper equipment and at a reasonable price.)