



OFFICE OF THE GOVERNOR

OCT 3 2025

To the Members of the California State Assembly:

I am returning Assembly Bill 1408 without my signature.

This bill would require the California Independent System Operator (CAISO) to integrate "surplus interconnection" considerations into long-term transmission planning and enhance transparency around related opportunities. The bill further requires electric investor-owned utilities and local publicly owned electric utilities to evaluate and consider surplus interconnection options in their integrated resource plans, and to use available electric grid infrastructure through surplus interconnection service to maximize interconnection capacity.

Over the last several decades, the CAISO, the California Energy Commission (CEC), and the California Public Utilities Commission (CPUC) have designed a highly technical structure of processes within and between each organization to thoughtfully plan the development, expansion, and upgrade of our state's electric grid. This complex planning system is constantly refined and updated to align with the dynamic and growing demands placed on our electric grid. This is especially true as we rely more on the electric grid to electrify everyday end-uses and power the fourth-largest economy in the world with clean electricity, which, as of the end of 2023, accounts for 67 percent of the state's total electric retail sales.

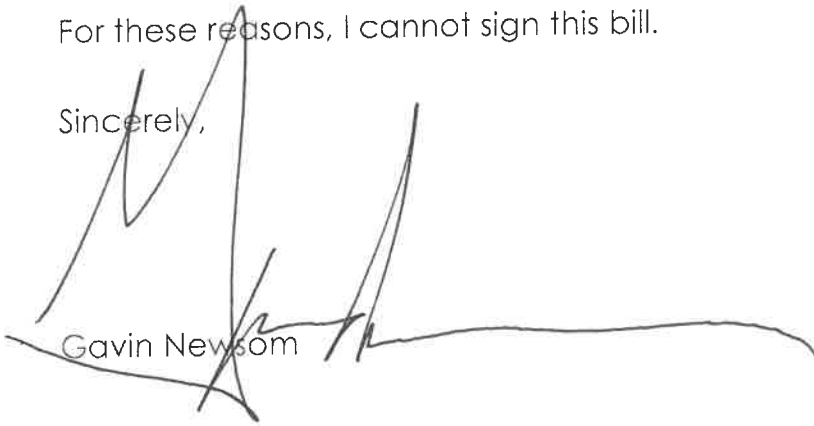
While I support existing efforts to maximize the existing electric grid to interconnect new and expanded energy resources, this bill risks constraining

energy resource procurement and interconnection options, likely increasing customer electric costs and undermining electric grid reliability.

For these reasons, I cannot sign this bill.

Sincerely,

Gavin Newsom

A handwritten signature in black ink, appearing to be "Gavin Newsom", written over the printed name. The signature is stylized with a large, sweeping initial "G" and a long horizontal stroke at the end.