



OFFICE OF THE GOVERNOR

OCT 3 2025

To the Members of the California State Senate:

I am returning Senate Bill 541 without my signature.

This bill would require the California Energy Commission (CEC), in coordination with the California Public Utilities Commission (CPUC) and California Independent Systems Operator (CAISO), to analyze the cost-effectiveness of certain electric load-shifting strategies, estimate each electric retail supplier's load-shifting potential, and analyze and publish the amount of load-shifting that each electric retail supplier achieved in the prior calendar year.

Deploying strategies to cost-effectively manage the state's electric demand remains a critical tool for maintaining electric grid reliability during extreme events, integrating variable and intermittent renewable and clean energy resources into the electric grid, and reducing electric service costs for customers. This is why the CAISO, CEC, and CPUC continue to explore, develop, and deploy protocols, standards, electric rate tariffs, incentive programs, and new and updated valuation approaches to shape, shift, shimmy, and shed electric load that benefits both the electric grid and electric customers.

While I appreciate the author's intent, this bill is largely redundant and, in some cases, disruptive of existing and planned efforts by the CPUC, CEC and CAISO to maximize the cost-effective potential of electric load-management strategies. This bill would also impose a new workload on the CPUC and CEC, requiring additional resources to support its implementation. At a time when electric bill affordability continues to be a pervasive challenge, it is important that we consider the workload and cost impacts on the CEC and CPUC, some



of which are ultimately borne by electric customers, to avoid further compounding the costs embedded in customer electric bills.

For these reasons, I cannot sign this bill.

Sincerely,



Gavin Newsom