



# TOM'S ELECTRICITY PLAN

April 2026

# Cut Utility Bills by 25 Percent by Building our Clean Energy System

**The number one challenge for people in California right now is affordability** – and every month, Californians are getting squeezed by their energy bills.

**Electricity prices have risen by more than 50 percent since 2019** – more than twice the rate of inflation. Our state is at the forefront of innovation in clean energy technology – and yet we continue to have the highest energy prices in the continental United States.

**We pay higher rates here than in any other state in the continental United States and are still susceptible to power outages and utility-caused wildfires.** This is not an accident. It is the result of a series of choices: choices about what kind of energy system we want, and what incentives the state's investor-owned utilities have to maintain it.

**This is what happens when you have a system dominated by monopolies**, which delay innovation, offer the worst services, and charge the highest prices. Utility incentives are fundamentally misaligned with the needs of their customers, and Californians are burdened by the results. **Executives at these utilities are making millions of dollars a year** and distributing hundreds of millions of dollars in profits to shareholders – all while continuing to raise prices on households with no choice but to pay up. **This system and its phalanx of corporate lobbyists must be stopped – now.**

Because the rates they charge are not tied to their performance, utility monopolies get paid regardless of the quality of the service they provide. We must transition away from this cost-plus model, which rewards spending rather than efficiency. They continue to make excuses for not deploying energy innovation. But the system that we have today doesn't need to be the system we have tomorrow. We can embrace innovation, strengthen safety, bolster reliability, and lower prices.

We have the technologies we need. In fact, Californians invented many of them! But deploying them at scale requires change. And right now, at every level, our system rewards utilities for keeping things the way they are.



I am not proposing a public takeover of the system. I'm not proposing we have four or five or six major investor-owned utilities instead of three. **That would be time-consuming and disruptive – but in the ways that matter, not disruptive enough.** Why? Because these solutions would maintain the same century-old incentive structure California uses to deliver electricity. We must solve modern problems with modern solutions.

**What I'm proposing is something even more fundamental: to change how these utilities behave,** so they stop acting like a monopoly. Only then will we be able to build the distributed, competitive, and resilient energy system that we need.

The utilities are doing their job: making money for their shareholders. They get to do that by driving your costs up instead of driving their costs down. That original sin drives the dysfunction that has Californians looking at their energy bills in disbelief. That's what I'll change.

If we embrace innovation and focus on solutions that are **cheaper, faster, and better – and shift from the current capital-heavy utility incentive structure to a performance-based, technology-driven model** – we can make the grid a platform for innovation, restore affordability, strengthen wildfire resilience, and cut rates by 25 percent.

**As Governor, I will get it done.**



## Here's My Plan

- **I will stop the utilities from acting like monopolies and build a distributed, competitive, and resilient energy system.** Our energy system must become less dependent on centralized infrastructure with single points of failure, like massive substations and long-distance transmission lines. Instead, we must rely more on distributed technologies—such as batteries, microgrids, and rooftop solar—using modern innovations to maximize efficiency and bring prices down.

Utilities will manage the physical poles and wires, but they will no longer be allowed to use that infrastructure to gatekeep competition, prioritize capital expenditures over more cost-effective operational solutions, and protect their outdated, self-serving model.

**As Governor, I will aggressively invest in cheaper, distributed technologies like batteries and microgrids, and fund demand-side grid support programs.**

We need to solve 21st-century problems with 21st-century solutions. These technologies, many invented and built right here in California, can cost far less than typical utility infrastructure projects, provide increasingly localized solutions at decreasing costs, are less susceptible to wildfire risk, and can be implemented quickly.

AI technologies are also helping with grid management, including enabling some commercial users who are flexible in their power needs to reduce their demand during high-peak hours, and draw on battery storage to expand supply at those times. All of this can help scale up virtual power plants, which connect distributed energy resources together to meet a community's energy needs – safely, cost-effectively, and in real time.

- **As Governor, I will cut the guaranteed profits that utilities make on investments – and make sure that the Public Utilities Commission is working for the public.** Households shouldn't be forced to pay more so that utilities can earn a guaranteed 10 percent return on their investments. **As an investor, I know utilities can significantly reduce this rate and still attract equity financing.** Even a two-percentage-point reduction would put hundreds of dollars every year back in the pockets of households – starting right now – and save Californians billions of dollars annually.



**I have spoken out about this issue publicly, including submitting [formal comments to the CPUC](#) ahead of its December 2025 meeting. This decision is in the hands of the state's Public Utilities Commission – and **some of these commissioners will finish their current terms next year, when California's next governor takes office and assumes the power to fill vacancies**. I will make sure these vacancies are filled by people who will counteract utility lobbyists and protect ratepayers.**

- **I will stop approving the costliest investments when there are better alternatives.** Most businesses succeed by pursuing the most efficient way to safely and reliably meet customer needs. Because utilities profit by spending on expensive physical infrastructure, they would rather build a costly new distribution line than efficiently upgrade an existing one. The only check on this excessive spending is whether regulators can withstand the intense pressure of utility lobbyists. **I will stand up to utility lobbyists** who push for green-lighting expensive years-long projects without sufficient scrutiny, especially when there are **cheaper, faster, and better** ways to upgrade the system. Investments should enhance the quality of the system in a way that reduces customer bills rather than raising them.
- **I will expand public bond financing.** Utilities like to finance projects with equity capital since that comes with a guaranteed double-digit rate-of-return. That's good for shareholders and executives – but terrible for customers. Building on recent legislation, I will push for expanding the use of public revenue bonds to finance projects like transmission lines and local energy distribution, so that customers can benefit from necessary upgrades without the rapid price hikes they've become accustomed to. **Recent [analysis](#) found that public-private financing for transmission infrastructure can save Californians \$3 billion per year alone.**
- **I will focus on getting more out of the system we've already paid for.** Utilities focus each year on growing their portfolio of gold-plated capital expenditures that come with guaranteed profits, regardless of whether an operational expenditure would be more effective and efficient. This has led to an electric grid that is over-built and under-maintained. **As Governor, I will appoint regulators who will require utilities to prioritize measures that increase system utilization** – getting more out of the grid and assets that we've already paid for in rates.



**This includes grid-enhancing technologies** such as dynamic line ratings and power flow controllers as well as advanced reconductoring, all of which allow the system to safely carry far more power without expensive new projects. This also means bringing planning and load management into the 21st century with new grid management technologies to replace systems – many of which are run off of simple Excel workbooks.

**I will also appoint regulators who can identify shortcomings in a utility's operations and maintenance activities**, which too many utility leaders have ignored in their pursuit of juicing up equity investments and their guaranteed returns. The recent electricity outages in California demonstrate the dangers of allowing the system's resilience to lapse as the utilities pursue big profits.

- **I will take every step possible to quickly and safely reduce wildfire risk.** There is a lot of debate about who should pay for wildfire costs – but if we reduce the risk, everybody wins. This starts with the utilities themselves. They must prioritize safety before big new capital expenditures, dividend payouts, and bonuses to executives.

**The Eaton Fire, which was likely caused by out-of-commission utility equipment, was a direct result of utility monopolies putting profits over public safety.** I have consistently spoken about this fact **head-on**. Utilities must invest more in activities like vegetation management and decommissioning old but still-dangerous equipment, even if those investments do not carry big capital returns.

**The state must also expand forest management programs**, use more technology to detect and quickly respond to fires, and invest more in home hardening and defensible space. **I will make California the global leader in wildfire prevention and management.** If we focus intently on getting this right, and if we support homeowners embracing new solutions, then we can protect homes, attract insurers back to the state, and significantly reduce electricity bills. But that means changing the incentives so that the utilities make investments that prioritize safety.



- **I will give customers an equal voice in Sacramento.** Over the last five years, the three major **utilities spent more than \$50M in lobbying** and political contributions meant to get their projects and proposed rate increases approved. **Via NextGen CA, I supported AB 1167 in 2025**, which prohibits utilities from using ratepayer dollars for promotional expenses like lobbying.

As Governor, I will be a voice for households struggling with energy costs. But it's not just about who serves as governor – it's about changing a system that serves the wrong interests. **I will work to ban utility contributions to candidates** – and reform the state's oversight of these utilities so that it serves the people. As Governor, I will appoint leaders who share this vision.

- **I will expand community choice for electrical power.** While the primary drivers of recent increases in electricity costs can be attributed to the cost of transmission and distribution, I also believe that customers should be able to choose where they buy their power. Right now, some counties in the state provide another option for households via a community choice aggregator, many of which emphasize clean power sources that are becoming cheaper every year. **When effective, I will empower existing CCAs to act more assertively and expand their scope and decision making authority.** I will also provide support and assistance to other counties that wish to provide further choices for consumers and introduce additional competition for utilities.
- **I will connect new power sources to the grid – now.** Utilities are missing interconnection deadlines as much as 73 percent of the time. This means that power sources that could be used to meet the increased demand for power, enable the state to meet its renewable targets, and position California as a leader for cheap, reliable clean energy are instead sitting on the sidelines. Often, the utilities let a connection request linger for five years or more, blowing past state-mandated timelines with no consequences or accountability. There is no excuse for this behavior, which prevents the state from benefiting from affordable onsite solutions that may compete with what utilities provide. **I will require that utilities prioritize connection requests and impose stiff financial penalties if they fall short of state-mandated targets.**



- **I will make data centers pay their own way.** Load growth must bring costs down and increase clean energy infrastructure, not increase household electricity bills. Data centers are a key driver of progress in artificial intelligence, and we are proud that AI breakthroughs are happening in California. At the same time, the companies building these data centers are some of the wealthiest and best-funded companies in the world. It is entirely reasonable to demand that they pay their own way – and avoid raising household bills. They must be transparent upfront about the water, energy, and other impacts that their operations could have on surrounding communities.

**Data centers, or other large load projects, should be required to pay for their own energy consumption and water use, and support the maintenance and growth of the state's overall electrical infrastructure so that households aren't forced to foot the bill.** Load growth from the influx of data centers is helpful if it spreads infrastructure costs across a broader base and uses technology and expanded battery storage to manage demand from commercial customers at peak times, enabling consumer prices to come down even as overall demand rises – but this must be managed through well-designed and carefully implemented policy. **As Governor, I will prioritize the projects that actually cut prices for households and make sure that everyone – especially the biggest technology companies – pays their fair share.**



Californians live in the most innovative state in America, but we're saddled with the costs of a century-old utilities system with backwards incentives. Californians wouldn't know it when they look at their energy bills, but this is an amazing moment in energy: cheap, fast, Californian-made clean energy is available, right at our fingertips.

As Governor, my fight against these rates goes beyond frustration over the outrageous costs people face every day. It's driven by the absolute certainty that California can – and with the right leadership, will – do so much better. By realigning our system to incentivize investing in the modern grid we need, we can drive prices down for Californians, and turn California into a global leader in cheap, reliable, and clean power.

