STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 03/25)

Fiscal Year	Business Unit Number	Department
2026-2027	3355	Office of Energy Infrastructure Safety

Hyperion Budget Request Name	Relevant Program or Subprogram
3355-010-BCP-2026-GB	2370–Regulation of Energy Infrastructure Safety

Budget Request Title
Energy Modernization and Affordability (SB 254)

Budget Request Summary
The Office of Energy Infrastructure Safety (Energy Safety) requests $1,393,000 (Safe Energy Infrastructure and Excavation Fund (SEIEF)) and 8.0 permanent positions in 2026-27 and ongoing to implement new Underground Safety Board-related ongoing requirements with the passage of Chapter 119, Statutes of 2025 (SB 254).

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☐ Budget Bill Language ☒ N/A	

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. **Approval Date:**

Project Approval Document: **Total Project Cost:**

If proposal affects another department, does other department concur with proposal? ☐ Yes ☐ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Pukar Deoja	1/5/2026	Tyler Morris	1/5/2026
Department Director	**Date**	**Agency Secretary**	**Date**
Caroline Thomas Jacobs	1/5/2026	Bryan Cash	1/5/2026

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	Date submitted to the Legislature
Erin Carson	1/9/2026

A. Problem Statement

Energy Safety requests a permanent increase of 8.0 positions and $1,393,000 SEIEF in fiscal year 2026-27 and ongoing to implement new ongoing Underground Safety Board-related requirements with the passage of SB 254. Specifically, resources are requested for the department to be able to implement the following new Underground Safety Board-related requirements:

- To develop, through the Underground Safety Board, new structured information exchange and regulatory oversight over infrastructure project coordination, ensuring excavators can access underground infrastructure data early in the design process to reduce utility strike risks and lower project costs. This includes:
    - Conducting new analyses and developing new regulations to establish per-day 811 ticket limitations to support timely and effective locate-and-mark activities by utilities.
    - Establishing and implementing new processes and procedures for the regional notification centers – Dig Alert and USA North – to submit their processes and procedures to the Board for stakeholder feedback and Board review and approval.
    - Supporting and enforcing the regional notification centers implementation of new tribal notification protocols and compliance.
    - Researching, evaluating, and annually reporting to the Legislature on new feasibility and funding of a statewide web-based planning platform that allows tribes to view plans for projects and to communicate with plan submitters.
    - Developing, implementing, and coordinating new education and outreach resources for these new statutory requirements.
    - Developing and implementing new compliance monitoring, audit, and investigations processes, and procedures for investigating possible violations for these new statutory requirements.

Energy Safety cannot absorb this additional new workload and, as such, requests additional resources to be able to implement new Underground Safety Board-related requirements with the passage of SB 254.

BCP Breakdown by Operating Expenses

Unit	Title	Amount	Fund(s)
Underground Infrastructure Directorate	5 New DGS-Leased Vehicles*	$24,960**	SEIEF

** 5.0 plug-in hybrid electric sedans using pricing from FY 2025/2026 DGS Price Book.*
*** This amount is included in the travel amount in the BCP Fiscal Detail Sheet (Page 9).*

Resource History
(Dollars in thousands)

Underground Infrastructure Directorate Program Budget	PY – 2 (2022-23)	PY-1 (2023-24)	PY (2024-25)	CY (2025-26)
Authorized Expenditures	$4,659	$6,130	$7,056	$8,445
Actual Expenditures	$3,010	$3,479	$5,660	N/A
Authorized Positions	20	24	24	31

Filled Positions	10 (50%)	12 (50%)	20 (83%)	25 (80%)*
Vacancies	10 (50%)	12 (50%)	4 (17%)	6 (20%)*

**Data as of December 31, 2025.*

BCP Positions Breakdown
(Dollars in thousands)

# of PYs	Classification	PS	OE	Total
1.0	Office Assistant (Typing)	$78	$25	$103
7.0	Staff Services Manager I*	$1,043	$247	$1,290
8.0		**$1,121**	**$272**	**$1,393**

** 5.0 of the 7.0 Staff Services Manager Is are designated as travel positions.*

Workload History

Unit	Workload Measure	PY – 4 2020-21	PY – 3 2021-22	PY – 2 2022-23	PY-1 2023-24	PY 2024-25	CY* 2025-26
Underground Infrastructure Directorate	Workshops Conducted**	0	5	2	1	5	1
Underground Infrastructure Directorate	Surveys Conducted*	1	0	2	1	4	0
Underground Infrastructure Directorate	Public Comment Periods Conducted**	0	0	0	0	1	2
Underground Infrastructure Directorate	Staff Reports Presented	12	15	9	8	23	8
Underground Infrastructure Directorate	Regulations in Process	0	0	0	0	0	0
Underground Infrastructure Directorate	Notices of Probable Violation Issued	14	10	18	54	12	43
Underground Infrastructure Directorate	Advisory Letters Issued	0	370	0	469	0	0
Underground Infrastructure Directorate	Complaint and Damage Notifications Received	973	1,534	1,571	1,232	1,384	1,485
Underground Infrastructure Directorate	Investigations Completed	12	9	39	15	12	30
Underground Infrastructure Directorate	Compliance Audits Completed	0	1	0	1	0	0

**Data as of September 15, 2025.*
***Tasks are part of the Underground Infrastructure Directorate's Policy Division's process to inform regulation content (stakeholder engagement with 2,200+ operators [state and local government, and private entities] and additional stakeholders across the state).*

B. Justification

Energy Safety requires additional resources to implement new Planning and Design mandates. Together, these initiatives will provide the department with the necessary resources to implement SB 254 which will strengthen wildfire safety and improve infrastructure communication and expand regulatory oversight within State of California.

SB 254 adds new ongoing statutory requirements for Energy Safety's Underground Safety Board to increase safety and lower infrastructure deployment costs through advanced utility coordination. This will be done by mandating structured information exchange between excavators and establishing new regulatory oversight to ensure excavators can access underground infrastructure data early in the design process to reduce utility strike risks.

To develop the new regulations and implement the new enforcement-related workload from SB 254, the Underground Safety Board will need 7.0 Staff Services Manager Is, 1.0 Office Assistant (Typing), and $24,960 funding for five leased vehicles to:

- Develop and adopt new regulations by July 1, 2027. This includes reviewing and evaluating current complaint and damage reporting regulations and processes to identify additional items or changes that may be obtained from operators and excavators submitting complaints and damage notifications to inform regulation development.
- Develop and implement a new process for communicating with the regional notification centers.
- Review and facilitate new regional notification center procedures.
- Starting February 2027, annually report to the Legislature on "the advantages, barriers, and funding options for the development of an internet web-based planning and design platform for accomplishing the communication processes identified in subdivision (b) of Government Code Section 4216.1 and for allowing tribes to view plans for projects and to communicate with plan submitters."
- Develop new processes and procedures for compliance monitoring and implement compliance monitoring activities, such as developing compliance monitoring processes, to enforce 2,200+ public and private utilities' participation within California, which requires utility operators to respond to the design requests within a specified amount of time to ensure project designers have the underground infrastructure information to plan their projects safely and for monitoring excess volume of tickets in accordance to the laws and regulations.
- Develop new audit processes and procedures on an ongoing basis to: (1) audit operators not complying with the law by not responding within the mandated timeframes for design requests, (2) audit excess volume of tickets for non-compliance, and (3) issue notices of probable violations for non-compliance.
- Develop new investigation processes and procedures, on an ongoing basis, to conduct new investigation activities (i.e., investigating complaints of project owners/excavators of non-compliance) and field investigations for inaccurate underground infrastructure information (e.g., mismarked and abandoned lines) as well as damage that occurs during excavation on projects that had a design notification, to determine the root cause of the incident.

To meet these ongoing needs, the department requests the following positions whose roles and responsibilities are described below:

- 2.0 Staff Services Manager: The 2.0 Staff Services Manager Is will be responsible for regulation implementation, including, but not limited to, facilitating discussions with the regional notification centers, surveys, workshops, and other stakeholder engagement throughout the process; drafting the scope and budget, and managing the economic analysis contract; drafting and presenting Senate Bill 254 staff reports to the Board;

gathering data and information, and drafting Annual Report content; drafting the Initial Statement of Reasons and managing the regulations through the Office of Administrative Law process; and providing ongoing data collection through investigations analysis and continuous evaluation of regulation implementation.

- 4.0 Staff Services Manager: The 4.0 Staff Services Manager Is will be responsible for processing and investigating the increased volume of damage notifications and complaints, ensuring timely and accurate processing. They will be responsible for statewide highly complex investigations and serve as liaisons, fostering relationships with local government and law enforcement to improve compliance with the Dig Safe Act of 2016, including the new statutory requirements under Senate Bill 254.
- 1.0 Staff Services Manager I: The 1.0 Staff Services Manager I will develop the framework for a statewide awareness campaign to ensure the correct stakeholders participate in policy development workshops and public meetings; design, develop, and lead the campaign to inform impacted stakeholders of the new regulations once adopted; and be the lead to answering any questions and be the direct liaison with local government.
- 1.0 Office Assistant (Typing): The 1.0 Office Assistant (Typing) will be responsible for performing document remediation ensuring all publicly posted documents related to workshops, Board meetings, public comment periods, and more meet accessibility requirements of Section 508 of the Rehabilitation Act of 1973.

C. Departmentwide and Statewide Considerations

This proposal is consistent with the Energy Safety's mission to "create a safer, sustainable California with utility infrastructure that is managed to reduce excavation and wildfire risk and is adaptable to an evolving climate" and aligns with the department's 2024-2029 Strategic Plan which prioritizes equity, sustainability, data-forward, empowerment, and collaboration, particularly to several of Energy Safety's objectives:

- Goal 1: Drive utility operators and excavators to strengthen their safety culture and adopt effective safety risk mitigation practices.
- Goal 2: Expand data management capabilities for greater real-time and predictive insights that grow departmental knowledge on infrastructure safety and organizational performance to drive strong oversight and effective compliance.
- Goal 5: Foster a coordinated network of tribal, local, state, federal, and industry partners committed to infrastructure safety.

1. Equity – Equity shapes every facet of Energy Safety, from the internal workings of the department to the ongoing contribution of its work toward environmental justice.
2. Sustainability – Sustainability guides Energy Safety to build a present and future in which all communities can thrive for generations to come.
3. Data-Forward – Energy Safety is grounded in key data to inform the work, from start to end – the direction, progress, levers, obstacles, risk predictions, outcomes, and more.
4. Empowerment – Energy Safety cultivates and sustains a values-aligned culture by giving people the tools, information, education, and guidance to do their work with integrity.
5. Collaboration – Energy Safety creates impact by having staff work alongside each other and with the department's many external stakeholders in pursuit of the same vision for a safer California.

The proposal also aligns with the Underground Safety Board's 2020 Strategic Plan Strategic Directives:

1. Improve compliance by reaching parties in effective ways.
2. Improve the accessibility of buried infrastructure location knowledge and understanding.

3. Identify the proximate and contributing causes to safety accidents and non-compliances.
4. Build Board operations to achieve compliance, reporting, and operational excellence in a resource-efficient manner.

D. Outcomes and Accountability

The proposed budget change proposal will yield the following outcomes to support the State's ongoing implementation of SB 254:

- Develop and adopt new planning and design and 811 ticket volume management regulations by July 1, 2027.
- Annually report to the Governor and Legislation on the Underground Safety Board's implementation of SB 254.
- Provide updates to 2,200+ utility operators on regulation requirements.
- Develop and implement new excavation compliance, audit, investigation and monitoring processes, procedures, and tools by July 1, 2027.

Projected Outcomes

UNIT	WORKLOAD MEASURE	CY 2025-26	BY 2026-27	BY+1 2027-28	BY+2 2028-29	BY+3 2029-30	BY+4 2030-31
Underground Infrastructure Directorate	Workshops Conducted*	7	7	7	7	7	7
Underground Infrastructure Directorate	Surveys Conducted*	7	7	7	7	7	7
Underground Infrastructure Directorate	Public Comment Periods Conducted*	7	7	7	7	7	7
Underground Infrastructure Directorate	Staff Reports Presented	29	30	30	31	31	31
Underground Infrastructure Directorate	Regulations in Process	3	2	2	2	2	2
Underground Infrastructure Directorate	Notices of Probable Violation Issued	57	200	250	550	2,300	2,300
Underground Infrastructure Directorate	Advisory Letters Issued	500	200	400	600	2,500	2,500
Underground Infrastructure Directorate	Complaint and Damage Notifications Received	1,600	5,000	5,000	5,500	6,000	6,000
Underground Infrastructure Directorate	Investigations Completed	57	50	62	153	300	300
Underground Infrastructure Directorate	Compliance Audits Completed	1	50	100	325	400	400

**Tasks are part of Underground Infrastructure Directorate's Policy Division's process to inform regulation content (stakeholder engagement with 2,200+ operators [state and local government, and private entities] and additional stakeholders across the state).*

E. Implementation Plan

Upon approval of this request, hiring will immediately take place over the course of FY 2026-27. The hiring process will require coordination of current management in the development of

duty statements, justification of positions, advertising, and recruitment in a competitive employee market, and hiring and onboarding.

F. Supplemental Information (if Applicable)

Current and proposed organization charts are available upon request.

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Energy Modernization and Affordability (SB 254)

BR Name: 3355-010-BCP-2026-GB

Budget Request Summary

Personal Services

Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Positions - Permanent	0.0	8.0	8.0	8.0	8.0	8.0
Total Positions	**0.0**	**8.0**	**8.0**	**8.0**	**8.0**	**8.0**
Earnings - Permanent	0	721	721	721	721	721
Total Salaries and Wages	**$0**	**$721**	**$721**	**$721**	**$721**	**$721**
Total Staff Benefits	0	400	400	400	400	400
Total Personal Services	**$0**	**$1,121**	**$1,121**	**$1,121**	**$1,121**	**$1,121**

Operating Expenses and Equipment

Operating Expenses and Equipment	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5301 - General Expense	0	70	70	70	70	70
5304 - Communications	0	6	6	6	6	6
5320 - Travel: In-State	0	66	66	66	66	66
5324 - Facilities Operation	0	118	118	118	118	118
5326 - Utilities	0	6	6	6	6	6
5346 - Information Technology	0	6	6	6	6	6
Total Operating Expenses and Equipment	**$0**	**$272**	**$272**	**$272**	**$272**	**$272**

Total Budget Request

Total Budget Request	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Budget Request	**$0**	**$1,393**	**$1,393**	**$1,393**	**$1,393**	**$1,393**

Fund Summary

Fund Source

Fund Source	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
State Operations - 0462 - Public Utilities Commission Utilities Reimbursement Account	0	1,097	1,097	1,097	1,097	1,097
State Operations - 3302 - Safe Energy Infrastructure and Excavation Fund	0	296	296	296	296	296
Total State Operations Expenditures	**$0**	**$1,393**	**$1,393**	**$1,393**	**$1,393**	**$1,393**
Total All Funds	**$0**	**$1,393**	**$1,393**	**$1,393**	**$1,393**	**$1,393**

Program Summary

Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
2370 - Regulation of Energy Infrastructure Safety	0	1,393	1,393	1,393	1,393	1,393
Total All Programs	**$0**	**$1,393**	**$1,393**	**$1,393**	**$1,393**	**$1,393**

Personal Services Details

Positions

Positions	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
1218 - Office Asst I (Typing) (Eff. 07-01-2026)	0.0	1.0	1.0	1.0	1.0	1.0
4800 - Supervisor I (Eff. 07-01-2026)	0.0	7.0	7.0	7.0	7.0	7.0
Total Positions	**0.0**	**8.0**	**8.0**	**8.0**	**8.0**	**8.0**

Salaries and Wages

Salaries and Wages	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
1218 - Office Asst I (Typing) (Eff. 07-01-2026)	0	46	46	46	46	46
4800 - Supervisor I (Eff. 07-01-2026)	0	675	675	675	675	675
Total Salaries and Wages	**$0**	**$721**	**$721**	**$721**	**$721**	**$721**

Staff Benefits

Staff Benefits	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5150900 - Staff Benefits - Other	0	400	400	400	400	400
Total Staff Benefits	**$0**	**$400**	**$400**	**$400**	**$400**	**$400**

Total Personal Services

Total Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Personal Services	**$0**	**$1,121**	**$1,121**	**$1,121**	**$1,121**	**$1,121**