
**SENATE COMMITTEE ON ENERGY, UTILITIES AND
COMMUNICATIONS**

**Senator Benjamin Allen, Chair
2025 - 2026 Regular**

Bill No:	AB 2458	Hearing Date:	6/8/2026
Author:	Bennett		
Version:	2/20/2026	Introduced	
Urgency:	No	Fiscal:	Yes
Consultant:	Sarah Smith		

SUBJECT: Energy: appliance standards and cost-effective measures

DIGEST: This bill extends the California Energy Commission's (CEC's) water and energy appliance efficiency standards to appliances that are sold, rented, imported, distributed, or leased, or offered for sale, rental, importation, distribution, or lease.

ANALYSIS:

Existing law:

- 1) Requires the CEC to establish building and appliance standards to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy, including the energy associated with the use of water. (Public Resources Code §25402)
- 2) Requires the CEC to establish appliance efficiency standards based on a reasonable use pattern. The CEC may prescribe other cost-effective measures, including incentive programs, fleet averaging, energy and water consumption labeling not preempted by federal labeling law, and consumer education programs, to promote the use of energy and water efficient appliances whose use requires a significant amount of energy or water use on a statewide basis. An appliance manufactured on or after the effective date of these standards may not be sold or offered for sale in California unless it complies with the standards. (Public Resources Code §25402)
- 3) Prohibits appliance standards from resulting in any added total costs for consumers over the designed life of the appliances concerned. When determining cost-effectiveness, the CEC must consider the value of the water or energy saved, impact on product efficacy for the consumer, and the life cycle cost to the consumer of complying with the standard. The CEC must consider other relevant factors, including, but not limited to, the impact on housing costs, the total statewide costs and benefits of the standard over its lifetime, economic

impact on California businesses, and alternative approaches and their associated costs. (Public Resources Code §25402)

- 4) Prohibits appliance standards adopted by the CEC to take effect sooner than one year after the adoption date unless the CEC makes a specified finding of good cause substantiating the need for a sooner implementation date. (Public Resources Code §25402)
- 5) Requires the CEC to adopt appliance standards to facilitate the deployment of flexible demand technologies. These standards may include labeling provisions to promote the use of appliances with flexible demand capabilities. The flexible demand appliance standards shall be based on feasible and attainable efficiencies or feasible improvements that will enable appliance operations to be scheduled, shifted, or curtailed to enhance grid reliability, reduce emissions of greenhouse gases associated with electricity generation, or both enhancement and reduction. (Public resources Code §25402)
- 6) Authorizes the CEC to adopt regulations establishing an administrative enforcement process for violation of the CEC's appliance standards. Existing law allows the CEC to assess a civil money penalty for violations up to \$2,500 for each violation. Penalties assessed for appliance efficiency violations are deposited into the CEC's Appliance Efficiency Enforcement Subaccount and fund the CEC's appliance efficiency enforcement activities upon appropriation by the Legislature. (Public Resources Code §25402.11)

This bill extends the CEC's water and energy appliance efficiency standards to appliances that are sold, rented, imported, distributed, or leased, or offered for sale, rental, importation, distribution, or lease.

Background

The CEC's appliance efficiency standards can provide consumer and ratepayer savings. Both the federal Department of Energy (DOE) and the CEC maintain authority to set efficiency standards for appliances. Federal appliance efficiency standards are mandatory baseline requirements that apply nationally, and they cannot be superseded by state standards. However, states may set standards for appliances that the DOE does not regulate. Energy efficiency standards for appliances have been a core component of California's energy conservation strategy since the enactment of the Warren-Alquist Act, which established the CEC in 1974. Improved energy and water efficiency can provide consumers with savings by reducing utility bill costs through lower energy and water consumption. In addition to direct bill reductions, increased energy and water efficiency standards can also reduce the need for new energy infrastructure and procurements

by lowering overall load increases over time. Between 1973 to 2006, California's electrical load growth remained largely flat while national electricity demand grew by 50%. This flat trend was attributed to increased use of energy efficient appliances following the implementation of California's appliance standards.

Bill is aimed at ensuring consistency between demand response and efficiency standards. Prior legislation (SB 49, Skinner, Chapter 697, Statutes of 2019) expanded the CEC's authority to establish appliance standards to enable the CEC to set standards that facilitate the use of demand response technologies, such as smart thermostats. While existing law does not specifically limit the CEC's demand response standards to solely to appliances purchased outright, existing statute limits the CEC's overall efficiency standards to only those appliances sold or offered for sale in the state. Several other states extend appliance efficiency standards to appliances that are leased or rented in addition to those appliances sold in the state. States that apply efficiency standards to leased or rented appliances include New York, Colorado, Washington, Nevada, Rhode Island, Hawaii, Vermont, and the District of Columbia. California's appliance efficiency standards are enforced on retailers. In the absence of California's efficiency standards applying to rented or lease appliances, entities may be able to circumvent the CEC's efficiency standards by arguing that appliances rented or leased are "distributed" in the state rather than "sold" in California. This loophole may create an uneven regulatory space for appliances retailed in California and businesses, including out-of-state businesses, that rent to individuals in California.

Bill may primarily impact commercial food service appliances. While this bill does not apply to a specific type of appliance, the CEC is in the process of considering new standards for certain commercial food service appliances, including commercial dishwashers. The CEC estimates that new standards for commercial dishwashers could save the state 399 gigawatt hours of electricity, 18 million therms of gas, 2.62 billion gallons of water, and \$199.3 million in utility costs per year when the full stock of commercial dishwashers are switched to more efficient models. Few appliances in the residential sector are leased or rented; however, the CEC estimates that approximately 50% of commercial dishwashers are leased. The CEC estimates that potentially more than 90% of appliances impacted by regulations that extend to leased or rented appliances would be commercial appliances.

Prior/Related Legislation

SB 1063 (Skinner, Chapter 362, Statutes of 2022) authorized the CEC to implement adopted appliance standards without a one-year waiting period if the CEC first makes a specified good cause finding for the faster implementation date.

SB 49 (Skinner, Chapter 697, Statutes of 2019) modified the CEC's appliance energy efficiency regulatory authority to allow the CEC to establish appliance efficiency standards that facilitate the deployment of flexible demand technologies. The bill also required the California Natural Resources Agency to conduct an assessment of upgrades to the State Water Resources Development System that would support California's climate goals.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

SUPPORT:

California Efficiency + Demand Management Council
California State Association of Electrical Workers
Ceres
Coalition of California Utility Employees
International Association of Plumbing & Mechanical Officials
Pacific Gas and Electric Company
Southern California Edison

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the author:

Flexible demand appliances provide users with the ability to schedule or shift their electricity usage. This allows an appliance to be in use at a time when renewables are abundant, and energy costs are low. Although the Energy Commission has established flexible demand standards and efficiency standards for appliances sold in California, it does not have authority to ensure that these common sense standards apply to appliances that are rented or leased. AB 2458 allows the Energy Commission to apply their existing regulations to all appliances used in California which will ultimately provide commercial appliance users a means by which to reduce their energy costs.

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