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

**Senator Steven Bradford, Chair  
2023 - 2024 Regular**

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**Bill No:** SB 755 **Hearing Date:** 4/24/2023  
**Author:** Becker  
**Version:** 3/21/2023 Amended  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Nidia Bautista

**SUBJECT:** Energy efficiency and building decarbonization programs

**DIGEST:** This bill the California Energy Commission (CEC) to develop and make publicly available an internet website for all energy efficiency and building decarbonization programs available in the state for residential buildings and residential electricity customers.

**ANALYSIS:**

Existing law:

- 1) Requires the State Energy Resources Conservation and Development Commission (also known as the California Energy Commission (CEC)) to establish the Equitable Building Decarbonization Program, which includes establishing a statewide incentive program for low-carbon building technologies and the direct install program to fund certain projects, including installation of energy efficient electric appliances, energy efficiency measures, demand flexibility measures, wiring and panel upgrades, building infrastructure upgrades, efficient air conditioning systems, ceiling fans, and other measures to protect against extreme heat, where appropriate, and remediation and safety measures to facilitate the installation of new technologies. (Public Resources Code §25665 et seq.)
- 2) Authorizes the CEC to administer the direct install program through regional direct install third-party implementers, as specified. Requires that the direct install program give preference to projects in buildings that meet specified criteria. (Public Resources Code §25665.3)
- 3) Appropriated \$1.12 billion from the General Fund for purposes of the Equitable Building Decarbonization Program. (Budget Act of 2022)

This bill:

- 1) Requires the CEC to develop and make publicly available an internet website for all energy efficiency and building decarbonization programs available in the state for residential buildings and residential electricity customers, as specified.
- 2) Requires the internet website to include specified programs, and would require customers to be able to apply for the included programs through the internet website. For programs the CEC determines cannot be included in the internet website, this bill would require the CEC to provide a link and any additional information to users who qualify for those programs, as specified.

## **Background**

*Greenhouse gas (GHG) emissions from the building sector.* According to the California Air Resources Board (CARB), residential and commercial buildings are responsible for roughly 25 percent of California's GHG emissions when accounting for electricity demand, fossil fuels consumed onsite, and refrigerants. Of the 25 percent, roughly 10 percent of emissions are attributable to fossil fuel combustion, including natural gas, with residential buildings accounting for slightly more of those emissions than commercial buildings. However, CARB has noted that these emissions numbers can vary from year-to-year.

*Reducing GHG emissions from the building sector.* There are several strategies that can be employed to reduce GHG emissions from the building sector, these include: improved energy efficiency of buildings and appliances, reducing carbon emissions from fossil fuel sources, ensuring cleaner sources of energy to operate buildings and associated appliances, addressing methane leaks, and others. CARB has noted that refrigerants used for space-cooling and refrigeration systems also contribute directly to building-related GHG emissions and these are a growing source of GHGs from buildings which must also be reduced. The Climate Change Scoping Plan identifies actions to reduce GHG emissions from the building sector, including progressively improving building codes and standards, pursuing voluntary efforts to exceed code requirements, and completing existing building retrofits.

*Equitable Building Decarbonization Program.* The Equitable Building Decarbonization Program was established in budget trailer bill, AB 209 (Committee on Budget, Chapter 251, Statutes of 2022) with the goals to reduce GHGs related to the building sector. The program has two components: a direct install program and a statewide incentive program for low-carbon building technologies. The direct install program provides minimal or no-cost retrofits to

low- and moderate-income households, with preference given for buildings located in under-resourced communities, or owned or managed by a California Native American tribe or a member of a California Native American tribe. The retrofits include installation of energy efficient appliances, energy efficiency measures, demand flexibility measures, wiring and panel upgrades, building infrastructure upgrades, efficient air conditioning systems, ceiling fans, and other measures to protect against extreme heat, where appropriate, and remediation and safety measures to facility the installation of new technologies. The statute defines low- and moderate-income residents as those persons and families whose income does not exceed 120 percent of area median income, adjusted for family size, in accordance with the U.S. Department of Housing and Urban Development (HUD). As an example, the income range within the state would mean that a family of four would meet this definition with an annual income of \$96,350 or less in Fresno County and an annual income of \$199,200 or less in Marin County. The statute also authorizes the direct install program to include tenant protections for participating rental properties. The CEC held a scoping workshop on December 13, 2022 on implementing the program and solicited comments on four broad categories: program criteria, third-party implementers, direct install measures, and the statewide incentive program. Many stakeholders have submitted comments on these issues.

*Funds appropriated in 2022, proposed to be reduced in 2023.* The State Budget Act of 2022 appropriated over \$1 billion from the General Fund for the Equitable Building Decarbonization Program, specifically allocating \$112 million for the program for its first year, and roughly \$900 million is budgeted over the next four fiscal years. However, in light of changing state budget conditions, the Governor's January 2023 Budget proposes reducing the funding to 91 percent, maintaining approximately \$835 million for support of projects reducing GHG emissions in homes and advancing energy equity. The CEC preliminarily proposes to allocate 66 percent of total funds to the direct install program.

*CPUC Universal Application System (UAS) Working Group.* In June 2020, the California Public Utilities Commission (CPUC) adopted decision (D. 21-06-015) with directed electric utilities to establish a UAS Working Group with stakeholders. The working group is intended to work towards a single application portal for, at minimum, the Energy Savings Assistance (ESA) program, California Affordable Rates in Energy (CARE), and Family Electric Rates Assistance (FERA) programs. Additionally, the working group would support and connect to other low-income and clean energy programs, including non-IOU programs. The UAS would allow for multiple registration pathways: online, in-person, by phone, text, and email. The working group consists of membership from community-based organizations, utilities, contractors, and other stakeholders.

*SB 1208 (Hueso, Chapter 840, Statutes of 2022) concurrent application process.* As noted above, the CPUC is embarking on development of a UAS process. Although the CPUC is currently focused on low-income assistance programs, beginning with CARE, FERA, and ESA programs for the UAS, they note that they are open to including other programs in the future, including non-utility programs. The CPUC has also noted an interest to include other low-income assistance programs, including those for water and telecommunications customers.

*SB 755.* This bill proposes to have the CEC create an online application portal for multiple programs in support of implementing the direct install program from the Equitable Building Decarbonization Program and layering those incentive with additional program incentives. However, many of the programs listed are not CEC-administered programs, and as noted above, the CPUC is already developing a concurrent online application process for many low-income assistance programs.

*In order to avoid recreating the wheel, the author and committee may wish to amend this bill to limit the CEC's development of the online application process to only CEC-administered programs and authorize the CEC to post links to non-CEC programs.*

*Additionally, the author and committee may wish to require that the use of the online portal requires the customer's consent, similar to that required in SB 1208.*

### **Prior/Related Legislation**

SB 306 (Caballero, 2023) makes changes to the direct install program approved in last year's budget as part of the Equitable Building Decarbonization Program and codifies the Extreme Heat Action Plan.

AB 209 (Committee on Budget, Chapter 251, Statutes of 2022) among its many provisions, establishes the Equitable Building Decarbonization Program, including a direct install program to fund the installation of measures to reduce GHGs from buildings.

AB 179 (Ting, Chapter 249, Statutes of 2022) Budget Act of 2022 appropriates \$1.12 billion for the Equitable Building Decarbonization Program.

SB 1208 (Hueso, Chapter 840, Statutes of 2022) required the CPUC, on or before June 30, 2024, in coordination with other relevant state agencies, that provide low-income electric or gas utility customer assistance programs, to develop a process that enables customers to concurrently apply, or begin to apply, to multiple low-income customer assistance programs.

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

**SUPPORT:**

350 Bay Area Action  
California Building Industry Association  
California Green New Deal Coalition  
Rewiring America

**OPPOSITION:**

None received

**ARGUMENTS IN SUPPORT:** According to the author:

SB 755 requires the California Energy Commission to create ‘California's Layered Energy Application for Residents (CLEAR),’ an one-stop online application portal for state-administered energy programs. For program applications that cannot be integrated, the portal would show a user which other incentives they qualify for. The CEC would also receive feedback annually on which local programs could be integrated and proactively communicate with advocates in disadvantaged communities on updates to the portal.

**-- END --**