



# SENATOR DAVE CORTESE

## SB 31 Decarbonization Programs Act

### ISSUE

The California Air Resources Board reports that the building sector is the second largest source of greenhouse gas (GHG) emissions in the state, second to only the transportation sector. To meet its ambitious state climate goals of ensuring that statewide GHG emissions are reduced to 40% below the 1990 level by 2030, swift action must be taken to curb emissions from buildings. Currently, California has no statewide plan for achieving net-zero emissions in buildings.

Energy efficiency programs administered by the California Energy Commission (CEC) and the state's investor-owned utilities (IOU's), such as the Electric Program Investment Charge (EPIC) program, provide resources and funding for the development and adoption of new clean energy solutions. However, building decarbonization technologies and projects are not currently eligible for these programs.

### BACKGROUND

In 2012, the EPIC program was established by the California Public Utilities Commission (CPUC) to fund public investments in research to create and advance new energy solutions. EPIC funds are awarded through a competitive process to projects that will benefit electricity ratepayers and lead to technological advancement and breakthroughs to overcome the barriers that prevent the achievement of the state's statutory energy goals. The CEC and the state's three largest investor-owned electric utilities – Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company – were selected to administer the EPIC funds and advance novel technologies, tools, and strategies that provide benefits to electric ratepayers.

According to recent reports, most Californians live in buildings that are not efficient enough for the state to meet its ambitious climate goals. Achieving these goals will be most challenging for low-income occupants who often have less accessible financial resources to fund electrification projects. State law requires the CPUC to

mandate each electrical corporation to identify a separate rate component to collect revenues to fund programs provided to low-income electricity customers for targeted energy efficiency services. However, these programs are not able to provide funds for existing and new building decarbonization projects. Additionally, even with the amount of focus on extending assistance to low-income residents, these residents are forced to choose to invest in electrification projects over the many other financial demands they are presented with daily. Therefore, more resources must be allocated to these programs and directed towards building electrification projects to increase the affordability and accessibility of these important projects.

### THIS BILL

The bill requires the CEC, under the EPIC program, to award funds for projects that will benefit electricity ratepayers and lead to the development and deployment of commercial and residential building decarbonization technologies and investments that reduce or eliminate greenhouse gas generation in those buildings. The bill also allows the CEC to expend federal funding on projects for existing and new building decarbonization.

The bill also authorizes the expenditure of revenues from various IOU programs for existing and new building decarbonization.

### FOR MORE INFORMATION

Sunshine Borelli  
Office of Senator Jim Beall  
(916) 651-4015  
[Sunsine.Borelli@sen.ca.gov](mailto:Sunsine.Borelli@sen.ca.gov)