CEDMC State Policy Call

October 24, 2025

Link to Priority Bill List

Link to Complete Bill List

Priority Bills - Passed Legislature

AB 44 (Schultz) Energy: electrical demand forecasts.

Requires the California Energy Commission (CEC) on or before December 1, 2026, and in consultation with load-serving entities (LSEs) and resource aggregators, to create and publicize methodologies for load modification protocols by which an LSE may reduce or modify its energy demand forecasts (i.e. ″load modification protocols″).

CEDMC position: support

Vetoed by Governor

Link to veto message

"While I support expanding electric load flexibility, this bill does not align with the California Public Utility Commission's Resource Adequacy framework. As a result, the requirements of this bill would not improve electric grid reliability planning and could create uncertainty around energy resource planning and procurement processes."

AB 740 (Harabedian) Virtual power plants: load shifting: integrated energy policy report.

Requires the California Energy Commission (CEC) to adopt a virtual power plant (VPP) deployment plan by January 1, 2027. The bill specifies the process for the CEC to generate the plan and outlines the priorities of the plan. The bill also requires the CEC to include the VPP deployment plan in its integrated energy policy report (the IEPR)

CEDMC position: support

Vetoed by Governor

Link to veto message

"While I support efforts to realize the potential of these energy resources and others, the bill results in costs to the CEC's primary operating fund, which is currently facing an ongoing structural deficit, thereby exacerbating the fund's structural imbalance."

AB 825 (Petrie-Norris) Independent System Operator: independent regional organization.

Authorizes the California Independent System Operator (CAISO) and the electrical corporations whose transmission is operated by the CAISO to use voluntary energy markets governed by an independent regional organization (RO), provided that specific requirements are met.

Signed by Governor

Link to press release: Governor Newsom signs historic package of bipartisan legislation saving billions on electric bills, stabilizing gas market and cutting pollution

AB 1207 (Irwin) Climate change: market-based compliance mechanism: extension.

Extends authorization for the Air Resources Board (ARB) cap-and-trade regulation through 2045; requires ARB to ensure that emissions from covered sources decline with the 2030 and 2045 greenhouse gas (GHG) emissions targets; maintains existing offsets limits, but requires offsets to be exchanged for allowances under the emissions cap; unfreezes industry assistance factors used to determine allocation of free allowances, allowing ARB, beginning in 2031, to set factors to minimize leakage risk; extends regulatory protections for the oil and gas industry; revises use of revenue from allocation of allowances to utilities to increase and target credits on electric utility bills, except for 5% of revenues directed to support public financing of transmission projects.

Signed by Governor

Link to press release: Governor Newsom signs historic package of bipartisan legislation saving billions on electric bills, stabilizing gas market and cutting pollution

SB 254 (Becker) Energy

This urgency bill proposes various policies related to electrical corporations, including authorizing public financing and ownership electric transmission infrastructure; addressing wildfire mitigation spending and financing; liability of wildfire property claims; permitting of clean energy projects; transparency of electrical corporations' return on

equity (ROE); enforcement of timeliness of energization projects; prohibitions on large electrical corporations from including in their equity rate base an additional $6 billion of wildfire mitigation capital expenditures.

Signed by Governor

Link to press release: Governor Newsom signs historic package of bipartisan legislation saving billions on electric bills, stabilizing gas market and cutting pollution

SB 302 (Padilla) Personal Income Tax Law and Corporation Tax Law: exclusions: environmental credits.

This bill confirms state law to specific Internal Revenue Code sections added by the Inflation Reduction Act of 2022, relating to renewable energy development.

CEDMC position: support

Signed by Governor

SB 541 (Becker) Electricity: load shifting.

This bill requires the California Energy Commission (CEC), as part of an existing biennially report, to estimate each retail supplier's load-shifting potential, giving consideration to certain factors, including cost-effectiveness; and to publish, on or before July 1, 2028, and biennially thereafter, the amount of load shifting that each retail supplier achieved in the prior calendar year.

Vetoed by Governor

Link to veto message

"While I appreciate the author's intent, this bill is largely redundant and, in some cases, disruptive of existing and planned efforts by the CPUC, CEC and CAISO to maximize the cost-effective potential of electric load-management strategies. This bill would also impose a new workload on the CPUC and CEC, requiring additional resources to support its implementation. At a time when electric bill affordability continues to be a pervasive challenge, it is important that we consider the workload and cost impacts on the CEC and CPUC, some of which are ultimately borne by electric customers, to avoid further compounding the costs embedded in customer electric bills."

SB 840 (Limón) Greenhouse gases: Greenhouse Gas Reduction Fund: studies.

This bill reconfigures the continuous appropriations established for the Greenhouse Gas Reduction Fund (GGRF) and sets new legislative intent for how GGRF monies are spent. The bill also directs the California Air Resources Board (CARB) to assess and update compliance offset protocols, and establishes a new unit within the Legislative Counsel Bureau to support climate and environmental policymaking efforts.

Signed by Governor

Link to press release: Governor Newsom signs historic package of bipartisan legislation saving billions on electric bills, stabilizing gas market and cutting pollution

Demand Side Grid Support (DSGS)

Detailed Report: DSGS Funding Challenges and Advocacy Strategy - Staff Mtg

Context and Background

The meeting was a critical discussion about the Distributed Solar Generation Storage (DSGS) program, which has encountered significant funding and political challenges in California. The participants, including representatives from LEAP, Generac, Electric Fish, and the California Efficiency and Demand Management Council, are strategizing to secure continued funding and support for this innovative grid reliability initiative.

Key Challenges in DSGS Funding

Legislative Roadblocks

The program faced unexpected obstacles during the recent legislative session, primarily due to:

1. **Governor's Office Resistance**
    - Seemingly opposed to distributed resource programs
    - Actively worked to remove DSGS funding from legislative proposals 04:53
2. **Senate Inaction**
    - Lack of clear position on DSGS
    - Appeared to not understand the climate credit mechanism 04:29
    - Inconsistent support from individual senators (Becker and Stern were supportive)

Funding Uncertainty

The program is facing critical financial challenges:

- **Current Funding Limitations**
  - Only $64 million available for the current year
  - Insufficient funds to guarantee program continuity through 2026 13:30
- **Potential Funding Sources Explored**

1. GGRF (Greenhouse Gas Reduction Fund)

2. CALSHAPE program

3. Prop 4 funds (with legal complications)

Program Significance and Impact

Grid Reliability Contributions

- Represents **two power plants worth of emergency capacity**
- Provides critical grid support during emergencies
- Prevents potential blackouts and market price spikes

Economic and Environmental Benefits

- **Estimated $200 million in potential savings**
- Enables participation of distributed energy resources
- Supports zero-emission backup power
- Reduces reliance on fossil fuel infrastructure

Advocacy Strategy

Proposed Action Plan

1. **Legislator Sign-On Letter**
   - Target first signatories: Petra Noor and Esa Becker
   - Aim for 10-15 additional signatures in each legislative house
   - Include budget chairs and soft chairs
2. **Messaging Focus**
   - Emphasize **affordability** as a key narrative
   - Highlight emissions reduction
   - Showcase grid reliability benefits

Potential Allies and Outreach

- Environmental advocates
- Climate Center

- Potential media engagement (e.g., Politico)

Technical Insights

Market Integration Challenges

- Current Resource Adequacy (RA) framework inadequate for distributed resources
- CAISO market reforms moving slowly (potential implementation by 2027)
- Need for more flexible grid participation mechanisms

Recommended Next Steps Immediate Actions

    - Coordinate among DSGS stakeholders (CALSA, Sunrun, LEAP)
    - Develop unified funding approach
    - Prepare sign-on letter by November
2. **Long-Term Strategy**
    - Push for CAISO market reforms
    - Create sustainable funding model
    - Develop continuous grid service participation framework

Potential Risks

- Program discontinuity
- Loss of 700 megawatts of emergency capacity
- Potential market destabilization
- Reduced innovation in distributed energy resources

Conclusion

The DSGS program stands at a critical juncture. With strategic advocacy, unified messaging, and persistent engagement, stakeholders can secure its future and continue providing innovative grid support solutions.

DSGS Funding and Strategic Advocacy Insights - Meeting

October 6, 2025

Context and Background

The meeting captured a critical discussion among key stakeholders in California's distributed energy sector regarding the Demand Side Grid Support (DSGS) program's future funding and strategic positioning. Participants from organizations like LEAP, ElectricFish, and CEDMC engaged in a deep, candid conversation about the program's challenges, potential pathways, and advocacy strategy.

Key Challenges Facing DSGS

Unexpected Funding Elimination

The program faced an abrupt and surprising removal from the budget, which was particularly frustrating for participants. revealed several potential reasons for the cut:

1. **Bundling Issue**: The program was "piled up in a single bill" making it difficult to parse out
2. **Perceived Over-Support**: Certain entities received significant press coverage about their funding
3. **Lack of Legislative Understanding**: Many legislators were surprised by the last-minute elimination

Institutional Misalignment

A significant underlying challenge is the misalignment between different state agencies:

- **CPUC vs. Other Agencies**: highlighted fundamental disagreements, with CPUC viewing the program as potentially "double counting" or unnecessarily subsidizing existing programs
- **Resistance from Investor-Owned Utilities (IOUs)**: The utilities seem resistant to programs that don't directly benefit their revenue models

Strategic Advocacy Recommendations

Messaging Alignment

The group identified critical messaging strategies:

1. **Unified Narrative**: Develop a consistent, clear message about DSGS's value
2. **Diverse Messengers**: Avoid over-reliance on large companies like Tesla and Sunrun
3. **Funding Duration**: Consensus emerged around seeking **three years of funding**

Funding Rationale

Participants articulated compelling arguments for continued DSGS support:

- **Emergency Capacity**: The program provides critical grid flexibility during extreme events
- **Cost-Effectiveness**: highlighted the unique ability to provide capacity for just 50 critical hours without full-year infrastructure investment
- **Proven Performance**: Demonstrated ability to enroll and dispatch distributed energy resources quickly

Technical and Economic Insights

Grid Reliability Considerations

- **Planning Reserve Margin (PRM)**: Current calculations may underestimate true grid needs
- **Extreme Event Preparedness**: noted economic losses during past grid emergencies could justify ongoing investment

Resource Adequacy (RA) Transition Strategy

The group proposed a nuanced approach to transitioning DSGS resources:

1. **Initial Emergency Funding**: Maintain program for critical grid support
2. **Gradual RA Integration**: Slowly migrate proven resources into formal RA frameworks
3. **Continuous Innovation**: Keep testing and developing new grid flexibility mechanisms

Potential Action Items

1. **Develop Two-Page White Paper**
    - Clearly articulate DSGS value proposition
    - Outline three-year funding strategy
    - Provide concrete performance metrics
2. **Stakeholder Engagement**
    - Coordinate with legislative offices (e.g., Assembly Member Irwin)
    - Prepare legislator sign-on letter
    - Diversify advocacy coalition
3. **Program Modification**
    - Refine DSGS options
    - Potentially remove high-risk components like "bugs"
    - Prepare for potential budget constraints

Emotional and Strategic Undertones

The discussion revealed deep frustration with California's energy policy:

- Anger at cutting a successful, innovative program

- Concern about losing momentum in distributed energy resources
- Determination to preserve and evolve grid flexibility mechanisms

Conclusion

The DSGS program stands at a critical juncture. With strategic messaging, unified advocacy, and a clear transition plan, stakeholders believe they can secure continued funding and demonstrate the program's unique value in California's evolving energy landscape.

Recommended Next Steps:

- Schedule follow-up strategy sessions
- Draft comprehensive white paper
- Begin targeted legislative outreach

Comments:

Small provision on ROR for IOU's in SB 254. Requires the CPUC to prohibit a large electrical corporation from including in its equity rate base its share of the first $6 billion expended in aggregate on fire risk mitigation capital expenditures approved by the CPUC on or after January 1, 2026, beyond the $5 billion included in AB 1054 (Holden, Chapter 79, Statutes of 2019). Authorizes an electrical corporation's share of the fire risk mitigation capital expenditures and the debt financing costs of these fire risk mitigation capital expenditures to be financed through a financing order. This bill provides that these provisions do not apply to expenditures made after December 31, 2035.

Michelle Morales (she/her) 10:58 AM

I have to jump, but thank you for the updates and discussion.

CEDMC State Policy Call

September 12, 2025

Great News! Thank you to all of you for working together effectively to this great outcome!

- **AB-825 Independent System Operator: independent regional organization**
    - SEC. 4. Chapter 10.9 (commencing with Section 25945), the Statewide Demand Side Management Program Review Task Force we opposed, has been replaced with new language supporting the Independent System Operator (Pathways).
    - From Chris Burmester, CEDMC Chair

      The threat will continue, so it's time to take it on the offense and continue our ongoing educational initiatives. We've built good momentum and I think what helped in the end was the ongoing and consistent messaging from our lobbyists and individuals with members and their staff, hitting on the same points from our EE Defense Summit: EE/DSM is a big part of the solution to affordability, good for all Californians, lowers bills, and cutting it will increase bills.
    - We're getting through with this consistent messaging and aligning with other stakeholders so we want to redouble our efforts in the coming session.
    - We also see potential to actively collaborate with certain members on sensible reforms that we all agree to - cost-effectiveness, timing, oversight accountability, etc. We'll make it a priority to align on a schedule and plan to get that going ahead of the next session.
- **Senate Leader McGuire Announces Agreement Reached for Pro Tem Designee, Transition to Occur in 2026**
    - Press release announcing Senator Monique Limón as the Pro Tem Designee.
    - Senator Monique Limón is an American politician serving as a member of the California State Senate. She is a member of the Democratic Party representing the 21st Senate District, which encompasses all of Santa Barbara County and over half of Ventura County.
- **Governor Newsom, legislative leaders announce major deal to save money on electric bills, stabilize gas market, cut pollution (Sept. 10)**

  Saving money on electric bills.
    - **AB 1207** (Irwin) and SB 840 (Limon) significantly increases the state's Climate Credit that shows up on utility bills – saving Californians hundreds of dollars every year.

- **AB 825** (Petrie-Norris/Becker) lowers customer energy costs, improves electric grid reliability and cuts climate pollution by enabling California to expand regional power markets to share clean energy throughout the West.

- **SB 254** (Becker/Petrie-Norris) lowers customer energy costs and improves utility wildfire safety. It enables more affordable electric grid investments by improving utility wildfire oversight, creating an expanded Wildfire Fund and enhancing oversight of utility business practices.

<u>Stabilizing the gasoline market.</u>

- SB 237 (Grayson/Wilson) mitigates against future gasoline price spikes by stabilizing the production of in-state petroleum and refinery supply and diversifying the state's transportation fuel supply, while protecting communities near petroleum wells and increasing safety requirements on idle petroleum pipelines.

<u>Cutting pollution and growing the economy.</u>

- AB 1207 (Irwin) and SB 840 (Limon) extends the state's preeminent climate program, **Cap-and-Invest**, formerly known as Cap-and-Trade. It bolsters California's ambitious leadership in cutting climate pollution in the state while growing the state's economy and improving the quality of life for millions of Californians. Cap-and-Invest stimulates both direct and indirect investment of tens of billions of dollars into the state's economy with investments in clean energy, natural and working lands, local transit and rail projects, affordable and sustainable housing, clean water, healthy forests and wildfire prevention and response and more.

- SB 352 (Reyes) expands local air pollution reduction efforts and oversight in California's most polluted communities by extending air pollution monitoring periods and ensuring the state and local air quality improvement agencies are redoubling their efforts to deploy effective air pollution reduction strategies.

- **CAP & Invest Reauthorization - AB 1207 (Irwin)**

  - Reauthorizes Cap & Trade program through 2045

  - Renames Cap & Invest program

  - Aligns program with CA overall climate strategy for achieving net zero goal by 2045

- Climate credit reduces utility bills; Redirects funds from nat gas to now highest bill months
- Public financing for transmission
- CARB allowances for industries of greatest risk leaving CA
- 6% of offset usage
- Maintains assurances that offsets benefit Californians, 1 offset for every compliance used
- CARB chair appear before Legislature
- CARB prioritize affordability and consumer protections
- Economic analysis to be provided to leg
- Annual oversight hearing on how GGRF spent, meeting outcomes

SUPPORT - CAP and Invest (AB 1207)

Environmental Defense Fund

- Cornerstone of CA suite of climate policy
- Most cost effective climate policy
- Compromise, imperative to pass now
- Preserves the offset program but updates, responding to potential environmental concerns

Coalition for Clean Air

- Return the allocation process to what we hope is a merit based system on who most needs
- Would like to see stronger community air protection and hope to work on next year
- Did not support the 2017 reauthorization, think this is better

Building Trades

- What a compromise, pleasure to be here, no one got everything they wanted but pleased

Pacific Forest Trust

SPUR and SF Chamber

Heirloom Carbon

CA Transit Assn

Nature Conservancy

NRDC

Climate Center
NextGen Policy
SCPPA
CA NV Operating Engineers
CA Housing Consortium
Conservation International, Tree People…
Climate Action CA, 350 Sacramento
Clean Air Task Force
E2
Assn of General Contractors
CMUA
CA Alliance for Jobs
State Laborers
PG&E
Ceres
CalSTART
Building Decarbonization Coalition
CA Compost Coalition
Rethink Waste
Union of Concerned Scientists
CA Council of Economic Balance
Cement Manufacturers
Pacific Steel Group
Clean and Prosperous CA
Greenlining
CA Climate and Ag
CA Environmental Voters
NPH
Southern CA Edison

OPPOSITION

CalChamber

- Since 2017 C&T has been workforce climate tool
- Evaluates through lens of affordability
- AB 1207 tries to strike balance and applaud author and staff, while proud to support 2017 reauthorization but AB 1207 exacerbates affordability problem
- Highest energy cost in nation; shifts allowances from gas to electricity; hurts low income households and small biz that can't afford to electrify

- Should not be reauthorized in late amendments, program runs through 2030, can work on next year

CEJA

- Not done effectively or equitably
- Frontline communities near stationary emissions
- Engaged in good faith, urged for reforms on reducing climate loopholes, equitable relief for low income ratepayers
- Appreciate CARB authority on leakage rate
- Look forward to continued work in 2026

DISCUSSION

Menjivar

- Shouldn't have to vote on bill that we couldn't have input on
- Frustration on big policy deal came together in final hours of session; accuse of not being a team player
- Lock into program for 15 years
- Frustrated that we, actual cmte in charge, had no say in this bill. Maybe our chair had a little say. Not democracy, frustrating
- CA Climate Credit

Irwin:

- Had a working group in the Asm since January, we floated a proposal weeks ago, we would have also preferred a more transparent process, but we are here today
- Number of stakeholder meetings
- Encouraging electrification- climate credit is equitable
- Bigger policy of cap and trade is to move toward an emission free future, so subsidy on gas did not make sense

Menjivar: Bill directs carb to address affordability. What will this look like?

Irwin: Offsets. Focus on accountability from CARB.

Menjivar: Can we come back and make changes in the following years?

Irwin: Yes, through legislation

Blakespear: Senate did not release a proposal at all and we were never clear on what we wanted, went into negotiations unclear as to what we wanted/ where we were going. Hope to not repeat this in any future situation. Breach of rules of engagement of how our bodies engage.

Blakespear: We are charting a course towards affordability. We will reestablish this flagship climate program and provide tangible benefits through restored market certainty.

Valladeres: this bill is all about ambition and not affordability. Will not vote for this.

Reyes: concerns around this becoming a pay to pollute program. Cap and invest is a critical program. Negotiations with stakeholders brought us here. Program has improved.

Votes: 4-1 on call
Blakespear: Aye
Valladeres: no
Menjivar: aye
Perez: aye
Reyes: aye

Final Vote: 55-10

- **SB 840 Limon Greenhouse Gas Reduction Fund (GGRF) Plan**

  SB 840 Limon GGRF PLAN
  Irwin: Discretionary funding to ensure legislative priorities are funded including: clean water, ag, and biomass utilization.
  Ward: Support. Crucial ongoing funding for ongoing affordable housing.
  DeMaio: Opposition.
  Zbur: Thankful to the author and Asm counterparts.
  WIlson: Support
  RBK: Support
  CPN: Support
  Solache: Support
  Arambula: Support
  Gallagher: Oppose
  Patterson: oppose
  Soria: Support, but disappointed in lack of ag/ Data from CARB shows success of FARMER, Diary Digesters but there was no continuous appropriation for this. Also

need urgent solutions to ag burning ban. Urge members to bring agriculture in the fold as a partner at the table. Expect investments in ag to be made in the next year of the leg session.

Irwin: Strongest, cost effective emissions reduction program in the world. Important to uplift agriculture. Will also push to get ag in discretionary fund.

Vote: 54-15

- **SB 254 Becker Energy Affordability**
    - **energy affordability/wildfire fee extension bill**

CPN: Top priority. Reduce costs and stabilize utilities in the wake of fires.

- 2 major provisions:
    - $6 billion on future spending on wildfire mitigation capital investments using securitized debt
    - Program to reduce cost of building transmission infrastructure by public ownership public investments
- Reforms to streamline energy project
- Joint Asm Sen effort

Vote: 58-0

SB 254 Becker Energy

- Shores up wildfire fund; split evenly between ratepayers and shareholders, extends existing surcharge
- Req utilities to securitize debt rather than equity
- Transmission accelerator program, building same things but financing them differently
- Tighter scrutiny on utility profits
- Improvements to streamline permitting for clean energy projects
- Timelines for energization

<u>Support comments from:</u>

Wahab

Perez

Strickland

- Without wildfire fund, how can utilities pay for costs of fires? Impact to ratepayers?
- Becker response: Ratepayers would be on hook for everything

McGuire

- Thanks body for following through on promise of affordability; chair Becker; Padilla & Wahab as co-chairs of affordability group, Kip, James, Chris Nielsen

Opposition comments from:

Seyarto

- Not a long term solution, different approaches that can bring insurance companies back

Pass 30-2, to Governor

- **AB 825 (Petrie-Norris, Rivas, Becker) Independent System Operator: independent regional organization**

Petrie-Norris

-Only can happen post 2026

-CA can exit

-PUC still has to decide

-Sufficient oversight - testimony from CAISO and annual report

-There are enough guardrails

Becker:

- Thanked for all the leadership of CPN getting this into a good place
- Been an effort over a decade to get right
- Amends get it right
- This bill is about 40 hours a year - we can load shift or trade with neighbors - this gives us the opportunity to do the later

SUPPORT

IBEW, Hunter Stern - Co sponsor

-Issues with curtailment - this makes energy more efficient and economic

-Changes to tax credit system that makes economics of solar worse

-There is still opportunity for us to build projects, or else we will be isolated like TX

EDF - co-sponsor

- there is a suite of consumer protections better than any other organized energy market

Everyone else (POUS, CCAs, Enviors, IOUs, Renewables etc etc)

OPPOSITION

TURN

- last minute amends took out the part that TURN supported

-CA Needs opportunity to be able to withdraw

-Need a more balanced proposal that balances risks and rewards

Consumer Watchdog

Protect our Communities Foundation

Center for Biological Diversity

Green Team

Environmental Working Group

DISCUSSION

McNerney - Question on right guardrails?

A: plenty of guardrails

CAISO can still operate a CA only market, so that can be a fallback

Withdraw at any time for any reason

CPN: Tremendous coalition came together on this - opportunity to lower utility bills before us

FOR IMMEDIATE RELEASE

September 13, 2025

CONTACT: Lisa.Murphy@sen.ca.gov (for Capitol)
Nora.Mounce@sen.ca.gov (for District)

State Senate, Senate Leader McGuire Secure Passage of Landmark Cap-and-Invest Extension, Along with Four Historic Energy Affordability Measures

SACRAMENTO—Today, the Legislature passed a historic affordability, energy, and climate package that tackles some of California's most pressing challenges. From energy affordability and bringing down the cost of utility bills, to wildfire prevention, safe drinking water, cleaner air, holding utilities accountable, and environmental protections, Cap-and-Invest will continue to advance bold, statewide solutions for all Californians.

> "Today, the Legislature delivered on a promise and sent a groundbreaking affordability, energy, and climate package to the Governor's desk. While the Trump Administration wages attacks on our economy and nation-leading climate progress, California is charting the future—cutting costs, building a stronger economy, protecting our climate progress, and proving our progress can't be stopped," said **Senate President pro Tempore Mike McGuire**. "This has been a year-long journey and these landmark bills will deliver tens of billions of dollars in savings and result in cleaner, cheaper power. A win-win for the Golden State."

The agreement comes after a year of focused work to stabilize consumer energy costs and drive California's clean energy transition. The Cap-and-Invest extension will power California's commitment to renewable energy, all while preventing spikes at the gas pump and saving ratepayers tens of billions of dollars.

The Cap-and-Invest reauthorization includes an estimated $60-90 billion in critical investments to lower utility bills, build thousands of additional affordable housing units, expand safe drinking water, move thousands of additional wildfire prevention projects forward, expand transit and high-speed rail, and reduce local air quality impacts in disadvantaged communities. Over the life of the program, at least $60 billion will go toward lowering the utility bills for California households and small businesses. Electric bill rebates will be timed around high-cost months, with additional support for low-income Californians, to help families most in need.

The extension also strengthens oversight of the California Air Resources Board (CARB) and the Greenhouse Gas Reduction Fund (GGRF), with a dedicated unit to oversee climate programs and ensure that investments deliver real benefits to Californians.

The package also includes reforms to improve Cap-and-Invest, closing loopholes and ensuring real emission reductions by requiring offsets to be "under the cap."

Finally, $250 million in ongoing funding will go toward reducing pollution in disadvantaged communities. Similarly, the Bureau of Environmental Justice will be made permanent, ensuring that communities with a disproportionate share of pollution have a permanent legal advocate.

This package includes an estimated:

- $16 billion for affordable housing
- $20 billion for High-Speed Rail
- $12 billion for transit programs
- $5 billion for reducing localized air pollution impacts in frontline communities
- $4 billion for wildfire risk reduction
- $2.6 billion for safe drinking water

The 2025-2026 Energy and Climate Agreement passed by the Legislature today includes:

- SB 237: Stabilizes fuel supply and prices in California
- SB 352: Codifies the Environmental Justice Bureau at the Department of Justice and strengthens air quality monitoring and reporting requirements under the AB 617 program, as the first step in implementing the new continuous commitment of $250 million annually for the program
- SB 254: Provides new savings for utility ratepayers through public infrastructure financing and solutions to protect ratepayers and fire victims through California's Wildfire Fund
- AB 825: Unlocks the pathway to a regional electricity partnership across the West to harness more clean and renewable power
- SB 840 and AB 1207: Reform and reauthorize California's signature climate program, deliver tens of billions of dollars for critical infrastructure investments, and deliver higher utility rebates for working families.

Over the last 10 years, California's global leading Cap-and-Invest program has helped distribute over $13.5 billion to residential households, small businesses, and industries. These investments have gone to support 20,361 new affordable housing units, 420,000 additional clean vehicle rebates, and improved air quality. More than 11 million households have received electric bill rebates, totaling over $600 per household. Revenues have supported 30,000 jobs, including 20,000 new jobs in clean transportation, with a quarter of all revenues supporting disadvantaged communities and resulting in emissions in regulated facilities within those communities falling by 21%.

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