ASSEMBLY THIRD READING
AB 2612 (Schultz)
As Amended May 18, 2026
Majority vote

SUMMARY

Permits the California Building Standards Commission (CBSC) to adopt, approve, codify, and publish building energy standards for building electrical circuit features to enable a qualified plug-in photovoltaic (PV) system to function as an energy source within the electrical circuit of single-family residential dwelling, multiunit residential dwelling, or nonresidential development. Directs the CBSC to commence this update with the first triennial edition of the California Building Standards Code (Title 24 of the California Code of Regulations), adopted after June 1, 2031.

Major Provisions

1) Defines "qualified plug-in photovoltaic system (PV)" to mean a device that meets all of the following conditions:

   a) It is designed to be connected to a building's electrical system through a standard electrical outlet;

   b) It is intended to offset the customer's on-site electricity consumption;

   c) It meets the standards of the most recent version of the National Electrical Code, as published by the National Fire Protection Association, and of the California Electrical Code, as specified; and

   d) It is certified as a plug-in photovoltaic system by the Underwriters Laboratories as specified.

2) Requires the Department of Housing and Community Development (HCD) to research, develop, and propose for adoption building standards for a qualified plug-in PV system to function as an energy source within the electrical circuit of a single-family residential dwelling, multiunit residential dwelling, or nonresidential development, that is constructed after the adoption of the first triennial edition of the California Building Standards Code (Title 24 of the California Code of Regulations) that is adopted after June 1, 2031.

3) Requires CBSC and HCD to do all the following in the process of developing the building standards:

   a) Consult with interested parties, including, but not limited to, the State Energy Resources Conservation and Development Commission, electrical safety standard setting bodies, photovoltaic and battery equipment manufacturers, commercial building and apartment owners, and the building industry;

   b) Invite the participation of the public at large in the development of those building standards through open consensus-based processes;

c) Propose new construction building electrical standards that allow a qualified plug-in photovoltaic system with appropriate grid protective functions and rapid shutdown features to function as an energy source for a building's electrical circuit by connecting to a standard alternating current electrical outlet; and

d) Propose building circuit design features to allow a qualified plug-in photovoltaic system to isolate from the premises wiring in order to provide limited backup power functions during outages.

COMMENTS

Background on Building Standards: The California Building Standards Law establishes the process for adopting state building standards by the CBSC. Statewide building standards are intended to provide uniformity in building across the state. The CBSC's duties include the following: receiving proposed building standards from state agencies for consideration in each triennial and intervening building code adoption cycle; reviewing and approving building standards submitted by state agencies; adopting building standards for state buildings where no other state agency is authorized by law; and publishing the approved building standards in the California Building Standards Code (California Code of Regulations, Title 24).

Most building standards currently in use in California are developed and vetted at the national level every three years by technical organizations, academics, and trade associations that develop national consensus standards, which are then incorporated into the International Building Code (IBC), the national model code used by most US jurisdictions. At the state level, state agencies with authority over specified occupancies then review the IBC and amend as necessary for California's specific needs. There are approximately 20 state agencies that develop building standards and propose them for adoption to the CBSC.

After the proposal of building standards by state agencies, the standards undergo a public vetting process. A code advisory committee composed of experts in a particular scope of code reviews the proposed standards, followed by public review. The proposing agency considers feedback and may then amend the standards and re-submit them to the CBSC for consideration. CBSC reviews and adopts the standards and files them with the Secretary of State for codification and publishing, and there is a 180-day period during which local agencies file modifications and changes to the state codes (though they are not limited to this window). The new codes then take effect January 1 of the subsequent year following publication. Updates and changes to building standards are adopted on two timelines: through the triennial code adoption cycle which occurs every three years. Regulatory activities for each cycle begin over two years before the effective date of the codes.

Numerous Additional Directives and Mandates in Recent Years: The Legislature has passed, and the Governor has signed, multiple additional directives to research and propose new building standards in recent years around proposals like rainwater catchment, electric vehicle charging, water efficiency and reuse, adaptive reuse projects, "single stair" apartments exceeding three stories, and beyond. Some of the most impactful mandates in recent years have also come from outside stakeholders or the adopting agencies themselves (rather than the Legislature), like solar panel mandates and fire sprinkler requirements. There are a number of legitimate and important concerns that are addressed by these and many other elements of building standards for housing. However, the framework for proposing and adopting new standards leaves agencies in silos with regard to the volume or costs of new proposals that counterpart agencies are also simultaneously

developing. Cost analyses are performed on each individual modification or for each respective chapter, not on the accumulation of the entirety of changes in each intervening or triennial cycle across all agencies. Holistic review is therefore difficult, and while individual standards may increase costs by what appears a reasonable amount, from a different lens, the cost of the totality of all cumulative changes may be less reasonable. In addition, cost impacts to affordable housing developments are less visible in these analyses as these increased costs are indirectly borne by the state via higher per-unit development costs in the state's grant, tax credit, and loan financing programs rather than extrapolated as a direct impact to the state budget in the evaluation process.

Six Year Freeze: In 2025, AB 130 (Committee on Budget), Chapter 22, imposed a six-year moratorium on the proposal or adoption of new state building standards and modifications to building standards affecting residential units (new and existing) from June 1, 2025 until June 1, 2031. There are a few exceptions to the state moratorium are provided – first, if the standards are proposed via the existing emergency standards process outlined in HSC 18937 and the CBSC agrees with the proposing agency that the standards meet the criteria for emergency adoption and several other specific exemptions. The moratorium would only apply to standards affecting residential units, meaning standards for nonresidential buildings would remain unaffected.

AB 130 also imposed a six-year moratorium on the adoption of new local amendments and modifications to building standards affecting residential units (new and existing) from June 1, 2025 until June 1, 2031. Local agencies would be permitted to re-file amendments or modifications that are substantially equivalent to those that they already had in effect as of January 1, 2025 – in effect, a "hold harmless" to allow the reauthorization of any local standards that are already in place – but new amendments impacting residential units would not be permitted unless they meet limited exceptions. Those exceptions are similar to the state exceptions, including for emergency reasons, for home hardening, or those proposed by a fire protection district that relate to home hardening under specified law allowing for fire protection districts to make such changes.

Individuals may still choose to exceed the state baseline codes, as they always have the option to do. In addition, code proposals impacting new and existing non-residential buildings would still be permitted to continue as expected. All the items contained in the most recent triennial code that were to take effect January 1, 2026 went into effect as planned, as those codes have already been adopted by the CBSC at their recent meetings on February 26-28, 2025 and December 17-19, 2024. Code agencies have the option to bring new proposals to the CBSC to address pressing health and safety issues through the emergency standards process if there is sufficient justification for the urgency of those standards. Further, agencies and stakeholders may continue to work on other non-emergency proposals and could have them ready to propose immediately upon expiration of the moratorium.

Plug-in Photovoltaic System: Plug-in solar, small photovoltaic systems are small, portable solar panels, typically under 2 kilowatts that can be plugged directly into a wall outlet to offset a portion of a households energy consumption. These devices have become popular in Europe and are gaining popularity in the United States as simple, inexpensive options for reducing energy costs. Plug-in photovoltaic systems can be mounted on fences or on balconies and can be moved

from one residence to the next, an attractive option for renters. These systems do not power an entire house like rooftop solar, but can be used like energy efficient appliances.[1]

This bill would require HCD to research and propose mandatory building standards for newly constructed single-family and multi-family housing for "qualified plug-in photovoltaic systems" that can be plugged into a standard outlet. As part of the process of developing standards, HCD would be required to consult with the State Energy Resources Conservation and Development Commission, electrical safety standard setting bodies, photovoltaic and battery equipment manufacturers, commercial building and apartment owners, and the building industry. HCD would be required to invite the public at large to participate in the development of those building energy standards through open consensus-based processes.

According to the Author
"AB 2612 (Schultz) aims to expand access to affordable solar energy for Californians who have historically been excluded from rooftop solar benefits — particularly renters, apartment dwellers, and low-income households. The bill directs the California Building Standards Commission to develop and adopt mandatory building standards that would allow portable, plug-in solar generation devices (small solar panels that connect directly to a standard electrical outlet) to safely function as an energy source within residential and nonresidential electrical systems. By establishing safety certifications and circuit standards for these devices, the bill seeks to give renters and multifamily residents a practical, low-cost way to generate their own clean energy onsite, reduce their electricity bills, and improve energy resilience — without requiring the permanent rooftop solar installations that have long been out of reach for non-homeowners."

Arguments in Support
According to Enphase Energy, "AB 2612 takes a thoughtful and long-term approach to ensure California residents and businesses can safely and seamlessly integrate plug-in photovoltaic systems into the built environment. AB 2612 would ensure that plug-in photovoltaic systems can be safely integrated into new buildings and complimentary building electrical circuit features, in tandem with appropriate product safety features certified by a nationally recognized testing laboratory to the Underwriter Laboratory's UL 3700 standard, or a comparable set of safety standards."

Arguments in Opposition
None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations:

1) CBSC, within the Department of General Services (DGS), indicates, because it lacks the authority and expertise for this type of building standard, it would incur costs of $521,000 to hire a two-year limited-term electrical engineer to research, develop, and propose the subject standards during fiscal years (FYs) 2032-33 and 2033-34 (DGS Service Revolving Fund).

   CBSC notes the necessity of using the DGS Service Revolving Fund for the limited-term electrical engineer results in a corresponding increase to the total amount state agencies

would need to pay as their proportionate share of the fund during FYs 2032-33 and 2033-34. In this way this bill also has an unknown fiscal impact to the State Fire Marshal, Office of Statewide Hospital Planning and Development, Division of the State Architect, Energy Commission, and other proposing and adopting agencies during those fiscal years.

2) HCD estimates ongoing General Fund costs of $597,000 for three analyst positions to propose a new process to meet the bill's requirements, incorporate the new building standards into the general process and coordinate with CBSC on various matters.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around $35 billion per year in the 2027-28 fiscal year and ongoing.

VOTES

ASM HOUSING AND COMMUNITY DEVELOPMENT: 12-0-0
YES: Haney, Patterson, Ávila Farías, Caloza, Garcia, Kalra, Lee, Quirk-Silva, Ta, Tangipa, Wicks, Wilson

ASM UTILITIES AND ENERGY: 18-0-0
YES: Petrie-Norris, Patterson, Boerner, Calderon, Chen, Davies, Mark González, Harabedian, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Ta, Wallis, Zbur

ASM APPROPRIATIONS: 11-1-3
YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache
NO: Tangipa
ABS, ABST OR NV: Hoover, Dixon, Ta

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CONSULTANT: Lisa Engel / H. & C.D. / (916) 319-2085 FN: 0002586