

CONCURRENCE IN SENATE AMENDMENTS

AB 368 (Ward)

As Amended August 29, 2025

Majority vote

SUMMARY

Requires the California Energy Commission (CEC) to evaluate the cost-effectiveness of passive house building energy efficiency standards by climate zone and submit a report to the Legislature on its findings.

Senate Amendments

- 1) Requires the CEC to use the cost-effectiveness criteria in existing law to assess and compare passive house standards.
- 2) Extends the deadline for the CEC to submit its report on the cost-effectiveness of Passive House building energy efficiency standards from December 31, 2026 to July 1, 2028.
- 3) Extends the inoperative date for the reporting requirement from January 1, 2029 to January 1, 2032.

COMMENTS

What are Passive House Standards? Passive House standards are a set of rigorous design and construction practices aimed at achieving ultra-low energy use in buildings. While there is no single statutory definition, the Passive House Institute US (PHIUS) describes passive building as "a set of design principles used to attain a quantifiable and rigorous level of energy efficiency within a specific quantifiable comfort level."

Originally developed in Germany, Passive House standards emphasize features such as airtight construction, high-performance insulation, and highly efficient ventilation systems to minimize the need for active heating and cooling. Core design elements include:

- 1) Superinsulation: High levels of insulation in walls, roofs, and floors to minimize heat loss and reduce the need for active heating and cooling systems
- 2) Airtight Construction: To prevent heat loss
- 3) Heat Recovery Ventilation (HRV) or Energy Recovery Ventilation (ERV): To ensure constant supply of fresh air without significant heat loss hence maintaining indoor air quality while saving energy

Under current law, the CEC adopts building energy standards, commonly known as Title 24. These codes include both prescriptive requirements and performance-based compliance pathways. Although nothing prohibits a consumer from building or retrofitting to Passive House standards, demonstrating compliance with Title 24 may be unclear. Consumers seeking Passive House certification typically work with independent providers who verify whether a building design meets recognized Passive House standards.

According to the Author

According to the author, "AB 368 directs the California Energy Commission to evaluate and adopt certified Passive House (PH) standards as an alternative compliance pathway within Title 24, making it easier and more cost-effective to build high-performance, energy-efficient buildings. PH designs significantly reduce energy consumption and enhance resilience to climate change by utilizing airtight construction, superior insulation, and advanced ventilation systems. By streamlining certification and removing costly barriers, AB 368 will accelerate building decarbonization, improve indoor air quality, and support California's climate goals."

Arguments in Support

This bill is supported by a broad coalition of organizations—including housing advocates, climate and environmental groups, and certification bodies—who emphasize that the legislation will accelerate building decarbonization, improve indoor air quality, and advance California's climate goals.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Senate Committee on Appropriations, this bill would result in costs of up to \$300,000 annually through July 1, 2028 for the CEC to evaluate the cost-effectiveness of Passive House building energy efficiency standards by climate zone and to submit its findings to the Legislature.

VOTES:**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 NATURAL RESOURCES: 14-0-0

YES: Bryan, Alanis, Connolly, Ellis, Flora, Garcia, Haney, Hoover, Kalra, Muratsuchi, Pellerin, Schultz, Wicks, Zbur

ASM APPROPRIATIONS: 14-0-1

YES: Wicks, Arambula, Calderon, Caloza, Dixon, Elhawary, Fong, Mark González, Hart, Pacheco, Pellerin, Solache, Ta, Tangipa

ABS, ABST OR NV: Sanchez

ASSEMBLY FLOOR: 79-0-0

YES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

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