

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 647 (Hurtado) – As Amended July 14, 2025

Policy Committee: Utilities and Energy

Vote: 13 - 2

Urgency: No

State Mandated Local Program: Yes

Reimbursable: No

SUMMARY:

This bill requires the development of metrics to evaluate the effectiveness, equity and accountability of specified existing programs to provide energy efficiency incentives for low- and moderate-income residents.

Specifically, this bill:

- 1) Directs the California Public Utilities Commission (CPUC), in consultation with the Low-Income Oversight Board (LOIB), to establish standardized statewide performance metrics to evaluate the effectiveness, equity and accountability of specified programs created by statute to provide energy efficiency incentives for low- and moderate-income residents.
- 2) Directs CPUC to (a) require administrators of these energy efficiency incentives program to collect and report data related to the performance metrics and (b) incorporate the metrics into annual evaluations.
- 3) Adds a 12th member, chosen by the executive director of the California Energy Commission (CEC), to the LOIB, which existing statute charges with advising the CPUC on low-income electric, gas, and water customer issues.
- 4) Requires the California Energy Commission (CEC) to establish a mechanism to notify applicants to the Equitable Building Decarbonization Program that they may also be eligible for building energy efficiency and decarbonization incentives authorized by the CPUC.

FISCAL EFFECT:

- 1) This bill requires new analytical and administrative work of the CPUC to evaluate existing metrics, develop new metrics and incorporate them into evaluations, and to regulate the actions of program administrators. Doing so will likely require new resources in the hundreds of thousands of dollars annually, mainly for new staff, with costs diminishing somewhat in the out years, following development and incorporation of the new metrics (Public Utilities Commission Utilities Reimbursement Account).

The CPUC estimates it will need \$437,000 annually ongoing. Those cost are comprised of \$363,000 in personnel costs for one regulatory analyst (\$218,000 annually) and one administrative analyst (\$145,000), as well as \$110,000 annually for travel, materials, equipment and other miscellaneous costs.

2) Costs to CEC should be minor and absorbable.

COMMENTS:

Existing law establishes several programs, administered by the CPUC or CEC, that help lower-income customers fund energy efficiency upgrades and similar measures at their homes and to help such customers pay their electric and gas utility bills. State law establishes the LIOB and tasks it with advising the CPUC on low-income electric, gas and water customer issues and with serving as a liaison to the CPUC for low-income ratepayers and representatives. Statute lays out LIOB membership, as follows:

- Five members, selected by the CPUC, who have expertise in the low-income community and who are not affiliated with any state agency or utility group, selected in a manner to ensure an equitable geographic distribution.
- One member selected by the Governor.
- One member selected by the CPUC who is a commissioner or commissioner designee.
- One member selected by the Department of Community Services and Development.
- One member selected by the CPUC who is a representative of private weatherization contractors.
- One member selected by the CPUC who is a representative of an electrical or gas corporation.
- One member selected by the CPUC who is a representative of a water corporation.

The author describes the state's current situation as one in which "Too many hardworking families – our farmworkers, caregivers, teachers, and seniors – live in homes with outdated systems that drive up energy bills and worsen indoor air quality, especially in regions like the Central Valley where heat is extreme and incomes are limited." Yet, the author contends, "structural barriers" prevent such Californians from "benefitting fully from energy savings programs." According to the author, this bill addresses the situation by strengthening:

oversight and coordination of state energy efficiency programs by expanding the Low-Income Oversight Board and requiring a comprehensive assessment of how current energy programs serve low- and moderate-income households while also identifying gaps and barriers so the legislature can begin to close them with more effective, targeted solutions.

The bill is supported by various organizations made up of, or that advocate on behalf of, low-income Californians. The committee is unaware of opposition to the current version of this bill.

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