
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 924 (Hurtado) - Low-income energy assistance

Version: April 20, 2026

Urgency: No

Hearing Date: May 4, 2026

Policy Vote: E., U. & C. 16 - 1

Mandate: Yes

Consultant: Ashley Ames

Bill Summary: This bill would make various modifications to the Energy Savings Assistance Program (ESAP).

Fiscal Impact:

- The California Public Utilities Commission (CPUC) estimates ongoing costs of \$718,000 in the first year and \$468,000 annually thereafter (ratepayer funds) to (1) consider the prioritization of nonenergy benefits, and the health and safety of residents, when designing the ESA program; (2) ensure that weatherization program costs would not be an undue burden for ratepayers; and ensure that the IOUs' ESAP contracting efforts are consistent with their annual supplier diversity reports to the CPUC, among other things.

Background: The ESAP program provides low-income weatherization and energy efficiency services. ESAP is one of the CPUC's oldest low-income assistance programs. The program provides low-income households with ratepayer-funded services that improve the energy efficiency of their homes and replace certain appliances with energy efficiency appliances. Unlike many other programs, ESAP does not have strict cost-effectiveness requirements that would require repayment of upgrades in the form of energy savings. Instead, existing law requires the CPUC to consider the cost-effectiveness of measures as a whole as well as certain non-energy benefits, including measures that improve residents' bill affordability and health and safety.

Since the establishment of ESAP, the CPUC and other agencies have established additional programs aimed at funding home upgrades to improve energy savings and increase electrification of home appliances. For example, recent budget legislation (AB 209, Committee on Budget, Chapter 251, Statutes of 2022) established the EBD program, which provides funding for home upgrades that decrease GHG emissions from homes. Unlike ESAP, the EBD program is not funded by ratepayers and provides incentives to moderate income households that are ineligible for ESAP.

Proposed Law: This bill would make other various modifications to the Energy Savings Assistance Program (ESAP). Specifically, it would

1. Delete the existing definition of "weatherization" for the ESAP program, and instead redefine eligible weatherization upgrades to include the following:
 - a. Attic insulation.
 - b. Air infiltration measures, which may include caulking, weatherstripping, and other measures determined appropriate by the CPUC.

- c. Water heating and water-saving technologies.
 - d. Minor home repairs that reduce air infiltration or energy usage.
 - e. High-efficiency and smart appliances.
 - f. Heating, ventilation, and air conditioning.
 - g. Heat pump technologies.
 - h. Energy management technologies.
2. Provide that “weatherization” may also include other building conservation measures, energy management technology, and energy education programs determined by the commission to be feasible, taking into consideration for all measures both the cost-effectiveness of the measures as a whole and the policy of reducing energy-related hardships facing low-income households.
 3. Require the CPUC to ensure that weatherization program costs do not result in undue burdens for ratepayers and do not increase the authorized budgets for the ESAP based on the expansion of income eligibility made under paragraph (2) of subdivision (i), as that definition was codified in Section 2 of Chapter 248 of the Statutes of 2021.
 4. Require electrical and gas corporations to prioritize the following in administering ESAP incentives:
 - a. Integration of health, safety, and indoor air quality improvement measures necessary to enable whole-home improvements.
 - b. Coordinated delivery across fuel types and housing types, conditions, and tenancy structures.
 - c. Program design that allows for tenant-level benefits where upgrades occur in rental properties.
 5. Provide that the CPUC may consider nonenergy benefits, including improvements to the health and safety of residents, when establishing priorities for program design.
 6. Require each electrical corporation and gas corporation to report on measurable household affordability outcomes, including estimated bill reductions, disaggregated by housing type and tenancy status, as specified.
 7. Requires the CPUC to consult with the LIOB and ensure meaningful public and stakeholder input as part of the implementation of this bill.
 8. Require the CPUC, in administering these programs, to ensure that diverse contracting requirements are consistent with plans submitted to the commission, and the guidelines established, pursuant to Section 8283.

9. Specify that ESAP contracting processes must provide meaningful participation for diverse businesses and avoid procurement structures that unduly favor large or vertically integrated corporations.
10. Specify that this bill does not prohibit competitive bidding requirements or impact state procurement requirements.

Related Legislation:

SB 647 (Hurtado) of 2025, would have added a representative to the LIOB from the CEC and required the CEC to provide applicants to the EBD program with information about other energy efficiency and building decarbonization incentives overseen by the CPUC. The bill was vetoed.

AB 209 (Committee on Budget, Chapter 251, Statutes of 2022) allocated various funds to implement the 2022 Budget Act. The bill established various energy programs, including the EBD program at the CEC.

SB 756 (Hueso, Chapter 248, Statutes of 2021) increased the income eligibility threshold for ESAP from 200% of the FPL to 250% of the FPL and prohibited the CPUC from increasing the budget of ESAP.

SB 1403 (Hueso) of 2020, would have expanded ESAP income eligibility. The bill died in the Assembly.

Staff Comments: This bill may expressly broaden the types of services eligible for ESAP funding. While some measures added to statute by this bill are already eligible for ESAP funding, this bill may permit a broader range of upgrades to obtain ESAP eligibility. This expanded eligibility could create a cost pressure on available program funds.

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