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R1901011

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking
Regarding Building Decarbonization.

Rulemaking 19-01-011

**ASSIGNED COMMISSIONER’S AND ASSIGNED ADMINISTRATIVE
LAW JUDGE’S RULING SEEKING INFORMATION ON BUILDING
DECARBONIZATION AND ENTERING PILOT PROGRAMS
DRAFT REPORTS INTO THE RECORD**

This ruling invites parties to respond to the questions regarding building decarbonization lessons learned, best practices, and action plan in Attachment A. This ruling also enters the Building Initiative for Low-Emissions Development (BUILD) Draft Report and the Technology and Equipment for Clean Heating (TECH) Draft Report (collectively referred to as Pilot Programs Draft Reports), Attachments B and C, respectively, into the record of this proceeding. Parties may file and serve opening comments no later than April 10, 2026, and reply comments no later than April 17, 2026.

Decision (D.) 20-03-027, *Decision Establishing Building Decarbonization Pilot Programs*, established two building decarbonization pilot programs – the BUILD Program and the TECH Initiative pursuant to Senate Bill 1477 (Chapter 378, Statutes of 2018). The decision directed Commission staff to work with Southern California Edison Company, the Commission appointed contracting agent, to hire and manage one evaluator for both programs.¹

On July 1, 2024, the Assigned Commissioner’s Amended Scoping Memo

¹ D.20-03-027 at 38.

and Ruling (July 1, 2024 Scoping Memo) set forth the scope of Phase 4 of this proceeding, which amongst other issues, considers whether the Commission should develop and adopt a Building Decarbonization Action Plan.

On January 21 and 22, 2026, Energy Division hosted a hybrid Building Decarbonization Best Practices and Future Pathways Workshop (Workshop) to discuss lessons learned, best practices, and forward-looking strategies from prior and ongoing building decarbonization programs and activities. The Workshop also focused on long-term vision for scaling decarbonization including zonal decarbonization, technology applications, funding, and policy strategies.

In the Workshop, Commission staff presented a Best Practices and Future Pathways Framework (Framework) which is the foundation of the proposed Building Decarbonization Action Plan set out in the scoping memo. The Framework identified six categories of best practices for program design: integrated program offerings, measure-specific successes, right-sizing electric service, recognizing remediation needs, excelling in customer buy-in, and leveraging data and analytics. It also captured the supporting role of sectors and strategies such as workforce support and development, new construction and codes & standards, and co-benefits, in building decarbonization. Finally, the Framework pointed to various sources of long-term building decarbonization vision to consider, including investor-owned utilities, networked geothermal efforts, and international efforts.

On March 2, 2026, Pacific Gas and Electric Company (PG&E) filed and served a Building Decarbonization Best Practices and Future Pathways Workshop Report (Workshop Report) per direction of the assigned Administrative Law Judge (ALJ).²

² ALJ Ruling Directing Workshop Report, February 2, 2025.

On March 3, 2026, PG&E filed and served a Notice of Availability pursuant to Rule 1.9(d) of the CPUC's Rules of Practices and Procedure for the slides presented at the Workshop into the record of this proceeding (Workshop Slides).

With the objective of identifying best practices and lessons learned from building decarbonization actions to date, including specific practices and lessons to include in the Building Decarbonization Action Plan, parties may respond to the questions in Attachment A in opening and reply comments.

Parties may also provide comments on the Workshop Report submitted by PG&E on March 2, 2026, and the reports set out in Attachments B and C to this ruling in opening and reply comments. Parties are to file and serve opening comments no later than April 10, 2026, and reply comments no later than April 17, 2026.

IT IS SO RULED

Dated March 20, 2026, at San Francisco, California.

/s/ DARCIE L HOUCK

Darcie L. Houck
Assigned Commissioner

/s/ PAULA GRUENDLING

Paula Gruending
Administrative Law Judge

/s/ BRANDON GERSTLE

Brandon Gerstle
Administrative Law Judge

Attachment A

Building Decarbonization Questions

Attachment A – Building Decarbonization Questions

Parties are to provide support for recommendations in the form of references, case studies, and supporting documentation where available. Note that the Building Initiative for Low-Emissions Development (BUILD) Draft Report, Attachment B, and Technology and Equipment for Clean Heating (TECH) Draft Report, Attachment C, collectively referred to as Pilot Programs Draft Reports, may include relevant information for your answers.

Specify which of your recommendations apply to building decarbonization generally and which apply to zonal decarbonization. Where appropriate, describe how your recommendations incorporate the goals of the Environmental and Social Justice (ESJ) Action Plan 2.0³ and California’s climate goals set forth in the July 1, 2024 Scoping Memo at Section 2.

As stated in the Assigned Commissioner’s Amended Scoping Memo and Ruling (July 1, 2024 Scoping Memo), the Commission intends to develop and adopt an action plan setting out best practices and lessons learned in order to improve program effectiveness and inform building decarbonization strategies for investor-owned utilities (IOUs) going forward. The Governor of California, the Commission, the California Air Resources Board, and the California Energy Commission have set goals and targets to decarbonize the residential and commercial sectors and reduce their impacts on climate change. The July 1, 2024 Scoping Memo describes some of the actions taken by the Commission and other agencies to meet clean energy and climate policy goals. Various aspects of the Commission’s regulatory work, such as approving utility rate structures and cost allocations, establishing safety and reliability standards, and overseeing utility programs and pilots, affect the state’s progress. This work is spread across multiple proceedings, including general rate cases, the Long-Term Gas Planning Rulemaking (R.)24-09-012, the Energy Efficiency Rulemaking R.25-04-010, and the Building Decarbonization Rulemaking R.19-01-011.

An action plan will provide a framework for the Commission and stakeholders reference across proceedings to improve the implementation and effectiveness of relevant programs and approaches to

³ <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf>

cost-effectively scale building decarbonization. For example, it can inform zonal decarbonization work and pilot programs initiated since the time of the July 1, 2024 Scoping Memo. The July 1, 2024 Scoping Memo asked parties questions related to the Building Decarbonization Action Plan. Later, the Building Decarbonization Best Practices and Future Pathways Workshop (Workshop) held by the Commission on January 21 and 22, 2026 gathered additional information that is summarized in the Workshop Report⁴ and Workshop Slides⁵. Two additional resources, the Pilot Programs Draft Reports, are attached along with the questions set out here. Parties may consider the information in these reports along with the Workshop materials referenced above when answering the questions set forth below.

- 1) The Workshop Report includes a wide range of stakeholder input and recommendations from the Workshop. Please review the Workshop Report and Workshop Slides to ensure they accurately reflect stakeholder input. If there are discrepancies, please identify the sections, provide specific details and suggested corrections, and identify any inaccuracies, inconsistencies, or omissions from the Workshop discussion in the sections of the Workshop Report. Comments in response to this question should be limited to Workshop discussions, the Workshop Report, the Workshop Slides, and recommendations.
- 2) Does the Best Practices and Future Pathways Framework (Framework), included in the Workshop Slides and presented in the Workshop, adequately capture the full scope of issues discussed in the Workshop?
 - a. Which topics or themes were not captured in this Framework?

⁴ <https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=601158767>

⁵ <https://docs.cpuc.ca.gov/SearchRes.aspx?DocFormat=ALL&DocID=601158007>

- b. How should the Commission refine or expand the Framework to better guide future program design?
- 3) What are the key lessons learned and best practices from existing building decarbonization programs and strategies identified in the Workshop and the Pilot Programs Draft Reports set out in Attachments B and C?
 - a. Which lessons are most relevant for near-term Commission action?
 - b. How do these lessons align with the Framework presented at the Workshop?
 - c. Which lessons should be incorporated into a longer-term Building Decarbonization Action Plan as set out in the July 1, 2024 Scoping Memo?
- 4) Did the Workshop sufficiently address program coordination across program administrators, utilities, community choice aggregators, regional energy networks, state agencies, local governments, and other stakeholders (e.g., renovation/construction professionals)? Are there additional promising coordination strategies that were not highlighted in the Workshop?
- 5) What barriers and gaps in current policies, programs, and strategies discussed in the Workshop should inform Commission approaches to building decarbonization pilots and programs and development of the Action Plan?
 - a. How do these gaps and barriers align with the Framework presented at the Workshop?
 - b. Which of these gaps and barriers fall under the regulatory authority of the Commission and among those, which should be prioritized for the Commission Action Plan?
 - c. How can a Commission Building Decarbonization Action Plan best address these gaps and barriers?
 - d. How may implementation of IOU pilot projects under SB 1221 address these gaps and barriers?

- 6) Provide any other comments on the Workshop Report, Workshop Slides, Workshop, or Pilot Programs Draft Reports that are relevant to the development of a Building Decarbonization Action Plan.
- 7) Should the Commission consider any additional information that was not identified in the Workshop or Pilot Programs Draft Reports or other information included in the record of this proceeding in the development of a Building Decarbonization Action Plan?
- 8) Should the Commission prioritize any lessons learned or best practices over others, chronologically and/or in terms of importance as part of a Building Decarbonization Action Plan?
- 9) Describe any particular aspects of Tribal, local, or regional communities within California that affect the entities' ability to pursue building decarbonization programs and funding opportunities. How should building decarbonization programs be structured to remove barriers to participation for Tribal, local or regional communities?
- 10) How should the Commission best leverage non-ratepayer funding from programs outside the Commission to assist with covering costs of building decarbonization efforts?
 - a. Are there easy to use, efficient mechanisms to layer existing incentive programs to provide cost effective options for building decarbonization efforts?
- 11) How should the Commission encourage equitable access to the benefits of building decarbonization in California communities with circumstances such as a lack of gas service, use of propane or wood burning for heating and cooking, and/or electrical service on poor-performing circuits?⁶
 - a. How can the Commission encourage opportunities for building decarbonization in communities not benefiting from zonal

⁶ See [D.18-12-015](#), *Decision Approving San Joaquin Valley Disadvantaged Communities Pilot Projects*

decarbonization in ways that are effective (affordable, culturally appropriate, etc.)?

- 12) How should the following factors be considered and addressed in building decarbonization and/or zonal decarbonization programs?
- a. How to address electrical infrastructure capacity issues and the potential for zonal decarbonization programs to trigger major upgrades to the electric grid? How might the suitability of the electrical system in a specific location be demonstrated?
 - b. Customers' concerns about electrical system reliability, e.g., in customer outreach or as part of consideration for the location of zonal decarbonization initiatives.
 - c. Wildfire-related factors, such as community hardening needs, resiliency, and cost-effectiveness for customers in Zone Zero in high fire threat districts. Parties may wish to reference the "Ending Catastrophic Wildfire Together: Improving Electric Utility Wildfire Outcomes Through Collaboration" report by Gridworks⁷ and/or the Commission's Rebuilding Incentives for Sustainable Electric (RISE) Homes program⁸ in their responses.
- 13) What are the lessons learned or best practices that can be taken from the Pacific Gas and Electric Company Lessons Learned Report on its Zonal Electrification Project at California State University Monterey Bay (CSUMB)⁹ or any other reports on zonal electrification learnings?
- 14) Considering the presentations by the gas IOUs and HEET in the Workshop, what role should district heating, thermal energy networks, or related technologies and strategies play in providing cost effective options for residential, commercial, and industrial building decarbonization?

⁷ https://gridworks.org/wp-content/uploads/2025/12/GW_CREPC-Wildfire-Report.pdf

⁸ See <https://risehomesca.com> and [D.21-11-002](#)

⁹ <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M596/K752/596752064.PDF>

- 15) Provide any additional recommendations for goals, structure, and content that could be included in a Commission Building Decarbonization Action Plan.
- 16) Provide any additional comment on how to address cost concerns, reliability concerns, and/or concerns regarding administrative burdens of building decarbonization funding programs, including rebates, grants, tax credits, loans, and/or on bill financing.

Attachment B

BUILD Draft Report

Attachment C

TECH Draft Report