



## Proposed Decision Fact Sheet

### Building Decarbonization, Phase 4 Track A

#### June 12, 2025

On March 26, 2025, the California Public Utilities Commission (CPUC) released a Proposed Decision (PD) in its Building Decarbonization proceeding ([R.19-01-011](#)). A revision to the PD was published on June 10, 2025.

### Summary

The Phase 4 Track A PD for the proceeding addresses four main issues that will improve the process for customers to transition their homes from natural gas to all-electric:

- 1) **Approves Common Facility Cost Treatment for certain under-resourced customers:** Authorizes up to \$5 million annually across California's three large electric investor-owned utilities (IOUs) to provide no-cost electric service line upsizing for qualifying customers that meet the following requirements: are participating in a building decarbonization program, undergoing electrification of at least two appliances (one of which must be either space heating equipment or water heating equipment), and have existing electric service line capacity of under 100 amps.
- 2) **Adopts measures to prevent unnecessary electric service line upsizing:** Authorizes expansion strategies to leverage behind-the-meter devices (such as Meter Socket Adapters, or "MSAs") that attach to the utility meter to increase the capacity of a customer's existing service line without need for electric service line upsizing. This will result in ratepayer and customer savings, as well as reduce wait times for utilities to install new infrastructure.
- 3) **Extends deadlines established in the Phase 3B Decision ([D.23-12-037](#)):** Mixed-fuel building projects (i.e., buildings that use natural gas and/or propane in addition to electricity) will have until June 30, 2027 (instead of June 30, 2025) to successfully energize and claim electric line extension subsidies, and mixed-fuel building projects in the design review approval process prior to July 1, 2024 will remain eligible for electric line extension subsidies so long as they meet the modified energization deadline. Additionally, data reporting on electric line extension requests was changed from annual to quarterly.
- 4) **Authorizes the release of \$40 million for the Technology and Equipment for Clean Heating (TECH) Initiative pursuant to Assembly Bill (AB) 157:** New funding will come from the Aliso Canyon Recovery Account and be reserved exclusively for Southern California Gas Company customers to support home electrification, with priority disbursement in Aliso Canyon Disaster Area communities, as required by AB 157 (Budget Act of 2024).

### Subsidies for Electric Service Line Upsizing

The PD authorizes up to \$5 million annually toward service line upsizing costs for under-resourced residential and small business customers whose existing premise's electric service line capacity is below 100 amps. Eligible customers must be participants of a building decarbonization program that results in the electrification of at least two appliances, one of which must be either space heating equipment or water heating equipment. Qualifying as under-resourced will be determined by the equity-based programs through which the customer is being offered electrification incentives, including but not limited to income-qualified programs and programs for under-served communities. After December 31, 2029, any unspent funds will be returned to ratepayers.



The PD also establishes a cap of \$10,000 per single-family project to maximize the number of participants in the program.

### **Measures to Prevent Unnecessary Electric Service Line Upsizing**

The PD provides a pathway for utility testing and approval of third-party MSAs, which can be used to help existing buildings add electrification without increasing the building's service line capacity.

The PD also requires electric IOUs to: (1) report specified information to help the Commission better understand the costs and challenges of collecting and sharing 15-minute peak demand data; (2) establish new tariffs supporting the installation of customer-owned MSAs; (3) prospectively record the size of all newly installed or replaced service lines; and (4) provide educational materials on alternatives to electric upsizing for all customers applying for a service upgrade.

An MSA is a device that can add load (e.g., for electric vehicle chargers, heat pump water heaters, etc.), while also monitoring the overall power draw from the grid to reduce the need for costly service line and panel upgrades.

### **Extension of Deadlines for Mixed-Fuel Building Projects**

The PD extends the energization deadline of July 1, 2025 established in the Phase 3B Decision for mixed-fuel building projects to receive electric line extension subsidies to June 30, 2027. It also allows mixed-fuel building projects that were in the design review approval process prior to July 1, 2024 to remain eligible for electric line extension subsidies so long as they meet the modified energization deadline. Finally, it requires IOUs to submit quarterly reports with data on electric line extension expenditures.

### **AB 157 Implementation: \$40 million for TECH Initiative in SoCalGas Territory**

The PD authorizes the allocation of \$40 million from the Aliso Canyon Recovery Account settlement funds, as required by AB 157, to augment the TECH Initiative and fund new measures to enable comprehensive building electrification in the Aliso Canyon Disaster Area communities.

### **Background**

- The [Scoping Ruling](#) for Phase 4 of R.19-01-011 was issued on July 1, 2024.
- A Phase 4 Track A Energy Division [Staff Proposal](#) was issued for party comment on July 18, 2024.
- [AB 157](#) was signed into law by Governor Gavin Newsom on September 30, 2024.
- A [Ruling](#) was issued on October 8, 2024 directing parties to comment on AB 157 implementation.

### **Next Steps**

- Comments by parties on the PD were due on April 15, with Reply Comments due on April 20.
- The PD is currently scheduled to be on the June 12, 2025 [Voting Meeting](#) Agenda.

### **More Information**

- [Proposed Decision \(Original\)](#)
- [Proposed Decision \(Rev 1\)](#)
- [CPUC Building Decarbonization Webpage](#)