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PG&E Comments RE CEC Draft 2025 Building Action Plan

Additional submitted attachment is included below.



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California Energy Commission
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715 P Street
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RE: Staff Workshop on the CEC Draft 2025 California Building Energy Action Plan

Pacific Gas and Electric Company (PG&E) appreciates the opportunity to comment on the California Energy Commission's (CEC) 2025 California Building Energy Action Plan (Action Plan). PG&E has a commitment to achieve a net zero energy system by 2040¹ and recognizes the importance of building decarbonization in meeting both PG&E's and the state's clean energy goals. PG&E appreciates the agency's work to provide a comprehensive clean energy strategy for California's buildings and supports its overarching objectives to advance efficient electrification, maximize equity in building decarbonization investments, improve affordability, support workforce development, and increase load flexibility.

To further support affordable building decarbonization at scale, PG&E respectfully offers the following recommendations:

1. Emphasize the importance of a managed transition
2. Provide a detailed funding strategy with implementation plans
3. Emphasize collaborative and coordinated planning for an energy data and tool repository and expanded data reporting

1. Emphasize the importance of a managed transition

PG&E recommends calling for a strategic approach to electrification and gas decommissioning as a central finding of the report. The Action Plan lightly discusses targeted zonal decarbonization and the need to plan for a managed transition as gas demand declines, though it could provide more detail in a dedicated section and emphasize this as an essential strategy.

E3, in a CEC-funded report,² notes that "a deliberate 'managed transition' will be required to reduce future gas system spending and manage gas rates for customers" as widespread building electrification

¹ Pacific Gas and Electric Company. (2022). PG&E climate strategy report (p. 7).
<https://www.pge.com/content/dam/pge/docs/about/corporate-responsibility-and-sustainability/pge-climate-strategy-report.pdf>

² Gold-Parker, A., Landsman, J., Liu, F., & Mahone, A. (2024). An analytical framework for targeted electrification and strategic gas decommissioning: Identifying potential pilot sites in Northern California's

results in the fixed costs of the gas system spread over fewer customers. The report finds that targeted electrification and gas decommissioning can provide net benefits to the state and both gas and electric ratepayers. It is critical that the state continues to center a whole-building zonal strategy as part of its building decarbonization plans, in addition to accelerating heat pump adoption for space and water heating. Adoption of heat pumps upon equipment replacement can complement zonal decarbonization by bringing buildings closer to full electrification and lower the barrier for customers to participate in zonal electrification projects.

2. Provide a detailed funding strategy with implementation plans

PG&E recommends the CEC provide a holistic funding strategy with additional clarity on implementation. The Action Plan rightly identifies the need for solutions to reduce the upfront cost of electrification. It discusses both funding and financing at a high-level and focuses specifically on the importance of financing as a key finding. Given the importance of affordability in advancing building electrification, PG&E recommends providing more specificity around funding solutions and including more detail on implementation.

A holistic funding strategy should include an array of financing and funding solutions from various sources to suit the diverse needs of different customers. The Action Plan includes a recommendation to “continue to prioritize funding for incentives...,” but it could be strengthened by offering specific pathways to unlocking funding and incentives, especially those that do not rely on ratepayer funding to protect customer bills. Beyond federal funding and existing programs, the Plan could identify other funding sources to help reduce the upfront cost of electrification and explain how to tap into that funding.

To make the recommendations more actionable, the Action Plan should provide more detail on how to implement the funding solutions and how to coordinate statewide on implementation. For example, the financing section offers thoughtful opportunities like “well-designed financing programs that include securitization, coinvesting strategies, and credit enhancements,” but to put that recommendation into action, market actors will likely need more direction that clarifies how to design and execute those programs. Similarly, state actors could likely benefit from more clarity on how to coordinate the various funding sources to better align limited funding with areas of greatest need. These changes will help ensure the strong ideas in the Action Plan become tangible solutions across the state.

3. Emphasize collaborative and coordinated planning for an energy data and tool repository and expanded data reporting

PG&E recommends collaborative planning between state agencies and utilities in the development of a centralized decarbonization data and tool repository and/or any new data analysis platforms, as described in the Draft Building Energy Action Plan,³ to avoid duplication of efforts and minimize costs of data reporting and tool development. The Action Plan highlights the CEC’s work to integrate utility billing and interval meter data, rate information, and program datasets into a statewide energy data warehouse, and to develop an anonymization protocol that enables researcher and agency access while

East Bay Region (CEC-500-2024-073). California Energy Commission. p. 6. California Energy Commission.
<https://www.energy.ca.gov/sites/default/files/2024-06/CEC-500-2024-073.pdf>

³ Draft CEC Building Energy Action Plan, pp.42-43

preserving customer confidentiality.⁴ It also identifies MIDAS as a database that provides time-dependent rates, GHG signals, and Flex Alerts to support demand flexibility and bill impact analysis. Given the scale and ambition of this work—and the CPUC’s parallel activities including the Enhanced Demand Response Rulemaking (R.) 25-09-004 (which is assessing data access systems to support demand response and dynamic rates), the DER Customer Programs OIR (R.22-11-013) Data Working Group, the CPUC’s development of a public fuel substitution bill impact estimator tool, and PG&E’s existing customer-facing “Electrification Savings Calculator” — recommends that the Plan more clearly emphasize the need for collaborative planning with utilities and the CPUC. Beginning with an RFI type process could help the CEC assess technical feasibility, understand operational impacts, costs, and align new reporting expectations with existing utility systems and CPUC guidance.

In developing the CEC’s own energy data repository in support of advancing accurate bill-impact estimation, it would be both practical and resource-efficient to leverage existing energy data repositories and tools, as well as determine the use cases of each dataset included. For example, PG&E has developed an “Electrification Savings Calculator,”⁵ a customer-facing tool now known “Clean Energy Calculator” residential customers estimate future bills after adopting clean energy measures. The CPUC’s fuel substitution bill impact calculator (identified in the draft Action Plan)⁶ was developed to support its decarbonization-related policymaking through the Energy Efficiency Order Instituting Rulemaking (R.25-04-010).⁷ Both PG&E’s Clean Energy Calculator and the CPUC fuel substitution bill impact calculator already incorporate key parameters such as ZIP codes, climate zones, and building vintage. PG&E’s Clean Energy Calculator informs individual PG&E customers on their potential electrification bill impacts based on their energy usage history, program enrollment, and eligible rate schedule.⁸ In contrast, the CPUC’s fuel substitution bill impact calculator may be better suited to inform general, statewide building electrification policymaking because, based on PG&E’s understanding, the tool uses aggregate, average data assumptions for customer energy usage based on certain customer characteristics.

Establishing clear use cases for each dataset in a CEC repository, and maintaining an awareness of how data specifications relate across tools, could contribute to a more coordinated and effective development process for the aggregate database. Leveraging existing work could enable the CEC to

⁴ Ibid.

⁵ D.21-11-016 Ordering Paragraph 16 requires PG&E to implement the provisions of the residential rate design settlement detailed in the *Motion of Pacific Gas and Electric Company for Adoption of Residential Rate Design Supplemental Settlement Agreement*, whereby PG&E describes on pp.14-15 its intent to offer an “Electrification Savings Calculator” that will allow prospective electrification customers to estimate which rate is best for their household.

⁶ Draft Building Action Plan, p.42

⁷ D.23-04-035 p.24 describes the CPUC staff development of a fuel substitution bill impact calculator to support determination of “viable electric alternatives” to gas EE measures. The Administrative Law Judge’s Ruling Providing Notice and Opportunity to Comment on Staff Proposal for Policy on Natural Gas Energy Efficiency Incentives (December 1, 2025) refers to this tool as the “Customer Electrification Estimator Tool” and describes some of the tool functionality in Attachment 2, page 17. This tool is not yet publicly available and PG&E has not yet had an opportunity to review a final version of the tool: <https://webtraining.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/fuel-substitution-bill-impact-calculator>

⁸ The Clean Energy Calculator uniquely accesses a customer’s real billing and rate information by running within the user’s logged-in session on pge.com

optimize and further advance the analytical capabilities that have already been developed, ultimately improving the usefulness of the Commission's efforts and providing greater benefits to Californians.

PG&E commends the CEC's leadership and the breadth of analysis reflected in the 2025 California Building Energy Action Plan. We respectfully submit these recommendations to support affordability as California accelerates building electrification. Please reach out to me if you have any questions.

Sincerely,

Josh Harmon
State Agency Relations