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California Energy Commission

COMMISSION FINAL REPORT

Assembly Bill 209 Clean Energy Programs

2025 Annual Report

Gavin Newsom, Governor

September 2026 | CEC-500-2026-025-CMF

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Cyrus Ghandi
Alex Horangic
Colin Lee
Katie Webster
Primary Authors

Doris Yamamoto
Project Manager

Angie Gould
Jennifer Nelson
Cammy Peterson
Sean Simon
Deputy Directors

Regina Galer
Director
SITING, TRANSMISSION, AND ENVIRONMENTAL PROTECTION

Deana Carrillo
Director
RELIABILITY, RENEWABLE ENERGY & DECARBONIZATION INCENTIVES

Jonah Steinbuck, Ph.D.
Director
ENERGY RESEARCH AND DEVELOPMENT DIVISION

Drew Bohan
Executive Director

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The following staff provided their expertise in support of this annual report:

Rebecca Avilés
Tannis Abdoli
Hally Cahssai
Travis David
Jacob Wahlgren
Jessica Eckdish
Eli Harland
Yu Hou
Miriam Joffee-Block
Ilia Krupenich
Archal Kumar
Adam Lokar
Diana Maneta
Rhona Matthews
Susan Mills
Jennifer Nelson
Esther Obikoya
Mathew Omogo
Jesselyn Rosales
Rachel Salazar
Rachel Shepherd
Patrick Steggall
Sebastian Rubio Ruiz
Cody Taylor
Kevin Uy

ABSTRACT

The California Energy Commission (CEC) is the state's primary energy policy and planning agency and plays a critical role in creating a clean energy system of the future and administering programs to meet California's ambitious energy and climate goals. Assembly Bill 209 (Ting, Chapter 251, Statutes of 2022) called for the CEC to establish and administer the following four clean energy programs:

- Clean Hydrogen Program
- Equitable Building Decarbonization Program
- Industrial Grid Decarbonization and Improvement of Grid Operations Program
- Offshore Wind Waterfront Facility Improvement Program

It also added funding to the previously established Food Production Investment Program.

Section 25660.2 of the California Public Resources Code mandates that the CEC publish a report on these clean energy programs annually until all appropriated funds are spent. This reporting must address six required elements, including funding details, achievements, geographic distribution, and estimates of critical electrical capacity and reductions in greenhouse gas and criteria air pollutant emissions.

This report provides an update on the progress and funding of CEC activities in support of Assembly Bill 209 clean energy programs from January 1, 2025, through December 31, 2025. The report was prepared in accordance with Section 25660.2 of the California Public Resources Code.

Keywords: Assembly Bill 209 clean energy programs, Industrial Decarbonization and Improvement of Grid Operations Program, Food Production Investment Program, Clean Hydrogen Program, Equitable Building Decarbonization Program, Offshore Wind Waterfront Facility Improvement Program, California Energy Commission, Statewide Direct Install Program, ports, Statewide Incentive Program, Tribal Direct Install Program, under-resourced communities.

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TABLE OF CONTENTS

EXECUTIVE SUMMARY 1

Introduction 1

AB 209 Program Activities in 2025 1

- Clean Hydrogen Program 1
- Equitable Building Decarbonization Program 1
- Food Production Investment Program 2
- Industrial Decarbonization and Improvement of Grid Operations Program 2
- Offshore Wind Waterfront Facility Improvement Program 3

Conclusion 3

CHAPTER 1: Introduction, Funding, and Distribution 4

Clean Energy Programs Funding 4

Geographic Distribution 6

CHAPTER 2: Clean Hydrogen Program 7

2025 Milestones 8

Annual Reporting Requirements 8

- Funds Spent on Administrative, Technical, or Scientific Services for the Program 8
- Estimates on How Spent Funds are Achieving the Specific Purposes of the Program 9
- Estimates of Additional Electrical Generation or Storage Capacity at Net Peak Hours or During Critical Grid Conditions Made Available as a Result of the Program 9
- Funds Spent for the Program, Balance Remaining to Be Spent, and Geographic Distribution of the Funds 9
- Estimated Onsite Reductions of the Emissions of GHG and Criteria Air Pollutant Emissions as a Result of the Program 9
- Description of How the Funds Were Used and a Description of the Industries Receiving Funding 9

CHAPTER 3: Equitable Building Decarbonization Program 10

2025 Milestones 11

- Statewide Direct Install Program 11
- Tribal Direct Install Program 13
- Statewide Incentive Program 14

Annual Reporting Requirements 14

- Funds Spent for the Program, Balance Remaining to Be Spent, and Geographic Distribution of the Funds 14

Estimates on How Spent Funds Are Achieving the Specific Purposes of the Program 16
Estimates of Additional Electrical Generation or Storage Capacity at Net Peak Hours or During Critical Grid Conditions Made Available as a Result of the Program 18
Estimated Onsite Reductions of the Emissions of GHG and Criteria Air Pollutant Emissions as a Result of the Program 18
Description of How the Funds Were Used and a Description of the Industries Receiving Funding 19

CHAPTER 4: Food Production Investment Program 21

2025 Milestones 22

Awarded Projects 22

Annual Reporting Requirements 25

Funds Spent for the Program, Balance Remaining to Be Spent, and Geographic Distribution of the Funds 25
Funds Spent on Administrative, Technical, or Scientific Services for the Program 25
Estimates on How Spent Funds are Achieving the Specific Purposes of the Program ... 26
Estimates of Additional Electrical Generation or Storage Capacity at Net Peak Hours or During Critical Grid Conditions Made Available as a Result of the Program 26
Estimated Onsite Reductions in GHG and Criteria Air Pollutant Emissions as a Result of the Program 27
Description of How the Funds Were Used and a Description of the Industries Receiving Funding 27

CHAPTER 5: Industrial Decarbonization and Improvement of Grid Operations Program 29

2025 Milestones 30

Awarded Projects 31

Annual Reporting Requirements 33

Funds Spent for the Program, Balance Remaining to Be Spent, and Geographic Distribution of the Funds 33
Funds Spent on Administrative, Technical, or Scientific Services for the Program 33
Estimates on How Spent Funds Are Achieving the Specific Purposes of the Program 34
Estimates of Additional Electrical Generation or Storage Capacity at Net Peak Hours or During Critical Grid Conditions Made Available as a Result of the Program 34
Estimated Onsite Reductions of GHG and Criteria Air Pollutants Emissions as a Result of the Program 34
Description of How the Funds Were Used and a Description of the Industries Receiving Funding 35

CHAPTER 6: Offshore Wind Waterfront Facility Improvement Program 36

2025 Milestones 36

Awarded Projects 36
Annual Reporting Requirements 37
Funds Spent for the Program, Balance Remaining to be Spent, and Geographic Distribution of the Funds 37
Funds Spent on Administrative, Technical, or Scientific Services for the Program 40
Estimates on How Spent Funds Are Achieving the Specific Purposes of the Program 40
Estimates of Additional Electrical Generation or Storage Capacity at Net Peak Hours or During Critical Grid Conditions Made Available as a Result of the Program 40
Estimated Onsite Reductions in GHG and Criteria Air Pollutant Emissions as a Result of the Program 40
Description of How the Funds Were Used and a Description of the Industries Receiving Funding 40
CHAPTER 7: Conclusion 42
Key Accomplishments for 2025 42
What's Ahead 42
LIST OF ACRONYMS 43
APPENDIX A: EBD Projects Awarded – Cumulative Through December 31, 2025 ..... A-1
APPEDIX B: FPIP and INDIGO Projects Awarded — Cumulative Through December 31, 2025 ..... B-1

LIST OF FIGURES

Figure 1: Map of Initial Community Focus Areas for the EBD Statewide Direct Install Program 13
Figure 2: AB 209 FPIP Recipient Headquarters and Project Site Locations Through 2025 24
Figure 3: AB 209 INDIGO Recipient Headquarters and Project Site Locations Through 2025 32
Figure 4: WFIP Project Site Locations 39

LIST OF TABLES

Table 1: Administrative, Technical, or Scientific Services Expenditures — Cumulative Through December 31, 2025 5
Table 2: Project Funding Encumbered and Unencumbered — Cumulative Through December 31, 2025 5

Table 3: Federal Match Funds Received — Cumulative Through December 31, 2025 5
Table 4: EBD Statewide Direct Install Regional Administrator Budget as of FY 25–26..... 15
Table A-1: 2025 EBD Projects Awarded — Cumulative Through December 31, 2025..... A-1
Table B-1: 2025 FPIP and INDIGO Projects Awarded — Cumulative Through December 31, 2025 ..... B-1

EXECUTIVE SUMMARY

Introduction

Assembly Bill 209 (Ting, Chapter 251, Statutes of 2022) established four clean energy programs to be administered by the California Energy Commission (CEC):

- Clean Hydrogen Program
- Equitable Building Decarbonization Program
- Industrial Decarbonization and Improvement of Grid Operations Program
- Offshore Wind Waterfront Facility Improvement Program

It also added funding to the previously established Food Production Investment Program.

Assembly Bill 209 also directs the CEC to publish a report on these programs on its website and submit it to the Legislature annually until all funds appropriated in the statute have been encumbered. This report provides updates for 2025 on each program, including information on the projects funded and how each program is achieving the specific purposes of the statute.

AB 209 Program Activities in 2025

Clean Hydrogen Program

The Clean Hydrogen Program implemented activities to increase production and use of clean hydrogen, which refers to hydrogen produced from water using renewable energy resources or produced directly from renewable energy resources such as photovoltaic, wind, geothermal, biomass, and solar thermal. CEC staff previously developed two competitive solicitations to demonstrate or scale up clean hydrogen production and use for large-scale and distributed-scale hydrogen projects. Both solicitations were put on hold and ultimately cancelled as a result of the program's budget reduction from $100 million to $6 million ($4 million for projects and $2 million for CEC administrative funds).

In 2025, the program released a Notice of Letter of Intent to the cost-share solicitation of the Clean Hydrogen Program for a federal funding opportunity that had been added in 2024. CEC staff adds eligible federal funding opportunities to this solicitation as they are released. Awards from the solicitation provide a CEC commitment for a portion of the federal cost-share requirement, improving the selected applicants' chance of receiving a federal award for projects that align with Assembly Bill 209 priorities. However, the federal clean hydrogen funding opportunity did not result in awards, and there is no expectation of upcoming awards.

Equitable Building Decarbonization Program

The Equitable Building Decarbonization Program aims to reduce greenhouse gas emissions in homes and advance energy equity. The program made significant progress in implementing three subprograms: the Statewide Direct Install Program, Tribal Direct Install Program, and Statewide Incentive Program.

The Statewide Direct Install Program, implemented by three regional administrators with the oversight of the CEC, is prepared for program launch. Notable activities completed include, but are not limited to:

- Finalizing the initial community focus areas that will be served first.
- Developing a screening dashboard to identify homes most likely to benefit from the program.
- Onboarding and training community-based organizations to conduct outreach and engage residents.

The Tribal Direct Install Program was advanced through the release of draft program guidelines, a public workshop, two tribal listening sessions in fall 2025, and the creation of a program web page. Following the adoption of final guidelines, the CEC will develop and begin issuing implementer and tribal funding opportunities.

The Statewide Incentive Program, implemented through the Equitable Building Decarbonization GoGreen Home Financing Program, continued to support financing for energy-efficient home upgrades through a loan loss reserve, enabling more than 770 home retrofits. An interest rate buy-down component was launched in March 2025.

Food Production Investment Program

The Food Production Investment Program provides grant awards for advanced clean energy and decarbonization technologies that support electrical grid reliability and greenhouse gas emissions reductions at food and beverage processing and supporting facilities. The program released a competitive solicitation in Quarter (Q)2 (April–June) of 2025 for projects that will demonstrate commercially available or cutting-edge technologies, or a combination of both, at food production plants. These projects will maximize greenhouse gas emissions reductions, reduce energy use, provide grid reliability benefits, and benefit under-resourced communities as defined in statute, including disadvantaged and low-income communities.

Six projects totaling $10.5 million ($9.7 million in Assembly Bill 209 funds and the remainder from prior Food Production Investment Program funding) were proposed for funding in Q4 (October–December) of 2025. In addition to these milestones, the program continues to foster collaboration with diverse interested parties, including state and federal agencies, researchers, entrepreneurs, California food processors, equipment manufacturers, and industrial trade associations.

Industrial Decarbonization and Improvement of Grid Operations Program

The Industrial Decarbonization and Improvement of Grid Operations Program provides grant awards for cutting-edge technologies that promote electrification, load flexibility, and reduced fossil fuel and thermal energy use at industrial plants. This program prioritizes projects located in and delivering benefits to under-resourced communities, optimizing direct community engagement, and reducing air pollutants. Round 2 of a solicitation aimed to deploy technologies at or near commercial readiness, promote electrification, and increase replicability across industrial facilities resulted in one project award in Q1 (January–March) of 2025. In Q2 of 2025, two previously awarded federal cost-share awards were canceled after the U.S.

Department of Energy terminated the financial awards supporting those projects. Those allocated funds were repurposed for future industrial decarbonization projects. Round 3 of the solicitation, GFO-23-313 — Deployment of Decarbonization Technologies and Strategies for California Industrial Facilities — was released in November 2025, and the encumbrance date of funds was extended by a year to June 30, 2026.

Offshore Wind Waterfront Facility Improvement Program

The Offshore Wind Waterfront Facility Improvement Program funds planning, engineering, and early design activities to advance infrastructure needed to support floating offshore wind staging and integration, manufacturing, and operations and maintenance. In 2025, the program completed the technical and administrative review of submitted applications and on March 7, 2025, issued a Notice of Proposed Awards recommending $42.8 million for five projects at the Port of Long Beach Harbor Department, the City of Oakland, the City of Richmond, the Port San Luis Harbor District, and the Humboldt Bay Harbor, Recreation, and Conservation District. On October 8, 2025, the program received CEC approval for the five grant agreements.

Conclusion

CEC made significant efforts to develop robust clean energy programs, consult with tribal governments, and engage with a wide variety of interested members of the public in 2025. These efforts provide transparency for program development and help to ensure the programs provide benefits and meaningful results to support California in reaching its clean energy and decarbonization goals.

Together, the five programs advanced work to promote clean hydrogen production and use, support statewide home and tribal building decarbonization, reduce emissions from food production facilities, deploy cleaner and more efficient industrial technologies, and support critical port infrastructure planning for future offshore wind development. Staff drafted and released solicitations, developed and finalized program guidelines, coordinated with community organizations and tribes, and conducted planning to prepare projects for implementation. The collective progress achieved will support California’s transition to a clean, affordable, reliable, and equitable energy system.

CHAPTER 1: INTRODUCTION, FUNDING, AND DISTRIBUTION

Assembly Bill (AB) 209 (Ting, Chapter 251, Statutes of 2022) called for the California Energy Commission (CEC) to establish and administer the following four clean energy programs:

- Clean Hydrogen Program (CHY)
- Equitable Building Decarbonization Program (EBD)
- Industrial Decarbonization and Improvement of Grid Operations Program (INDIGO)
- Offshore Wind Waterfront Facility Improvement Program (WFIP, formerly abbreviated as OSW)

It also added funding to the previously established Food Production Investment Program.

Section 25660.2 of the California Public Resources Code (PRC) directs the CEC to publish a report on these programs on its website and submit it to the Legislature annually by March 1 until all funds appropriated in the statute have been encumbered. The following list provides required reporting items listed in section 25660.2:

- Funds spent for each program, balance remaining to be spent, and geographic distribution of the funds
- Funds spent on administrative, technical, or scientific services for each program
- Estimates on how spent funds are achieving the specific purposes of the program
- Estimates of additional electrical capacity during critical grid conditions made available as a result of the program
- Estimated reductions in greenhouse gas (GHG) and criteria air pollutant emissions
- Description of how the funds were used and a description of the industries receiving funding

Clean Energy Programs Funding

Tables 1, 2, and 3 summarize AB 209 program expenditures and leveraged funding. Appendices A and B contain project-specific funding information. Dual-funded projects have two line items: one for the General Fund funding source and the other for the Greenhouse Gas Reduction Fund (GGRF)[1] funding source (from the California Climate Investments [CCI]

1 The Greenhouse Gas Reduction Fund is the depository of California's portion of the Cap-and-Invest auction proceeds to be used by the California Climate Investments Program.

Program).[2] The federally funded Home Electrification and Appliance Rebates (HEEHRA) Program, leveraged to help meet EBD legislative intent, is not included in this section.

Table 1: Administrative, Technical, or Scientific Services Expenditures — Cumulative Through December 31, 2025

Program	Expenditures
CHY	$1,282,475
EBD	$8,749,967
FPIP	$1,310,000
INDIGO	$1,338,728
WFIP	$2,247,172
Total	**$14,928,342**

Source: California Energy Commission

Table 2: Project Funding Encumbered and Unencumbered — Cumulative Through December 31, 2025

Program	Project Budget	Encumbered	Unencumbered
CHY	$4,000,000	$0	$4,000,000
EBD	$389,260,000	$359,250,000	$30,010,000
FPIP	$23,890,000	$14,180,036	$9,709,964
INDIGO	$36,000,000	$26,000,000	$10,000,000
WFIP	$42,750,000	$42,750,000	$0
Total	**$495,900,000**	**$442,180,036**	**$53,719,964**

Source: California Energy Commission

Table 3: Federal Match Funds Received — Cumulative Through December 31, 2025

Project Number	Project Title	Federal HOMES Funds*
EBD-24-002	EBD Direct Install Central Region	$29,308,070
EBD-24-003	EBD Direct Install Northern Region	$35,478,190
EBD-24-004	EBD Direct Install Southern Region	$89,466,740
Total		**$154,253,000**

***Home Efficiency Rebates Program (HOMES). This federal program helps households save on energy bills, improve energy efficiency, reduce GHG emissions, and improve indoor air quality by providing rebates for home energy upgrades. Launch of the program and disbursement of award funds is pending the United States Department of Energy (U.S. DOE) approval.**

2 For more information on the California Climate Investments Program, visit the California Air Resources Board (CARB) California Climate Investments website, https://ww2.arb.ca.gov/our-work/programs/california-climate-investments.

Source: California Energy Commission

Geographic Distribution

Initial community focus areas (ICFAs) for the EBD Statewide Direct Install Program are shown in Figure 1 (Chapter 3). Figure 2 (Chapter 4) and Figure 3 (Chapter 5) display the locations of FPIP and INDIGO demonstration project sites, respectively. Project sites for WFIP are shown in Figure 4 (Chapter 6).

CHAPTER 2: CLEAN HYDROGEN PROGRAM

Hydrogen is a zero-carbon energy carrier that can replace fossil fuels in certain hard-to-electrify applications, particularly for the transportation, industrial, and electricity generation sectors. The California Air Resources Board (CARB) *2022 Scoping Plan for Achieving Carbon Neutrality*[3] estimates that, by 2045, demand for low-carbon hydrogen will increase by nearly double the 2022 levels of fossil hydrogen production. This increase represents a 1,700-fold growth in the existing low-carbon hydrogen supply in 2022. Low-carbon hydrogen is expected to be needed to support end uses[4] such as heavy-duty vehicles, power generation, industrial process heat, and synthetic fuels for aviation. Clean hydrogen usage could help meet California's GHG reduction goals of 40 percent below 1990 levels by 2030 and carbon neutrality by 2045.[5] However, clean hydrogen is not yet deployed at scale in California due to the prevalence of the incumbent technology — fossil- based hydrogen — and high barriers to entry.

Barriers to achieving clean hydrogen deployment and uptake include high production costs, insufficient demand for clean hydrogen, limited delivery and storage infrastructure, and competing demands for renewable energy resources. Multidisciplinary solutions are required to address these challenges and achieve sustainable, wide-scale deployment. These solutions include investments in delivery and storage infrastructure, rapid scale-up of equipment and technologies, commercialization of domestic manufacturing capacity, and expansion of the hydrogen workforce.[6]

The CHY Program aims to stimulate increased production and use of clean hydrogen through strategic demonstration and deployment. Specifically, CHY projects will produce, process, deliver, store, or use hydrogen derived from water using eligible renewable energy resources[7] or hydrogen produced from eligible renewable energy resources. AB 209 mandates that funded projects help reduce sector-wide emissions and directs the CEC to prioritize projects

3 California Air Resources Board. 2022 Scoping Plan for Achieving Carbon Neutrality. December 2022. https://ww2.arb.ca.gov/sites/default/files/2023-04/2022-sp.pdf.

4 The term "end uses" refers to the final applications for which clean hydrogen is ultimately used.

5 The California Global Warming Solutions Act of 2006: emissions limit, (Pavley, Chapter 249, Statutes of 2016) required that statewide GHG emissions are reduced to 40 percent below the 1990 level by 2030.

6 United States Department of Energy (U.S. DOE). 2024. "Pathways to Commercial Liftoff: Clean Hydrogen." https://climateprogramportal.org/wp-content/uploads/2025/02/Pathways-to-Commercial-Liftoff_Clean-Hydrogen_December-2024-Update.pdf

7 Eligible renewable resources are defined in California Public Utilities Code Section 399.12. Examples include biomass, solar thermal, photovoltaic, wind, geothermal, fuel cells using renewable fuels, small hydroelectric generation of 30 megawatts (MW) or less, digester gas, municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current subject to requirements of this code and of PRC Section 25741, https://california.public.law/codes/ca_pub_util_code_section_399.12.

that benefit geographically diverse areas of the state and maximize air quality, equity, health, and workforce benefits. The program uses funding from the GGRF.

2025 Milestones

- Released a Notice of Letter of Intent under the Clean Hydrogen Program cost-share solicitation (Grant Funding Opportunity [GFO] GFO-22-903 "Cost Share for Federal Funding Opportunities, Clean Hydrogen Program") to support one project pursuing a federal funding opportunity. Providing a portion of the required cost share could enhance an applicant's chances of securing a federal grant. The CEC CHY solicitation may commit up to $4 million of cost-share funding for selected applicants applying for a federal grant award for projects aligned with AB 209 priorities. In 2025, the corresponding U.S. DOE federal hydrogen solicitation did not result in awards, and U.S. DOE is not expected to make any awards in the near future.
- Developed a revised concept and new solicitation based on available funding, which can be updated if additional funding becomes available for the CHY Program in the future. Once released and awarded, agreements from this solicitation will fund projects that help reduce sector-wide emissions and maximize air quality, equity, health, and workforce benefits. Solicitations will include preference points for projects that benefit under-resourced communities.[8] Applicants will be asked to provide a meaningful explanation for how the project provides benefits to and does not place substantial burdens on under-resourced communities.

Annual Reporting Requirements

Funds Spent on Administrative, Technical, or Scientific Services for the Program

Expenditures cumulative through December 31, 2025: $1.3 million

Program administrative activities in 2025:

- The budget reductions in FY 2024–25 heavily impacted program activities going into 2025. Impacts included the cancellation of released and planned solicitations and the departure of four staff members hired specifically for the program.
- January 24, 2025: Released the Notice of Letter of Intent for GFO-22-903 "Cost Share for Federal Clean Energy Funding Opportunities, Clean Hydrogen Program."
- Ongoing: Direct engagement with interested members of the public and agencies, including CARB, Governor's Office of Business and Economic Development, Department of Conservation, California Department of Forestry and Fire Protection, Alliance for Renewable Clean Hydrogen Energy Systems, researchers, utilities, technology and

8 California PRC Section 25665 states that an "under-resourced community is defined by PRC 71130," which means a community identified under Section 39711 of the Health and Safety Code, subdivision (d) of Section 39713 of the Health and Safety Code, or subdivision (g) of Section 75005. Under-resourced communities include those statutorily designated as disadvantaged or low-income communities.

project developers, and others to inform program and solicitation development. Worked directly with CARB CCI Program staff to understand and integrate CCI Program requirements into a solicitation.

Estimates on How Spent Funds are Achieving the Specific Purposes of the Program

The program funding has been reduced to $4 million, which was allocated to the federal cost-share solicitation. CEC staff anticipates that no award will be made at the federal level, given the lack of federal funding opportunities. Staff is considering options for best using this funding, particularly for a new hydrogen demonstration and deployment grant solicitation.

Funding preference is anticipated for projects that focus on AB 209 priorities, such as helping reduce sector-wide emissions and maximizing air quality, equity, health, and workforce benefits. Once awarded, projects will be closely monitored and required to provide updates on meeting AB 209 priorities.

Estimates of Additional Electrical Generation or Storage Capacity at Net Peak Hours or During Critical Grid Conditions Made Available as a Result of the Program

No estimates currently. If an award is made, this information will be posted on the CHY website.

Funds Spent for the Program, Balance Remaining to Be Spent, and Geographic Distribution of the Funds

Project funds encumbered for CHY: $0

Remaining balance: $4 million

Given the dearth of U.S. DOE award selections to date, no funds were committed or expended out of the $4 million in available funding for the federal cost-share solicitation in 2025.

In California's FY 2024–2025 Budget, funding for the program was reduced from $100 million to $40 million from the GGRF. Of the $40 million, $34 million was expected to be appropriated from the FY 2025–26 Budget to fund grants for such projects. However, this funding was not allocated to the program this FY, thus no funds were spent on grants.

Estimated Onsite Reductions of the Emissions of GHG and Criteria Air Pollutant Emissions as a Result of the Program

No estimates currently. If an award is made, this information will be posted on the CHY website.

Description of How the Funds Were Used and a Description of the Industries Receiving Funding

If an award is made, this information will be posted on the CHY website.

CHAPTER 3: EQUITABLE BUILDING DECARBONIZATION PROGRAM

California has 14 million homes and 7 billion square feet of commercial space.[9] These buildings account for about 25 percent of the state's GHG emissions.[10] The combustion of natural gas for space and water heating is the largest source of GHG emissions from buildings as a category. While retrofits to existing buildings offer the greatest potential for emission reductions, they also face more barriers, including upfront costs, split incentives[11] between tenants and building owners, structural issues, and space constraints. Furthermore, older buildings with minimal insulation, air gaps, and nonexistent or low-performing space heating and cooling are not equipped to adequately withstand extreme heat and protect occupants.

To address these obstacles, AB 179 (Ting, Chapter 249, Statutes of 2022) appropriated $922 million[12] over five years to develop and implement the statewide EBD Program, established under Section 25665.1 of the PRC. The primary goals of the EBD Program are to reduce GHG emissions and advance energy equity in under-resourced communities.13 The EBD Program includes three subprograms:

- A Statewide Direct Install Program providing installations of energy-efficient electric appliances, energy efficiency measures, and related upgrades directly to consumers in under-resourced communities at no cost.

9 Kenney, Michael, Jacob Wahlgren, Kristina Duloglo, Tiffany Mateo, Danuta Drozdowicz, and Stephanie Bailey. 2022. *Final 2021 Integrated Energy Policy Report, Volume I: Building Decarbonization*. California Energy Commission. Publication Number: CEC-100-2021-001-V1. https://efiling.energy.ca.gov/GetDocument.aspx?tn=241599.

10 Kenney, Michael, Nicholas Janusch, Ingrid Neumann, and Mike Jaske. 2021. *California Building Decarbonization Assessment*. California Energy Commission. Publication Number: CEC-400-2021-006-CMF. https://efiling.energy.ca.gov/GetDocument.aspx?tn=239311.

11 A split incentive occurs when the costs and benefits of an investment are not shared by the same people. Energy efficiency upgrades in rental homes face split incentives where the building owner pays for energy efficiency upgrades, but the tenant pays the energy bills and benefits from the energy savings. This creates a barrier to deploying energy efficiency measures, as the landlord or owner has no financial incentive to invest in them.

12 The EBD Program was initially authorized with $922 million in 2022. As of the 2024–25 Budget Agreement,

$525.5 million in state funds was budgeted to the EBD Program, including $93 million allocated from FY 27–28. The FY 25–26 Budget Agreement removed the $93 million from FY 27–28, thus reducing the total state funding for the EBD Program to $432.5 million.

13 PRC Section 25665 states that an under-resourced community is "defined by Public Resources Code section 71130," which "means a community identified pursuant to section 39711 of the Health and Safety Code, subdivision (d) of Section 39713 of the Health and Safety Code, or subdivision (g) of Section 75005. For definitions of disadvantaged and low-income communities, refer to the glossary.

- A Tribal Direct Install Program providing installations in homes owned by a member of a California Native American tribe or managed by a California Native American tribe or tribal organization.
- A Statewide Incentive Program to accelerate the deployment of low-carbon building technologies.

The CEC gathered input from the public for the design and implementation of the EBD programs through numerous avenues, beginning in 2022 with the release of a Request for Information and a public scoping workshop. Staff received 68 public comments that informed the decisions to:

- Prioritize ongoing public and other party engagement in program development;
- Focus implementation of the Statewide Direct Install Program at the community level; and
- Allocate a portion of funds to a separate Tribal Direct Install Program to be developed in partnership with tribes and tribal organizations.

These public comments also helped guide the development of the *Equitable Building Decarbonization Direct Install Program Guidelines* (EBD Direct Install Guidelines)[14] adopted in 2023. Three regional administrators were then chosen in 2024 through a competitive solicitation process. The grant awardees include the Association for Energy Affordability (AEA) for the Northern Region, the Center for Sustainable Energy (CSE) for the Central Region, and Los Angeles County for the Southern Region.

Appendix A provides additional details on the EBD Statewide Direct Install funding awards.

2025 Milestones

Statewide Direct Install Program

In 2025, the CEC and the three regional administrators prepared to launch the EBD Statewide Direct Install Program. The program will serve specific under-resourced communities, called initial community focus areas (ICFAs). The list of the 49 ICFAs within the three program regions was finalized and published (Figure 1). CEC worked with Recurve Analytics, Inc. to develop the EBD screening dashboard using interval meter data to identify homes most likely to benefit from retrofits. Rapid-start multifamily retrofit projects were launched for those homes in the northern and southern regions by partnering with existing building decarbonization programs. By partnering with existing programs, rapid-start retrofits are able to undergo installation before the full program launch happens. The regional administrator teams onboarded and trained community-based organizations (CBOs) that will conduct ICFA resident outreach and engagement. The regional administrator teams also developed program websites and multilingual outreach materials for CBOs.

14 Maneta, Diana. 2023. *Equitable Building Decarbonization Direct Install Program Guidelines*. California Energy Commission. Publication Number: CEC-400-2023-003-CMF. https://www.energy.ca.gov/publications/2023/equitable-building-decarbonization-direct-install-program- guidelines.

Moreover, CEC staff created a centralized database for regional administrators to submit standardized household retrofit data via an application programming interface. The database will support streamlined information collection and enable analysis of program data. The regional administrators developed standard packages of energy-efficiency measures for single-family, multifamily, and manufactured and mobile homes to be used as applicable to streamline the program for participants and contractors. Cost-control mechanisms, including standard pricing for measures, were also identified. Additional products included workforce and home assessment plans, initial enrollment forms, and program participation agreements. Regional administrators also initiated engagement with suppliers and contractors. The CEC coordinated with other programs to leverage complementary efforts, including:

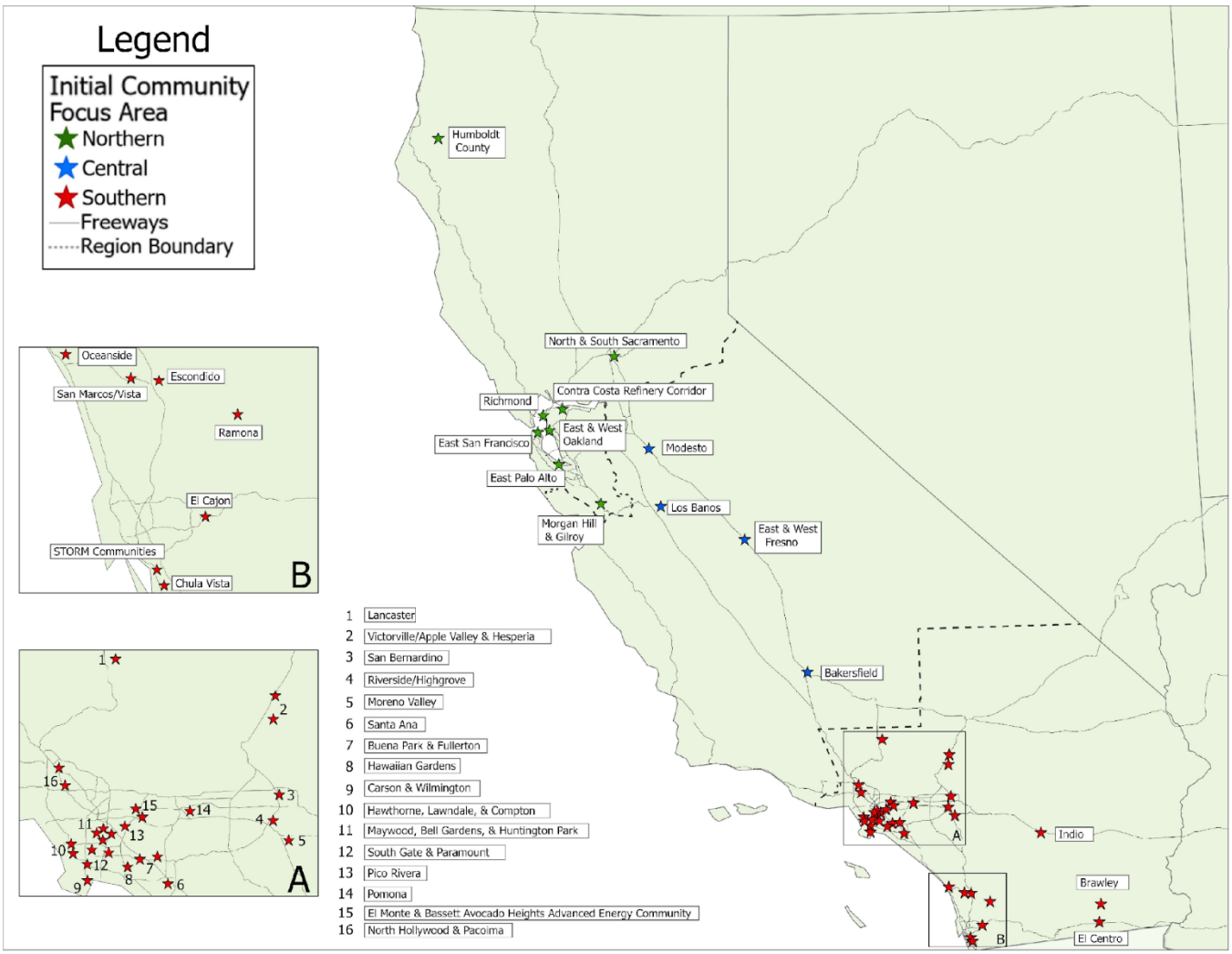
- California Public Utilities Commission's Mobilehome Park Utility Conversion Program Electrification Pilot Initiative, which was established November 20, 2025, through Decision 25-11-009. This decision directs the investor-owned utilities to collaborate with the regional administrators and the CEC on retrofitting mobile homes.
- CARB's Refrigerant Recovery Pilot, which offers training, incentives, and tracking to contractors to ensure refrigerants are properly recovered. The pilot implementers are required to collaborate with the CEC and regional administrators on refrigerant recovery in the EBD Statewide Direct Install Program. Collaboration efforts kicked off on December 8, 2025, with a meeting including CARB, CEC, and regional administrators.
- The CEC's Electric Program Investment Charge Air Quality Research Grant, which provides $3 million to fund research on non-energy benefits (indoor air quality) in EBD-funded retrofitted homes.

Lastly, the CEC is incorporating funding from the U.S. DOE Home Efficiency Rebate (HOMES) Program into the EBD Statewide Direct Install Program. The CEC was awarded funding on January 13, 2025. U.S. DOE requires four implementation blueprint plans to be reviewed and approved before funding can be spent. U.S. DOE is reviewing those plans.

ICFAs for each region (Figure 1):

- **Northern Region:** Contra Costa Refinery Corridor, East and West Oakland, East Palo Alto, Humboldt County, Morgan Hill and Gilroy, North and South Sacramento, Richmond, East San Francisco
- **Central Region:** Bakersfield, East Fresno, Los Banos, Modesto, West Fresno
- **Southern Region:** Bassett Avocado Heights Advanced Energy Community, Bell Gardens, Brawley, Buena Park, Carson, Chula Vista, Compton, El Cajon, El Centro, El Monte, Escondido, Fullerton, Hawaiian Gardens, Hawthorne, Hesperia, Huntington Park, Indio, Lancaster, Lawndale, Maywood, Moreno Valley, North Hollywood, Oceanside, Pacoima, Paramount, Pico Rivera, Pomona, Ramona, Riverside/Highgrove, San Bernardino, San Marcos/Vista, Santa Ana, South Gate, San Diego Urban Sustainability Coalition's Strategies for Technology-Driven Operational Resilience and Mitigation Communities, Victorville/Apple Valley, Wilmington.

Figure 1: Map of Initial Community Focus Areas for the EBD Statewide Direct Install Program



Source: California Energy Commission

Tribal Direct Install Program

From spring to summer of 2025, staff developed the *Equitable Building Decarbonization Tribal Direct Install Program Draft Guidelines* (Tribal Direct Install Draft Guidelines).[15] The Tribal Direct Install Draft Guidelines were published to the CEC website September 5. Subsequently, CEC staff hosted a public workshop September 30 and two tribal listening sessions October 1 and 2. Staff revised the Tribal Direct Install Draft Guidelines based on input received and plans to present them for possible adoption at a CEC business meeting. Following adoption of final tribal direct install guidelines, the CEC will develop and issue implementer and tribal solicitations.

15 Steele, Monica, Katie Webster, and Diana Maneta. 2025. *Equitable Building Decarbonization Tribal Direct Install Program Draft Guidelines.* California Energy Commission. Publication Number: CEC-300-2025-001-D. https://www.energy.ca.gov/publications/2025/equitable-building-decarbonization-tribal-direct-install-program-guidelines

Statewide Incentive Program

The EBD Statewide Incentive Program is implemented in partnership with the State Treasurer's Office California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) through the EBD GoGreen Home Financing Program (EBD GoGreen). EBD GoGreen expanded the existing GoGreen Home Financing (GoGreen Home)[16] offerings to include customers of publicly owned utilities. GoGreen Home had historically been funded through investor-owned utility ratepayer funds.

EBD GoGreen promotes residential energy efficiency and decarbonization retrofits by leveraging private capital. This leverage is achieved through two program components. The first is a loan loss reserve, which reduces risk for private lenders and allows them to offer more attractive loan terms (such as lower interest rates and longer repayment terms). This enables access for customers who would otherwise not qualify for the loans. The second interest rate buy-down (IRBD) component launched in 2025. IRBDs will enable lenders to offer zero-percent interest loans to low-income households in disadvantaged and low-income communities for installing heat pump heating, ventilation, and air conditioning, or water heaters.

Program metrics are discussed in the Annual Reporting Requirements section later in this chapter.

Annual Reporting Requirements

Funds Spent for the Program, Balance Remaining to Be Spent, and Geographic Distribution of the Funds

Project funds encumbered for EBD: $359.3 million

Remaining balance: $30 million

The 2025–2026 Budget provides the EBD Program $432.5 million for all subprograms — statewide direct install, tribal direct install, and statewide incentive — and CEC administrative expenses. This amount was reduced from a previous total of $525.5 million because this Budget Act removed all future-year GGRF funding, including $93 million allocated to EBD from FY 2027–28.

The EBD Program has a remaining unencumbered balance of $10,000 from the General Fund allocation and $30 million from the GGRF allocation for the Tribal Direct Install Program. The geographic distribution of program activities is provided in Figure 1.

Statewide Direct Install Program

The Statewide Direct Install Program total budget of $493.5 million is a combination of state and federal funds and is divided among the program's three regions based on the proportion of under-resourced communities (Table 4). The $493.5 total includes $339.3 million in state funding and $154.25 million in federal funding.

16 GoGreen Financing. 2026. "Green means go." https://www.gogreenfinancing.com/about-us/

Table 4: EBD Statewide Direct Install Regional Administrator Budget as of FY 25–26

Region & Administrator	Population of Under-resourced Communities (millions)	State Funding (millions)	U.S. DOE HOMES Funding (millions)*	Total Funding (millions)
Northern (Association for Energy Affordability)	5.3	$78.0	$35.5	$113.5
Central (Center for Sustainable Energy)	4.3	$64.5	$29.3	$93.8
Southern (Los Angeles County)	13.6	$196.8	$89.5	$286.2
Total	**23.2**	**$339.3**	**$154.3**	**$493.5**

***HOMES funding is contingent upon the approval of the blueprint plans by the U.S. DOE and the disbursement of funds.**

Source: California Energy Commission

As stated above and shown in Figure 1, the first phase of the Statewide Direct Install Program will serve specific ICFAs. This approach was built into the EBD Direct Install Guidelines and informed by extensive input from interested parties during program development. Because program funding is insufficient to reach every under-resourced community and household in the state, the EBD Direct Install Guidelines include criteria for selecting these areas.

Tribal Direct Install Program

The Tribal Direct Install Program is allocated $30 million in GGRF. The CEC will report on funding awards and geographic distribution after the Tribal Direct Install Draft Guidelines are adopted and funding opportunities are finalized.

Statewide Incentive Program

The CEC encumbered $30 million to CAEATFA for EBD GoGreen to fulfill the statutory requirement to offer statewide incentives for low-carbon building technologies. This amount was reduced to $20 million as a result of the $93 million reduction in the EBD budget.

Funds Spent on Administrative, Technical, or Scientific Services for the Expenditures cumulative through December 31, 2025: $8.7 million

Administrative activities to date include reaching out to tribal members and interested members of the public, releasing draft guidelines for the Tribal Direct Install Program, and completing prelaunch activities for the Statewide Direct Install Program. Timeline of activities:

- **January 7**: Statewide Direct Install Program joint kickoff meeting with the three regional administrators was held.

- **April:** EBD GoGreen IRDB funding available.
- **June 30**: Statewide Direct Install Program ICFAs approved.
- **August 14**: Statewide Direct Install Program CBO outreach training began.
- **August 18:** Website published for the Statewide Direct Install Program.
- **August 21:** Website published for the Tribal Direct Install Program.
- **August 25:** EBD centralized database development completed.
- **September 5:** Draft guidelines for the Tribal Direct Install Program published.
- **September 19:** Statewide Direct Install Program rapid-start project enrollment began.
- **September 30:** Public Workshop on Tribal Direct Install Draft Guidelines held.
- **September–October**: Submitted the four HOMES blueprint plans for U.S. DOE review.
- **October 1 and 2:** Tribal listening sessions on draft guidelines held.
- **November:** Statewide Direct Install Program contractor enrollment began.
- **Quarterly:** Meetings with environmental justice groups, manufacturers, local governments, and other interested parties conducted to better understand the concerns and needs of their communities.

Estimates on How Spent Funds Are Achieving the Specific Purposes of the Program

Statewide and Tribal Direct Install Programs

Project and program data will be collected from all EBD programs to quantify and qualify project outcomes and impacts, including, but not limited to:

- Estimated GHG emission reductions.
- Number and locations of homes retrofitted to ensure energy equity.
- Criteria air pollution reductions.
- Energy savings.
- Utility bill impacts.
- Type and number of appliances installed, including heat pumps.
- Job creation.

Based on current budget amounts, the Statewide Direct Install Program is anticipated to retrofit up to 17,000 homes over the lifetime of the program, and the Tribal Direct Install Program is anticipated to retrofit up to 1,000 homes.

Further information on the number and type of retrofits will be available once projects begin in the EBD Statewide Direct Install Program and Tribal Direct Install Program. When available, information will be posted on the CEC's Equitable Building Decarbonization Program website

and included in the EBD Program Report to be submitted to the Legislature by September 1 of each year (Senate Bill [SB] 306, Caballero, Chapter 387, Statutes of 2023).

Statewide Incentive Program

In 2025, EBD GoGreen provided $1.2 million in credit enhancements for 773 home efficiency and decarbonization projects through a loan loss reserve and IRBDs. For these projects:

- **Loan Loss Reserve:** About $1.1 million of EBD GoGreen loan loss reserve funds directly leveraged nearly $17.0 million in private capital for 748 projects with an average loan size of $24,400 and an average interest rate of 6.3 percent. For each dollar of public investment, the program was able to leverage approximately $17 in private capital.
- **IRBD:** Approximately $140,000 of EBD GoGreen IRBD funds extended zero-interest or near-zero-interest loans to 32 low-income households. The EBD loan loss reserve funds also supported seven of these loans, included in the previous bullet.
- **Reaching Under-Resourced Communities:** Approximately $421,000 or 36 percent of the EBD GoGreen loan loss reserve and IRBD funds were allocated to under-resourced communities. CEC staff are collaborating with CAEATFA on marketing and outreach strategies and program improvements to extend the reach and program uptake in under-resourced communities.
- **Reduced Interest Rate:** As of Q4 2025, the national average interest rate of a 36-month unsecured loan was 10.6 percent, according to the National Credit Union Administration.[17] In comparison, the average interest rate for EBD GoGreen borrowers with a 36-month loan was 4.6 percent. For a 60-month loan, the average EBD GoGreen rate was 5.2 percent. At the average loan size of nearly $17,000 for an EBD GoGreen 60-month loan, borrowers would save more than $2,100 in interest over the life of the loan compared to the 10.6 percent national average rate.
- **Extended Terms:** The EBD GoGreen loan loss reserve allows lenders to extend terms beyond the 60-month limit that most lenders place on unsecured loans. Through EBD GoGreen, borrowers were able to benefit from extended terms with an average loan term of 141 months.[18] Extending the loan term to 141 months at reduced interest rates significantly reduces the monthly payments. For instance, a $24,300 loan at an interest rate of 6.7 percent[19] and a term of 141 months results in a monthly payment reduction of nearly $275 compared to repaying the same $24,300 loan at the national average of 10.6 percent interest over 60 months.

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17 National Credit Union Administration. January 2026. *Credit Union and Bank Rates*. https://ncua.gov/analysis/cuso-economic-data/credit-union-bank-rates.

18 Solar loans were not counted in the calculation of term length, as both conventional and EBD GoGreen solar loans tend to be secured through a UCC-1 fixture filing. Conventional solar loans are often offered with extended terms.

19 The average interest rate for an EBD GoGreen loan with a term between 121 and 180 months is 6.7 percent.

- **Other benefits to borrowers:** The EBD GoGreen loan loss reserve enables several participating lenders to extend loans to borrowers with credit scores as low as 580. Lenders are also able to offer larger loans than without a loss reserve. Through EBD GoGreen, 154 borrowers were able to access loans greater than $30,000.[20]
- **Anticipated projects:** Based on the anticipated budget reduction to $20 million, the EBD GoGreen Program forecasts supporting a total of 8,200 projects with the first deployment of the Loan Loss Reserve Funds, as compared to an estimated 13,000 projects with the original $30 million budget.

Estimates of Additional Electrical Generation or Storage Capacity at Net Peak Hours or During Critical Grid Conditions Made Available as a Result of the Program

Statewide and Tribal Direct Install Programs

The EBD Statewide Direct Install and Tribal Direct Install Programs are not expected to directly result in additional electrical generation or storage capacity, but program staff expects the programs to generate additional load shift potential through "smart" efficient electric equipment and appliances. Staff will be able to estimate and share this potential after the projects are completed.

Statewide Incentive Program

EBD GoGreen supported 80 projects that included renewable energy generation or storage capacity. The estimated additional renewable energy generation is 345,500 kilowatt-hours (kWh) per year.

Estimated Onsite Reductions of the Emissions of GHG and Criteria Air Pollutant Emissions as a Result of the Program

Statewide and Tribal Direct Install Programs

The EBD Statewide Direct Install Program and Tribal Direct Install Program will reduce GHG emissions and air pollutants from the replacement of fossil fuel-burning equipment (for example, equipment used for water heating, space conditioning, cooking, and clothes drying) with efficient electric equipment. The programs are anticipated to reduce GHG emissions by roughly 700,000 metric tons of carbon dioxide equivalent ($MTCO_2e$) and reduce criteria air pollutant emissions by more than 1 million pounds over the program lifetime based on current budget amounts. Staff will be able to estimate and share aggregated retrofit data after projects are completed.

20 Solar loans were not counted in the calculation of enhanced loan amounts, as both conventional and EBD GoGreen solar loans tend to be secured through a UCC-1 fixture filing. This means credit unions tend to offer larger amounts for solar loans, even without a loan loss reserve.

Statewide Incentive Program

EBD GoGreen supported 773 loans to borrowers, which reduced an estimated 470 $MTCO_2e$ of onsite GHG emissions[21] and 790 pounds of criteria air pollutant emissions[22] annually from single-family homes.

Description of How the Funds Were Used and a Description of the Industries Receiving Funding

Statewide and Tribal Direct Install Programs

Statewide Direct Install Program funds are allocated into three regions:

- **Northern region**: AEA is the regional administrator for the Northern California region. AEA is a nonprofit organization specializing in educational, technical, and construction management activities and has partnered with a network of subcontractors and vendors to support program implementation, each bringing specialized expertise. AEA is leading the multifamily activities, The Ortiz Group is leading the single-family activities, and Vermont Energy Investment Corporation is leading the manufactured and mobile home activities. Additional team members include Frontier Energy, California Housing Partnership, People Organizing to Demand Environmental and Economic Rights (PODER), Asian Pacific Environmental Network, GRID Alternatives, and Rising Sun. Together, they will provide essential capabilities such as community engagement and home assessments. Specifically, PODER and the Asian Pacific Environmental Network will serve as coleads in community outreach, recruiting, and training additional CBOs to support local outreach and intake.
- **Central region:** CSE is the regional administrator for the Central California region and is a nonprofit organization with a mission to decarbonize transportation, buildings, and communities. Joining CSE as a subcontractor to support implementation is Franklin Energy, which will play a critical role in leading the implementation efforts and overseeing the installation vendors for all housing types. CBOs, including Self-Help Enterprises and Fresno Economic Opportunities Commission, will lead outreach efforts by using culturally appropriate marketing materials and making initial contact with prospective program participants. Earth Advantage, a nonprofit focused on climate and housing, will provide technical assistance and develop quality assurance and quality control policies and procedures.
- **Southern region:** Los Angeles County is the regional administrator for the Southern California region and has developed a team consisting of CBOs, community choice aggregators, regional energy networks, local government councils, tribal organizations, and implementation experts that have been engaged in residential decarbonization efforts over the past several years. Through a subregional approach, Los Angeles

21 Onsite GHG emissions savings are a deemed estimate provided by CAEATFA for all EBD GoGreen projects in the first year post-installation.

22 Criteria air pollutants are estimated by CEC staff using the methodologies and calculator tools provided by CARB (available at https://www.caclimateinvestments.ca.gov/tools).

County will provide strategic direction, and ICF, a subcontractor, will oversee program implementation along with more than 30 partnering organizations.

The $30 million allocated to the Tribal Direct Install Program is planned to be encumbered in 2027 after the program guidelines are adopted and a grant funding opportunity is finalized.

Statewide Incentive Program

CAEATFA was awarded $30 million to enhance the existing GoGreen Home Program. This amount was reduced to $20 million as a result of the $93 million reduction in the EBD budget.

Ten credit unions participate under the umbrella of GoGreen Home, offering improved terms to borrowers enabled by a loan loss reserve. Through December 2025, EBD GoGreen contributed slightly more than $1 million in loss reserve funds for GoGreen Home lenders held at a trustee bank.

The loan loss reserve funds directly leveraged almost $17.9 million in private capital for 748 loans for energy projects. As borrowers repay, the loan loss reserve funds cycle back through the program and can be redeployed to support new loans. If borrowers were to default on their loans, lenders may claim a portion of the defaulted principal from the loan loss reserve.

In addition, EBD GoGreen paid nearly $140,000 in IRBD funds to participating credit union lenders to offset the cost of reducing interest rates to zero or near zero for 32 low-income households. EBD GoGreen loan loss reserve funds also supported seven of these loans.

CHAPTER 4: FOOD PRODUCTION INVESTMENT PROGRAM

Food manufacturing is a critical area of opportunity for advancing industrial decarbonization and electrification efforts. However, it faces many barriers and challenges because of the diversity of products produced. Food processing and production costs tend to be higher in California, making it difficult for in-state companies' products to compete with similar products produced out of state. Investments in updates and improvements to food production plants with decarbonization and energy-efficiency technologies reduce both operating costs and GHG emissions. These investments help ensure California's food processing industries remain competitive, operational, and within California.

FPIP was established in 2018 and initially funded by AB 109 (Ting, Chapter 249, Statutes of 2017) and SB 856 (Mitchell, Chapter 30, Statutes of 2018). In 2022, FPIP received additional funding from AB 209 to continue program implementation. The program uses GGRF monies from the CCI Program and General Fund monies to advance the reduction of GHG emissions and energy use and to support grid reliability.

The goals of FPIP accelerate the adoption of advanced energy efficiency, decarbonization, and renewable energy technologies and support electrical grid reliability (PRC Sections 25663–25663.6). FPIP strives to:

- Help California food processors work toward a low-carbon future.
- Demonstrate reliability and effectiveness of advanced energy and decarbonization technologies and strategies.
- Enhance and benefit the electrical grid, especially during net-peak periods.
- Benefit public health and the environment, particularly in under-resourced communities.

The technologies funded by FPIP help reduce energy demand and costs, maintain product quantity and quality, reduce GHG emissions associated with food production, and improve public health and the environment in surrounding communities.

Before receiving AB 209 funding, the program provided $117.8 million in grants to assist food producers in reducing GHG emissions through the adoption of a broad range of advanced energy technologies, including combustion-based energy efficiency improvements. Under AB 209, while GHG emissions reductions remain the primary driver, the program emphasizes projects that support electrical grid reliability and no longer funds projects that rely on continued fossil fuel use.

For example, one of the projects funded during this initial phase supported Amy's Kitchen in replacing its aging refrigeration systems at its Santa Rosa facility with a modern transcritical carbon dioxide (CO_2) refrigeration system — a high-pressure cooling technology that uses CO_2 as its refrigerant — equipped with heat recovery. The facility is a major producer of frozen, ready-to-eat meals, operating multiple freezers and coolers essential to food safety and

production. The project eliminated the reliance of the facility on high-global-warming-potential (GWP) refrigerants and significantly reduced energy use by capturing waste heat from the refrigeration compressors to offset boiler demand. As a result, Amy's Kitchen is achieving annual reductions of about 2.5 million kWh of electricity, more than 265,000 therms of fossil gas, and nearly all fugitive emissions associated with high-GWP refrigerant leakage.

Cumulatively, FPIP has implemented 59 projects with significant benefits, including estimated annual savings of 171,000 $MTCO_2e$.

2025 Milestones

In June, FPIP released a competitive solicitation (GFO-24-311 "Food Production Investment Program [FPIP] 2025") for a total of $10.5 million ($9.7 million in AB 209 funds and the remainder from prior FPIP funding allocations). The solicitation focused on the demonstration of commercially available or cutting-edge technologies at food production plants that maximize GHG emissions reduction, reduce energy use, provide grid reliability benefits, and provide benefits to under-resourced communities. It included two technology groups — one specifically for industrial heat pumps and another for other eligible advanced energy and decarbonization technologies. No applications were received under the heat pump group, and consistent with the solicitation provisions, the associated funding was shifted to the other technology group.

The solicitation yielded six proposed awards, announced in October 2025. These projects include solar-powered microgrids, high-efficiency transcritical CO_2 refrigeration systems, industrial heat-recovery and thermal storage systems, wastewater treatment, and other decarbonization upgrades. The project sites span cheese manufacturing, frozen specialty foods, protein processing, post- harvest fruit and vegetable handling, and milk processing. These projects will help food processors accelerate the adoption of advanced energy and decarbonization technologies to support grid reliability, reduce GHG emissions, and strengthen operational resilience.

Awarded Projects

The CEC did not execute agreements for any new FPIP projects in 2025. The five agreements awarded and executed in 2024 remain active and continue to advance through design, installation, and reporting phases. The five active projects are listed below.

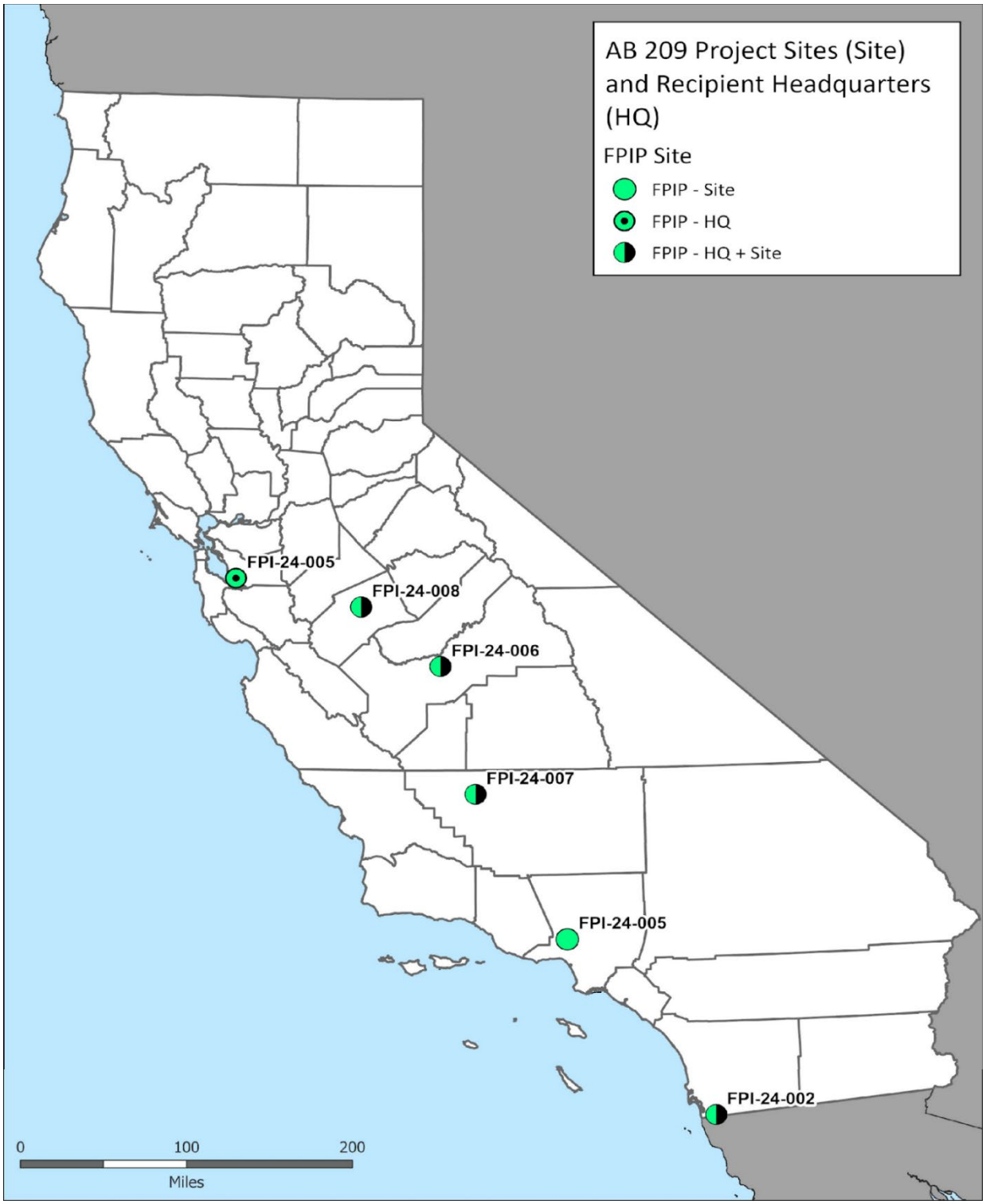
1. Agreement FPI-24-002: "Refrigeration System Upgrade at Innovative Cold Enterprise"
    - Recipient: Innovative Cold Storage Enterprises, Inc.
    - Funding: $3,967,972 CEC funds; $1,091,993 match funding
    - Site Location: San Diego (San Diego County)
2. Agreement FPI-24-005: "R-22 Refrigeration System Conversion at the Aspire Bakeries Facility"
    - Recipient: Aspire Bakeries, LLC
    - Funding: $710,463 CEC funds; $566,292 match funding

- Site Location: Van Nuys (Los Angeles County)

3. Agreement FPI-24-006: "Refrigeration and Compressed Air Systems Optimization at the Producers Dairy Facility"
    - Recipient: Producers Dairy Foods, Inc.
    - Funding: $2,010,400 CEC funds; $4,059,600 match funding
    - Site Location: Fresno (Fresno County)
4. Agreement FPI-24-007: "Microgrid at Primex Farms"
    - Recipient: Primex Farms, LLC
    - Funding: $4,999,376 CEC funds; $4,257,633 match funding
    - Site Location: Wasco (Kern County)
5. Agreement FPI-24-008: "Joseph Gallo Farms Net-Zero Refrigeration System Optimization Project"
    - Recipient: Joseph Gallo Cheese Company, LP
    - Funding: $2,491,825 CEC funds; $1,637,710 match funding
    - Site Location: Atwater (Merced County)

Figure 2 shows the location of FPIP project sites as well as recipient headquarters.

Figure 2: AB 209 FPIP Recipient Headquarters and Project Site Locations Through 2025



Source: California Energy Commission

Annual Reporting Requirements

Funds Spent for the Program, Balance Remaining to Be Spent, and Geographic Distribution of the Funds

Project funds encumbered for FPIP: $14.2 million

Remaining balance: $9.7 million

- In the FY 2024–2025 Budget, funding for FPIP was reduced from $65 million to $26.2 million. The funding source includes $20 million in GGRF and $6.2 million in General Fund. A total of 91.2 percent of the $26.2 million (or $23.9 million) is being used to provide grants for grid reliability and decarbonization projects at food production plants. The remaining 8.8 percent of program funds is being used for program administration.
- In 2024, The CEC awarded five projects, totaling $14.2 million, were awarded in September 2024 and began in Q4 of 2024.
- In June 2025, the balance of remaining funds ($9.7 million) was made available to solicitation GFO-24-311. Six projects were recommended for funding.
- Geographic distribution of project sites is provided in Figure 2.

Funds Spent on Administrative, Technical, or Scientific Services for the Program

Expenditures cumulative through December 31, 2025: $1.3 million

The program held public workshops and participated in outreach events with interested organizations and parties, including:

- **February 5 and 6, 2025:** Hosted an outreach booth at the 2025 Food Processing Expo in Sacramento, which drew more than 1,000 attendees. Staff engaged interested visitors and exhibitors to share information about FPIP, discuss upcoming funding opportunities, and increase the visibility of the program within the food processing industry.
- **June 6, 2025:** Released FPIP competitive grant solicitation GFO-24-311, "FPIP 2025," for $10.5 million ($9.7 million in AB 209 funds and the remainder from prior FPIP funding allocations). The solicitation sought to accelerate the adoption of advanced energy efficiency, decarbonization, and renewable energy technologies and to support electrical grid reliability in the California food industry.
- **June 26, 2025:** Preapplication workshop to provide information and answer questions on GFO-24-311. More than 80 people attended the workshop, and CEC collected written questions from potential applicants through July 3, 2025.
- **August 12, 2025:** CEC published a questions-and-answers document in advance of the September 12, 2025, deadline to submit applications.
- **October 20, 2025:** Released GFO-24-311 Notice of Proposed Awards. Six awards were recommended for funding.

- **November 3, 2025:** Conducted a final site visit of Amy's Kitchen's FPIP project with CEC staff, Secretary of the California Department of Food and Agriculture Karen Ross, Assemblymember Damon Connolly (District 12), Assemblymember Chris Rogers (District 2), and other state officials. The visit highlighted the new CO_2-based refrigeration system of the facility with heat recovery and showcased the role of FPIP in advancing clean energy and supporting California's food processing industry.
- **Ongoing:** Coordination with U.S. DOE, CARB, academia, researchers, entrepreneurs, California food processors, equipment manufacturers, industrial trade associations, and other interested members of the public to inform FPIP activities and funding opportunities.

Estimates on How Spent Funds are Achieving the Specific Purposes of the Program

Proposed funding awards were announced in October 2025, and priority was given to projects that focus on AB 209 priorities, such as reducing GHG emissions, supporting electric grid reliability, and maximizing air-quality benefits. If the recommended projects from 2025 are approved, an additional 6,237 metric tons of GHG reductions, 4.8 million kWh of electricity savings, 934 kilowatts (kW) of peak demand reduction, and more than 760,000 therms of fossil gas savings could be achieved annually.

When combined with the five projects implemented in 2024, the cumulative impact of AB 209 FPIP-funded and recommended projects would total:

- About 13,837 $MTCO_2e$ of onsite GHG reductions per year
- About 3,800 $MTCO_2e$ of offsite reductions
- About 4.8 million kWh of electricity savings
- About 934 kW of peak-demand reduction
- More than 760,000 therms of fossil gas savings, and 9,200 pounds of criteria air pollutant reductions

These cumulative impacts demonstrate strong continued progress toward AB 209 goals.

Estimates of Additional Electrical Generation or Storage Capacity at Net Peak Hours or During Critical Grid Conditions Made Available as a Result of the Program

If the six recommended projects from the 2025 solicitation are approved, they are expected to provide about 934 kW of peak-demand reduction, increasing available capacity during net peak hours and critical grid conditions. In addition, these projects would add 3.09 MW of new solar generation capacity and 1,164 kW/2,530 kWh of battery storage, further enhancing on-site renewable generation and dispatchable capacity to support grid reliability. When combined with the microgrid project implemented in 2024, the cumulative impact of FPIP-funded and recommended projects would encompass more than 6 MW of installed solar capacity, more than 18 megawatt-hours of battery storage, and about 1.27 MW of peak- demand reduction.

These investments strengthen onsite resiliency and grid reliability across California's food and beverage sector.

Estimated Onsite Reductions in GHG and Criteria Air Pollutant Emissions as a Result of the Program

The six recommended projects from the 2025 solicitation, if approved, are expected to achieve about 6,200 metric tons of onsite GHG emissions reductions per year, driven by reductions in electricity and fossil gas consumption, the installation of advanced clean energy technologies, and the addition of onsite renewable energy generation and storage. These projects are also expected to reduce an estimated 16,000 pounds of criteria air pollutants annually in under-resourced communities. During project selection, priority consideration was given to projects that help reduce GHG emissions and maximize air quality benefits in under-resourced communities.

When combined with the five projects funded in 2024, the cumulative impact of AB 209 FPIP-funded and recommended projects totals roughly 13,800 $MTCO_2e$ of onsite GHG reductions and 9,200 pounds of criteria air pollutant reductions annually, demonstrating continued progress toward AB 209 decarbonization and air-quality objectives.

Description of How the Funds Were Used and a Description of the Industries Receiving Funding

Five projects were executed in 2024, and they have progressed through project development, installation, and reporting stages. These ongoing projects span bakery operations, dried fruit and nut processing, industrial cold storage, and dairy processing facilities, and include technologies such as high-efficiency, low-charge ammonia refrigeration systems, state-of-the-art CO_2 refrigeration systems, and solar-powered microgrids. These previously funded projects continue to support GHG reduction, improve energy efficiency, and strengthen grid reliability across California's food and beverage production sector.

Although no new agreements were executed in 2025, six projects were recommended for approval in Q4 2025. These recommended projects include:

- Solar-powered microgrids.
- High-efficiency transcritical CO_2 refrigeration systems.
- Industrial heat recovery and thermal-storage systems.
- Wastewater treatment improvements.
- Other facility-specific decarbonization upgrades.

The recommended project sites span a range of food and beverage production activities, including cheese manufacturing, frozen specialty foods, protein processing, postharvest fruit and vegetable handling, milk processing, and beverage production. Once executed, these projects are expected to further enhance energy efficiency, reduce onsite emissions, and improve operational resilience throughout California's food sector.

Additional funding opportunities and announcements for FPIP will be posted on the FPIP website and awarded project information can be found on the CCI Program website.

CHAPTER 5: INDUSTRIAL DECARBONIZATION AND IMPROVEMENT OF GRID OPERATIONS PROGRAM

The industrial sector, responsible for more than 20 percent of California's and a third of national GHG emissions,[23] holds significant potential for decarbonization. Decarbonization opportunities include fuel switching, electrification of process heat, renewable fuels for high-heat applications such as concentrating solar-thermal power for steam generation in food production, nonthermal separations to replace energy-intensive methods, and load flexibility to manage peak electricity demand.

California's industrial sector is also a key economic driver, supporting domestic and global markets by both providing jobs and manufacturing a wide range of goods, including minerals, cement, and glass. Green or clean technologies, for example, create well-paying jobs in local communities, with manufacturers employing 1.3 million Californians at wages averaging more than $25,000 higher than other nonfarm employers in the state.[24] The sector is also the second-largest emitter of GHG emissions in California.[25] Many industrial plants have high energy demands that rely on fossil fuel combustion, particularly for process heat. This reliance is a major contributor to GHG emissions and criteria air pollutants that burden neighboring communities.

The INDIGO Program was established by AB 209 under PRC Section 25662 to provide grants for industrial projects that benefit the electrical grid and reduce GHG emissions and local air pollution. INDIGO is a first-of-its-kind program in California and is focused exclusively on industrial decarbonization, addressing a sector with difficult-to-decarbonize operational processes and long equipment life cycles that result in limited opportunities for intervention before 2045 to meet California's carbon neutrality goals.

While other CEC programs, such as the Electric Program Investment Charge Program and the Gas Research and Development Program, have supported industrial initiatives, INDIGO is uniquely focused on the industrial sector. By prioritizing demonstration projects with broad applicability, INDIGO helps reduce financial, technical, safety, and operational risks associated with installing emerging technologies and accelerate adoption, strengthening California's industrial competitiveness while advancing the transition to a low-carbon economy.

INDIGO drives the transformation of California's industry toward a decarbonized economy by:

- Demonstrating renewable or other clean energy technologies that are scalable.

23 CARB. 2024. "Current California GHG Emission Inventory Data." https://ww2.arb.ca.gov/ghg-inventory-data.

24 National Association of Manufacturers (NAM). 2022. "California Manufacturing Facts." https://nam.org/data-and-research/#california.

25 CARB. 2024. "Current California GHG Emission Inventory Data" (2024 Edition)

- Improving local air quality, especially in under-resourced communities.
- Achieving long-lasting, accurately estimated, and verified GHG emissions reductions.

The INDIGO Program uses GGRF funds from the CCI Program and provides grant awards for industrial projects that provide benefits to the electrical grid as well as reduce emissions and local air pollution. Eligible projects:

- Enhance electrical grid reliability.
- Electrify processes that use fossil fuels.
- Incorporate energy storage or renewable resources.
- Increase energy efficiency.
- Develop and deploy novel decarbonization technologies and strategies.

Projects that benefit an oil or gas production, processing, or refining facility are not eligible.

2025 Milestones

In 2024, the CEC released Round 2 of solicitation GFO-23-313, "Deployment of Decarbonization Technologies and Strategies for California Industrial Facilities (INDIGO Program)," for grants up to $5.5 million to launch cutting-edge, emerging technologies at existing California industrial plants. The goal is to promote electrification and load flexibility while reducing fossil fuel and thermal energy usage as well as criteria air pollutants and GHG emissions. The solicitation had a submission deadline of January 10, 2025, and yielded one award, totaling $5.5 million. This project is anticipated to result in more than 2,183 $MTCO_2e$/year in GHG reductions.

In 2025, AB 1280 (Garcia, Chapter 395, Statutes of 2025) amended the INDIGO Program to, among other things, explicitly allow for thermal energy storage and carbon capture of process emissions. For any facility with a record of air permit violations, eligible projects were required to separately develop a plan for pollution remediation, including for ecological and public health harms. It also required payment of prevailing wages or labor agreements with respect to eligible projects and expanded preferences for projects in under-resourced communities (as defined in PRC Section 71130).

In Q2 2025, the U.S. DOE announced the cancellation of two federal cost-share projects that were previously approved under solicitation GFO-22-902, "Cost Share for Federal Funding Opportunities." The solicitation aimed to strengthen California applicants' chances of securing federal funding aligned with the INDIGO Program and to maximize the impact of CEC funds. The CEC canceled the two federal cost-share projects in 2025, totaling $10 million in CEC funds that will be repurposed for future industrial decarbonization projects. The CEC allocated these repurposed funds to Round 3 of the solicitation, GFO-23-313 — Deployment of Decarbonization Technologies and Strategies for California Industrial Facilities, which was released in November 2025.

Awarded Projects

The CEC awarded one project, IND-24-006,[26] for INDIGO in 2025. The project, titled "Sierra Nevada Cheese Facility Decarbonization," awarded $5.5 million to Sierra Nevada Cheese Company in Willows (Glenn County). This project will install an anaerobic digestion system to capture GHG emissions from the site's lagoon and convert the emissions into usable energy. The resulting biogas will fuel a linear generator to produce renewable electricity for the entire facility. Any surplus biogas will be used to replace fossil gas in the new dual-fuel burner for the steam boiler. In addition, the project will install a CO_2 heat pump capable of producing both hot and cold water.

This heat pump will replace an existing R410A electric chiller, reducing electricity demand by 20 percent as well as significantly reducing the refrigerant GWP. In addition, the heat pump will reduce demand on the fossil gas boiler for hot water production, contributing to an overall 68 percent reduction in fossil gas consumption. In 2025, the project estimated GHG emissions reductions of 2,183 $MTCO_2$/year, oxides of nitrogen emissions reductions of 620 pounds per year, and electric grid energy savings of 2.06 GWh/year (gigawatt-hours per year). Other co-benefits include the capture of 1,848 $MTCO_2e$/year from the wastewater lagoons and the reduction of 5,200 gallons/year of diesel fuel needed to transport waste.

All previously funded projects are listed below.

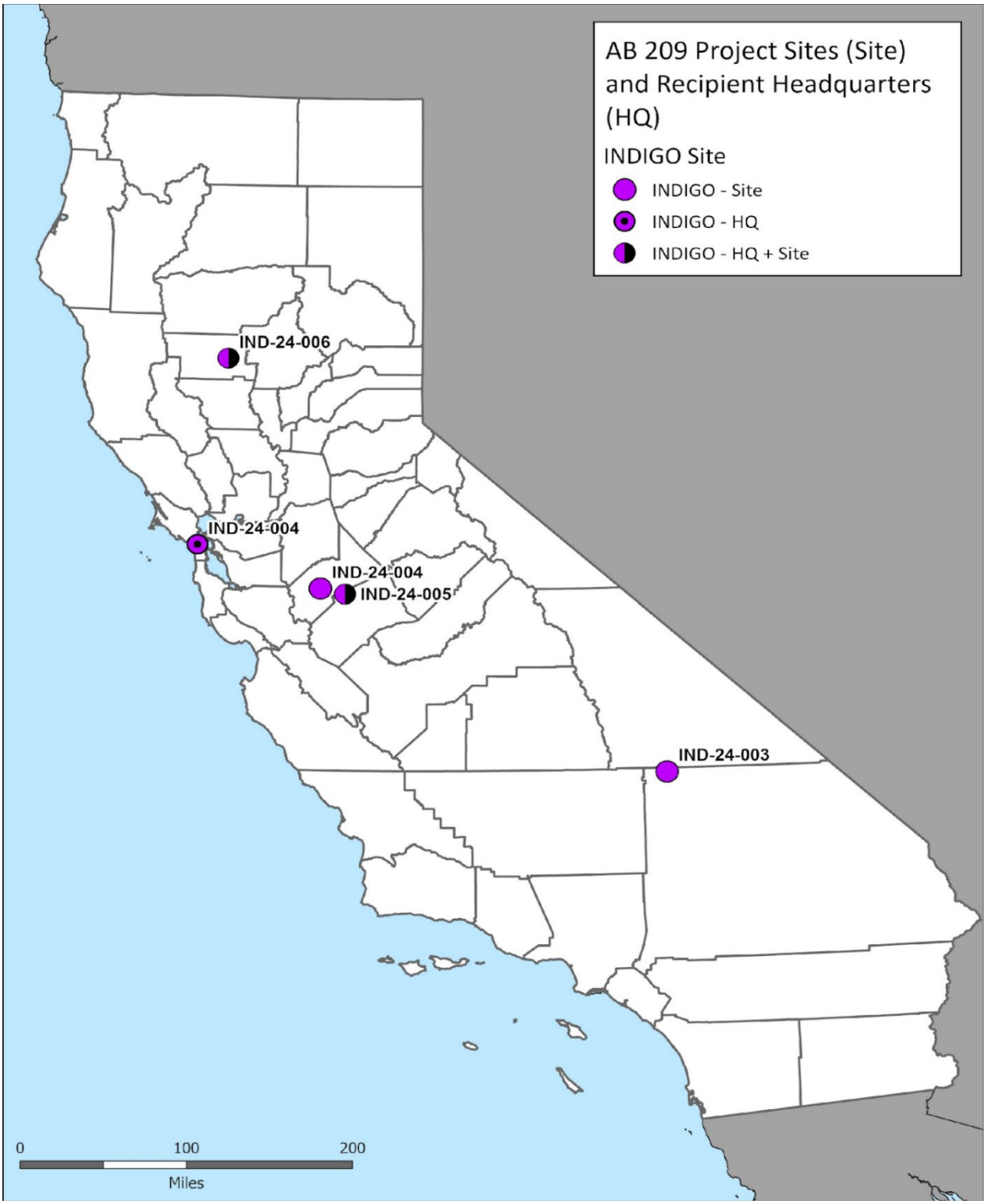
1. Agreement IND-24-003: "SVM Green Energy Transformation Initiative: Electrification, Solar Integration, and Battery Storage for a Sustainable Future"
    - Recipient: Searles Valley Minerals
    - Funding: $8,000,000 CEC funds; $12,278,284 match funding
    - Site Location: Trona (San Bernardino County)
2. Agreement IND-24-004:[27] "Steam Generating Heat Pump at Industrial Laundry in Patterson"
    - Recipient: Renewable Technology Developments Inc.
    - Funding: $4,504,284 CEC funds; $1,540,974 match funding
    - Site Location: Patterson (Stanislaus County)
3. Agreement IND-24-005: "Hilmar Lactose System Electrification"
    - Recipient: Hilmar Cheese Company, Inc.
    - Funding: $8,000,000 CEC funds; $9,441,587 match funding
    - Site Location: Hilmar (Merced County)

Figure 3 shows the geographic distribution of INDIGO project sites and recipient headquarters.

26 Energize Innovation. n.d. "Sierra Nevada Cheese Facility Decarbonization." https://www.energizeinnovation.fund/projects/sierra-nevada-cheese-facility-decarbonization.

27 Energize Innovation. n.d. "Steam Generating Heat Pump at Industrial Laundry in Patterson." https://www.energizeinnovation.fund/projects/steam-generating-heat-pump-industrial-laundry-patterson.

Figure 3: AB 209 INDIGO Recipient Headquarters and Project Site Locations Through 2025



Source: California Energy Commission

Annual Reporting Requirements

Funds Spent for the Program, Balance Remaining to Be Spent, and Geographic Distribution of the Funds

Project funds encumbered for INDIGO: $26 million

Remaining Balance: $10 million

In the FY 2024–2025 Budget, funding for the program was reduced from $90 million to $40 million; the funding source for the $40 million is the GGRF. This $50 million proposed reduction in the Governor's Budget was from the General Fund. About 90 percent of the $40 million (or $36 million) will be used to provide grants for industrial decarbonization projects; the remaining $4 million will be used for program administration.

In 2024, the CEC announced Round 1 of GFO-23-313 that resulted in the award to three projects for $20.5 million.

In 2025, the CEC awarded Round 2 of GFO-23-313 for $5.5 million to one project . The geographic distribution of funds is shown in Figure 3.

In Q2 of 2025, the U.S. DOE cancelled two projects that had been slated to receive a combined $90 million in federal funding. The CEC had awarded these projects $10 million in cost-share funds under solicitation, "Cost Share for Federal Funding Opportunities INDIGO Program and FPIP," in 2024. With the federal awards withdrawn, the CEC repurposed funds to support new industrial decarbonization projects through Round 3 of the solicitation, GFO-23-313 — Deployment of Decarbonization Technologies and Strategies for California Industrial Facilities. That round was released in November 2025.

Funds Spent on Administrative, Technical, or Scientific Services for the Program

Expenditures cumulative through December 31, 2025: $1.3 million

- **January 10, 2025**: Submission deadline for Round 2 of GFO-23-313 – up to $5.5 million in grant funding for industrial decarbonization projects (released September 12, 2024).
- **February 19, 2025:** Notice of Proposed Award released for Round 2 of GFO-23-313 – The CEC received four proposals by the due date, January 10, 2025, and one proposed award was recommended.
- **April 10, 2025:** Approved one proposed award from Round 2 of GFO-23-313 at the CEC business meeting.
- **November 25, 2025:** Round 3 of GFO-23-313 released — up to $10 million available in grant funding for industrial decarbonization projects.
- **December 31, 2025**: Questions deadline for Round 3 of GFO-23-313.
- **Ongoing:** Coordination with U.S. DOE, CARB, academia, researchers, entrepreneurs, California industrial companies, equipment manufacturers, industrial trade associations,

and other interested members of the public to inform INDIGO activities and funding opportunities.

Estimates on How Spent Funds Are Achieving the Specific Purposes of the Program

Priority for CEC grants is given to projects that align with AB 209 priorities, including promoting electrification, reducing GHG emissions from the industrial sector, and benefiting under-resourced communities.

The following estimated cumulative impacts are expected for the four AB 209 INDIGO-funded projects:

- 13,000 $MTCO_2e$ of GHG reductions per year
- 2.5 million kWh of additional electricity capacity per year
- 9.2 million kWh of peak-demand reduction per year
- 2.3 million therms of on-site fossil gas savings
- 32,000 pounds per year of criteria air pollutant reductions

These cumulative impacts demonstrate strong continued progress toward AB 209 goals.

Estimates of Additional Electrical Generation or Storage Capacity at Net Peak Hours or During Critical Grid Conditions Made Available as a Result of the Program

Together, the four projects described in the "Awarded Projects" section above are estimated to save more than 9.2 million kWh of grid electricity annually during peak hours. Future awards are expected to increase these estimated benefits.

Agreement IND-24-003 includes the installation of a solar photovoltaic system estimated to generate more than 20 million kWh annually, along with a battery energy storage system and specialized control system to focus on reducing peak energy demand. Agreement IND-24-004 plans to install a small solar photovoltaic system estimated to generate 124,000 kWh annually to reduce grid impacts. Agreement IND-24-006 is expected to generate 2 GWh/year of electricity by using renewable biogas with a linear generator, covering all the electricity usage of the facility.

Estimated Onsite Reductions of GHG and Criteria Air Pollutants Emissions as a Result of the Program

Awarded projects are estimated to result in a total annual reduction of more than 13,000 $MTCO_2e$, with 11,700 $MTCO_2e$ of this total within under-resourced communities, and more than 32,000 pounds of criteria air pollutants, with 29,300 pounds of the total within under-resourced communities. These numbers do not include annual cobenefits of roughly 1,800 $MTCO_2e$ captured from fugitive methane emissions and an estimated 5,200 gallons of avoided diesel fuel used for transporting waste from IND-24-006. Future awards are expected to increase these estimated benefits.

Description of How the Funds Were Used and a Description of the Industries Receiving Funding

In 2025, INDIGO allocated $5.5 million to one project award at an existing industrial plant involving decarbonization through waste-to-energy renewable generation, energy efficiency, and electrification. Two federal cost-share projects totaling $10 million in CEC funds, with a specific focus on demonstrating industrial heat decarbonization, were cancelled in Q2 2025 because of U.S. DOE project termination. These funds were repurposed for future industrial decarbonization projects under Round 3 of the solicitation, GFO-23-313 — Deployment of Decarbonization Technologies and Strategies for California Industrial Facilities, which was released in November 2025.

The remaining three previously awarded projects, totaling $20.5 million, focus on demonstrating cutting-edge emerging technologies that meet at least one of the AB 209 goals.

CHAPTER 6: OFFSHORE WIND WATERFRONT FACILITY IMPROVEMENT PROGRAM

Offshore wind (OSW) energy developed in federal ocean waters off California's coast could play an important role in diversifying the state's portfolio of clean and renewable energy resources, as it complements the generation attributes of other clean energy resources.

Assembly Bill 525 (AB 525; Chiu; Chapter 231, Statutes of 2021) requires the CEC to establish OSW planning goals for 2030 and 2045 and to develop a strategic plan for OSW development off the California coast in federal waters. On July 10, 2024, the CEC approved the *Assembly Bill 525 Offshore Wind Energy Strategic Plan* (AB 525 Strategic Plan). As described in the AB 525 Strategic Plan, ports and waterfront facilities will play a critical role in establishing an OSW industry in California.

Existing California port infrastructure is unable to support an OSW industry in the state. OSW projects off the California coast could involve 100 or more turbines. The only feasible way to transfer components from one location to another is over water. No single port site in California can serve all the needs of the OSW industry. Instead, multiple ports will be needed to support OSW development. The AB 525 Strategic Plan identifies several port sites within the state that can be used for these OSW activities.

The *AB 525 Port Readiness Plan* estimated that about $11 billion to $12 billion may be needed to upgrade existing port infrastructure to meet the state OSW planning goal of 25 gigawatts by 2045. Because staging and integration sites are required to deploy floating OSW, and few locations meet the port requirements, a multi-port development strategy is needed.

Early-stage development activities, such as concept design, engineering, permitting, and environmental review, can help ports position projects for future construction and operations.

The Offshore Wind Waterfront Facility Improvement Program (WFIP) was established by AB 209. AB 209 requires the CEC to establish and administer a program to support OSW infrastructure improvements to advance the capabilities of California ports, harbors, and other waterfront facilities. A program web page and docket (23-MISC-01) are available on the CEC's website.

2025 Milestones

On March 7, 2025, the CEC released the Notice of Proposed Awards, recommending awards to five ports totaling $42.8 million. The CEC approved all five awards at the October 8, 2025, Business Meeting.

Awarded Projects

In 2025, the CEC awarded grants to five ports under the WFIP:

- **City of Long Beach Harbor Department:** Agreement OSW-25-001, "Port Offshore Wind Equity and Readiness (POWER)," for a $20 million grant to fund the planning, final design, environmental review, and engagement strategies with near-port communities, California Native American tribes, industry representatives, and public agencies, for the 430-acre OSW terminal, known as Pier Wind, at the Port of Long Beach. Project planning activities include engineering design, environmental review, cost estimates, community, public, and tribal engagement, and workforce development.
- **Port of Oakland:** Agreement OSW-25-002, "Strategic Advancements for Offshore Wind: Feasibility and Business Case Study for Offshore Wind Infrastructure at the Port of Oakland," for a $750,000 grant to study and advance the identification, planning, and preliminary design of potential Port of Oakland sites to support offshore wind supply-chain and logistics operations. This project positions the Port of Oakland as a potential OSW hub for subcomponent manufacturing, floating platform assembly, component storage and flexible laydown, operations and maintenance, and emergency response capabilities.
- **City of Richmond:** Agreement OSW-25-003, "Port of Richmond Offshore Wind Terminal Conceptual Design and Preliminary Engineering," for a $750,000 grant to plan and design terminal facilities at the Port of Richmond to support OSW supply-chain operations. The effort will define site boundaries for OSW uses, identify required infrastructure upgrades, and advance selected sites to about 30 percent engineering design. The conceptual and preliminary engineering work will assess, compare, and design purpose-built OSW infrastructure across up to 216 acres.
- **Port San Luis Harbor District**: Agreement OSW-25-004, "Port San Luis Offshore Wind Operations Maintenance Terminal," for a $3,000,000 grant to advance planning for the proposed operations and maintenance terminal at Port San Luis. The award will progress engineering design, prepare the project for coastal permitting, and expand engagement with community, tribal, public, and agency partners across the Central Coast. The terminal is intended to serve several OSW projects off California's Central Coast.
- **Humboldt Bay Harbor, Recreation and Conservation District:** Agreement OSW-25-005, "Humboldt Bay Offshore Wind Heavy Lift Marine Terminal — Advanced Design and Public Engagement Project," for an $18,250,000 grant to fund planning activities that support OSW infrastructure improvements at the Heavy-Lift Marine Terminal site in Humboldt Bay, enhancing California's waterfront capacity to develop and operate floating OSW projects. The work includes community, public, and tribal engagement, technical studies and planning, design development, and mitigation planning.

Annual Reporting Requirements

Funds Spent for the Program, Balance Remaining to be Spent, and Geographic Distribution of the Funds

Project funds encumbered for WFIP: $42.8 million

Remaining Balance: $0

The Budget Act of 2022, as amended by AB 179, originally appropriated $45 million from the General Fund to the CEC to support OSW port readiness through the implementation of AB

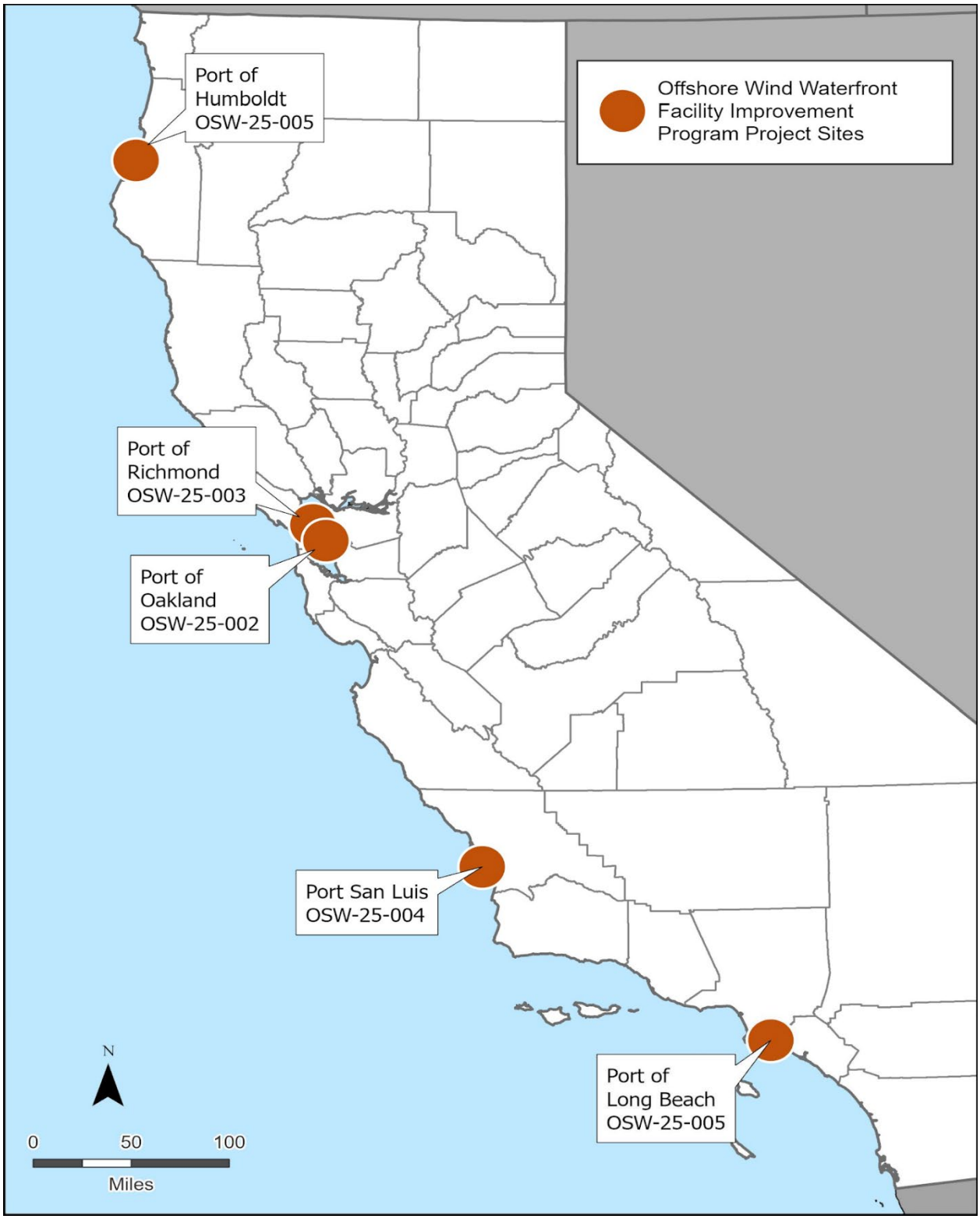
209. Of this amount, $2.3 million was allocated for administration, and $42.8 million was allocated to provide grants to support OSW infrastructure improvements at California seaports. In 2025, $42.8 million was returned to the General Fund.

In March 2024, California voters approved Proposition 4, authorizing the sale of general obligation bonds to fund infrastructure programs, including port upgrades for OSW. Under Senate Bill 105 (Wiener, Chapter 104, Statutes of 2025), the CEC can use up to $42.8 million of Proposition 4 funds for the WFIP.

As of September 2025, the CEC has approved five grants totaling $42.8 million. The CEC is working with the State Treasurer's Office and other agencies responsible for bond issuance to complete the sale of Proposition 4 bonds. Once these grants are executed and grant funds are available, the first disbursements of funds will occur.

Figure 4 shows the locations of the five awarded projects.

Figure 4: WFIP Project Site Locations



Source: California Energy Commission

Funds Spent on Administrative, Technical, or Scientific Services for the Program

Expenditures cumulative through December 31, 2025: $2.3 million.

- **March 7, 2025:** Released the Notice of Proposed Awards for GFO-24-701, recommending five awards totaling $42.8 million for funding.
- **October 8, 2025:** Approved all five proposed grant agreements at the CEC business meeting.

Estimates on How Spent Funds Are Achieving the Specific Purposes of the Program

The projects awarded funding align with the purposes of AB 209, including support for offshore wind development, infrastructure planning, and community and workforce benefits. Of the 13 applications received, five projects were recommended for funding, and all five grant agreements were approved at the October 8, 2025, Business Meeting. Details on the awarded projects are provided in the "Awarded Projects" section above, and funding information is included in Appendix A.

Estimates of Additional Electrical Generation or Storage Capacity at Net Peak Hours or During Critical Grid Conditions Made Available as a Result of the Program

Though this program is not expected to directly result in additional electrical generation or storage capacity, port development is required to develop OSW. As those projects come online, OSW will add renewable energy generation, diversify California's resource mix (with energy generation that extends into evening hours), and reduce reliance on fossil-fueled generation and associated emissions.

Estimated Onsite Reductions in GHG and Criteria Air Pollutant Emissions as a Result of the Program

This program is not expected to directly result in a reduction in GHG and criteria air pollutants. However, it is intended to support the development of OSW resources in California, which could reduce the need for fossil fuels associated with electricity generation and GHG and criteria pollutant emissions. The construction and operation of port facilities developing OSW components could have impacts, including air quality, on nearby communities. The selected projects include tasks for planning to address potential emissions by evaluating and identifying mitigation strategies and exploring opportunities for electrification, clean fuels, and the use of zero-emission equipment.

Description of How the Funds Were Used and a Description of the Industries Receiving Funding

Funds awarded will support early-stage planning, design, engineering, environmental analysis, and interested party engagement related to OSW infrastructure development at five California ports. These activities are intended to help prepare waterfront facilities for staging,

integration, operations and maintenance, and potential manufacturing to support floating OSW deployment.

All five recipients are California ports that manage coastal land and maritime facilities for cargo handling, transportation, and industrial development. Ports play a critical role in the state's economy and are key to enabling OSW infrastructure along the West Coast.

The awarded projects focus on the planning necessary to prepare sites to accommodate OSW-related activities, such as heavy-lift terminal construction, component staging and assembly, and long-term maintenance activities. Each port has or will hire professional consultants, including engineering firms and environmental planners to carry out the grant-funded work.

Each project includes tasks for public engagement and tribal outreach.

CHAPTER 7: CONCLUSION

Key Accomplishments for 2025

The AB 209 clean energy programs continued to advance California's transition to a clean, affordable, reliable, and equitable energy system in 2025. Together, the five programs advanced work to promote clean hydrogen production and use, support statewide and tribal building decarbonization, reduce emissions from food production facilities, deploy cleaner and more efficient industrial technologies, and support critical port infrastructure planning for future OSW development. Staff drafted and released solicitations, developed and finalized program guidelines, coordinated with community organizations and tribes, conducted planning to prepare projects for implementation, and managed active projects.

Examples of notable progress in 2025 include the following:

- **CHY:** Maintained program development despite significant budget reductions and drafted an updated solicitation with reduced funding to support future clean hydrogen projects.
- **EBD:** Prepared the Statewide Direct Install Program for launch, including finalizing ICFAs, supported more than 770 home retrofits through EBD GoGreen, and advanced draft guidelines for the Tribal Direct Install Program.
- **FPIP:** Recommended funding six projects totaling $10.5 million ($9.7 million in AB 209 funds) to reduce energy use and emissions at food and beverage processing facilities.
- **INDIGO:** Awarded one project, repurposed funds from canceled federal cost-share projects, and released Round 3 of GFO-23-313 to support future deployment of industrial decarbonization technologies and strategies.
- **WFIP:** Approved $42.8 million for five port planning and design projects to prepare California's waterfront for future OSW development.

The collective progress achieved will support California's transition to a clean, affordable, reliable, and equitable energy system. Continued progress and investment remain necessary to meet the state's ambitious climate and energy goals.

What's Ahead

In 2026, the CEC will continue implementing and monitoring all five AB 209 programs, including tracking estimated GHG reductions, energy savings, and grid impacts as projects move from planning to deployment. Program activities will continue to advance California's clean energy transition and ensure that AB 209 investments deliver meaningful and equitable benefits statewide.

LIST OF ACRONYMS

Term	Definition
AB	Assembly Bill
AEA	The Association for Energy Affordability is a nonprofit organization specializing in educational, technical, and construction management activities.
CAEATFA	California Alternative Energy and Advanced Transportation Financing Authority. CAEATFA is a state authority that provides financing solutions for projects that help reduce greenhouse gas emissions by increasing the development and deployment of renewable energy sources, energy efficiency, and advanced transportation and manufacturing technologies. CAEAFTA administers the GoGreen Home Financing Program with the support of funding from the CEC Equitable Building Decarbonization Program.
California Native American tribe	A Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission for the purposes of Chapter 905 of the Statutes of 2004 (PRC Sections 25665[a] and 21073).
CARB	California Air Resources Board
CBO	community-based organization. For purposes of this report, CBOs are public or private nonprofit organizations that have effectively performed one or more of the following: ● Deployed projects and/or outreach efforts within California disadvantaged or low-income communities. ● Established official mission and vision statements that expressly identify serving disadvantaged and/or low-income communities. ● Hired, and actively employing, a staff member(s) who specializes in and is dedicated to diversity, equity, or inclusion.
CCI	The California Air Resources Board's California Climate Investments Program is funded by proceeds that are deposited into the Greenhouse Gas Reduction Fund from the sale of state-owned allowances through quarterly cap-and-invest auctions. State agencies that receive appropriations from the Greenhouse Gas Reduction Fund for the California Climate Investment Program use funding guidelines developed by the California Air Resources Board to design and implement programs that facilitate greenhouse gas emission reductions, benefit disadvantaged communities and low-income communities and households and provide transparency and accountability regarding the use of funds.
CEC	California Energy Commission

Term	Definition
CHY	Clean Hydrogen Program, a program that funds projects that demonstrate or scale up hydrogen production or use
CO_2	carbon dioxide
CSE	The Center for Sustainable Energy is the regional administrator for the Central California region and is a nonprofit organization with a mission to decarbonize.
Decarbonization	Decarbonization refers to the process of reducing or removing carbon dioxide emissions from the atmosphere.
Direct Install Program	A program to provide energy efficiency, decarbonization, or load flexible upgrades directly to a consumer at no cost through a third-party implementer
Disadvantaged community	Per Senate Bill 535 (De León, Chapter 830, Statutes of 2012), the California Environmental Protection Agency[28] designated four categories of geographic areas as disadvantaged: ● Census tracts receiving the highest 25 percent of overall scores in CalEnviroScreen 4.0 (https://oehha.ca.gov/calenviroscreen) ● Census tracts lacking overall scores in CalEnviroScreen 4.0 due to data gaps, but receiving the highest 5 percent of CalEnviroScreen 4.0 cumulative pollution burden scores ● Census tracts identified in the 2017 Disadvantaged Community designation, regardless of their scores in CalEnviroScreen 4.0 ● Lands under the control of federally recognized Tribes These communities are included within the California Climate Investments Program Priority Populations[29] designation.
EBD	Equitable Building Decarbonization Program. A CEC program that focuses on reducing greenhouse gas emissions in homes and advancing energy equity through three subprograms. The Statewide Direct Install Program provides decarbonization retrofits to low- and moderate-income households. The Statewide Incentive Program incentivizes the increased adoption of low-carbon technologies. The Tribal Direct Install Program will serve residential buildings owned or managed by California Native American tribes, tribal organizations, or tribal members.

28 California Environmental Protection Agency (CalEPA). 2026 "Disadvantaged Communities (DAC) Designation 2026." https://calepa.ca.gov/programs/dac2026/

29 CARB. 2024. "California Climate Investments Priority Populations 2024." https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=e746df40e39144029cd1f9fd748c81b2&page=About-%26-Resources.

Term	Definition
EBD GoGreen	Equitable Building Decarbonization GoGreen Home Financing Program. See GoGreen Home Financing Program.
Electrification	Electrification refers to replacing fossil gas-powered technologies or processes with those powered by grid or clean, renewable electricity
FPIP	Food Production Investment Program
FY	Fiscal Year
GFO	grant funding opportunity
GGRF	Greenhouse Gas Reduction Fund. The Greenhouse Gas Reduction Fund is a fund that receives the state's portion of the cap-and-invest auction proceeds to be used for the California Climate Investments Program.
GHG	Greenhouse gas
GWh	gigawatt-hour
GWP	Global warming potential is a standardized metric that compares how strong different greenhouse gases warm the atmosphere relative to carbon dioxide over a set time period.
GoGreen Home	The GoGreen Home Financing Program enables private lenders to provide loans for home energy upgrades to a broader base of borrowers. This goal is achieved by putting credit enhancement measures in place to reduce the risk of default, which lets participating lenders offer lower interest rates, longer repayment terms, and larger loan amounts. The California Alternative Energy and Advanced Transportation Financing Authority administers the program with funding support from the CEC Equitable Building Decarbonization Program. The CEC-funded program is called EBD GoGreen and expands GoGreen Home.
HEEHRA	Homes Electrification and Appliance Rebates. This Federal Inflation Reduction Act-funded Program helps households save money on energy bills, improve energy efficiency, reduce greenhouse gas emissions, and improve indoor air quality. Funding is split into two phases, HEEHRA Phase I and HEEHRA Phase II. It is administered by the United States Department of Energy.
HOMES	Home Efficiency Rebates Program. The Federal Inflation Reduction Act- funded HOMES Program helps households save on energy bills, improve energy efficiency, reduce greenhouse gas emissions, and improve indoor air quality by providing rebates for home energy upgrades. It is administered by the United States Department of Energy.

Term	Definition
ICFAs	Initial community focus areas are communities and neighborhoods across the state that will be served by the first phase of the Equitable Building Decarbonization Statewide Direct Install Program.
INDIGO	Industrial Decarbonization and Improvement of Grid Operations Program. The INDIGO Program was established by Assembly Bill 209 (Chapter 251, Statutes of 2021) and provides financial incentives for industry projects that demonstrate significant benefits to the electrical grid, reduce greenhouse gas emissions, achieve California's clean energy goals, and exceed state compliance requirements.
IRBD	interest rate buy-down. A payment made to a lender with the purpose of reducing the interest rate for a borrower.
kW	kilowatt
kWh	kilowatt-hour
Load flexibility	Load flexibility, also called demand flexibility, is the practice of adjusting load (or energy usage) to match the supply of electricity.
Loan loss reserve	A pool of funds used to cover a portion of potential losses for a lender in the event that a borrower defaults on their loan.
Low-income community	Low-income communities and households are, per AB 1550[30] (Gomez, Chapter 369, Statutes of 2016), defined as the census tracts and households, respectively, that are either at or below 80 percent of the statewide median income or with median incomes at or below the threshold designated as low-income by the California Department of Housing and Community Development's list of state income limits[31] adopted under Section 50093 of the Health and Safety Code. This definition is included within the California Climate Investments Priority Populations[32] designation.
$MTCO_2e$	metric tons of CO_2 equivalent. A metric ton equals 1,000 kilograms (approximately 2,204.6 pounds) and is a standard unit for reporting greenhouse gas emissions.
MW	megawatt

30 California Legislative Information. 2016. "AB-1550 Greenhouse Gases: Investment Plan: Disadvantaged Communities." (Gomez, Chapter 369, Statutes of 2016). https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160AB1550.

31 California Department of Housing and Community Development. 2026. "State and Federal Income, Rent, and Loan/Value Limits." https://www.hcd.ca.gov/funding/income-limits/state-federal-income-limits.

32 CARB. 2024. "California Climate Investments Priority Populations 2024." https://gis.carb.arb.ca.gov/portal/apps/experiencebuilder/experience/?id=e746df40e39144029cd1f9fd748c81b2&page=About-%26-Resources.

Term	Definition
Net peak hours	The hours when electricity demand is highest, minus any contributions from utility-scale solar and wind generation. The net peak typically occurs in the late afternoon and early evening when solar power generation decreases as the sun sets and wind generation may not be sufficient to meet the demand. Net-peak hours are critical because the electricity grid is under the most strain, and grid operators often rely on non-renewable sources like fossil gas to ensure there is enough electricity supply to meet the high demand.
Nonthermal separation	Replacing thermal separation processes, such as evaporation and distillation, with processes that remove the thermal energy required for separation and strictly rely on electrified processes (for example, reverse osmosis).
OSW	offshore wind
PODER	California Housing Partnership Corporation, People Organizing to Demand Environmental and Economic Rights
PRC	California Public Resources Code
Q	Quarter. Q1 includes January, February, and March. Q2 includes April, May, and June. Q3 includes July, August, and September. Q4 includes October, November, and December.
SB	Senate Bill
TECH Clean California	Technology and Equipment for Clean Heating: Clean California is a contractor point-of-sale residential electrification rebate program that offers electric appliance incentives, technical assistance, and installer training to address barriers associated with building decarbonization and market transformation.
Therm	Unit of energy, typically used for measuring the amount of fossil gas consumed
Tribal Direct Install Program	A program to provide home energy upgrades at no cost for residential buildings owned or managed by California Native American tribes or California tribal organizations and buildings owned by members of California Native American tribes.
Under-resourced community	AB 209 prioritized clean energy projects in communities with demonstrated economic or environmental need. AB 209 added California Public Resources Code (PRC) Section 25665 to establish this prioritization. Rather than creating a new definition, the statute incorporates existing law. For purposes of PRC Section 25665, an "under-resourced community" is defined by reference to PRC Section 71130. A community qualifies if it meets at least one of the following statutory criteria:

Term	Definition
	• California Health and Safety Code (HSC) Section 39711: Communities identified by the state (CalEnviroScreen) as disproportionately burdened by pollution and environmental hazards based on cumulative environmental and public health indicators. • HSC Section 39713(d): Low-income communities identified for purposes of California Climate Investments, generally defined as census tracts with median household incomes at or below 80 percent of the statewide average, or households below specified income thresholds. • HSC Section 75005(g) – "Severely disadvantaged communities," defined as communities with a median household income less than 60 percent of the statewide average. A community needs to meet only one of these criteria to qualify. Under-resourced communities include disadvantaged and low-income communities, which are defined above.
U.S. DOE	United States Department of Energy
WFIP	Offshore Waterfront Facility Improvement Program

APPENDIX A:
EBD PROJECTS AWARDED – CUMULATIVE THROUGH DECEMBER 31, 2025

Table A-1: 2025 EBD Projects Awarded — Cumulative Through December 31, 2025

Solicitation No.	Agreement No.[1]	Recipient	Project Title	Budget Plan	Budget Plan Funding	Total CEC Funding	CEC Business Meeting Date	Agreement Start Date	Agreement End Date
N/A	EBD-24-001	California Alternative Energy and Advanced Transportation Financing Authority	Equitable Building Decarbonization GoGreen Home Financing Program	FY 2022-23 EBD-GGRF Program Project Budget Plan	$54,000,000	$20,000,000	N/A	9/5/2024	6/30/2029
GFO-23-404	EBD-24-002	Center for Sustainable Energy	Equitable Building Decarbonization Statewide Direct Install Program - Central Region	FY 2022-23 EBD-General Fund Program Project Budget Plan	$1,800,000	$342,000	11/13/2024	12/16/2024	11/13/2029
GFO-23-404	EBD-24-002	Center for Sustainable Energy	Equitable Building Decarbonization Statewide Direct Install Program - Central Region	FY 2022-23 EBD-GGRF Program Project Budget Plan	$54,000,000	$6,460,000	11/13/2024	12/16/2024	11/13/2029
GFO-23-404	EBD-24-002	Center for Sustainable Energy	Equitable Building Decarbonization Statewide Direct Install Program - Central Region	FY 2023-24 EBD-General Fund Program Project	$450,000	$85,500	11/13/2024	12/16/2024	11/13/2029

				Budget Plan					
Solicita-tion No.	**Agree-ment No.**[1]	**Recipient**	**Project Title**	**Budget Plan**	**Budget Plan Funding**	**Total CEC Funding**	**CEC Business Meeting Date**	**Agreement Start Date**	**Agreement End Date**
GFO-23-404	EBD-24-002	Center for Sustainable Energy	Equitable Building Decarbonization Statewide Direct Install Program - Central Region	FY 2023-24 EBD-GGRF Program Project Budget Plan	$310,500,000	$53,295,000	11/13/2024	12/16/2024	11/13/2029
GFO-23-404	EBD-24-002	Center for Sustainable Energy	Equitable Building Decarbonization Statewide Direct Install Program - Central Region	FY 2024-25 EBD-GGRF Program Project Budget Plan	$22,500,000	$4,275,000	11/13/2024	12/16/2024	11/13/2029
GFO-23-404	EBD-24-002	Center for Sustainable Energy	Equitable Building Decarbonization Statewide Direct Install Program - Central Region	FY 2027-28 EBD-GGRF Program Project Budget Plan	$0	$0	11/13/2024	12/17/2024	11/13/2029
GFO-23-404	EBD-24-003	Association for Energy Affordability, Inc.	Equitable Building Decarbonization Statewide Direct Install Program - Northern Region	FY 2022-23 EBD-General Fund Program Project Budget Plan	$1,800,000	$414,000	11/13/2024	12/17/2024	11/13/2029
GFO-23-404	EBD-24-003	Association for Energy Affordability, Inc.	Equitable Building Decarbonization Statewide Direct Install Program - Northern Region	FY 2022-23 EBD-GGRF Program Project Budget Plan	$54,000,000	$7,820,000	11/13/2024	12/17/2024	11/13/2029

Solicita-tion No.	Agree-ment No.[1]	Recipient	Project Title	Budget Plan	Budget Plan Funding	Total CEC Funding	CEC Business Meeting Date	Agreement Start Date	Agreement End Date
GFO-23-404	EBD-24-003	Association for Energy Affordability, Inc.	Equitable Building Decarbonization Statewide Direct Install Program - Northern Region	FY 2023-24 EBD-General Fund Program Project Budget Plan	$450,000	$103,500	11/13/2024	12/17/2024	11/13/2029
GFO-23-404	EBD-24-003	Association for Energy Affordability, Inc.	Equitable Building Decarbonization Statewide Direct Install Program - Northern Region	FY 2023-24 EBD-GGRF Program Project Budget Plan	$310,500,000	$64,515,000	11/13/2024	12/17/2024	11/13/2029
GFO-23-404	EBD-24-003	Association for Energy Affordability, Inc.	Equitable Building Decarbonization Statewide Direct Install Program - Northern Region	FY 2024-25 EBD-GGRF Program Project Budget Plan	$22,500,000	$5,175,000	11/13/2024	12/17/2024	11/13/2029
GFO-23-404	EBD-24-003	Association for Energy Affordability, Inc.	Equitable Building Decarbonization Statewide Direct Install Program - Northern Region	FY 2027-28 EBD-GGRF Program Project Budget Plan	$0	$0	11/13/2024	12/17/2024	11/13/2029
GFO-23-404	EBD-24-004	County of Los Angeles	Equitable Building Decarbonization Statewide Direct Install Program - Southern Region	FY 2022-23 EBD-General Fund Program Project Budget Plan	$1,800,000	$1,044,000	11/13/2024	12/19/2024	11/13/2029

Solicita-tion No.	Agree-ment No.[1]	Recipient	Project Title	Budget Plan	Budget Plan Funding	Total CEC Funding	CEC Business Meeting Date	Agreement Start Date	Agreement End Date
GFO-23-404	EBD-24-004	County of Los Angeles	Equitable Building Decarbonization Statewide Direct Install Program - Southern Region	FY 2022-23 EBD-GGRF Program Project Budget Plan	$54,000,000	$19,720,000	11/13/2024	12/19/2024	11/13/2029
GFO-23-404	EBD-24-004	County of Los Angeles	Equitable Building Decarbonization Statewide Direct Install Program - Southern Region	FY 2023-24 EBD-General Fund Program Project Budget Plan	$450,000	$261,000	11/13/2024	12/19/2024	11/13/2029
GFO-23-404	EBD-24-004	County of Los Angeles	Equitable Building Decarbonization Statewide Direct Install Program - Southern Region	FY 2023-24 EBD-GGRF Program Project Budget Plan	$310,500,000	$162,690,000	11/13/2024	12/19/2024	11/13/2029
GFO-23-404	EBD-24-004	County of Los Angeles	Equitable Building Decarbonization Statewide Direct Install Program - Southern Region	FY 2024-25 EBD-GGRF Program Project Budget Plan	$22,500,000	$13,050,000	11/13/2024	12/19/2024	11/13/2029
GFO-23-404	EBD-24-004	County of Los Angeles	Equitable Building Decarbonization Statewide Direct Install Program - Southern Region	FY 2027-28 EBD-GGRF Program Project Budget Plan	$0	$0	11/13/2024	12/19/2024	11/13/2029

[1] An agreement number may be repeated if it includes funding from multiple investment plans/program areas. The agreement number will be counted only once.

Total Number of Agreements Awarded: 4
Total CEC Funding: $359,250,000

APPEDIX B:
FPIP AND INDIGO PROJECTS AWARDED — CUMULATIVE THROUGH DECEMBER 31, 2025

Table B-1: 2025 FPIP and INDIGO Projects Awarded — Cumulative Through December 31, 2025

Solicit-ation #	Agree-ment #[1]	Recipient	Project Title	Pro-gram [2]	Budget Plan	Budget Plan Funding	Total CEC Project Funding	Match Funding	CEC Business Meeting Date	Agreement Start Date	Agreement End Date
GFO-23-305	FPI-24-002	Innovative Cold Storage Enterprises, Inc.	Refrigeration System Upgrade at Innovative Cold Enterprise	FPIP	FY 2022-23 FPIP-General Fund Program Project Budget Plan	$1,100,000	$3,967,972	$0	9/11/2024	9/11/2024	3/30/2029
GFO-23-305	FPI-24-002	Innovative Cold Storage Enterprises, Inc.	Refrigeration System Upgrade at Innovative Cold Enterprise	FPIP	FY 2023-24 FPIP-GGRF Program Project Budget Plan	$2,867,972	See above.	$1,091,993	9/11/2024	9/11/2024	3/30/2029
GFO-23-305	FPI-24-005	Aspire Bakeries LLC	R-22 Refriger-ation System Conversion at the Aspire Bakeries Facility	FPIP	FY 2023-24 FPIP-GGRF Program Project Budget Plan	$710,463	$710,463	$566,292	9/11/2024	10/1/2024	6/30/2028
GFO-23-305	FPI-24-006	Producers Dairy Foods, Inc.	Refrigeration and Compressed Air Systems Optimization at the Producers Dairy Facility	FPIP	FY 2022-23 FPIP-General Fund Program Project Budget Plan	$1,198,175	$2,010,400	$4,059,600	9/11/2024	10/1/2024	11/24/2028

Solicit-ation #	Agree-ment #[1]	Recipient	Project Title	Pro-gram [2]	Budget Plan	Budget Plan Funding	Total CEC Project Funding	Match Funding	CEC Business Meeting Date	Agreement Start Date	Agreement End Date
GFO-23-305	FPI-24-006	Producers Dairy Foods, Inc.	Refrigeration and Compressed Air Systems Optimization at the Producers Dairy Facility	FPIP	FY 2023-24 FPIP-GGRF Program Project Budget Plan	$812,225	See above.	$0	9/11/2024	10/1/2024	11/24/2028
GFO-23-305	FPI-24-007	Primex Farms, LLC	Microgrid at Primex Farms	FPIP	FY 2022-23 FPIP-General Fund Program Project Budget Plan	$1,100,000	$4,999,376	$4,257,633	9/11/2024	9/20/2024	3/30/2029
GFO-23-305	FPI-24-007	Primex Farms, LLC	Microgrid at Primex Farms	FPIP	FY 2023-24 FPIP-GGRF Program Project Budget Plan	$3,899,376	See above.	$0	9/11/2024	9/20/2024	3/30/2029
GFO-23-305	FPI-24-008	Joseph Gallo Cheese Company dba Joseph Gallo Farms	Joseph Gallo Farms Net-Zero Refrigeration System Optimi-zation Project	FPIP	FY 2022-23 FPIP-General Fund Program Project Budget Plan	$2,491,825	$2,491,825	$1,637,710	9/11/2024	10/1/2024	12/31/2027
GFO-23-313	IND-24-003	Searles Valley Minerals	SVM Green Energy Transformation Initiative: Electrification, Solar Integration, and Battery Storage for a Sustainable Future	INDIGO	FY 2022-23 INDIGO-GGRF Program Project Budget Plan	$8,000,000	$8,000,000	$12,278,284	11/13/2024	12/16/2024	3/6/2028

Solicit-ation #	Agree-ment #[1]	Recipient	Project Title	Pro-gram [2]	Budget Plan	Budget Plan Funding	Total CEC Project Funding	Match Funding	CEC Business Meeting Date	Agreement Start Date	Agreement End Date
GFO-23-313	IND-24-004	Renewable Technology Developments Inc	Steam Generating Heat Pump at Industrial Laundry in Patterson	INDIGO	FY 2022-23 INDIGO-GGRF Program Project Budget Plan	$4,504,284	$4,504,284	$1,540,974	11/13/2024	12/16/2024	3/30/2028
GFO-23-313	IND-24-005	Hilmar Cheese Company, Inc.	Hilmar Lactose System Electrification	INDIGO	FY 2022-23 INDIGO-GGRF Program Project Budget Plan	$8,000,000	$8,000,000	$9,441,587	11/13/2024	12/16/2024	3/6/2028
GFO-23-313	IND-24-006	Sierra Nevada Cheese Company, Inc.	Sierra Nevada Cheese Facility Decarbonization	INDIGO	FY 2022-23 INDIGO-GGRF Program Project Budget Plan	$5,495,716	$5,495,716	$1,385,000	4/10/2025	4/14/2025	5/30/2028

Total Number of Agreements Awarded: 9
Total CEC Funding: $40,180,036
Total Match Funding: $36,259,073

1 An agreement number may be repeated if it includes funding from multiple investment plans/program areas. The agreement number will be counted only once.

2 Program:
FPIP: Food Production Investment Program
INDIGO: Industrial Decarbonization and Improvement of Grid Operations Program

Note: All projects are active (executed agreement end date is open as of 2025).