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**CALIFORNIA
ENERGY COMMISSION**



California Energy Commission

STAFF REPORT

California Schools Healthy Air, Plumbing, and Efficiency Program Activities and Expenditures

Annual Report on Program Year 2025

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California Energy Commission

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ABSTRACT

The School Energy Efficiency Stimulus Program was established by Assembly Bill 841 (Ting, Chapter 372, Statutes of 2020) and is referred to as the California Schools Healthy Air, Plumbing, and Efficiency Program for program administration. The California Schools Healthy Air, Plumbing, and Efficiency Program consists of two grant programs, the Ventilation Program and Plumbing Program. The programs provide funding to local educational agencies for assessing, maintaining, repairing, and replacing ventilation systems in California schools and funding to local educational agencies and state agencies for replacing aging and water inefficient plumbing fixtures and appliances with water-conserving plumbing fixtures and appliances.

This report is prepared as directed and in compliance with Section 25208 of the Public Resources Code, which says “*The commission shall submit a report to the relevant policy committees of the Legislature and the Joint Legislative Budget Committee describing programmatic activities and spending pursuant to the School Energy Efficiency Stimulus Program.*”

(b) The report shall include both of the following:

(1) A description of any changes to guidelines and budget.

(2) A summary of past spending, activities funded and expected changes in funding and activities for the next year.

(c) As part of the report, the commission may include information that is already provided in reports submitted to and approved by the Public Utilities Commission, as applicable.”

This report describes program activities in Calendar Year 2025, including the budget, grants awarded for HVAC replacement projects, and submitted reports.

Keywords: CalSHAPE, School Energy Efficiency Stimulus, SEES, School Reopening Ventilation and Energy Efficiency Verification and Repair Program, School Noncompliant Plumbing Fixture and Appliance Program, ventilation, plumbing, grant, energy efficiency, school, local educational agency, state agency, underserved community, HVAC, assessment, ENERGY STAR®, fixture, appliance

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EXECUTIVE SUMMARY

The School Energy Efficiency Stimulus (SEES) Program was established by Assembly Bill (AB) 841 (Ting, Chapter 372, Statutes of 2020) as an energy efficiency measure during the COVID-19 pandemic to help schools improve air quality and reduce energy use while meeting current classroom ventilation requirements, and to assist LEAs in making much-needed upgrades to school infrastructure. AB 841 directed the CEC, as program administrator, to design, administer, and implement the program. Pursuant to Public Utilities Code (PUC) Section 1615, subdivision (e)(1), the CEC is required to return all unspent Program funds to the electric and gas investor-owned utilities by December 1, 2026.

The CEC adopted program guidelines and began accepting applications in the Fall of 2021. The CEC set an encumbrance deadline of October 31, 2024, for new grant agreements to ensure funds are reverted by this date. The School Energy Efficiency Stimulus Program is referred to as the CalSHAPE Program. The CalSHAPE Program includes two grant programs, the Plumbing Program and Ventilation Program. The Plumbing Program provides funding for LEAs and state agencies to replace aging and water-inefficient plumbing fixtures and appliances with water-conserving plumbing fixtures and appliances. The Ventilation Program provides funding for LEAs to assess, maintain, repair, and replace ventilation systems in schools. The CalSHAPE Program also creates work opportunities for a skilled and trained workforce and prioritizes awards to schools in underserved communities, consistent with the goals of the program. LEAs and state agencies have two years to complete the grant-funded work and submit final documents, with an option for an 18-month extension.

The CEC adopted program guidelines and began accepting applications in the Fall of 2021. This report describes program activities in calendar year 2025, including the budget, oversight activities, final report submittals, and grants awarded. Twenty-seven percent of total CalSHAPE grants have been completed.

As of the end of 2025, the California Energy Commission (CEC) had awarded more than \$789 million, or 89 percent of the total California Schools Healthy Air, Plumbing, and Efficiency (CalSHAPE) Program budget, in grants to 647 local educational agencies (LEAs), two California State University campuses, and one community college. This funding supports 1,114 projects at 4,917 sites, representing 49 percent of all school sites in the state. These projects will lead to an estimated 3,303 MTCO₂e in greenhouse gas emissions reductions and an estimated 65 percent reduction in water usage. Program guidelines establish that LEAs and state agencies have two years to complete the grant-funded work and submit final documents. Twenty-seven percent of total CalSHAPE grants have been completed. For 2026, the CEC plans to continue to provide oversight and implement program improvements as we approach the funding balance return date of December 1, 2026, and program sunset date of January 1, 2027. At this time, approximately \$194 million in unused ratepayer funds is expected to be returned to the investor-owned utilities (IOUs) by December 2026.

CHAPTER 1:

Introduction

The School Energy Efficiency Stimulus (SEES) Program was established by Assembly Bill (AB) 841 (Ting, Chapter 372, Statutes of 2020) as an energy efficiency measure during the COVID-19 pandemic to help schools improve air quality and reduce energy use while meeting classroom ventilation requirements. AB 841 directed the California Energy Commission (CEC), as program administrator, to design, administer, and implement the program. For administration purposes and this report, the SEES Program is referred to as the “California Schools Healthy Air, Plumbing, and Efficiency (CalSHAPE) Program.”

The CalSHAPE Program consists of two grant programs: the Ventilation Program and the Plumbing Program. The Ventilation Program provides funding for LEAs to assess, maintain, repair, and replace heating, ventilation, and air-conditioning (HVAC) systems in schools through two grant opportunities, the Assessment and Maintenance (A&M) grant and the Upgrade and Repair (U&R) grant. The A&M grant provides filter replacement, installation of carbon dioxide monitors in each classroom, and testing of HVAC systems. The U&R grant provides additional funding to LEAs that completed an A&M grant for the repairs, upgrades, and/or replacements recommended by the licensed professional in the A&M reports. The Plumbing Program provides grants to LEAs and state agencies to replace aging and water-inefficient plumbing fixtures and appliances with water-conserving ones.

Pursuant to Public Utilities Code (PUC) Section 1615, subdivision (e)(1), the CEC must return all unspent CalSHAPE Program funds to the electric and gas investor-owned utilities (IOUs) by December 1, 2026. The CEC established an encumbrance deadline of October 31, 2024, for new grant agreements to ensure funds are reverted by that date, and set final reporting deadlines of June 1, 2026, for Plumbing grants and October 31, 2026, for Ventilation grants.

The CalSHAPE Program goals are to save energy, create jobs, and provide direct support to schools in underserved communities, as defined by statute. Both the Ventilation and the Plumbing Programs require a skilled and trained workforce perform the work to support the program goal of promoting high-quality jobs.¹ Both programs also limited eligibility of program awards to schools in underserved communities until August 2022, when eligibility was expanded to schools statewide.² As of the end of 2025, 45 percent of the grant funds were

1 Skilled and Trained Workforce is defined in Public Utilities Code (PUC) Section 1601(c) as having the same meaning as set forth in Public Contract Code Section 2601, which requires that at least 60 percent of the skilled journeypersons employed to perform work on or after January 1, 2020, on a contract or project are graduates of an apprenticeship program for the applicable occupation.

2 PUC Section 1601(e) defines underserved community as a community that meets one of the following criteria:
(1) Is a “disadvantaged community” as defined by subdivision (g) of Section 75005 of the Public Resources Code;
(2) Is included within the definition of “low-income communities” as defined by paragraph (2) of subdivision (d)

awarded to LEAs for projects at schools in underserved communities. Information on workforce and project energy and water savings is collected in the final reports submitted by LEAs and state agencies.

In 2025, the CEC continued to provide oversight for the CalSHAPE Program, ensure grant activities are completed as required, collect and process final reports, issue final grant installments, and recover unused advanced funds. This annual report describes CalSHAPE Program activities and spending in 2025 and summarizes expected program activities and budget in 2026.

of Section 39713 of Health and Safety Code; (3) Is within an area identified as among the most disadvantaged 25 percent in the state according to the California Environmental Protection Agency and based on the most recent California Communities Environmental Health Screening Tool, also known as CalEnviroScreen; (4) Is a community in which at least 75 percent of public school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program; or (5) Is a community located on lands belonging to a federally recognized California Indian tribe.

CHAPTER 2:

Budget

CalSHAPE Program funding comes from the energy efficiency budgets of California's largest electric and gas IOUs, specifically Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas). The California Public Utilities Commission (CPUC) approved the IOUs' energy efficiency budgets and authorized the transfer of funding to CEC for the CalSHAPE Program.³ Total funding amounts transferred by each IOU are provided in Table 1.

Table 1: Total IOU CalSHAPE Program Funding

Program Year	PG&E	SCE	SDG&E	SoCalGas	Total
2021	\$102,466,340	\$116,488,293	\$52,976,495	\$2,500,000	\$274,431,128
2022	\$122,744,916	\$121,914,182	\$73,439,162	\$202,247	\$318,300,507
2023	\$96,269,095	\$241,217,628	\$63,213,899	\$408,405	\$401,109,027
Total Funding	\$321,480,351	\$479,620,103	\$189,629,556	\$3,110,652	\$993,840,662

Source: CPUC D. 21-01-004

In addition to the funds transferred by the IOUs pursuant to AB 841 and CPUC D. 21-01-004, the California Budget Act of 2022 allocated \$20 million to the Ventilation Program from the greenhouse gas reduction fund (GGRF).⁴ These funds are restricted to funding the replacement of HVAC systems in schools, which are the U&R grants provided as part of the Ventilation Program. Additional information on the U&R grants is provided in Chapter 3.

As shown in Table 2, the total program budget is nearly \$1.014 billion. The CEC may use up to \$31 million of the program budget for administering the programs as provided by PUC Section 1615, subdivision (d) and Item 3360-001-3228 of the Budget Act of 2022. The amount available for grant awards is approximately \$983 million with 25 percent of the IOU funds

³ The total program budget also includes 2021 unspent and uncommitted funds and a true-up of 2020 unspent and uncommitted funds related to a CPUC audit of the investor-owned utilities. For additional information, see CPUC D. 21-01-004 and CPUC R.13-11-005 [E-mail Ruling](#) dated December 17, 2021.

⁴ AB 179 added Items 3360-001-3228 and 3360-101-3228 to Section 2 of the Budget Act of 2022, appropriating a total of \$20 million in funding from the GGRF to the CalSHAPE Ventilation Program.

(\$240.9 million) allocated to the Plumbing Program and 75 percent of the IOU funds and all GGRF funds (\$741.9 million) allocated to the Ventilation Program.⁵

Table 2: CalSHAPE Program Total Budget for Grant Awards

All amounts are in millions of dollars

	PG&E	SCE	SDG&E	SoCalGas	GGRF	Total
Total Funding	\$321.5	\$479.6	\$189.6	\$3.11	\$20	\$1,014
Administration*	(\$12.55)	(\$13.15)	(\$4.22)	(\$0.05)	(\$1)	(\$31)
Total Budget for Grant Awards	\$308.95	\$466.45	\$185.38	\$3.06	\$19	\$982.84

*The CEC reserves 5 percent of program funding, not to exceed \$5 million per year, to use in administering the programs, as provided in Public Utilities Code Section 1615(d).

Source: California Energy Commission – data current as of 12/2025

Pursuant to PUC section 1615, subdivision (f), the program must return unused funds to each utility by December 1, 2026.⁶

Pursuant to PUC Section 1617, because the CPUC's current cost-effectiveness methodology does not fully take into account indirect and nonmonetary public benefits, that methodology shall not be applied to these projects. Expenditures on the CalSHAPE Program shall be found to be cost effective and shall not be considered by the CPUC when calculating the overall cost-effectiveness of energy efficiency portfolios of electrical corporations or gas corporations.

Information on the awarded funding and current program budget is provided in Chapter 5.

⁵ PUC Section 1616 requires that 75 percent of the program funding be allocated to the Ventilation Program and 25 percent of the program funding be allocated to the Plumbing Program.

⁶ See CPUC D. 21-01-044 at:
<https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M361/K212/361212560.PDF>

CHAPTER 3:

Program Statistics

The CalSHAPE Program was established with the goals of saving energy, creating jobs, and providing support to schools in underserved communities. The program also provides the added benefits of improving indoor air quality and reducing water usage in California schools. In 2022, the CalSHAPE Program eligibility was expanded to all LEAs in California and to state agencies. Program Activities

The CEC issued grant applications for both the Plumbing and Ventilation Programs in five funding rounds. The first funding round was issued in the fall of 2021 and, subsequently, four additional funding rounds were held in March 2022, June 2022, December 2022, and July 2023. The CEC completed the final application round and grant issuance in 2024.

Program activities in 2025 consisted of reviewing final reports and invoices for completed Plumbing and Ventilation projects to close out grants. The CEC also enforced program compliance standards and implemented a quality assurance and quality control (QA/QC) process to ensure all program requirements are consistently met and report reviews are conducted uniformly across all grant activities.

As the program enters its final year, CEC will be working towards closing out grants, issuing final payments, and providing program accounting by the funding liquidation date of December 1, 2026, and program sunset of January 1, 2027.

CalSHAPE Program Awards

California has approximately 2,000 LEAs with over 10,000 eligible schools, 6,300 of which are in underserved communities. Through the CalSHAPE program, the CEC has provided Plumbing or Ventilation improvement grants at 4,917 school sites -- 49 percent of all school sites in the state. The Ventilation Program will provide HVAC repair and replacement at 4,860 school sites with 3,303 MTCO₂e in forecasted greenhouse gas emission reductions. The Plumbing Program grants will enable the replacement of aging and water inefficient plumbing fixtures at 1,489 schools, with an estimated 2.5 billion in water savings with 58,974 replacements.

Table 3 provides the number of grants to LEAs, number of school sites that will benefit, and the amount of grant funding awarded, along with the expected total budget and the percentage of the total budget awarded for each program as of the end of 2025. A list of LEAs that were awarded a CalSHAPE Program grant with information on the utility funding category, number of schools in underserved communities, and the award amount is provided on the CalSHAPE webpage⁷.

⁷ <https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>

Table 3: Grants Awarded in CalSHAPE Program

CalSHAPE Programs	Grants Awarded	School Sites*	Award Amount	Total Budget	Percentage of Total Budget Awarded
Plumbing	273	1,489	\$129,679,281	\$240,960,161	54%
Ventilation	841	4,860	\$658,902,815	\$741,880,504	89%
Total	1,114	4,917	\$788,582,096	\$982,840,665	80%

* School sites participating in both programs were only counted once in the total.

Source: California Energy Commission – data current as of 12/2025

CalSHAPE Program funding was distributed to LEAs on a first-come, first-served basis within the application tier of the LEA and the funding category (IOU territory) of the school. The application tiers are based upon student enrollment and were created to encourage equity in the statewide distribution of program funds. The three application tiers based on the LEA's student enrollment with the percentage of funding allocated to each tier are as follows:

- Tier 1 (fewer than 1,000 students enrolled) – 10 percent funding allocation
- Tier 2 (between 1,000 and 5,000 students enrolled) – 10 percent funding allocation
- Tier 3 (more than 5,000 students enrolled) – 80 percent funding allocation

Based on statute, state agencies are eligible applicants for the Plumbing Program. CEC included them in Tier 3 based on public input received during the CalSHAPE guideline development process.

The CEC created funding categories to track funding received from each utility and ensure funds were awarded within the appropriate IOU service territory.⁸ The program has six funding categories: one for each of the four IOUs, a second funding category for PG&E, and GGRF. The funds provided by and to PG&E electric and PG&E gas service territories are tracked separately to ensure the ratepayer money collected in the separate electric and gas service territories go toward projects in the related specific service territory areas. The funds provided by SDG&E are not tracked separately for the electric and gas service territories because of the minimal number of schools in the SDG&E gas-only service territory.

The distribution of grant awards as of the end of 2025, and the total budget and number of eligible LEAs and schools by funding category are shown in Table 4. As shown, 80 percent of program funds have been awarded, and most utility territories have an award rate of more than 90 percent of funds. SDG&E is an outlier at 46 percent. Without the SDG&E outlier, the program awarded 88 percent of program funds. Staff believes the SDG&E uptake rate could be

⁸ PUC Section 1615(c) requires that each utility's funds are used for projects in the service territory of the utility from which the funds are received.

due to fewer eligible LEAs and school sites in SDG&E territory compared to PG&E, SoCalGas, or SCE.

Table 4: Distribution of Funds by Funding Category

Funding Category	Eligible LEAs in IOU territory	Eligible Schools in IOU territory	IOU Budget	Total CalSHAPE Award	Award Percentage of Total Budget
PGE Electric	1,095	3,921	\$254,345,125	\$233,779,389	92%
PGE Gas	174	787	\$54,608,668	\$49,926,562	93%
SCE	548	3,257	\$466,451,527	\$397,243,936	85%
SDGE	182	823	\$185,377,521	\$85,620,705	46%
SoCalGas	339	1,266	\$3,057,824	\$2,985,219	98%
GGRF	N/A	N/A	\$19,000,000	\$18,978,582	99%
Total	2,338	10,054	\$982,840,665	\$788,582,096	80%

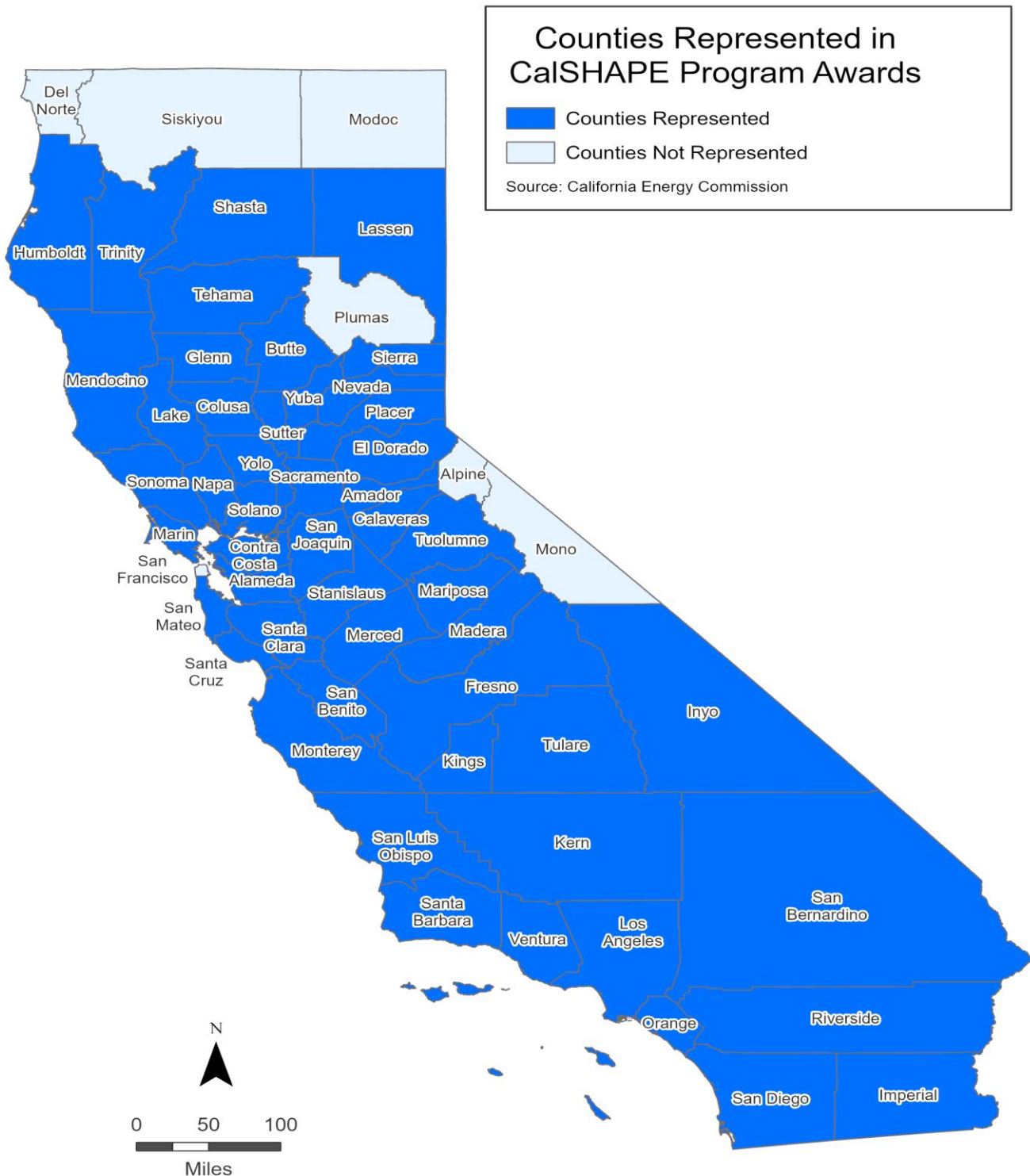
Source: California Energy Commission – data current as of 12/2025

The distribution of CalSHAPE Program funds by funding category and application tier has promoted equity of funding and broadened the impact of program projects throughout the state.

The CalSHAPE Program awarded grants for either the Ventilation or Plumbing Program to LEAs located in 51 of the state’s 58 counties, which is 88 percent of the counties in the state. A map displaying the counties represented in the awards is shown in blue in Figure 1. The CalSHAPE Program requires that IOUs funds can only be awarded for projects in the IOU’s service territory.⁹ The counties not represented in the CalSHAPE awards have either no or very few schools or state buildings in the IOUs service territory.

⁹ PUC Section 1615(c) states that the CEC shall ensure that CalSHAPE Program funds are used for projects located in the service territory of the IOU from which the funds were received.

Figure 1: Map of Counties Represented in CalSHAPE Program Awards



Source: California Energy Commission

As part of the grant agreement, the CalSHAPE grantee is provided 24 months to complete all grant work with an optional 18-month or 6-month project term extension, for Ventilation and Plumbing grants respectively. For the Ventilation Program, it is currently taking grantees an average of 22 months to complete the project work and submit their assessment reports. After this step has been completed, CalSHAPE Ventilation Program grantees submit their final reports and invoices, collectively referred to as the “reconciliation report,” upon completion of their grant projects. For the Plumbing Program, it is currently taking grantees an average of 17 months to complete the project work and reconciliation report.

As shown in Table 5, 35 percent of plumbing grants and 57 percent of ventilation grants awards have been closed out as of December 2025, with over \$417 million paid out to LEAs.

Table 5: CalSHAPE Program Projects Closed Out

CalSHAPE Programs	Grants Awarded	Reconciliation Reports	Award Amount	Total Funds Paid to LEAs*	Percent Paid
Plumbing	272	156	\$129,679,281	\$44,836,303	35%
Ventilation	841	209	\$658,902,815	\$372,467,659	57%
Total	1,113	365	\$788,582,096	\$417,303,962	53%

*The Total Funds Paid to LEAs include the initial payments and progress payments for the Ventilation Program, reimbursement of incurred costs for the Plumbing Program, and the final payments for both programs.

Source: California Energy Commission – data current as of 12/2025

The CEC has developed a comprehensive review process for final reports to ensure each project meets the program guidelines, grant agreement terms and conditions are fulfilled, and work performed provides a benefit to the LEA. A detailed description of the oversight and compliance process is provided in Chapter 4.

Schools in Underserved Communities

Guiding legislation requires at least 25 percent of program funds to be provided to schools in underserved communities and that these schools be offered the chance to apply for a grant before other schools.¹⁰ To fulfill this requirement, CEC limited grant eligibility in the first three funding rounds to schools in underserved communities. The eligibility was expanded to include schools near high traffic corridors and Title V facilities at the beginning of the third funding round.¹¹ This prioritization at the start of the program resulted in \$446 million, or 45 percent

¹⁰ PUC Section 1612 and PUC Section 1601(e)

¹¹ PUC Section 1612 requires that the CalSHAPE Ventilation Program prioritize schools with a boundary that is within 500 feet of the edge of the closest traffic lane of a freeway or other busy traffic corridor or within 1,000 feet of a facility holding a permit pursuant to Title V of the Clean Air Act (42 U.S.C. Section 7661 et seq.)

of the total program budget, being awarded to 781 LEAs for projects at schools in underserved communities.¹²

The number of CalSHAPE grants awarded to LEAs for schools in underserved communities are provided in Table 6. Table 6 also provides the total amount of grant funding awarded for projects at these schools, along with the total CalSHAPE budget and the percentage of the total budget awarded to LEAs for schools in underserved communities for each program as of the end of 2025.

Table 6: Applications from LEAs for Schools in Underserved Communities

CalSHAPE Program	Grants Awarded to Underserved Communities	Total Award to Underserved Communities	CalSHAPE Budget	Percentage of Total CalSHAPE Budget
Ventilation	583	\$374,145,160	\$741,880,504	50%
Plumbing	198	\$72,022,301	\$240,960,161	30%
Total	781	\$446,167,461	\$982,840,665	45%

Source: California Energy Commission – data current as of 12/2025

Ventilation Program

As stated above, the CalSHAPE Ventilation Program includes two grant opportunities – an A&M grant and a U&R grant – and had a total budget of \$737.14 million. Both programs closed to new applications on July 1, 2024. To ensure projects funds are being spent appropriately, the CEC has a robust oversight and compliance process. Project work is being done in a quality manner and aligns with grant requirements, and the LEAs are receiving the benefits of this program. A detailed description of the oversight and compliance process is provided in Chapter 4.

The A&M grant funds various measures to improve efficiency and indoor air quality in schools, including air filter replacement; installation of carbon dioxide monitors in each classroom; assessment, maintenance, and repair of HVAC systems; and an HVAC assessment report. Table 7 provides the number of HVAC system assessments, air filters, and carbon dioxide monitor installations requested in the applications as of the end of 2025. Actual installed numbers will be provided after projects are completed and all final reports are submitted at the end of 2026.

12 Pursuant to program definitions, approximately 6,300 schools in California qualify as being located in an underserved community.

Table 7: Requested Items in Ventilation Program

Item	Number of Units
Assessment of HVAC Systems	291,450
Air Filters	720,543
Carbon Dioxide Monitor	252,281

Source: California Energy Commission – data current as of 12/2025

All LEAs receiving an A&M grant are required to use a qualified testing or adjusting personnel to gather data on each HVAC unit at a school site and submit this to the CEC in a HVAC assessment report. As of the end of 2025, 554 of the 782 required HVAC assessment reports have been submitted. Of those, 345 grants have not yet submitted their reconciliation reports. Table 8 provides initial information reported on the number of HVAC systems assessed, recommended for repair or replacement by a licensed professional, and reported as meeting ventilation rates.

Table 8: A&M Grant HVAC Assessment Reports Data

Item	Quantity
HVAC Systems Assessed	126,446
HVAC Systems Recommended for Repair or Replacement	94,448
HVAC Systems Meeting Ventilation Rates	51,580

Source: California Energy Commission – data current as of 12/2025

The second type of grant offered through the Ventilation Program is an U&R grant. The U&R grant provides additional funding to LEAs to make recommended repairs, upgrades, or replacements to all electric or hybrid HVAC systems with mixed fuel, depending on professional recommendations. An LEA may apply for an U&R grant if they previously received a CalSHAPE A&M grant and the CEC-approved HVAC assessment report includes a recommendation from a licensed professional to repair or replace the HVAC system. As with the A&M grants, U&R grants were awarded on a first-come, first-served basis to LEAs. Table 9 provides the number of all electric and hybrid heating systems requested in the U&R grant applications.

Table 9: U&R Grant HVAC System Replacements

HVAC System Request	Number
All Electric	3,456
Hybrid Heating Systems	47
Total	3,503

Source: California Energy Commission – data current as of 12/2025

Table 10 provides the number of grants awarded by type, LEAs, and school sites, along with the amount of grant funding. A full list of LEAs that were awarded grants is available on the CalSHAPE webpage. A description of the development of the compliance process for U&R grants is provided in Chapter 4.

Table 10: Ventilation Program Grants Awarded

Ventilation Program	Grants Awarded	Grants Closed	LEAs	School Sites	Award Amount
A&M Grant	782	162	626	4,688	\$524,274,662
U&R Grant	59	0	39	172	\$134,628,153
Total	841	162	665	4,860	\$658,902,815

Source: California Energy Commission – data current as of 12/2025

Plumbing Program

The CalSHAPE Plumbing Program funds the replacement of noncompliant plumbing fixtures and appliances with water-conserving ones in schools and state buildings. The noncompliant plumbing fixtures and appliances eligible for replacement are toilets, urinals, showerheads, interior faucets, automatic commercial ice makers, and commercial clothes washers and dishwashers. The water-conserving plumbing fixtures are required to meet current building standards and water-conserving appliances must meet the criteria of the ENERGY STAR® Product Specifications.¹³

The CEC limited eligibility of the Plumbing Program in the first three funding rounds to schools in underserved communities, near busy roadways, and Title V facilities based on public input during the guideline development process. Based upon statutory direction, the eligibility of the Plumbing Program was expanded to include state agencies in 2022 at the start of funding

¹³ The [CalSHAPE Plumbing Program Guidelines](https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program) are available at <https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program>.

round four.¹⁴ At the end of all funding rounds, California State Universities Long Beach and Fullerton and Kern Community College were awarded a total of \$1.2 million in plumbing grants.

Table 11 provides the number of noncompliant plumbing fixture and appliance replacements that were requested in the applications, along with the estimated water savings of each type of fixture and appliance. As shown, the plumbing fixture and appliance replacements are estimated to reduce the total water usage of participating schools by 65 percent. The estimated water savings percentages were calculated based upon the flow or water usage rates of the existing, noncompliant plumbing fixtures and appliances compared to the rates of new, water-saving fixtures and appliances.

Table 11: Fixture and Appliance Replacements in Plumbing Program

Plumbing Fixture or Appliance	Number of Requested Units	Estimated Water Savings Percentage*
Automatic Ice Maker	115	65%
Clothes Washer	92	74%
Commercial Dishwasher	169	79%
Interior Faucet	24,110	68%
Showerhead	1,906	48%
Toilet	22,608	58%
Urinal	5,687	86%
Total	54,687	65%

*Estimated water savings calculated using the average percentage difference of the flow rates (gallons per flush or minute) of the noncompliant and water-conserving fixtures and water use of the noncompliant and water-conserving appliances.

Source: California Energy Commission – data current as of 12/2025

14 PUC Section 1631 states that the CEC shall develop the Plumbing Program to provide grants to state agencies and LEAs.

CHAPTER 4:

Program Oversight

The CEC developed a comprehensive oversight process to ensure each project meets the program guidelines, grant agreement terms and conditions are fulfilled, and work performed provides a benefit to the LEA and state agencies. Specific oversight actions by CEC includes outreach to LEAs on the progress of projects, coordinating with LEA and industry groups to ensure program requirements are clear, reviewing submitted reports and data for compliance with program requirements, contracting for technical assistance, and conducting audits of completed projects.

The compliance review of submitted reports verifies that project, workforce, and invoice requirements are met by the LEA. If issues or errors are found, CEC staff begins an iterative process with the LEA to discuss, correct, and resolve. Due to the different requirements of the Plumbing and Ventilation programs, the compliance process for each program is distinct. CEC staff will continue to update and revise the oversight and compliance processes as needed to ensure program requirements are met and goals are advanced.

Ventilation Program

The Ventilation Program consists of A&M and U&R grants with each having unique but similar compliance processes.

A&M. The A&M Program provides grants to LEAs for the assessment of HVAC systems, air filter replacement, and installation of carbon dioxide monitors in each classroom. The LEA receives 50 percent of the grant upon award by CEC, 25 percent upon submittal of completed HVAC assessment report, and the final 25 percent upon CEC-approval of a reconciliation report detailing completed work and project costs.

The A&M grant requires both an HVAC assessment report and a reconciliation report be submitted and approved. There were 782 A&M grants awarded to 626 LEAs. The latest grant term end date is October 31, 2026, and 162 projects have been completed.

The compliance process consists of the following:

- **Project Requirements:** The LEA must provide an HVAC assessment report for each HVAC unit that includes data on equipment specifications, as-found and newly installed filter, air flow, building pressurization, economizers, demand control ventilation, and the as-found and adjusted ventilation rate. The report must also be reviewed by a licensed professional who provides recommendations on repairs, upgrades, and replacements to correct deficiencies and meet the minimum ventilation and filtration rate requirements.

To facilitate project review and verify the assessment and maintenance process was performed as required by the program guidelines and reported data is accurate, the CEC developed a data review tool using Microsoft® Power BI to view and analyze the data and

contracted with UC Davis Western Cooling Efficiency Center to assist in developing the analyses. If issues with accuracy of the data or the performance of the project are found, CEC staff conducts an iterative process with the LEA and contractor to discuss issues, correct and resubmit as needed, and resolve. For projects with many issues, the CEC audits the project. The audits include a meeting with the LEA and contractor to review the issues with the data, discuss the procedures used in the assessment and maintenance work, and determine the appropriate next steps to correct the data or project to ensure program requirements are met.

- **Workforce requirements:** All construction work, which includes the carbon dioxide monitor installation, must be performed by a skilled and trained workforce. This means that at least 60 percent of the skilled journeypersons performing the carbon dioxide monitor installation and other repairs or installations must be graduates of an apprenticeship program for the applicable field. The HVAC assessment and filter installation must be performed by either an HVAC acceptance test technician or a testing, adjusting, and balancing (TAB) technician, and any adjustments to the HVAC system must be made by a TAB technician. In the HVAC assessment and reconciliation reports, LEAs must provide information on individuals that completed a project including certification. CEC staff reviews and verifies licenses and certification to confirm the skilled and trained workforce requirement is met.
- **Invoice requirements:** After a project is completed, the LEA is required to submit invoices and receipts with the reconciliation report. The invoices must include the contractor's information, total costs, itemized labor and material costs for the HVAC assessment, maintenance, and any repairs or replacements made using the contingency funding, and any purchase receipts. CEC staff confirms the costs and charges listed in the invoices and receipts are eligible costs.

U&R. The U&R Program provides additional funding to LEAs that completed an A&M grant for the repairs, upgrades, and replacements recommended by the licensed professional in the HVAC assessment report. The LEA receives 25 percent of the grant upon award by CEC, 50 percent upon request for reimbursement of incurred costs, and the final 25 percent upon CEC approval of a reconciliation report detailing completed work and project costs.

CEC awarded 59 U&R grants to 39 LEAs. The first of these grants were awarded in early 2024. The latest term end date for a grant is October 31, 2026, and thus far, no projects have been completed.

The compliance process consists of the following:

- **Project Requirements:** The LEA must provide a project completion report that includes a description of repair, upgrade, replacement, and installation activities and outcomes, and verification of workforce and any applicable permitting requirements. As with A&M grants, the CEC developed a data review tool using Microsoft® Power BI to view and analyze the data. If issues with accuracy of the data or the performance of the project are found, CEC staff conducts an iterative process with the LEA and contractor to discuss issues, correct and resubmit as needed, and resolve. For projects with many issues, CEC audits the project. The audits include a meeting with the LEA and contractor to review the issues and

determine the appropriate next steps to correct the data or project to ensure program requirements are met.

- **Workforce requirements:** As with the plumbing and A&M grants, all construction work must be performed by a skilled and trained workforce. In the reconciliation reports, LEAs must provide information on individuals that completed a project including certification information. CEC staff reviews and verifies license and certification to confirm the skilled and trained workforce requirement is met.
- **Invoice requirements:** Similar to A&M and Plumbing grants, after a project is completed, the LEA is required to submit invoices and receipts with the reconciliation report. The invoices must include the contractor's information, total costs, itemized labor and material costs for the repairs, replacements, and any work made using the contingency funding, and purchase receipts. CEC staff confirm that the make and model of the installed HVAC systems on the receipts match that reported in the reconciliation report, and confirm that the costs and charges listed in the invoices and receipts are eligible costs.

Plumbing Program

The Plumbing Program provides grants to LEAs and state agencies to replace aging and water-inefficient plumbing fixtures and appliances with water-conserving plumbing fixtures and appliances in schools and state buildings. The LEA receives 50 percent of the grant upon request for reimbursement of incurred costs and the final 50 percent upon CEC-approval of a final reconciliation report.

CEC awarded 272 Plumbing grants to 230 LEAs. The last grant term end date is June 1, 2026, and 145 projects have been completed.

The compliance process consists of the CEC verifying:

- **Project Requirements:** The program provides funding for LEAs to bring plumbing fixtures and appliances up to current flow rates and ENERGY STAR ® Product Specifications requirements. CEC staff verify project requirements are met using information on plumbing fixtures and appliances provided in the application and the final reconciliation report. The make, model, and water usage information of the noncompliant plumbing fixtures and appliances are collected in the grant application to confirm these items are eligible for replacement. The make, model and water usage of the newly installed water-conserving plumbing fixtures and appliances are required to be reported in the reconciliation report and supported with project invoices to ensure the project was completed with eligible equipment and will result in water savings for the participating school or state building.
- **Workforce requirements:** As with the Ventilation Program, all construction work must be performed by a skilled and trained workforce. In reconciliation reports, LEAs must provide information on individuals that completed a project, including apprentice certification. CEC staff reviews this information and confirms the skilled and trained workforce requirement is met.

- Invoice requirements: After a project is completed, the grantee is required to submit invoices and receipts with the reconciliation report. The invoices must include contractor's information, total costs, itemized labor and material costs for the replacement of each type of plumbing fixture or appliance, and purchase receipts. CEC staff confirm the make and model of the installed plumbing fixtures and appliances on the receipts match that reported in the reconciliation report and reported costs are eligible costs. The on-site audit includes a meeting with the LEA and contractor to view the installed plumbing fixtures and appliances, review paperwork, and determine the appropriate next steps to correct the requested reimbursement amount, if needed.

CHAPTER 5:

2026 Outlook and Conclusion

The CalSHAPE Program awarded almost \$789 million, or 89 percent of program budget, in grants to 647 LEAs and 3 state agencies. This provides for 1,114 plumbing or ventilation improvement projects at 4,917 school sites — 49 percent of all school sites in the state.

The final funding round for the Plumbing and Ventilation Programs closed on May 31, 2024, and July 1, 2024, respectively. All applications have been reviewed, awards issued, and agreements between CEC and LEAs or state agencies have been executed. CEC does not expect to issue any new funding rounds or awards.

LEAs and state agencies have two years to complete the grant-funded work and submit final documents. The final reporting deadlines are June 1, 2026, for the Plumbing Program and October 31, 2026, for the Ventilation Program. CEC is currently providing oversight, verifying compliance, and analyzing data. CEC plans to continue to ensure the program requirements are met as we approach the funding balance return date of December 1, 2026, and program sunset date of January 1, 2027.

Table 12 provides a snapshot of CalSHAPE Program balances. The CEC expects to return approximately \$194 million in unused ratepayer funds to the IOUs by December 2026. The actual amount of returned funds may be larger if LEAs do not use all awarded funds.

Table 12: CalSHAPE Program IOU Funding as of December 202

All amounts are in millions of dollars

	PG&E	SCE	SDG&E	SoCalGas	GGRF	Total
Total Program Funding	\$308.95	\$466.45	\$185.38	\$3.06	\$19	\$982.84
Administration*	(\$12.69)	(\$13.19)	(\$4.06)	(\$0.05)	(\$1)	(\$31)
Awarded Funding	(\$283.72)	(\$397.24)	(\$85.62)	(\$2.99)	(\$18.98)	(\$788.58)
Balance	\$25.25	\$69.21	\$99.76	\$0.07	\$0.02	\$194.26

*The CEC reserves 5 percent of program funding, not to exceed \$5 million per year, to use in administrating the programs, as provided in Public Utilities Code Section 1615(d).

Source: CPUC D. 21-01-004 and California Energy Commission – data current as of 12/2025

GLOSSARY

Term	Definition
Assembly Bill (AB)	Legislation originating in the California State Assembly.
Assessment and Maintenance	An assessment of and adjustments to an HVAC system as described in Chapter 2, Section B of the CalSHAPE Ventilation Program Guidelines . These include, as applicable, filtration, economizer dampers, ventilation, coil condition, and other requirements.
CalSHAPE Plumbing Program	The CalSHAPE Plumbing Program administers the requirements of the School Noncompliant Plumbing Fixture and Appliance Program as specified in Article 4 of Chapter 8.7 (commencing with Section 1630) of Part 1 of Division 1 of the PUC.
CalSHAPE Plumbing Program Guidelines	Guidelines that describe the program design, application process, and reporting requirements for the CalSHAPE Plumbing Program. The CalSHAPE Plumbing Program Guidelines are available at https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program .
CalSHAPE Program	California Schools Healthy Air, Plumbing, and Efficiency Program, which includes two grant programs: CalSHAPE Ventilation Program and CalSHAPE Plumbing Program.
CalSHAPE Ventilation Program	The CalSHAPE Ventilation Program administers the requirements of the School Reopening Ventilation and Energy Efficiency Verification and Repair Program as specified in Article 3 of Chapter 8.7 (commencing with Section 1620) of Part 1 of Division 1 of the PUC.
CalSHAPE Ventilation Program Guidelines	Guidelines that that describe the program design, application process, and reporting requirements for the CalSHAPE Ventilation Program. The CalSHAPE Ventilation Program Guidelines are available at https://www.energy.ca.gov/programs-and-topics/programs/california-schools-healthy-air-plumbing-and-efficiency-program .
California Energy Commission (CEC)	State Energy Resources Conservation and Development Commission, commonly called the California Energy Commission, the Energy Commission, or the CEC.

Term	Definition
CPUC	California Public Utilities Commission.
Funding Round One	The first funding round of the CalSHAPE Program. Funding Round One of the CalSHAPE Plumbing Program ran from August 31, 2021, to December 31, 2021. Funding Round One of the CalSHAPE Ventilation Program ran from September 28, 2021, to January 31, 2022.
Funding Round Two	The second funding round of the CalSHAPE Program. Funding Round Two of the Plumbing and Ventilation programs ran from March 28, 2022, to May 31, 2022.
Funding Round Three	The third funding round of the CalSHAPE Program. Funding Round Three of the Plumbing and Ventilation programs ran from June 21, 2022, to October 31, 2022.
Funding Round Four	The fourth funding round of the CalSHAPE Program. Funding Round Four of the Plumbing and Ventilation programs ran from December 20, 2022, to March 31, 2023.
Funding Round Five	The final funding round of the CalSHAPE Program. Funding Round Five of the Plumbing and Ventilation programs began on July 18, 2023, and ended on May 31 and July 1, 2024, respectively.
GIS web map	A web map developed by a geographic information system that displays the more than 10,000 schools in California and provides information to identify schools that are eligible to apply for a CalSHAPE Ventilation or Plumbing program grant.
Heating, ventilation, and air conditioning (HVAC)	Any air-handling units, rooftop units, and unitary and single-zone equipment in the heating, ventilation, and air conditioning system or systems of a site, as described in PUC Section 1622.
HVAC Assessment and Maintenance Pathway	One of the three grant pathways for sites receiving an Assessment and Maintenance grant from the CalSHAPE Ventilation Program. This pathway requires an HVAC assessment and maintenance, completion of an HVAC assessment report, carbon dioxide monitor installation, and completion of an HVAC verification report. The grant pathway includes an additional 20 percent of the requested amount as a contingency fund for repairs, upgrades, or replacements necessary to make the system functional or more energy efficient.

Term	Definition
Investor-owned utility (IOU)	A gas or electrical corporation regulated by the California Public Utilities Commission that meets one of the following: (1) An electrical corporation with 250,000 or more customer accounts within the state. (2) A gas corporation with 400,000 or more customer accounts within the state. This definition currently includes Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas).
Local educational agency (LEA)	A school district as defined in Section 41302.5 of the Education Code, a charter school that has been granted a charter under Part 26.8 (commencing with Section 47600) of Division 4 of Title 2 of the Education Code, or a regional occupational center established under Section 52301 of the Education Code that is operated by a joint powers authority and that has an active career technical education advisory committee following Section 8070 of the Education Code.
Licensed professional	A professional eligible under Division 3 (commencing with Section 5000) of the Business and Professions Code in the applicable classification to perform system design, construction, or installation of features, materials, components, or manufactured devices for mechanical systems.
Limited or No Mechanical Ventilation Pathway	One of the three grant pathways for sites receiving an Assessment and Maintenance grant from the CalSHAPE Ventilation Program. This pathway requires a modified assessment, completion of a modified HVAC assessment report, installation of carbon dioxide monitors in each classroom, and completion of an HVAC Verification Report.

Term	Definition
Noncompliant appliance	For the CalSHAPE Plumbing Program, means all the following: (1) Any commercial dishwasher that was manufactured before January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR® Product Specification for Commercial Dishwashers, Version 1.1. (2) Any automatic commercial ice maker that was manufactured before January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR Product Specification for Automatic Commercial Ice Makers, Version 1.0. (3) Any commercial clothes washer that was manufactured before January 1, 2010, that does not meet the efficiency requirement of the ENERGY STAR Product Specification for Clothes Washers, Version 5.0.
Noncompliant plumbing fixtures	Has the same meanings as set forth in Section 1101.3 of the Civil Code, which is any of the following: (1) Any toilet manufactured to use more than 1.6 gallons of water per flush. (2) Any urinal manufactured to use more than one gallon of water per flush. (3) Any showerhead manufactured to have a flow capacity of more than 2.5 gallons of water per minute. (4) Any interior faucet that emits more than 2.2 gallons of water per minute.
Notice of proposed award (NOPA)	CEC notification to the LEA or state agency following approval of a grant application.
PG&E	Pacific Gas and Electric Company
Project	“Project” refers to school or building site that receives a CalSHAPE Ventilation Program grant to fund HVAC assessments, HVAC general maintenance, adjustments of ventilation rates, filter replacements, and carbon dioxide monitor installations or a CalSHAPE Plumbing Program grant to fund the replacement of Noncompliant Plumbing Fixtures and Appliances.
PUC	California Public Utilities Code

Term	Definition
SCE	Southern California Edison Company
SoCalGas	Southern California Gas Company
SDG&E	San Diego Gas & Electric Company
Scheduled for Replacement Pathway	One of the three grant pathways for sites receiving an Assessment and Maintenance grant under the CalSHAPE Ventilation Program. This pathway allows for filter replacement and requires the installation of carbon dioxide monitors, completion of a modified HVAC assessment report, and completion of an HVAC verification report.
School Energy Efficiency Stimulus (SEES) Program	School Energy Efficiency Stimulus Program established in Chapter 8.7 Article 1 of the PUC. For program administration purposes, the SEES Program will be referred to as the CalSHAPE Program.
Site	School or state agency site where CalSHAPE Ventilation Program or CalSHAPE Plumbing Program work will be performed.
Skilled and trained workforce	Has the same meaning as set forth in Section 2601 of the Public Contract Code.
State agency	Any agency, board, bureau, commission, department, office, or other division of the State of California, including the University of California, California State University, and California Community Colleges and the affiliated foundations acting on their behalf. Eligible to apply for grants from the CalSHAPE Plumbing Program.

Term**Definition**

Underserved community

A community that meets one of the following criteria:

- (1) Is a “disadvantaged community” as defined by subdivision (g) of Section 75005 of the Public Resources Code.
- (2) Is included within the definition of “low-income communities” as defined by paragraph (2) of subdivision (d) of Section 39713 of the Health and Safety Code.
- (3) Is within an area identified as among the most disadvantaged 25 percent in the state according to the California Environmental Protection Agency and based on the most recent California Communities Environmental Health Screening Tool, also known as CalEnviroScreen.
- (4) Is a community in which at least 75 percent of public-school students in the project area are eligible to receive free or reduced-price meals under the National School Lunch Program.
- (5) Is a community located on lands belonging to a federally recognized California Indian tribe.

Water-Conserving Appliance

Means any of the following:

- (1) A commercial dishwasher that meets the criteria of the ENERGY STAR Product Specification for Commercial Dishwashers, Version 2.0, or any revision to those criteria published by the United States Environmental Protection Agency that is adopted by the CEC for the program.
- (2) An automatic commercial ice maker that meets the criteria of the ENERGY STAR Product Specification for Automatic Commercial Ice Makers, Version 3.0, or any revision to those criteria published by the United States Environmental Protection Agency that is adopted by the Energy Commission for the program.
- (3) Any commercial clothes washer that meets the criteria of the ENERGY STAR Product Specification for Clothes Washers, Version 8.0, or any revision to those criteria published by the United States Environmental Protection Agency that is adopted by the Energy Commission for the program.

Term

Water-Conserving Plumbing
Fixtures

Definition

Has the same meanings as set forth in Section 1101.3 of the Civil Code, which is any fixture that complies with current building standards applicable to a newly constructed real property of the same type.

