



CPUC Decision Fact Sheet

Building Decarbonization, Phase 4 Track A

June 12, 2025

On March 26, 2025, the California Public Utilities Commission (CPUC) released a Proposed Decision (PD) in its Building Decarbonization proceeding ([R.19-01-011](#)). A revision to the PD was published on June 10, 2025. The PD was adopted at the CPUC's June 12, 2025 Voting Meeting.

Summary

The decision addresses four main issues that will improve the process for customers to transition their homes from natural gas to all-electric:

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

Subsidies for Electric Service Line Upsizing

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



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

Measures to Prevent Unnecessary Electric Service Line Upsizing

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

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

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

Extension of Energization Deadline for Mixed-Fuel Building Projects

The decision extends the energization deadline of July 1, 2025, established in the Phase 3B decision for mixed-fuel projects to receive electric line extension subsidies, to June 30, 2027 for all building projects with electric line extension contracts executed and paid for prior to July 1, 2024. It also requires IOUs to submit quarterly reports with data on electric line extension expenditures.

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

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

Background

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

More Information

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