



CPUC Proposed Decision: Aiding Affordability with Climate Credit in High-Bill Months March 26, 2026

The California Public Utilities Commission (CPUC) issued a [Proposed Decision](#) on March 26, 2026, that directs California's investor-owned electric and natural gas utilities to make improvements to the residential [Climate Credit](#), a bill credit funded by the State's greenhouse gas [Cap-and-Invest Program](#). Going forward, Climate Credits will be delivered during high electricity use months, when customers need relief the most. The Proposed Decision sets August and September as those two months for most electric customers and February for natural gas customers.

What is the Climate Credit?

- An automatic direct credit on residential energy bills
- Funded by California's Cap-and-Invest Program, it returns money from polluter emission fees, helping consumers transition to a low-carbon future
- Provided to all residential customers of investor-owned utilities and Community Choice Aggregators

What's Changing in 2026

- **Credits Shift to High-Bill Months:** Previously, credits were issued in spring and fall (April and October), when bills are typically lower.
- **New Schedule Aligns Credits with Peak Usage Periods, Maximizing Bill Relief**
 - Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), San Diego Gas & Electric (SDG&E) residential electric credits: August and September
 - Liberty Utilities, Pacific Power, and Bear Valley residential electric credits: October and November
 - All natural gas utilities (PG&E, SDG&E Southern California Gas Company, Southwest Gas) residential natural gas credits: February
- **Immediate Affordability Relief**
 - Targets months with highest energy costs on average
 - Helps reduce bill spikes during extreme weather
 - Delivers timely financial support without requiring customer action
- **Improved Customer Communication:** Utilities must-
 - Update outreach and education materials
 - Clearly explain Climate Credit savings on bills
 - Increase transparency about how the program benefits customers
- **Investment in Energy Infrastructure**
 - Directs 5 percent of electric investor-owned utility Cap-and-Invest proceeds, as statutorily required, to support the California Transmission Accelerator Revolving Fund
 - This fund accelerates development of new transmission projects



- Provides an alternative to private capital, leading to lower transmission financing costs built into customer rates for decades
- Supports long-term grid reliability and clean energy goals

Why This Matters

- **Lower Bills When It Counts Most:** Customers will see credits when bills are highest in the year.
- **Stronger Household Financial Stability**
 - Helps families manage seasonal energy cost spikes
 - Particularly beneficial during summer heat and winter cold
- **Supports California's Climate Goals:** Funded through the Cap-and-Invest Program, which:
 - Limits greenhouse gas emissions
 - Holds polluters accountable
 - Reinvests proceeds back to customers

How the Program Works

1. The state sets a cap on greenhouse gas emissions
2. Companies that emit a large amount must obtain allowances or offsets for emissions
3. Allowances are auctioned by the California Air Resources Board, generating revenue
4. Revenue finances investments across California or is returned to customers as Climate Credits
5. See where Cap-and-Invest dollars are at work at www.caclimateinvestments.ca.gov/

Legislative Foundation

The Proposed Decision quickly implements Assembly Bill 1207 (2025), which:

- Extends Cap-and-Invest through 2045
- Requires Climate Credits to be delivered in high-bill months
- Enhances customer transparency and outreach
- Funds critical energy infrastructure investments

Next Steps

- Comments by parties on the Proposed Decision are due by April 15, 2026, with reply comments due by April 20, 2026.
- Customers can comment on the [Docket Card](#) for the proceeding.
- The Proposed Decision will be on the April 30, 2026 Voting Meeting agenda.
- This Phase 1A Proposed Decision provides immediate affordability improvements for 2026. Phase 1B will address broader reforms to further strengthen the Climate Credit program and provide greater affordability gains for customers.

More Information

- [Proposed Decision](#)
- [Docket Card \(R.25-07-013\)](#)
- [Climate Credit Information](#)
- [Cap-and-Invest Program](#)



2026 Electric California Climate Credit Amounts & Proposed Months

	April	May	June	July	Aug.	Sept.	Oct.	Nov.
PG&E					\$36.18	\$36.18		
SCE					\$36.00	\$36.00		
SDG&E					\$49.36	\$49.36		
Bear Valley	\$17.52							\$17.52
Liberty*	\$71.98							\$71.98
Pacific Power	\$111.83							\$111.83

**Liberty Utilities 2026's proposed Climate Credit amount of \$43.92 not yet approved; credits may change if approved.*