



FOR IMMEDIATE RELEASE
October 7, 2021

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New Law Brings Free Energy Efficiency Upgrades to More California Homes

SACRAMENTO – California Governor Gavin Newsom has signed into law a number of measures to advance the state’s climate and clean energy efforts, including legislation by Senator Ben Hueso (D-San Diego) that expands the state’s Energy Savings Assistance (ESA) program to ensure more of California’s low-income families benefit from free energy efficiency upgrades to their home.

“The ESA program is an important tool for our state in the fight against climate change,” said Sen. Hueso. “Energy efficiency upgrades reduce energy utility bills, increase a family’s quality of life and comfort, support economic development, and move the state closer toward its climate goals. However, the ESA program budgets are routinely not fully expended – often with hundreds of millions of dollars remaining unspent each year. This new law will remedy that by expanding eligibility to include more low-income customers.”

The ESA program is available to eligible low-income customers of the state’s largest electric and gas investor-owned utilities and provides no-cost energy efficiency measures, which include attic insulation, weather-stripping, door and building envelope repairs, and appliance replacements. The decades-old program is funded by an existing fee on customer energy utility bills and eligibility is currently restricted to households with an annual income that falls below 200 percent of the federal poverty guideline level.

Senate Bill 756, now signed into law, will expand the definition of low-income for the purposes of ESA program eligibility from 200 percent of the federal poverty guideline level to up to 250 percent of federal poverty guideline level beginning July 1, 2022. The new definition for low-income would align with the income limit established for the Family Electric Rate Assistance (FERA) program which provides an 18 percent discount on electric bills for households meeting the 250 percent income eligibility within the state’s three electric utilities.

Importantly, this new law will not increase the existing ESA budgets. It simply expands the universe of eligible households to ensure existing budgets are utilized and help more families in need. The language prohibits the CPUC from increasing ESA program budgets solely based on the expanded income eligibility, thereby, ensuring non-participating electric and gas ratepayers are not impacted with additional costs.

"Expanding ESA eligibility to households whose income is just above the federal poverty line is a step in the right direction," said Dolores Huerta, Founder and President of the Dolores Huerta Foundation. "We know that many of these families spend a significant percentage of their wages to keep their home cool in the summer and warm in the winter, weatherizing their homes will allow for additional savings they desperately need. The fight for environmental justice is not over - today we celebrate a step forward."

SB 756 was sponsored by the California Energy Efficiency Industry Council.

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