

Dear Fellow Commissioners,

The opportunity for City of Berkeley to be considered under SB 1221 (passed and signed in 2024) as a priority neighborhood decarbonization zone with a voluntary zonal electrification pilot project is upon us.

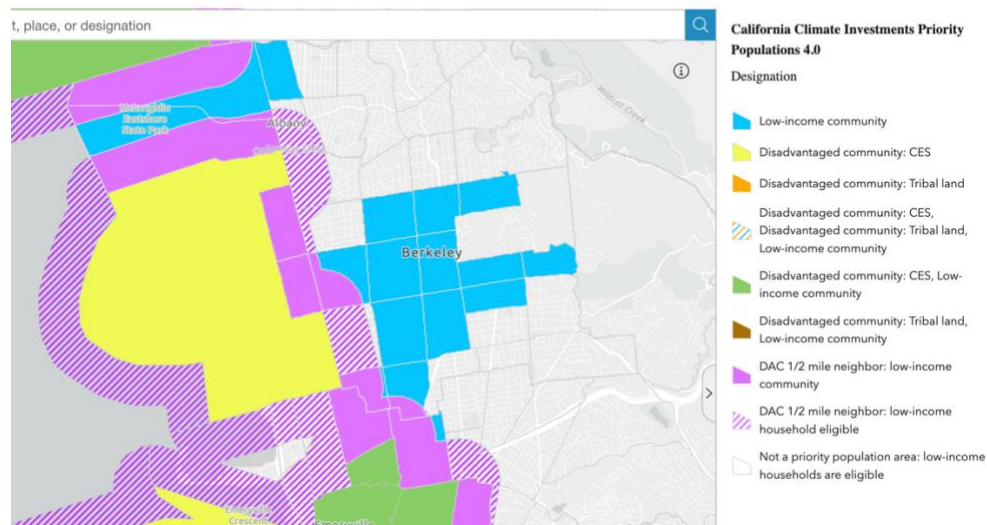
[SB 1221](#) (2024 Min) legislative digest summarizes the "bill would require the [California Public Utilities] commission, on or before July 1, 2026, to establish a voluntary program to facilitate the cost-effective decarbonization of priority neighborhood decarbonization zones, as defined, not to exceed 30 pilot projects across the state."

I recently learned from the Building Decarbonization Coalition CA Policy Call on April 15, 2025 that Northern CA local governments should contact Energy Division, CPUC and/or PG&E now to informally start to explore whether they'd be a suitable decarbonization pilot host site ([link to call recording](#), CPUC and SB1221 topic is at 34:30). The contact from the CPUC offered to begin to explore this is: Eileen Hlavka, at eileen.hlavka@cpuc.ca.gov.

Is Berkeley Eligible?

My read is yes. While a [fact sheet from the Office of Senator Dave Min](#) states "through its evaluation process, the CPUC will identify disadvantaged, low-income communities and environmental justice communities as Priority Neighborhood Decarbonization Zones." the statute itself lists several factors that the CPUC should consider as factors for designating priority neighborhood decarbonization zones (relevant excerpt from statute is at end of communication).

California Climate Investments Priority Populations Mapping Tool 4.0



Berkeley has a subarea that is disadvantaged and/or and low-income according to [Priority Populations Mapping Tool 4.0](#) (definitions for DAC and LIC in this tool I believe consistent

with definitions of ESJ Action Plan) as shown in the image. I do not read in the legislation that the entirety of a city need meet these definitions. Perhaps the factor Berkeley should emphasize most strongly in making a case for being considered a designated a Priority Neighborhood Decarbonization Zone is its “(3)Availability of supportive local government or community partners.” Principally, the existence of the Just Transition Pilot is a demonstration of this availability.

The CPUC has been authorized by this legislation to set the priority zones, legislation has not already made clear determination so Berkeley should not prematurely preclude itself from this opportunity. As already noted above, there are multiple factors CPUC will weigh in when making this designation, of which low income and disadvantaged is a part but not all. There are also many steps to occur in a process before the CPUC sets these priority zones.

Next steps for CPUC and Utilities:

The CPUC is expected to issue guidance to utilities on mapping required under SB 1221 (primarily gas distribution line replacement projects) in April/May, with utility maps due July 1, 2025.

Process steps to follow the mapping include,

- CPUC Staff proposal on priority zone designation with comments from parties: Q3-Q4 2025.
- CPUC Ruling/Decision issued designating priority zones: January 1, 2026
- (TBD) CPUC issuing guidance on pilots,
- pilot proposals from utilities due to CPUC,
- CPUC to issue Decision on pilots (by July 1, 2026 - per statute) .

See [Scoping ruling](#) for more detail on CPUC process.

Next steps for Commission:

I'd like to recommend that 1) the City of Berkeley reach out to CPUC now to let them know City of Berkeley is interested in being considered for an SB1221 pilot and to exchange relevant information with CPUC staff as CPUC staff are ingesting information to inform their priority zone designation staff proposal, and 2) the Commissioners share to staff directly, or agendize a meeting in May to discuss, additional questions/suggestions the Commission recommends City of Berkeley include in the dialogue with CPUC.

Thanks and I'm so sorry I had to take leave of absence from the meeting.

Alison

Alison LaBonte
District 2 (Taplin) Environment and Climate Commissioner

Excerpt from SB 1221:

(a) On or before January 1, 2026, in a new or existing proceeding and following recommendations from each gas corporation and the opportunity for public comment, the commission shall designate priority neighborhood decarbonization zones. In designating the zones, the commission shall consider factors that include, but are not limited to, all of the following:

(1) Presence of disadvantaged or low-income communities in high-temperature climate zones or low-temperature climate zones that disproportionately lack cooling or heating.

(2) Presence of environmental and social justice communities as defined in the commissions Environmental and Social Justice Action Plan.

(3) Availability of supportive local government or community partners.

(4) Concentration of gas distribution line replacement projects identified in the map submitted pursuant to Section 661.

(b) The commission shall coordinate with relevant agencies to identify nonratepayer funding, such as state and federal funds, that may be used to execute pilot projects in priority neighborhood decarbonization zones that would be cost effective with supplemental nonratepayer funding.

(c) If pilot projects for zero-emission alternatives pursuant to Section 663 are implemented in a priority neighborhood decarbonization zone, the commission may direct gas corporations and electrical corporations, if appropriate, to leverage other available programs, including, but not limited to, energy efficiency, low-income weatherization, and distributed generation programs.

(d) The commission may, after providing an opportunity for public comment, update the priority neighborhood decarbonization zones as necessary.

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