



Notice Regarding the Small Business Climate Credit for Electricity Customers

A Message from the California Public Utilities Commission

The Small Business Climate Credit is funded through California's Cap-and-Invest Program, which requires large polluters to pay for the climate pollution they produce. A portion of the proceeds is returned directly to qualifying small businesses on their utility bills to help support the transition to a cleaner, more sustainable energy future.

The credit is issued automatically and appears on electricity bills twice a year, in April and October. The amount is a flat dollar credit, which may vary annually based on each utility's allowance auction forecasts and CPUC approval. In 2026, the Small Business Climate Credit amount is \$49.36.

For more information visit: www.cpuc.ca.gov/smallbusinessclimatecredit.

To learn about additional programs funded by California's Cap-and-Invest Program – designed to reduce carbon pollution, improve public health and the environment, and benefit disadvantaged communities, visit www.caclimateinvestments.ca.gov.

FAQs:

Who Receives the Small Business Climate Credit?

The CPUC defines a small business as any non-residential customer on a general service or agricultural rate, whose usage does not exceed 20 kilowatts in more than three months within the past 12 months. In practice, this means customers with relatively low electricity usage.

Beginning April 2025, customers with 100 or more accounts are no longer eligible to receive the Small Business California Climate Credit. Details on these can be found in CPUC Resolution E-5339.

Electricity customers of SDG&E®, PG&E, SCE, Pacific Power (PacifiCorp), Bear Valley Electric Service, and Liberty Utilities (CalPeco Electric) may receive the credit if they meet the qualifying criteria.

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Small businesses eligible for the California Industry Assistance Credit (EITE) may receive only one of the two credits. If a business attests for and is found eligible for the Industry Assistance Credit, all associated electric service agreements will stop receiving the Small Business Climate Credit.

How is the Small Business Climate Credit Funded?

Through California’s Cap-and-Invest Program, the State auctions a limited number of emissions permits each year to reduce greenhouse gas emissions inline with statewide climate goals. A portion of the auction proceeds is used for climate and community benefit programs, and a portion is returned to utility customers as the California Climate Credit.

The CPUC oversees the program’s implementation. While utilities deliver the credit, the funds come from the State program – not from utility revenues.

Is there a Small Business Natural Gas Climate Credit?

No. The Small Business Climate Credit applies only to electricity customers.

The CPUC regulates privately owned electric and natural gas companies and serves the public interest by protecting consumers and ensuring the provision of safe, reliable utility service and infrastructure at reasonable rates, with a commitment to environmental enhancement and a healthy California economy. For more information about our work, visit www.cpuc.ca.gov. If you have a question or complaint concerning a privately owned utility, call 1-800-649-7570 or visit <https://www.cpuc.ca.gov/utilitycomplaint>.