



Northern Rural Energy Network  
YOUR LOCAL ENERGY SOLUTIONS



Citizens' Climate Lobby  
Contra Costa



February 10, 2026

The Honorable Gavin Newsom  
Governor, State of California  
1021 O Street, Suite 9000  
Sacramento, CA 95814

The Honorable Robert Rivas  
Speaker, California State Assembly  
1021 O Street, Suite 8330  
Sacramento, CA 95814

The Honorable Monique Limon  
President pro Tempore, California State Senate  
1021 O Street, Suite 8518  
Sacramento, CA 95814

**RE: Request for Budget Allocation to keep TECH Clean California Afloat**

Dear Governor Newsom, Speaker Rivas, and President pro Tempore Limon,

On behalf of the below signed organizations, we respectfully urge your consideration of a budget allocation in fiscal year 2026-27 to California's flagship building electrification incentive program, TECH Clean California, which continues to offer a solution to a convergence of critical issues by lowering utility bills in the short term and long-term; adding cooling in the face of extreme heat; strengthening the grid; and decarbonizing to mitigate climate change.

Extreme heat has quickly emerged as one of California's most pressing public health problems. Record breaking heat events and temperatures in the triple digits have become the norm, even for historically-temperate regions of the state. California's building stock and energy infrastructure are not equipped to meet the needs of our residents in extreme heat events. Too many homes still lack access to AC, and the old, energy-inefficient AC systems that many homes do have place disproportionate strain on the electrical grid. For others, AC units are simply too expensive to run on hot summer afternoons when electricity demand—and prices—are at their highest. Extreme heat is on track to become the 7th leading cause of death in California, and could kill 11,300 Californians annually by 2050<sup>1</sup>; the state urgently needs a solution that will grant access to cooling, stabilize the electrical grid, and be affordable for Californians to use.

Buildings are responsible for 25% of California's greenhouse gas emissions, primarily resulting from space and water cooling and heating.<sup>2</sup> This number is higher in the densest parts of the state. Buildings make up 43% of emissions in Los Angeles, and in the Bay Area, are

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<sup>1</sup> ["Policy Recommendations: Recommended Maximum Safe Indoor Air Temperature"](#) California Department of Housing and Community Development, 2025

<sup>2</sup> ["Building Decarbonization"](#) California Air Resources Board

responsible for more NOx emissions than either passenger vehicles or power plants. To achieve our goal of carbon neutrality and building decarbonization by 2045, the state will need to decarbonize approximately 13 million housing units over the next 15 years. Smart climate solutions will reduce emissions and energy bills in addition to mitigating the worst impacts of extreme heat.

Heat pump systems are about 3 times more efficient than their traditional counterparts—meaning that they pose less strain on the grid compared to other AC units, and that installing a heat pump will save many Californians \$260 a year on their energy bills.<sup>3</sup> Smart heating and cooling through demand management capabilities can further reduce energy bills and pressure on the grid.<sup>4</sup> We cannot meet California’s climate resilience or mitigation needs without decarbonizing residential buildings, nor can we protect our communities from extreme heat without also ensuring reliable and affordable access to electricity.

TECH Clean California launched in 2021 and quickly became one of California’s most popular clean-energy incentive programs. TECH helps households transition from fossil-fueled appliances to high-efficiency, all-electric heat pumps, expanding access to clean, affordable cooling and space and water heating. TECH has a proven track record of quickly dispersing funding to Californians of all income levels, including stacking with regional and utility level programs and those targeted towards low-income households. These incentives are also incredibly cost-effective - costing the state less than \$200 per ton of GHG avoided. This impact is magnified by the air conditioning, energy affordability, and clean air benefits experienced directly and immediately by program recipients.

However, as of January 2026, TECH Clean California has exhausted its funding. These popular incentives were oversubscribed as soon as they became available. Without support in the upcoming fiscal year, this landmark program will be forced to shutter. Incentive programs like TECH are financially intensive for California to develop, launch, and scale from scratch. The TECH program has succeeded in installing over 62,900 heat pumps and dramatically increased the visibility and popularity of this technology in California. Maintaining program funding will ensure continued market momentum at a key time and ensure that valuable program structure remains intact while continuing to support Californians in making clean home upgrades.

For these reasons, we respectfully ask for an appropriation to support TECH Clean California in fiscal year 2026-27.

Sincerely,

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<sup>3</sup> [“Measured Impacts of TECH Heat Pump Installations”](#) Recurve, 2025

<sup>4</sup> [“US building energy efficiency and flexibility as an electric grid resource”](#) ScienceDirect

Leslie Alden  
Executive Director  
Act Now Bay Area

JP Ross  
Vice President, Local Development  
Ava Community Energy

Philip M. Fine, Ph.D.  
Executive Officer/APCO  
Bay Area Air District

Viri Nguyen-Santoyo  
Assistant Policy Director  
BEI Cities

Madison Vander Klay  
Sr Manager, Government Affairs  
Building Decarbonization Action Fund

Joseph Desmond  
Executive Director  
California Efficiency & Demand Management Council

Bruce Hodge  
Chair  
Carbon Free Palo Alto

Andrew McNamara  
Principal & Co-Founder  
Carbon Zero Buildings, Inc.

Bill Olsen, Cynthia Mahoney  
Co-Leaders  
Citizens Climate Lobby - Contra Costa

Janet Cox  
CEO  
Climate Action California

Serena Pelka  
Senior Policy Advocate  
Climate Action Campaign

Glen Garfunkel  
Co-Chair  
Climate Reality - Silicon Valley

Lisa Swanson  
Policy Chair  
Climate Reality Project Orange County

Catherine Stafford  
Director Child Health and Nutrition  
CocoKids

Ada Waelder  
Senior State Legislative Representative  
Earthjustice

Megan Leary  
Community Engagement and Policy Manager  
Emerald Cities Northern California

Tony Sirna  
Senior Policy Lead - Buildings  
Evergreen Action

Stephanie Chen  
Vice President of Legislative Affairs  
MCE

Angela Evans  
Director of Building Electrification  
Menlo Spark

Patricia Terry  
Senior Portfolio Manager  
Northern Rural Energy Network

Ericka Flores  
Clean Energy and Equity Advocate  
NRDC

Steven Halligan  
Regulatory and Legislative Manager  
Orange County Power Authority

Antonio Diaz  
Executive Director  
PODER

Sven Thesen  
Co-Founder  
Project Green Home

Sean Armstrong  
Managing Principal  
Redwood Energy

James Becker  
CEO  
Richmond Community Foundation

Kelly Lyndon  
Co-Chair  
San Diego Building Electrification Coalition

Robert M. Gould, MD  
President  
San Francisco Bay Physicians for Social Responsibility

Alelia Parenteau  
Director  
Santa Barbara Clean Energy

Pauline Seales  
Organizer  
Santa Cruz Climate Action Network

Patrick Welch  
Associate Director of Legislative Affairs  
San Diego Community Power

Zach Struyk  
Assistant Director  
San Jose Clean Energy

Emily Blackmer  
Director of Government and Community Affairs  
Sierra Business Council

Gabriela Facio  
Senior Policy Strategist  
Sierra Club California

Bena Chang  
Director of Government and Legislative Affairs  
Silicon Valley Clean Energy

Adam Smith  
Director Regulatory Relations  
Southern California Edison

Colleen Corrigan  
Sustainability and Resilience Policy Manager  
SPUR

Ben Stapleton  
CEO  
USGBC California

Alejandra Tellez  
Director - Ventura  
3C-REN

Marti Roach  
Co--chair Local Policy Team  
350 Contra Costa Action

Cheryl Weiden  
Steering Committee  
350 Silicon Valley

Cc. Senator John Laird, Senator Eloise Gomez Reyes, Assemblymember Jesse Gabriel,  
Assemblymember Steve Bennett