California Energy Commission
October 19, 2026 Business Meeting
Backup Materials for Contractors State License Board Memorandum

The following backup materials for the above-referenced agenda item are available as described below:

1. Proposed Resolution
2. Memorandum of Understanding
3. California Environmental Quality Act (CEQA) analysis

CALIFORNIA ENERGY COMMISSION

PROPOSED RESOLUTION: MEMORANDUM OF UNDERSTANDING BETWEEN THE CONTRACTORS STATE LICENSE BOARD AND THE CALIFORNIA ENERGY COMMISSION

RESOLUTION NO: 26-1019-XX

WHEREAS, the California Energy Commission (CEC), the state's primary agency for energy policy and planning, develops, adopts, and enforces the Building Energy Efficiency Standards, including the mandatory requirements in the Energy Code and the voluntary measures in CALGreen, to help California achieve its energy and climate goals; and

WHEREAS, the Contractors State License Board (CSLB) protects consumers by licensing and regulating California's construction industry and has the authority to take disciplinary action against both general and specialty contractors involved in construction and in the installation of building appliances and equipment; and

WHEREAS, the CEC and the CSLB executed a Memorandum of Understanding (MOU) in 2005 to address then-Governor Schwarzenegger's Executive Order S-20-04 (the *Green Building Initiative*, Directive Number 6), which directed the CEC to "collaborate with the building and construction industry and state licensing boards to ensure building and contractor compliance [with the Energy Code]." The MOU was subsequently updated in 2010 to revise the cooperative framework and to further support compliance; and

WHEREAS, the proposed MOU supersedes the existing agreement and maintains the established collaborative relationship between the two agencies to improve contractor performance through proper permitting, compliance with Energy Code requirements, and reduction of unlicensed work; and

THEREFORE, THE CALIFORNIA ENERGY COMMISSION FINDS:

1. Approval of the proposed MOU would strengthen collaboration between the CEC and the CSLB to advance their shared objectives, particularly in enforcement activities, stakeholder outreach, and data collection.
2. Approval of the proposed action is not a project, as defined, under the California Environmental Quality Act (CEQA) and, if it were a project, it is exempt from CEQA pursuant to the Common Sense Exemption under section 15061(b)(3) of the CEQA Guidelines.

THEREFORE, BE IT RESOLVED, that the CEC approves the MOU between the CSLB and the CEC. This MOU supersedes the existing agreement and affirms continued

collaboration on energy-related issues of mutual interest, including improving contractor performance through proper permitting, ensuring compliance with Building Energy Efficiency Standards requirements, and reducing unlicensed work. No funds will be committed by either party under the MOU; and

FURTHER BE IT RESOLVED, approval of the proposed MOU is not a project pursuant to CEQA. In the event it were to be deemed a project, the action would still be exempt from CEQA under the Common Sense Exemption under California Code of Regulations, Title 14, Section 15061(b)(3); and

FURTHER BE IT RESOLVED, that the Executive Director or their designee shall execute the MOU on behalf of the CEC and may take actions necessary to faithfully carry out the agreement.

APPROVED AND ADOPTED this 19th day of October 2026, by the following vote:

AYE:
NAY:
ABSENT:
ABSTAIN:

CERTIFICATION

The undersigned Secretariat to the CEC does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly approved and adopted by affirmative vote of the CEC at a meeting held on October 19, 2026.

Kim Todd
Secretariat

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CONTRACTORS STATE LICENSE BOARD AND THE CALIFORNIA ENERGY COMMISSION

BACKGROUND

The California Energy Commission (CEC) is the state's primary energy policy and planning agency and adopts and implements the *Building Energy Efficiency Standards* (requirements in the Energy Code and voluntary standards in CALGreen) to support achievement of California's energy and climate change mitigation mandates and goals.

The Contractors State License Board (CSLB) protects consumers by licensing and regulating California's construction industry and has the authority to discipline general contractors and specialty contractors involved in construction and building appliance and equipment installation.

The CEC and the CSLB executed a Memorandum of Understanding (MOU) in 2005 to address Governor Schwarzenegger's Executive Order S-20-04 (the *Green Building Initiative*, Directive Number 6), which directed the CEC to "collaborate with the building and construction industry and state licensing boards to ensure building and contractor compliance [with the Energy Code]." The MOU was subsequently updated in 2010 to revise the cooperative framework and to further support compliance.

The Energy Code requires the installation of features, measures, and equipment to reduce the wasteful, uneconomic, inefficient, or unnecessary consumption of energy and enhance building energy performance. The Energy Code also requires the CEC to establish and administer the Energy Code Compliance (ECC) program and Acceptance Test Technician Certification Provider (ATTCP) programs. These programs support enforcement agencies and building owners by requiring field verification and testing of energy-efficient features, measures, and equipment by certified technicians.

A comprehensive understanding of the Energy Code, associated ECC and ATTCP programs, and building permit process is fundamental to achieving regulatory compliance and effectively administering enforcement processes. Contractor adherence to installation, verification, and permitting requirements is essential for realizing the energy, economic, health, safety, and environmental benefits of the Energy Code.

PURPOSE

This MOU supersedes the existing agreement and maintains the established collaborative relationship between the two agencies to improve contractor performance through proper permitting, compliance with Energy Code requirements, and reduction of unlicensed work. The agencies will work jointly to educate the industry, consumers, and contractors, and to advance these shared goals through coordinated data collection and exchange and enforcement of the Energy Code, ECC program, and ATTCP program.

This MOU also continues to support CSLB's mission, which includes ensuring that construction is performed in a competent and professional manner; enforcing the laws, regulations, and standards governing construction contracting in a fair and uniform manner; providing resolution to disputes that arise from construction activities; and educating consumers to make informed choices.

This MOU identifies principles of cooperation between the CEC and CSLB to encourage licensed contractors to comply with the Energy Code (Title 24, Part 6) and related ECC and ATTCP programs. This includes sharing data between agencies to support improved compliance. This MOU also expands on joint efforts to improve permit compliance by licensed contractors and unlicensed persons.

This MOU defines primary roles and responsibilities of the CEC and CSLB as they relate to exploring communication with contractors, building departments, and consumers, and the joint investigation of complaints about contractor noncompliance. Both agencies will mutually agree on work products and distribution of collateral materials.

PRINCIPLES OF COOPERATION

CEC agrees to:

- Work with CSLB to develop unified communication strategies targeting building departments, contractors, and consumers to emphasize the importance of Energy Code compliance and permitting by licensed contractors.

- Work directly with CSLB outreach and education staff to revise and create documents as needed, including consumer and contractor handouts and booklets, CSLB's newsletter, CEC's Blueprint newsletter, and CSLB's industry bulletins and "Building Official Information Guide."

- Work with CSLB to educate building departments, contractors, and consumers on the requirements of the Energy Code, related ECC and ATTCP programs, and building permitting:

    - Upon request, provide training to CSLB staff on the Energy Code, ECC program, and ATTCP program.

- Communicate information to building departments about enforcement issues identified by the CEC, CSLB, or both.

- Provide information about enforcement issues through joint efforts with CSLB at industry events and trade shows.

- Through CEC outreach, data collection, and enforcement efforts, identify and report alleged violations of permit requirements, Energy Code, ECC program, ATTCP program, and Contractors License Law when appropriate, and at a frequency or rate of referral to be agreed to by the parties in advance.

- ♦ Upon request, participate in the joint investigation of complaints about contractor noncompliance, including inspection of job sites.

- ♦ Upon request, participate or assist CSLB with the reactive investigation of consumer complaints, and support CSLB enforcement operations.

- Upon request, provide testimony, data, and documentation to support any disciplinary action undertaken by CSLB against contractors or unlicensed persons for their failure to obtain building permits, comply with the Energy Code, or meet the requirements of, the ECC and ATTCP programs.

- Participate in joint task force meetings to develop working relationships and strategies to enhance the enforcement of the Energy Code, ECC program, ATTCP program, and building permitting requirements, as well as the CSLB Rules and Regulations.

- Upon request, share data, information, updates, and results from CEC compliance analyses and HVAC and water heating equipment sales data collection.

- Cooperate with the CSLB regarding the collection, exchange, and analysis of compliance data to assist CSLB in identifying and investigating unpermitted construction and equipment installation work, including instances of work completed by unlicensed persons.

- Coordinate with CSLB to establish consumer protection guidelines and responsible contractor policies for energy-efficiency products and services ensuring consumers receive high-quality, reliable work, accurate information, and remedies for substandard performance, per California statute (Pub. Res. Code § 25943(a)).

- ♦ **CSLB** agrees to:

  - Cooperate with the CEC regarding the collection, exchange, and analysis of compliance data related to failure of contractors to obtain permits. This includes evaluating approaches that can be taken to identify specific permitting violations that result in actionable consequences for violators. Coordinate as appropriate with building departments in this effort.

  - Cooperatively explore communications with contractors and consumers, and joint investigation with the CEC of complaints about contractor noncompliance.

  - Investigate complaints related to noncompliance with the Energy Code, ECC, and ATTCP programs and take appropriate action.

  - Evaluate opportunities for cooperation in reactive and proactive investigations using data from the CEC.

  - Work with the CEC to educate contractors, consumers, and building departments.

- Through CSLB enforcement efforts, identify and report alleged violations of permit requirements, Energy Code, ECC program, and ATTCP program by certified Energy Code Compliance raters or Acceptance Test Technicians.

- Upon request, meet with CEC staff to share expert knowledge, experiences, data, and solutions to support the CEC with evaluating and improving Energy Code compliance.

- Collaborate with the CEC to identify, understand, and address barriers related to unpermitted construction and equipment installation by licensed contractors and unlicensed persons by exploring solutions and developing recommendations that support building departments, contractors, and consumers. These efforts may include:

    - Collaborate with building officials and CEC on strategies to improve statewide compliance with the Energy Codee.

    - Develop strategies to improve contractor practices of obtaining building permits and complying with the Energy Code.

    - Enhancing coordination with building departments, contractors, and consumers to investigate and resolve reports of unpermitted work.

CONTACT INFORMATION

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APPROVAL

This memorandum shall be in effect when signed by the CSLB and CEC. It shall remain in effect until amended or terminated in writing by either party. Either party may terminate this agreement on 30 days written notice.

For **California Energy Commission**

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Name: Drew Bohan Title: Executive Director

Dated this _____ day of _____, 2026.

For **Contractors State License Board**

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Name: David R. Fogt Title: Registrar of Contractors

Dated this _____ day of _____, 2026.

MEMORANDUM

TO: Will Vicent

FROM: Isaac Serratos
California Energy Commission
715 P Street
Sacramento, California 95814

SUBJECT: Basis for finding that the updated MOU between CSLB and the CEC is not a project, and if it were, then it would still be exempt from the California Environmental Quality Act (CEQA) under the Common Sense Exemption.

DATE: October 9, 2026

I. California Environmental Quality Act (CEQA)

The California Environmental Quality Act (Public Resources Code, sections 21000 et seq.; see also CEQA Guidelines, California Code of Regulations, Title 14, sections 15000 et seq.) requires that state agencies consider the environmental impact of their discretionary decisions. An action that is not a project is not subject to CEQA. (California Code of Regulations, Title 14, section 15060(c)). Furthermore, CEQA provides several exemptions for certain actions that do constitute a project. Of relevance here, and discussed further below, is the Common Sense Exemption. (California Code of Regulations, Title 14, section 15061(b)(3)).

II. Background and Proposed Action

The California Energy Commission (CEC), the state's primary agency for energy policy and planning, develops, adopts, and enforces the Building Energy Efficiency Standards, including the mandatory requirements in the Energy Code and the voluntary measures in CALGreen, to help California achieve its energy and climate goals.

The Contractors State License Board (CSLB) protects consumers by licensing and regulating California's construction industry and has the authority to discipline general contractors and specialty contractors involved in construction and building appliance and equipment installation.

The CEC and the CSLB executed a Memorandum of Understanding (MOU) in 2005 to address then-Governor Schwarzenegger's Executive Order S-20-04 (the *Green Building Initiative*, Directive Number 6), which directed the CEC to "collaborate with the building and construction industry and state licensing boards to ensure building and contractor compliance [with the Energy Code]." The MOU was subsequently updated in 2010 to revise the cooperative framework and to further support compliance.

Approval of the proposed MOU (the project) would supersede the existing agreement and would further the collaborative relationship between the CEC and CSLB to improve contractor performance through proper permitting, compliance with Energy Code requirements, and reduction of unlicensed work. The agencies would work jointly to educate the industry, consumers, and contractors, and to advance these shared goals through coordinated data collection and exchange, and enforcement of the Energy Code, ECC Program, and the ATTCP programs.

To do so, the MOU defines the primary roles and responsibilities of the CEC and CSLB as they relate to communicating with contractors, building departments, and consumers, and jointly investigating complaints about contractor noncompliance. Both agencies will mutually agree on work products and distribution of collateral materials.

III. The Proposed MOU is not a Project.

A project under CEQA is defined as the "whole of an action which has a potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment." (California Code of Regulations, Title 14, section 15378(a)).

The proposed MOU has no potential to result in either a direct physical change in the environment nor a reasonably foreseeable indirect physical change in the environment. The proposed MOU is an understanding between agencies that would increase collaboration and data sharing. The MOU does not impose new requirements beyond those already established.

IV. Even if the Proposed MOU were considered a project, it is exempt from CEQA under the Common Sense Exemption

If the proposed MOU were to be considered a project, the action would still be exempt from CEQA under the Common Sense Exemption. CEQA only applies to projects that have the potential to cause a significant effect on the environment. (California Code of Regulations, Title 14, section 15061(b)(3)). A "significant effect on the environment" is defined as a substantial, or a potentially substantial, adverse change in the environment, and does not include an economic change by itself. (Public Resources Code, section 21068; California Code of Regulations, Title 14, section 15382).

As detailed above, the purpose of the proposed MOU is to expand collaboration, increase enforcement capabilities, and increase data sharing between the CEC and CSLB. Therefore, it is with reasonable certainty that the proposed MOU will not have a significant effect on the environment.

V. Conclusion

As shown above, it can be seen with reasonable certainty that the proposed MOU is not a project, as it has no potential for resulting in either a direct physical change in the environment or a reasonably foreseeable indirect physical change in the environment. In the case the proposed MOU were to be deemed a project, it would not have a significant effect on the environment and, therefore, is exempt pursuant to the Common Sense Exemption under California Code of Regulations, Title 14, Section 15061(b)(3).