



Distributed Electricity Backup Assets (DEBA) Prop 4 Overview

California Energy Commission
February 2026



DEBA Program Overview (AB 205)

- Program Objective
 - Purchase of cleaner, more efficient distributed energy assets to serve as emergency supply or load reduction during extreme events
- CEC adopted DEBA Program Guidelines October 2023
- Two project funding categories
 1. Bulk grid assets (*not accepting new applications*)
 2. Distributed energy resources (DERs)
- Funding recipients must participate as on-call emergency resources during extreme events



Current Status of DEBA Grant Funding Opportunities (GFOs)

- 1. Bulk Grid Asset Enhancement:** Efficiency upgrades and capacity additions to existing bulk grid power generators
 - Released \$150M GFO in Dec 2023
 - Award notification released April 2024
 - 7 agreements approved to date

- 2. Distributed Energy Resources:** Zero- or low-emission technologies at existing or new facilities
 - Draft concept for \$250M GFO released - Feb 2024
 - Prop 4 funding (~\$46M) appropriated - Fall 2025
 - Draft GFO currently in process



Proposition 4 Overview





DEBA Prop 4 Funding

SB 105 (Wiener, Chapter 104, Statutes of 2025)

- Appropriated funding: ~**\$46.1 million**
- Statutory Encumbrance Deadline: **June 30, 2028**
- Anticipate 3-4 months between NOPA and Business Meeting
 - Notice of Proposed Award (NOPA)
 - Agreement development
 - Applicant provides proof of all local permits, entitlements, and CEQA approvals
 - CEC Business Meeting approval and agreement execution
- Statutory Liquidation Deadline: **June 30, 2030**



Prop 4 Funding

Prop 4 funding-related restrictions: Public Resources Code (PRC) Section 94510.

- (a) The proportion of any asset funded pursuant to this section or Section 94520 or 94530 shall be funded without return on equity for the lifetime of the proportion of that asset that would have otherwise been borne by ratepayers.
- (b) The proportion of any projects funded pursuant to this section or Section 94520 or 94530 shall be excluded from the ratebase, and no costs may be collected from ratepayers.
- (c) It is the intent of the Legislature that bond moneys shall not be used for shareholder incentives or profits for shareholders of private corporations.



Prop 4 Eligibility Requirements

- **Eligible Applicants (PRC § 90110):**

- Public Agency
- Local Agency
- Nonprofit organization
- Special district
- Joint Powers Authority
- Public utility (*includes IOUs*)
- Local POU
- Mutual water company
- Tribe

- **Eligible Technologies:**

- Prop 4 (PRC § 94530)
 - Zero-emissions distributed energy backup assets
 - Virtual power plants
- SB 105 (Wiener, Chapter 104, Statutes of 2025)
 - New clean microgrids
 - New non-residential or aggregated residential distributed clean energy and storage projects



Prop 4 Directed Priorities

Preference

- Must prioritize projects leveraging private, federal, and local funding or producing the greatest public benefit. (PRC § 90050)
- Preference to applications using the California Conservation Corps or certified community conservation corps. (PRC § 90150)
- Must prioritize/expedite projects receiving federal funding that support critical infrastructure, such as water utilities (only if federal funding is secure and in place). (SB 105)

Equity Allocations

- At least 40% of all Prop 4 funds must be allocated for projects providing meaningful and direct benefits to:
 - Vulnerable Populations
 - Disadvantaged Communities
 - Severely Disadvantaged Communities*
- (PRC § 90140)

*Definitions are established in PRC § 90100. Mapping tools are forthcoming



Prop 4 Emergency Regulations

UPDATE AS OF FEBRUARY 20, 2026 – APA EXEMPTION:

- [Assembly Bill 107](#) (Section 36) has been signed and is now in effect. This bill provides an exemption to the Administrative Procedures Act for departments developing and adopting guidelines for programs funded by appropriations in the Budget Act of 2025 and earlier.
- Programs funded in the current year and earlier no longer need to develop emergency regulations for approval by the Office of Administrative Law before grant programs can move forward.



Prop 4 Resources

For more information about Prop 4:

- Prop 4 Statute (PRC § 90000 et seq):
https://leginfo.legislature.ca.gov/faces/codes_displayexpandedbranch.xhtml?tocCode=PRC&division=50.&title=&part=&chapter=&article=&nodetreepath=79
- CNRA Prop 4 Climate Bond Website:
https://bondaccountability.resources.ca.gov/Propositions/Proposition_4_Climate_Bond



Tentative Timeline

First Half of 2026:

- Release draft solicitation
- Public workshop and comment period for draft solicitation

Second Half of 2026:

- Release final solicitation
- Application period opens



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- Subscribe to the DEBA email subscription topic for the latest program updates!
- <https://www.energy.ca.gov/programs-and-topics/programs/distributed-electricity-backup-assets-program>
- General Inquiries: DEBA@energy.ca.gov

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