

Small Business Climate Credit FAQ

1. What is the Small Business Climate Credit?

The Small Business Climate Credit is funded by the state's nation-leading [Cap-and-Invest Program](#) that requires polluters to pay for climate pollution. The Small Business Climate Credit is your share of the payments from this program.

2. Who Receives the Small Business Climate Credit?

A small business is defined by the California Public Utilities Commission (CPUC) as any non-residential customer on a general service or agricultural rate, whose usage does not exceed 20 kilowatts in more than three months out of the previous 12-month period. In other words, the CPUC interprets small businesses as "non-residential customers with usage that is usually low." In 2024, through Resolution [E-5339](#), the CPUC limited eligibility to those customers with fewer than 100 eligible service accounts.

Additionally, small businesses who are eligible to claim the [California Industry Assistance Credit](#) may only receive one of the two credits. If you choose to attest for the California Industry Assistance Credit and are deemed eligible, you will stop receiving the Small Business Climate Credit for all electric service accounts associated with that facility.

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

3. If the customer has more than 100 eligible accounts, can they receive a Small Business Climate Credit for the first 100 accounts?

No, all service accounts would be ineligible. [Resolution E-5339](#) limits the eligibility to businesses with fewer than 100 eligible service accounts.

4. Which credit is more beneficial, the Small Business California Climate Credit or the California Industry Assistance Credit?

Which credit is most beneficial depends upon the customer-specific attributes. The Small Business Climate Credit is a fixed amount per account for all Small Business customers, while the California Industry Assistance Credit varies by customer and is determined by emissions efficiency benchmark or historic energy usage data, rewarding businesses that take early action to reduce greenhouse gas (GHG) emissions. The amount of credit for each facility is calculated by the CPUC. Utilities deliver the credit on their behalf. Credits are calculated using confidential business information.

Generally, Small Business customers are better served by the California Climate Credit, which is automatic, rather than the California Industry Assistance Credit, which requires periodic re-attestation of eligibility.

5. How is the Small Business California Climate Credit Funded?

Each year, the state auctions a limited number of emissions permits so California can meet its goal of reducing its overall emissions. Some of the auction proceeds are retained and used by the state, and some are held by the utilities to fund the Climate Credit for utility customers.

The CPUC created and oversees the credit program implementation. The money is generated by the state and is not collected from or funded by utility customers.

See the [Cap-and-Invest Program](#) for more information.

6. How much is the Small Business Climate Credit and how is it calculated?

The credit amount varies from year to year. Each utility's amount is based on an annual forecast of GHG allowance auction revenue, with a true-up for prior year recorded GHG revenue included in subsequent Climate Credits and requires CPUC review and approval. The amount is approved in December for the following year. For information on the Small Business Climate Credit amount, please visit <https://www.cpuc.ca.gov/climatecredit/>.

7. When will I receive the Small Business Climate Credit?

For eligible customers, SCE distributes the credit as a flat-rate amount twice a year in the spring (April) and fall (October).

8. Is there a Small Businesses Natural Gas Climate Credit?

No, the Small Business Climate Credit is only available for electric customers.

9. Is the Small Business Climate Credit amount related to my energy use?

No, because the California Air Resources Board's regulations currently prohibit a volumetric return based on energy usage, SCE delivers the Small Business Climate Credit as a flat-rate amount no matter how much electricity you use.

10. Will the Small Business Climate Credit appear automatically on my bill, or do I need to take any action?

If you are eligible, the credit will appear on your bill automatically.

11. What should I do if I believe I qualify, but I have not received the Small Business Climate Credit?

Customers that are no longer eligible will receive a letter with contact information. Customers may request SCE verify its determination that the account has exceeded the eligible cap.

12. Where can I find more information about the Small Business Climate Credit?

You can visit the [CPUC website FAQ](#) for more information.