

## **Small Business Climate Credit FAQs**

### **What is the Small Business Climate Credit?**

The Small Business Climate Credit is funded by a state government program ([Cap-and-Trade](#)) that requires power plants, natural gas providers, and other large industries that emit greenhouse gases to buy carbon pollution permits from auctions managed by the Air Resources Board. The Small Business Climate Credit is your share of the payments from the State's program.

### **Who Receives the Small Business Climate Credit?**

A small business is defined by the CPUC (California Public Utilities Commission) 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, CPUC interprets small businesses as "non-residential customers with usage that is usually low." If you meet these criteria, you will automatically receive the Small Business Climate Credit.

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

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 CA Industry Assistance Credit and are deemed eligible, you will stop receiving the Small Business Climate Credit for all electric service agreements associated with that facility.

### **How is the California Climate Credit Funded?**

Each year the state auctions a limited number of emissions permits so that California can meet its goal of reducing its overall emissions down to 1990 levels by the year 2020. Some of the auction proceeds are used by the state to fight climate change, and some are returned to many Californians as Climate Credit. This program is one of many developed because of the Global Warming Solutions Act of 2006, which put California at the forefront of efforts to battle climate change.

CPUC created and oversees the credit program implementation. The money is from the State, not from the utility, even though the utilities deliver the credit on the State's behalf.

See our page on the [Cap-and-Trade Program](#) for more information.

### **When will I receive the Small Business Climate Credit?**

The credit is distributed twice per year in the spring and fall. For most customers, it will be included in their April and October utility bills and is paid as a flat-rate amount.

### **How much is the Small Business Climate Credit and how is it calculated?**

The credit amount will vary from year to year. Each utility's amount is based on an annual forecast of GHG (Greenhouse Gas) allowance auction revenue, with a true-up for prior year recorded GHG revenue included in subsequent Climate Credits and requires CPUC review and approval.

### **Is there a Small Businesses Natural Gas Climate Credit?**

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

### **Is the credit amount related to my energy use?**

No, the Small Business Climate Credit will be a flat dollar amount.