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## AB-1095 Data centers: waste heat energy. (2025-2026)

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CALIFORNIA LEGISLATURE— 2025–2026 REGULAR SESSION

### ASSEMBLY BILL

NO. 1095

Introduced by Assembly Member Papan

February 20, 2025

An act to amend Section ~~399.12 of, and to add Section 399.34 to, the Public Utilities Code, relating to the California Renewables Portfolio Standard Program~~, 63048.93 of the Government Code, relating to energy, and making an appropriation therefor.

### LEGISLATIVE COUNSEL'S DIGEST

AB 1095, as amended, Papan. ~~California Renewables Portfolio Standard Program: waste heat energy~~. *Data centers: waste heat energy.*

*The Bergeson-Peace Infrastructure and Economic Development Bank Act establishes the California Infrastructure and Economic Development Bank (I-Bank) in the Governor's Office of Business and Economic Development, governed by a board of directors. The act, among other things, authorizes the I-Bank to make loans, issue bonds, and provide financial assistance for various types of projects that qualify as economic development or public development facilities. The Climate Catalyst Revolving Loan Fund Act of 2020 authorizes the I-Bank, under the Climate Catalyst Revolving Loan Fund Program, to provide financial assistance to any eligible sponsor or participating party in connection with the financing or refinancing for eligible climate catalyst projects, as defined, either directly to the sponsor or participating party or to a lending or financial institution, as specified. The act, beginning in the 2021–22 fiscal year, requires the I-Bank to adopt a climate catalyst financing plan, as specified, after meeting and conferring with prescribed authorized consulting agencies concerning specific categories of climate catalyst projects. The act establishes the Climate Catalyst Revolving Loan Fund as a continuously appropriated fund for the purpose of implementing the objectives and provisions of the act.*

*This bill would authorize the I-Bank to provide financial assistance in connection with the financing or refinancing of an additional category of climate catalyst projects, those projects that enable the capture and conversion of data centers' waste heat, with the State Energy Resources Conservation and Development Commission (Energy Commission) as the consulting agency. If multiple projects seek funding under this category of climate catalyst projects, the bill would require the consulting agencies to prioritize*

*funding based on state policy and on financial considerations, as determined by the Energy Commission. By expanding the purposes for which moneys in the fund may be expended, the bill would make an appropriation.*

~~Existing law vests the Public Utilities Commission with regulatory jurisdiction over public utilities, including electrical corporations, while local publicly owned electric utilities are under the direction of their governing board. The California Renewables Portfolio Standard Program requires the commission to establish a renewables portfolio standard requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, so that the total kilowatthours of those products sold to their retail end-use customers achieves 25% of retail sales by December 31, 2016, 33% by December 31, 2020, 44% by December 31, 2024, 52% by December 31, 2027, and 60% by December 31, 2030. The program additionally requires each local publicly owned electric utility to procure a minimum quantity of electricity products from eligible renewable energy resources to achieve the procurement requirements established by the program.~~

~~This bill would require that a data center, as defined, that generates waste heat energy, as defined, be eligible to receive renewable energy credits under the program for that waste heat energy if specified conditions are met, including that the waste heat energy is used at the same facility or location where the waste heat was generated, captured, and converted, as specified. The bill would also require that a data center that uses waste heat to provide heating for buildings be eligible to receive renewable energy credits pursuant to a metric, which the bill would require the State Energy Resources Conservation and Development Commission to develop, that awards credit based on the amount of energy usage avoided due to the use of waste heat for building heating, as provided.~~

Vote: majority Appropriation: ~~no~~yes Fiscal Committee: yes Local Program: no

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

### **SECTION 1.** *Section 63048.93 of the Government Code is amended to read:*

**63048.93.** (a) The bank is hereby authorized and empowered to provide financial assistance under the Climate Catalyst Revolving Loan Fund Program to any eligible sponsor or participating party either directly or to a lending or financial institution, in connection with the financing or refinancing of a climate catalyst project, in accordance with an agreement or agreements, between the bank and the sponsor or participating party, including, but not limited to, tribes, either as a sole lender or in participation or syndication with other lenders.

(b) Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 does not apply to any climate catalyst financing plan or any criteria, priorities, and guidelines adopted by the bank in connection with the Climate Catalyst Revolving Loan Fund Program or any other program of the bank. However, any climate catalyst financing plan shall be posted on the bank's internet website in a conspicuous location at least 30 calendar days before a bank board meeting at which the climate catalyst financing plan will be considered for approval.

(c) (1) Repayments of financing made under the Climate Catalyst Revolving Loan Fund Program shall be deposited into the appropriate account created within the Climate Catalyst Revolving Loan Fund.

(2) The bank shall establish a separate account for each category of climate catalyst projects identified by each paragraph of subdivision (f). For purposes of paragraph (3) of subdivision (f), the Clean Energy Transmission Financing Account is hereby created in the Climate Catalyst Revolving Loan Fund.

(d) (1) (A) Beginning in the 2021–22 fiscal year, the bank shall meet and confer with the consulting agencies concerning the specific categories of climate catalyst project corresponding to each agency as provided in subdivision (f). Thereafter, the bank board shall adopt, by majority vote of the bank board, a climate catalyst financing plan. Before the bank board meeting in which the bank board will first consider adoption of the financing plan, each consulting agency shall submit a letter to the bank board discussing any areas of support and any areas of disagreement with the financing plan under consideration.

(B) Beginning in the 2023–24 fiscal year, adoption of a climate catalyst financing plan by the bank board shall authorize the bank to provide financial assistance and to use all financing authorities provided under this division in its implementation of a climate catalyst financing plan.

(2) Following bank board approval, the climate catalyst financing plan shall be posted on the bank's internet website.

(3) If the bank board has not approved a climate catalyst financing plan, then a climate catalyst financing plan shall not be in effect until approved by the bank board.

(e) (1) A climate catalyst financing plan shall remain in effect until superseded by a revised climate catalyst financing plan. Commencing the first fiscal year following adoption of the initial climate catalyst financing plan, and in each fiscal year thereafter, the bank shall contact each consulting agency to discuss potential revisions to the climate catalyst financing plan last approved

by the bank board. Following each consultation, the bank board shall consider adopting, by majority vote, a revised climate catalyst financing plan reflecting any material revisions to the prior climate catalyst financing plan.

(2) A modified climate catalyst financing plan shall only be considered for approval if no consulting agencies propose material revisions to the financing plan then in effect.

(3) If the bank board does not adopt a proposed revised climate catalyst financing plan, the existing climate catalyst financing plan shall remain in effect.

(f) Beginning with the 2021–22 fiscal year, the consulting agencies and corresponding areas of climate catalyst projects they will provide consultation on shall be as follows:

(1) The Natural Resources Agency for climate catalyst projects that relate to sustainable vegetation management, forestry practices, and timber harvesting products. Eligible climate catalyst project categories include, but are not limited to, all of the following:

(A) Clean energy production, except combustion biomass conversion.

(B) Advanced construction materials.

(C) Forestry equipment needed to achieve the state's goals for forest and vegetation management treatments.

(2) The Department of Food and Agriculture for climate catalyst projects that relate to agricultural improvements that enhance the climate or lessen impacts to the climate resulting from in-force agricultural practices. Eligible climate catalyst project categories include, but are not limited to, all of the following:

(A) Onfarm and food processing renewable energy, including both electricity and fuels, and bioenergy, to be used or distributed onsite.

(B) Energy, water, and materials efficiency.

(C) Methane reduction projects, using best practice approaches consistent with state policy goals, excluding dairy digesters and biogas unless used or distributed onsite.

(D) Energy storage or microgrids.

(E) Equipment replacement.

(3) (A) The State Energy Resources Conservation and Development Commission and the Public Utilities Commission for climate catalyst projects that are clean energy transmission projects. If multiple projects seek funding, the consulting agencies shall prioritize, based on state policy, potential projects that meet the conditions in subparagraph (B), and on financial considerations as determined by the bank. Eligible climate catalyst project categories in this paragraph shall comply with the conditions set forth in this paragraph, and include, but are not limited to, both of the following:

(i) Clean energy transmission project infrastructure that is necessary to connect the transmission project into the applicable California balancing authority area.

(ii) Other necessary technical elements of transmission infrastructure, ~~including~~ including, but not limited to, environmental planning, permitting, and preconstruction costs for a project.

(B) The initial climate catalyst project or projects funded under this paragraph shall support the development of a new transmission line or transmission lines to deliver to the system operated by the Independent System Operator zero-carbon, firm electricity from new resources located in the Salton Sea region.

(C) Eligible projects shall meet all of the following conditions:

(i) Have at least one interconnection point within a California balancing authority area.

(ii) The applicant or its affiliates have previously completed a transmission project in California.

(iii) Will primarily deliver electricity to the Independent System Operator balancing authority area from clean resources located in identified resource areas that do not have adequate deliverability to a California balancing authority area.

(iv) Support new high voltage, defined as 200 kilovolts or higher, transmission projects or upgrades of existing transmission lines and substations to high voltage that are consistent with the state's reliability and greenhouse gas policy objectives.

(v) Priority shall be given to transmission projects that have not already been approved through the Independent System Operator's transmission planning process or projects that have not been recently studied in the Independent System Operator's transmission planning process and found to be unneeded or uneconomical.

(vi) Financial considerations as determined by the bank.

(vii) Consistency with state policy as determined by the consulting agencies.

(D) The bank shall not finance a project unless the entity completing the transmission project has entered into a project labor agreement that, at a minimum, meets the requirements of Section 2500 of the Public Contract Code and includes all of the following:

(i) Provisions requiring payment of prevailing wages, in accordance with Article 1 (commencing with Section 1720) of Chapter 1 of Part 7 of Division 2 of the Labor Code, to all construction workers employed in the construction of the project and for enforcement of that obligation through an arbitration procedure.

(ii) Targeted hiring provisions, including a targeted hiring plan, on a craft-by-craft basis to address job access for local, disadvantaged, or underrepresented workers, as defined by a relevant local agency.

(iii) Apprenticeship utilization provisions that commit all parties to increasing the share of work performed by state-registered apprentices above the state-mandated minimum ratio required in Section 1777.5 of the Labor Code.

(iv) Apprenticeship utilization provisions that commit all parties to hiring and retaining a certain percentage of state-registered apprentices that have completed the Multi-Craft Core preapprenticeship training curriculum referenced in subdivision (t) of Section 14005 of the Unemployment Insurance Code.

(E) Consultation on a potential transmission project does not constitute approval of that project by the Public Utilities Commission or the State Energy Resources Conservation and Development Commission under their decisionmaking authority, if that authority exists.

(F) Consultation on, or evaluation of, a transmission project by the bank does not indicate the bank's approval. The bank shall consider the credit and financial aspects of the project before determining whether to approve and finance the project.

(4) (A) The State Energy Resources Conservation and Development Commission or the Public Utilities Commission for climate catalyst projects to leverage federal financing funds that relate to projects that avoid, reduce, use, or sequester air pollutants or anthropogenic emissions of greenhouse gases as defined in Section 16513 of Title 42 of the United States Code, as amended.

(B) Projects described in subparagraph (A) shall not be funded until the United States Department of Energy is able to finance projects that do not meet the criteria in Section 16513(a)(2) of Title 42 of the United States Code. This subparagraph shall become inoperative on July 1, 2024.

(5) (A) The Governor's Office of Business and Economic Development, Treasurer's Office, State Energy Resources Conservation and Development Commission, California Environmental Protection Agency, State Air Resources Board, Public Utilities Commission, Natural Resources Agency, Department of Conservation, Department of Resources Recycling and Recovery, and other relevant agencies, as determined by these agencies, for climate catalyst projects to leverage federal funding available under the United States Environmental Protection Agency's Greenhouse Gas Reduction Fund (Section 7434 of Title 42 of the United States Code) and related implementing statutes and regulations.

(B) Eligible climate catalyst project categories shall comply with the climate and equity goals in the state's climate change scoping plan developed pursuant to Section 38561 of the Health and Safety Code.

*(6) The State Energy Resources Conservation and Development Commission for climate catalyst projects that enable the capture and conversion of data centers' waste heat. If multiple projects seek funding, the consulting agencies shall prioritize funding based on state policy and on financial considerations, as determined by the State Energy Resources Conservation and Development Commission.*

(g) (1) The bank may engage in outreach activities to inform disadvantaged participating parties and disadvantaged sponsors of the categories of financial assistance potentially available within the Climate Catalyst Revolving Loan Fund Program. The outreach efforts may include, but are not limited to, all of the following:

(A) Conferring with the consulting agencies.

(B) Conferring with the Governor's Office of Business and Economic Development.

(C) Direct contact with existing bank clients and customers that operate within the boundaries of a disadvantaged community.

(D) Consulting with governmental entities, individuals, and business entities engaged in providing, or assisting the obtaining of, financial assistance for disadvantaged sponsors or participating parties, including, but not limited to, business and industrial development corporations and minority enterprise small business investment companies. The executive director, on behalf of the bank, may enter into service contracts for this purpose. Section 10295 and Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code do not apply to those service contracts.

(2) The criteria, priorities, and guidelines adopted for the Climate Catalyst Revolving Loan Fund Program may include potential options for applying interest rate or fee subsidies for disadvantaged participating parties or disadvantaged sponsors seeking financial assistance from the bank under the Climate Catalyst Revolving Loan Fund Program. The bank may offer reduced application fees to disadvantaged sponsors or participating parties seeking financial assistance under the Climate Catalyst Revolving Loan Fund Program.

(3) The bank may offer technical assistance to disadvantaged sponsors or participating parties potentially seeking financial assistance under the Climate Catalyst Revolving Loan Fund Program. The executive director, on behalf of the bank, may enter into service contracts to provide, or assist with the provision of, the technical assistance. Section 10295 and Article 4 (commencing with Section 10335) of Chapter 2 of Part 2 of Division 2 of the Public Contract Code do not apply to those service contracts.

(h) All financial assistance under the Climate Catalyst Revolving Loan Fund Program approved by the bank board shall be consistent with the climate catalyst financing plan then in effect.

(i) (1) The bank shall prepare, and the bank board shall approve by majority vote of the board, criteria, priorities, and guidelines for the provision of financial assistance under the Climate Catalyst Revolving Loan Fund Program. The bank board's approval of any financial assistance for a climate catalyst project shall take into consideration those criteria, priorities, and guidelines together with the climate catalyst financing plan currently in effect. The criteria, priorities, and guidelines shall include, as factors for determining whether to approve the provision of financial assistance, the ability of the sponsor or participating party potentially receiving financial assistance to satisfy any obligation incurred and the return of capital to the Climate Catalyst Revolving Loan Fund.

(2) The bank board may consider additional factors when determining whether to approve financial assistance for a climate catalyst project, taking into consideration the climate catalyst financing plan.

(3) The bank shall consider applications for financial assistance as they are received, on an ongoing basis, if there are available moneys remaining within the Climate Catalyst Revolving Loan Fund to provide that financial assistance. The bank board's determination of whether to approve applications for financial assistance shall be based on the climate catalyst financing plan in effect at the time the bank received the application.

(j) The bank shall provide financial assistance only for climate catalyst projects that the bank board approved before July 1, 2025.

(k) The bank is hereby authorized and empowered to enter into an agreement with the consulting agencies, or any other state agency as approved by the bank's board, to operate a program to provide financial assistance to any eligible sponsor or participating party either directly or to a lending or financial institution, in connection with the financing or refinancing of an eligible project, in accordance with such agreement or agreements. Information shared among consulting agencies and the bank, or between any consulting agency and the bank, does not constitute the waiver of any Public Records Act exemption applicable to each entity.

~~SECTION 1. Section 399.12 of the Public Utilities Code is amended to read:~~

~~399.12. For purposes of this article, the following terms have the following meanings:~~

~~(a) "Conduit hydroelectric facility" means a facility for the generation of electricity that uses only the hydroelectric potential of an existing pipe, ditch, flume, siphon, tunnel, canal, or other manmade conduit that is operated to distribute water for a beneficial use.~~

~~(b) "Balancing authority" means the responsible entity that integrates resource plans ahead of time, maintains load interchange generation balance within a balancing authority area, and supports interconnection frequency in real time.~~

~~(c) "Balancing authority area" means the collection of generation, transmission, and loads within the metered boundaries of the area within which the balancing authority maintains the electrical load resource balance.~~

~~(d) "California balancing authority" means a balancing authority with control over a balancing authority area primarily located in this state and operating for retail sellers and local publicly owned electric utilities subject to the requirements of this article and~~

includes the Independent System Operator (ISO) and a local publicly owned electric utility operating a transmission grid that is not under the operational control of the ISO. A California balancing authority is responsible for the operation of the transmission grid within its metered boundaries, which is not limited by the political boundaries of the State of California:

(e)“Eligible renewable energy resource” means an electrical generating facility that meets the definition of a “renewable electrical generation facility” in Section 25741 of the Public Resources Code, subject to the following:

(1)(A)An existing small hydroelectric generation facility of 30 megawatts or less shall be eligible only if a retail seller or local publicly owned electric utility procured the electricity from the facility as of December 31, 2005. A new hydroelectric facility that commences generation of electricity after December 31, 2005, is not an eligible renewable energy resource if it will cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow:

(B)Notwithstanding subparagraph (A), a conduit hydroelectric facility of 30 megawatts or less that commenced operation before January 1, 2006, is an eligible renewable energy resource. A conduit hydroelectric facility of 30 megawatts or less that commences operation after December 31, 2005, is an eligible renewable energy resource if it does not cause an adverse impact on instream beneficial uses or cause a change in the volume or timing of streamflow:

(C)A facility approved by the governing board of a local publicly owned electric utility before June 1, 2010, for procurement to satisfy renewable energy procurement obligations adopted pursuant to former Section 387, shall be certified as an eligible renewable energy resource by the Energy Commission pursuant to this article, if the facility is a “renewable electrical generation facility” as defined in Section 25741 of the Public Resources Code:

(D)(i)A small hydroelectric generation unit with a nameplate capacity not exceeding 40 megawatts that is operated as part of a water supply or conveyance system is an eligible renewable energy resource only for the retail seller or local publicly owned electric utility that procured the electricity from the unit as of December 31, 2005. A unit shall not be eligible pursuant to this subparagraph if an application for certification is submitted to the Energy Commission after January 1, 2013. Only one retail seller or local publicly owned electric utility shall be deemed to have procured electricity from a given unit as of December 31, 2005:

(ii)Notwithstanding clause (i), a local publicly owned electric utility that meets the criteria of subdivision (j) of Section 399.30 may sell to another local publicly owned electric utility electricity from small hydroelectric generation units that qualify as eligible renewable energy resources under clause (i), and that electricity may be used by the local publicly owned electric utility that purchased the electricity to meet its renewables portfolio standard procurement requirements. The total of all those sales from the utility shall be no greater than 100,000 megawatt-hours of electricity:

(iii)The amendments made to this subdivision by the act adding this subparagraph are intended to clarify existing law and apply from December 10, 2011:

(2)(A)A facility engaged in the combustion of municipal solid waste shall not be considered an eligible renewable energy resource:

(B)Subparagraph (A) does not apply to generation before January 1, 2017, from a facility located in the County of Stanislaus that was operational before September 26, 1996:

(f)“Procure” means to acquire through ownership or contract:

(g)“Procurement entity” means a person or corporation authorized by the commission to enter into contracts to procure eligible renewable energy resources on behalf of customers of a retail seller pursuant to subdivision (f) of Section 399.13:

(h)(1)“Renewable energy credit” means a certificate of proof associated with the generation of electricity from an eligible renewable energy resource, issued through the accounting system established by the Energy Commission pursuant to Section 399.25, that one unit of electricity was generated and delivered by an eligible renewable energy resource:

(2)“Renewable energy credit” includes all renewable and environmental attributes associated with the production of electricity from the eligible renewable energy resource, except for an emissions reduction credit issued pursuant to Section 40709 of the Health and Safety Code and credits or payments associated with the reduction of solid waste and treatment benefits created by the utilization of biomass or biogas fuels:

(3)(A)Electricity generated by an eligible renewable energy resource attributable to the use of nonrenewable fuels, beyond a de minimis quantity used to generate electricity in the same process through which the facility converts renewable fuel to electricity, shall not result in the creation of a renewable energy credit. The Energy Commission shall set the de minimis quantity of nonrenewable fuels for each renewable energy technology at a level of no more than 2 percent of the total quantity of fuel used by the technology to generate electricity. The Energy Commission may adjust the de minimis quantity for an individual facility, up to a maximum of 5 percent, if it finds that all of the following conditions are met:

~~(i)The facility demonstrates that the higher quantity of nonrenewable fuel will lead to an increase in generation from the eligible renewable energy facility that is significantly greater than generation from the nonrenewable fuel alone.~~

~~(ii)The facility demonstrates that the higher quantity of nonrenewable fuels will reduce the variability of its electrical output in a manner that results in net environmental benefits to the state.~~

~~(iii)The higher quantity of nonrenewable fuel is limited to either natural gas or hydrogen derived by reformation of a fossil fuel.~~

~~(B)Electricity generated by a small hydroelectric generation facility shall not result in the creation of a renewable energy credit unless the facility meets the requirements of subparagraph (A) or (D) of paragraph (1) of subdivision (e).~~

~~(C)Electricity generated by a conduit hydroelectric generation facility shall not result in the creation of a renewable energy credit unless the facility meets the requirements of subparagraph (B) of paragraph (1) of subdivision (e).~~

~~(D)Electricity generated by a facility engaged in the combustion of municipal solid waste shall not result in the creation of a renewable energy credit. This subparagraph does not apply to renewable energy credits that were generated before January 1, 2017, by a facility engaged in the combustion of municipal solid waste located in the County of Stanislaus that was operational before September 26, 1996, and sold pursuant to contracts entered into before January 1, 2017.~~

~~(i)"Renewables portfolio standard" means the specified percentage of electricity generated by eligible renewable energy resources that a retail seller or a local publicly owned electric utility is required to procure pursuant to this article.~~

~~(j)"Retail seller" means an entity engaged in the retail sale of electricity to end-use customers located within the state, including any of the following:~~

~~(1)An electrical corporation.~~

~~(2)A community choice aggregator. A community choice aggregator shall participate in the renewables portfolio standard program subject to the same terms and conditions applicable to an electrical corporation.~~

~~(3)An electric service provider. The electric service provider shall be subject to the same terms and conditions applicable to an electrical corporation pursuant to this article. This paragraph does not impair a contract entered into between an electric service provider and a retail customer before the suspension of direct access by the commission pursuant to Section 80110 of the Water Code.~~

~~(4)"Retail seller" does not include any of the following:~~

~~(A)A corporation or person employing cogeneration technology or producing electricity consistent with subdivision (b) of Section 218.~~

~~(B)The Department of Water Resources acting in its capacity pursuant to Division 27 (commencing with Section 80000) of the Water Code.~~

~~(C)A local publicly owned electric utility.~~

~~(k)"Waste heat" means the heat that is produced as a byproduct of a machine process or other process that uses energy.~~

~~(l)"Waste heat energy" means the electricity that is generated from the capture and conversion of waste heat.~~

~~(m)"WECC" means the Western Electricity Coordinating Council of the North American Electric Reliability Corporation, or a successor to the corporation.~~

~~SEC. 2. Section 399.34 is added to the Public Utilities Code, immediately following Section 399.33, to read:~~

~~399.34. (a) For purposes of this section, both of the following definitions apply:~~

~~(1)"Data center" means a facility that houses computing infrastructure, including graphics and central processing units, servers, storage devices, networking equipment, and associated power and cooling systems, for the primary purpose of processing, storing, or distributing electronic data.~~

~~(2)"Eligible end user" means a data center.~~

~~(b)An eligible end user that generates waste heat energy by means of thermoelectric conversion, thermionic conversion, or thermovoltaic conversion shall receive renewable energy credits based on the amount of electricity generated pursuant to this article for that waste heat energy if both of the following conditions are met:~~

~~(1)The eligible end user demonstrates the capture and conversion of waste heat to electricity.~~



~~(2)The waste heat energy is used at the same facility or location where the waste heat was generated, captured, and converted.~~

~~(c)Notwithstanding subdivision (b), an eligible end user that uses waste heat to provide heating for buildings is eligible to receive renewable energy credits pursuant to a metric the Energy Commission shall develop that issues renewable energy credits based on the amount of energy usage avoided due to the use of the waste heat for building heating.~~

~~(d)Renewable energy credits shall be issued by the commission or the Energy Commission.~~

~~(e)An eligible end user may use renewable energy credits received pursuant to this section to satisfy their own renewable energy procurement requirements or may sell or transfer the renewable energy credits to utilities or other entities in accordance with rules or regulations adopted pursuant to this article.~~

~~(f)The renewable energy credits issued to an eligible end user pursuant to this section shall be tracked and verified using the same systems and procedures that apply to other eligible renewable energy resources under this article to ensure proper accounting and prevent double counting.~~

~~(g)Eligible end users that generate waste heat energy shall report the amount of electricity produced, the method of generation, and relevant greenhouse gas emission reductions to the commission and the Energy Commission as required under rules or regulations adopted pursuant to this article.~~