Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY Cottie Petrie-Norris, Chair AB 915 (Petrie-Norris) – As Amended April 22, 2025

SUBJECT: Clean Energy Reliability Investment Plan: clean energy project siting and permitting

SUMMARY: Requires the California Energy Commission (CEC) to establish a state central pool of subject matter experts with experience in clean energy project siting and permitting. Additionally states the legislative intent to appropriate \$900 million to the CEC to award local grants to incentivize investment in clean energy infrastructure.

EXISTING LAW:

- 1) Requires retail sellers and publicly owned utilities to increase purchases of renewable energy such that at least 60% of retail sales are procured from eligible renewable energy resources by December 31, 2030. This is known as the Renewables Portfolio Standard (RPS). (Public Utilities Code § 399.11 et seq.)
- Establishes the policy that all of the state's retail electricity be supplied with a mix of RPSeligible and zero-carbon resources by December 31, 2045, and 100% of electricity procured to serve all state agencies by December 31, 2035, for a total of 100% clean energy. (Public Utilities Code § 454.53)
- 3) Establishes and vests the CEC's various responsibilities with respect to developing and implementing the state's energy policies. (Public Resources Code §§ 25200- 25231)
- 4) Designates the CEC as the lead review agency under the California Environmental Quality Act (CEQA) for projects subject to the CEC's power plant siting review authority. Requires any other public agency making a decision related to the CEQA review of a power plant that is subject to the CEC's authority to use the CEC's certification review as the environmental impact report (EIR) for that decision. (Public Resources Code § 25519)
- 5) Establishes an "opt-in" framework for specified clean energy projects to seek consolidated permitting at the CEC by June 30, 2029, if they adhere to specified labor standards, including the use of skilled and trained workforce, and provide community benefits, as specified. Existing law specifies that this consolidated permitting process shall not supersede the authorities of the Lands Commission to require leases and receive lease revenues, if applicable, or the authority of the California Coastal Commission, the San Francisco Bay Conservation and Development Commission, the State Water Resources Control Board, or the applicable regional water quality control boards. Existing law specifies that the following types of facilities are eligible for this consolidated permitting:
 - a) A solar or terrestrial wind facility with a generating capacity of 50 MW or more and associated facilities.
 - b) An energy storage system capable of storing 200 MW or more of energy, as specified.

- c) A stationary thermal electrical generating power plant, with a generating capacity of 50 MW or more that does not use or rely on fossil or nuclear fuels.
- d) Certain renewable energy component manufacturing facilities and transmission lines to certain renewable energy facilities. (Public Resources Code § 25545)
- 6) Establishes a framework for providing certain infrastructure projects with expedited judicial review of appeals and litigation related to the CEQA, subject to specified conditions. Existing law limits eligibility for these streamlining provisions to certain energy, transportation, water, and semiconductor projects. Existing law explicitly excludes projects that use hydrogen as a fuel from the list of eligible projects. (Public Resources Code § 21189.80)
- 7) Provides an expedited judicial review by the California Supreme Court of decisions by the CEC on applications for certification of a power plant or transmission facility. (Public Resources Code § 25531)

FISCAL EFFECT: Unknown. This bill is keyed fiscal, and will be referred to the Assembly Committee on Appropriations for its review.

CONSUMER COST IMPACTS: Unknown, likely negligible.

BACKGROUND:

A Place in the Sun – AB 1279 (Muratsuchi, Chapter 337, Statutes of 2022) codified into law the state's goals to achieve net zero greenhouse gas (GHG) emissions and a reduction of statewide anthropogenic GHGs to at least 85% below 1990 levels by 2045. This parallels the state's goals for 100% new zero-emission vehicle sales by 2035 and 100% clean electricity by 2045, as established by Governor Newsom's Executive Order N-79-20 and SB 100 (De León, Chapter 312, Statutes of 2018), respectively. Actualizing these goals will require a significant buildout of clean energy infrastructure. In February 2024, the CPUC adopted its preferred portfolio of generation resources needed to meet our decarbonization goals in 2035.¹ The decision adopted over 56 gigawatts (GW) of new resources.² This is an unprecedented scale. For context, in 2018 California's total electric system generation capacity was ~80 GW.³

On a longer horizon, the Joint Agency SB 100 Report looks at planning 20+ years out to determine how best to implement the 100% clean electricity by 2045 policy.⁴ The first SB 100 report was finalized in March 2021, and included analyses of many pathways to achieve the state's 2045 clean energy goal.⁵ While showing that achievement of our 100% clean electricity policy is technically achievable, many barriers and expenses must be overcome. For example, to meet our goals, the SB 100 report showed California will need to roughly triple its current electricity power capacity by 2045. This equates to roughly 6 GW of new solar, wind, and

https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M525/K918/525918033.PDF ² Table 4, pg. 68; D. 24-02-047, *Ibid*.

¹ D. 24-02-047; CPUC; Decision Adopting 2023 Preferred System Plan and Related Matters, and Addressing Two Petitions for Modification; R. 20-05-003; February 20, 2024.

³ CEC 2018 Total System Electric Generation website: 277,764 GWh/8760h=32GW

⁴ CEC, CPUC, & CARB; 2021 SB 100 Joint Agency Report: Achieving 100 Percent Clean Electricity in California: An Initial Assessment;" March 2021.

⁵ Pg. 12, 2021 SB 100 Report.

battery storage resources are needed to be built annually for the next two decades; an unprecedented pace.⁶

The SB 100 Report will be updated every four years, with future work focused on critical topics, such as land use.⁷ This focus recognizes the growing concern that given the unprecedented scale of new resources needing to come online in the next decades to meet our clean energy goals, more conflicts are likely to arise over available land. As part of this effort, the CEC and CPUC have been working on geospatial land-use screens to inform estimates of technical renewable resource potential.⁸

Academic research has also explored land-use issues around renewable development. The Nature Conservancy (TNC) issued their study, *The Power of Place*, in 2019, focused on California with subsequent updates broadened regionally and nationally.⁹ The TNC study found that "California can decarbonize the electricity sector, but the balance between wind, solar PV, and storage capacity and resultant costs are sensitive to land protections and whether California has access to west-wide renewable energy. Land protections are highly effective in avoiding environmental impacts while achieving GHG targets, but can increase costs, primarily by reducing wind availability."¹⁰ The study recommended better modeling to incorporate conservation data and siting constraints into clean energy planning.

CERIP – The CEC's Clean Energy Reliability Investment Plan (CERIP), published in March 2023, outlines a strategic framework for allocating \$1 billion in state funds to bolster the reliability of California's electricity system while advancing its clean energy objectives. Mandated by SB 846 (Dodd, Chapter 239, Statutes of 2022), the plan addresses the state's need to enhance grid reliability in the face of increasing demand, climate-induced extreme weather events, and the retirement of aging fossil fuel infrastructure.¹¹

CERIP identifies critical investment priorities across both demand-side and supply-side resources. On the demand side, it emphasizes the expansion of demand response programs, energy efficiency measures, and the deployment of behind-the-meter battery storage to reduce peak load pressures. On the supply side, the plan advocates for accelerating the integration of renewable energy sources, such as solar and wind, alongside long-duration energy storage solutions to ensure a stable and resilient power supply. Additionally, CERIP recommends investments in grid modernization technologies and infrastructure enhancements to facilitate the seamless incorporation of clean energy resources.

Despite the commitment made in SB 846 of \$1 billion being spent for these purposes – \$100 million in 2023-2024; \$400 million in 2024-2025; and \$500 million in 2025-2026 – to date only

 ⁶ Pg. 11, 2021 SB 100 Joint Agency Report Summary, "Achieving 100% Clean Electricity in California"
⁷ Pg. 1, 2021 SB 100 Report.

⁸ California Energy Commission. 2023. California Energy Commission. CEC 2023 Land-Use Screens for Electric System Planning. Data last updated July 18, 2023.

From https://experience.arcgis.com/experience/de6ab11146bf47068ff294d87780ce...

⁹ Latest update: *Power of Place – West*; TNC; August 2022;

https://www.nature.org/content/dam/tnc/nature/en/documents/TNC_Power-of-Place-WEST-Executive_Summary_WEB-9.2.22.pdf

¹⁰ Pg. 2, Wu, G.C.; Leslie, E.; Allen, D.; Sawyerr, O.; Cameron, D.; Brand, E.; Cohen, B.; Ochoa, M.; Olson, A. *Power of Place: Land Conservation and Clean Energy Pathways for California*, 2019.

¹¹ CEC, Final Commission Report: CERIP; March 2023; CEC-200-2023-003-CMF;

https://efiling.energy.ca.gov/GetDocument.aspx?tn=249029

\$100 million has been spent.¹² Current budget proposals shift the majority of the \$900 million remaining CERIP funding to out-years or shift expenditures to other funding (like the Greenhouse Gas Reduction Fund).

One of the 2023-2024 expenditures was \$11 million to the Energy Unit in Go-Biz to develop a permitting initiative which includes: 1) a report of challenges and barriers to clean energy project deployment and 2) a toolkit of resources for local jurisdictions to improve permitting processes for large scale renewable projects. Go-Biz is anticipating the local toolkit to be available sometime later this year. Most recently, GO-Biz held a webinar on the permitting initiative with a focus on battery energy storage system that garnered about 180 attendees.¹³

COMMENTS:

- Author's Statement. According to the author, "AB 915 states that it is the intent of the Legislature to appropriate funding as was originally committed in SB 846 (Dodd, Chapter 239, Statutes of 2022), to respond to challenges local authorities face when attempting to permit and site clean energy projects. Given California's ambitious clean energy goals, the need for local support will become even more acute as intricate land-use issues and the emergence of new clean technologies continue to increase the complexity of permitting clean energy projects. If California is going to successfully transition to a clean energy economy, we have no choice but to provide the support that cities and counties will need in order to facilitate clean energy development."
- 2) *Purpose of Bill*. California has set ambitious clean energy targets. For example, over the next decade, based on the CPUC's February 2024 Integrated Resources Plan Decision (D. 24-02-047),¹⁴ counties will be siting over 19 GWs of solar, 7 GWs of terrestrial wind, and over 15 GWs of storage.¹⁵ This is an unprecedented pace and scale: replacing the energy consumed by the world's fourth largest economy. Despite the global implications of these statewide goals, the burden to deliver on this promise has historically fallen on the cities and counties who are largely on their own to site clean energy projects. When new technologies emerge, cities and counties are forced to quickly adapt their permitting and planning to meet the new opportunity. For the foreseeable future, the bulk of the responsibility, and all of the associated infrastructure development, will be left to the cities and counties to authorize and oversee. This bill seeks to provide two incentives to local governments to help in their clean energy permitting: 1) intending to appropriate the remaining CERIP dollars to fund local grants, and 2) requiring the CEC to establish a state central pool of experts in clean energy project siting and permitting, presumably to lend to local governments although the actual operation of this pool is unspecified in the bill.

¹² In the Budget Act of 2023-2024, with \$32 million to DWR for central procurement; \$11 million to Go-Biz for a permitting best practices work; \$4 million to the CEC for transmission planning activities; \$33 million to CPUC to subsidize community solar; \$19 million to CEC for DSGS; and \$1 million in various administrative overhead. ¹³ As reported by Go-Biz to the Assembly Budget Sub 4 Committee; April 2, 2025.

¹⁴ CPUC, Decision Adopting 2023 Preferred System Plan and Related Matters, and Addressing Two Petitions for Modification, R. 20-05-003; D. 24-02-047; February 20, 2024;

https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M525/K918/525918033.PDF ¹⁵ Table 4, pg. 68, D. 24-02-047; *Ibid*.

3) Local Action, Local Reaction. The permitting regime that governs energy infrastructure construction and operation is complex. Depending on type, location, and scope, a project may be subject to review or approval of any of several state agencies, local governments, federal land managers, branches of the United States military, and tribal authorities. This is especially true of transmission projects, which, by their linear nature, are likely to cross multiple jurisdictions and a variety of sensitive lands and draw the attention of various local stakeholders.

Local governments exercise significant authority over the siting and permitting of clean energy projects through their control of land use, zoning, and building regulations. This authority enables them to influence the deployment of renewable energy infrastructure in ways that reflect local priorities and planning objectives. However, given the pace and scale of the state's clean energy and decarbonization targets, the role of local siting decisions has come under greater scrutiny. In recent years, the Legislature has sought to simplify or otherwise streamline the permitting regimes governing the construction and operation of electricity generation resources. For example, AB 205 (Committee on Budget, Chapter 61, Statutes of 2022) allows an applicant to seek permitting for certain types of clean energy projects from the CEC instead of local permitting authorities or agencies, and according to an expedited permitting schedule. SB 149 (Caballero, Chapter 60, Statutes of 2023) provides expedited administrative and judicial review of CEQA challenges to certain energy infrastructure projects.

CEC data show ~16 gigawatts (GWs) of new energy resources, mostly solar and storage capacity, has come online since 2020^{16} – on the order of hundreds of projects.¹⁷ With the state's AB 205 "opt-in" program only introduced in late 2022, virtually all of that 16 GWs were subject to local review, and successfully locally permitted. Moreover, many local officials note that permitting these large solar farms and storage sites is routine.¹⁸

However, given the enormous increases in clean energy development needed to meet our statewide goals – as referenced above, 6 GW of new solar, wind, and battery storage needed annually for the next two decades; an unprecedented pace – locals may start to see energy development in unexpected parts of California. That expansion is likely to challenge local hospitality of these projects.

For example, utility-scale battery storage is a relatively recent technology. As a result, many local governments have been either reluctant or uncertain of siting large battery storage facilities within their communities due to unknowns of project safety, durability, and other unforeseen risks. These concerns have only intensified since the recent fire at the Moss Landing battery facility.¹⁹

¹⁶ CEC Press Release, "New Data Shows Investments to Build California's Clean Energy Grid of the Future are Paying Off;" May 9, 2024; https://www.energy.ca.gov/news/2024-05/new-data-shows-investments-build-californias-clean-energy-grid-future-are-paying

¹⁷ Based on a rough average capacity of ~ 20 MW per project; though large solar projects such as Westlands are exceptional cases.

 ¹⁸ Julie Cart, "Wrangling over renewables: Counties push back on Newsom administration usurping local control;" *CalMatters;* August 4, 2022; https://calmatters.org/environment/2022/08/renewable-energy-california-counties/
¹⁹ County of Monterey presentation; "Moss300 BESS Structure Fire & HAZMAT Incident;" March 18, 2025

update; https://www.countyofmonterey.gov/home/showdocument?id=139292&t=638780880911175868.

4) A Bunch of Carrots. Policymakers are working to balance local decision-making with the need for a streamlined, coordinated approach to renewable energy development that ensures projects can proceed in a timely manner while respecting environmental protections and community engagement processes. Strengthening collaboration between state agencies and local governments can be essential to achieving ambitious climate goals without compromising public trust. As noted above, many clean energy projects require coordination between multiple levels of government, engagement with the impacted community, and expertise in complex and often novel technologies. There are also land use implications that can run against legacy or outdated zoning limitations. To successfully streamline these projects, a combination of sensitivity to hyper-local culture, conditions, and concerns must be combined with technical expertise of both technology and processes within state and federal entities.

In-house staffing is another challenge for local permitting authorities. Without a steady stream of permit requests of similar projects, there is little incentive or ability to retain in-house expertise. This bill provides two incentives to local governments to motivate more clean energy development: 1) intending to appropriate the remaining CERIP dollars to fund local grants, and 2) requiring the CEC to establish a state central pool of experts in clean energy project siting and permitting. The details of both of these incentives are sparse; presumably to lend local governments aide, as the legislative findings indicate a need. Establishing a central pool of experts and providing local incentive grants makes it possible for locals to hire experts as-needed without going through an expensive process for a consultant that may be used sparingly.

5) Related Legislation.

AB 1016 (Gonzalez) authorizes the CEC to exempt certain geothermal thermal power plants from state certification requirements, as specified, and for the power plants granted this exemption, this bill designates the local land use agency as the lead agency for environmental review under California Environmental Quality Act. Status: In Assembly Committee on Natural Resources after passage in the committee on April 23, 2025, on a 15-0-3 vote.

AB 1156 (Wicks) makes a number of changes to laws governing the conversion of a Williamson Act contract into a solar-use easement. Status: *Set for hearing* in the Assembly Committee on Agriculture on April 30, 2025, after passage in this committee on April 23, 2025, on a 16-0-2 vote.

6) Prior Legislation.

SB 846 (Dodd) among its many provisions, established the Clean Energy Reliability Investment Plan to support investments that advance the state's policies toward clean energy, greenhouse gas reduction, and needed energy supply. Requires the CEC to submit an investment plan by March 1, 2023, detailing programs and projects that accelerate the deployment of clean energy resources, support demand response, assist ratepayers, and increase energy reliability. Makes a commitment of \$1 billion over 3 years to fund this investment. Status: Chapter 239, Statutes of 2022.

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REGISTERED SUPPORT / OPPOSITION:

Support

California Municipal Utilities Association (CMUA) California Solar & Storage Association Rural County Representatives of California (RCRC) Southern California Public Power Authority (SCPPA)

Opposition

None on file.

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