

Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY

Cottie Petrie-Norris, Chair

AB 1417 (Stefani) – As Amended March 24, 2025

**SUBJECT:** Energy: Voluntary Offshore Wind and Coastal Resources Protection Program: community capacity funding activities and grants

**SUMMARY:** Authorizes the California Energy Commission (CEC) to allocate funds from the Voluntary Offshore Wind and Coastal Resources Protection Program for capacity-building activities and grants to strengthen local community and tribal engagement in offshore wind development. Additionally, requires public disclosure of donations from offshore wind developers to eligible entities for transparency and accountability purposes.

Specifically, **this bill:**

- 1) Authorizes the CEC to allocate moneys from the Voluntary Offshore Wind and Coastal Resources Protection Program for capacity funding activities and grants within local communities and tribal communities.
- 2) Limits eligibility for capacity funding and grants to a local community, local government, California tribe, nonprofit organization designated by California tribes to represent their interests, or a coalition of these entities eligible for the capacity funding activities and grants.
- 3) Requires donations provided by an offshore wind entity to be subject to the reporting requirements described by this bill.
- 4) Requires for each donation to an eligible entity by an offshore wind entity, the offshore wind entity shall disclose specified information to the CEC within 30 days.
- 5) Requires the CEC to report on its internet website specified information within 30 days of receiving that information.

**EXISTING LAW:**

- 1) Requires the State Energy Resources Conservation and Development Commission (also known as the California Energy Commission (CEC)), in coordination with specified state entities and other relevant federal, state, and local agencies, to develop a strategic plan for offshore wind (OWE) energy developments installed off the California coast in federal waters, and requires the CEC to submit the strategic plan to the Natural Resources Agency and the Legislature on or before June 30, 2023. (Public Resources Code § 25991 et seq.)
- 2) Establishes the policy that all of the state's retail electricity be supplied with a mix of RPS-eligible and zero-carbon resources by December 31, 2045, for a total of 100 percent clean energy. Requires the California Public Utilities Commission (CPUC), in consultation with the CEC, CARB, and all California balancing authorities, to issue a

joint report to the Legislature by January 1, 2021, reviewing and evaluating the 100 percent clean energy policy, and every four years thereafter. (Public Utilities Code § 454.53)

- 3) Establishes the Voluntary Offshore Wind and Coastal Resources Protection Program (Voluntary Program) and Voluntary Offshore Wind and Coastal Resources Protection Fund (Voluntary Fund), administered by the CEC to support state activities that complement and are in furtherance of federal laws related to the development of offshore wind facilities. Requires the CEC to award and allocate moneys under the Voluntary Program for various purposes. Authorizes the CEC to accept federal and private funding for the purposes of the Voluntary Program. (Public Resources Code § 25992.10 and § 25992.2)
- 4) Allocates, upon appropriation by the Legislature, \$475 million for activities related to the development of offshore wind, including port infrastructure improvements and upgrades. (Public Resources Code § 94540)
- 5) Establishes the policy that all of the state's retail electricity be supplied with a mix of Renewables Portfolio Standard (RPS)-eligible and zero-carbon resources by December 31, 2045, for a total of 100% clean energy. Requires the California Public Utilities Commission (CPUC), in consultation with the California Energy Commission (CEC), California Air Resources Board (CARB), and all California balancing authorities, to issue a joint report to the Legislature by January 1, 2021, reviewing and evaluating the 100% clean energy policy, and every four years thereafter. (Public Utilities Code § 454.53)

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

**CUSTOMER COST IMPACTS:** Unknown; Likely negligible.

## **BACKGROUND:**

*California's Transition to 100% Clean Electricity* – SB 100 (De León, Chapter 312, Statutes of 2018) established the state policy that renewable and zero-carbon resources should supply 100% of retail sales and electricity procured in the state by 2045 (the 100% Clean Energy Policy).<sup>1</sup> This policy was updated under SB 1020 (Laird, Chapter 361, Statutes of 2022), and among other requirements, established interim targets to meet the sector-wide 100% goal. California has made progress in decarbonizing its energy sector, with recent data showing that zero-carbon and renewable resources supplied roughly 61% of the state's electricity in 2022.<sup>2</sup> Solar energy has been the dominant source of California's renewable energy resources, accounting for nearly

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<sup>1</sup> Public Utilities Code §454.53

<sup>2</sup> 61% = 39.4% from renewables (solar, wind, geothermal, biomass, small hydro) + 10.8% from large hydro + 10.7% from nuclear. CEC; "Clean Energy Serving California"; <https://www.energy.ca.gov/programs-and-topics/topics/renewableenergy/clean-energy-serving-california>

20%,<sup>3</sup> of the state's electricity supply. This growth is largely attributed by the cheaper prices of solar photovoltaics in recent years and California's abundant solar capacity. However, as solar generation increases in California, the mismatch between when it is generated and when it is needed poses challenges for grid stability and operation. According to the CEC, Offshore Wind (OSW) has the potential to produce electricity during periods when solar production declines. As such, OSW could complement solar and onshore wind resources thus improving grid reliability.

In March 2021, the CEC, California Public Utilities Commission (CPUC), and California Air Resources Board (CARB) released the first SB 100 report, and offshore wind energy was modelled to 10 gigawatts (GW) over four resource zones: Morro Bay, Diablo Canyon, Humboldt Bay, and Cape Mendocino. The model was given an input assumption of 2030 as the first available year for bringing offshore wind energy online given the current California Independent System Operator (CAISO) interconnection queue and resource development needs of OSW.<sup>4</sup>

*Offshore Wind California* – Worldwide, OSW is developing into a dynamic and growing industry sector in renewable energy. By the end of 2023, the total global OSW capacity totaled to 75.2 GW.<sup>5</sup> The U.S. lags behind with a total online capacity of only 42 MW today<sup>6</sup>, less than 1% of the global total. There is currently 56 GW of capacity under development – primarily on the East Coast – with approximately 14 GW of that expected to be online by 2035.<sup>7</sup> Off the coast of California where winds can exceed 7 meters per second, the National Renewable Energy Laboratory (NREL) has identified 200 GW of OSW potential.<sup>89</sup> This potential, however, is complicated by the fact that approximately 96% of it is located in water deeper than 60 meters, where the mature, fixed-bottom turbine technology that is used in most OSW projects globally and domestically is not technically feasible.<sup>10</sup> Instead, these OSW projects will need to rely on floating technology, wherein the towers are anchored to the seafloor via long mooring buoys and cables then connected to the grid through floating substations and subsea electric cables.

*AB 525 Strategic Plan* – Recognizing the opportunity, in 2021, the Legislature passed AB 525 (Chiu, Chapter 231, Statutes of 2021), which requires the CEC in coordination with federal, state, and local agencies, California Native American tribes, and a variety of stakeholders, to develop a strategic plan for OSW development in federal waters off the California coast. For California Native Tribes:<sup>11</sup>

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<sup>3</sup> 61% = 39.4% from renewables (solar, wind, geothermal, biomass, small hydro) + 10.8% from large hydro + 10.7% from nuclear. CEC; “Clean Energy Serving California”; <https://www.energy.ca.gov/programs-and-topics/topics/renewableenergy/clean-energy-serving-California>

<sup>4</sup> Pg. 41; *Inputs & Assumptions: CEC SB 100 Joint Agency Report*; June 2020.

<sup>5</sup> Global Wind Energy Council; *Global Offshore Wind Report 2024*; June 2024.

<sup>6</sup>Tham, N.; “The latest headwinds and tailwinds for U.S. offshore wind”; March 2024;

<https://bipartisanpolicy.org/blog/thelatest-headwinds-and-tailwinds-for-u-s-offshore-wind/>

<sup>7</sup> American Clean Power; “New report: Offshore wind momentum grows with sector to invest \$65 billion and create 56,000 U.S. jobs by 2030”; July 2024; <https://cleanpower.org/news/offshore-wind-to-invest-65-billion-and-create-56000jobs-by-2030/>

<sup>8</sup>“Technical potential” is defined as the amount of offshore wind capacity that could be developed while taking into account exclusion factors related to water depth, mean wind speed, industry uses, and environmental conflicts (Musial et al. 2016a).

It does not include areas where the wind speeds are lower than 7 meters per second or deeper than 1,300 meters.

<sup>9</sup> NREL; *2020 Offshore Wind Resource Assessment for the California Pacific Outer Continental Shelf*; October 2020.

<sup>10</sup> Pg. 7, CEC; *Research and Development Opportunities for Offshore Wind Energy in California*; August 2020.

<sup>11</sup> Pg 11-13, CEC; “California Energy Commission Draft Commission Report.” January 2024

- Each of them has its own perspective, concerns, and priorities regarding offshore wind development. Many tribal members depend on local fishing and harvesting of sea life for cultural, subsistence, and commercial needs, and have concerns about the potential impact on their ability to feed their families and loss of income from commercial fishing.
- They have concerns about the impacts of offshore wind and associated infrastructure on tribal cultural resources.
- There have been concerns regarding the fiscal impact that comes with participating at ongoing meetings on planning processes such as permitting processes.

*California OSW Leases* – In December 2022, The Bureau of Ocean Energy Management (BOEM)<sup>12</sup> held the first federal OSW lease auction in the Pacific, awarding five lease areas off California’s coast. These areas, located approximately 20 miles offshore, include three near Morro Bay on the Central Coast—leased by Equinor Wind, Golden State Wind, and Invenergy—and two off Humboldt County in Northern California, leased by Vineyard Offshore and RWE. All five projects will feature large-scale floating offshore wind farms, a first of their kind. Together, they have a combined nameplate capacity of 4.6 GW, marking a significant step in California’s offshore wind development.

*California OSW Ports*– The successful development of OSW will require upgrades to ports and waterfront facilities to support multiple operations, including construction and staging of floating platform foundations, manufacturing and storage of components, and final assembly. The CEC and BOEM have determined that no single port can meet all of the port infrastructure needs for the OSW industry in California.<sup>13</sup> Instead, the state must strategically develop a port network that can efficiently, cost-effectively, and reliably support staging and integration (S&I), manufacturing/fabrication (M/F), and operation and maintenance (O&M) activities along the California Coast.<sup>14</sup> Therefore, different factors affect the candidacy of each port for each activity. The CEC estimates that the total upgrades needed across all of the identified ports will cost approximately \$(11 to 12 billion) to meet the 2045 goal for 25 GW of OSW in California.<sup>15</sup> However, a coordinated port development strategy—along with programs that support early-stage port upgrades—is needed to support offshore wind deployment.

## COMMENTS:

- 1) *Author’s Statement.* According to the author, “California is leading the charge on clean energy and offshore wind is key to our renewable future—but we must ensure the benefits reach the communities most impacted. AB 1417 creates a dedicated statewide fund at the California Energy Commission, empowering local communities, tribes, and nonprofits to actively shape offshore wind development. This bill drives environmental

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<sup>12</sup> The Bureau of Ocean Energy Management (BOEM) is a U.S. federal agency under the Department of the Interior responsible for managing the development of energy and mineral resources on the Outer Continental Shelf (OCS). BOEM oversees offshore wind, oil, gas, and marine mineral leasing while ensuring environmental protection and sustainable resource use.

<sup>13</sup> Chap. 1, BOEM; *California Floating Offshore Wind Regional Ports Assessment*; January 2023.

<sup>14</sup> Fig. 6-5, CEC; *Commission Adopted Final Report AB 525 Strategic Plan Volume II*; July 2024.

<sup>15</sup> Pg. 25, CEC; *Commission Adopted Final Report AB 525 Strategic Plan Volume I*; July 2024

justice, economic opportunity, and a more equitable transition to clean power—ensuring those on the frontlines have a voice in the process. By investing in a responsible and inclusive transition, we maximize benefits while minimizing harm. This is about smart, sustainable growth that protects our coast, uplifts communities, and secures California’s clean energy future.”

- 2) *Port-adjacent Communities*—Industrial activity and development at ports can result in significant environmental burdens for communities living near ports, including air, water, noise, and light pollution. Nearly 2 million pounds of toxic air contaminants pollute the skies in or near the Ports of Los Angeles and Long Beach, which contributes to high childhood asthma rates in those communities.<sup>16</sup> Although port and truck electrification have promise to achieve local emissions reductions, many emissions from port activities also come from the marine vessel traffic moving goods in and out, which may be increased as a result of OSW activity.
- 3) *Tribal Nations*— California Native American tribes and peoples have stewarded the lands, waters, ocean, and coast since time immemorial. As such, tribal expertise, traditional ecological knowledge, and tribal customs and practices will be critical components of the best available science for informing the environmental impact assessment of OSW. In consultations with the CEC and other state and federal agencies, California Native American tribes have highlighted the past historical wrongs still impacting tribal communities today. Specifically, tribes have noted that in the past, the lucrative incentives to quickly build out industries to support resource extraction led to state-supported forced removal of tribes from their ancestral territories and appropriation of those lands for private benefit.
- 4) *Local Communities in the Lease Call Areas* – OSW faces more pushback in the Central Coast region, where local residents are worried about how the industry will affect surrounding marine life, hinder tourism, industrialize the port, and raise the cost of living. Additionally, fishermen in both call areas have voiced concerns about the possible disruptions to marine ecosystems and increased vessel traffic that OSW projects pose, which risk displacing the commercial fishing sector. If the industry cannot quell these concerns and ensure a thorough environmental assessment process, OSW developers are likely to face legal pushback and delays, as evidenced by the city’s initiative on the November 2024 ballot to block a proposed battery storage facility.
- 5) *Definitions*. This bill defines key terms to include:
  - (a) “California tribes” as California Native American tribes identified on the contact list maintained by the Native American Heritage Commission or a federally recognized tribe.
  - (b) Offshore wind entity” as any entity engaged in offshore wind energy development that meets all of the following criteria:

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<sup>16</sup>CalMatters; “In the shadows of industry: LA County’s port communities”; February 2022; <https://calmatters.org/environment/2022/02/environmental-justice-photo-essay-la-county-port-communities/>

- i) Has a planned generation capacity of 50 megawatts or more;
    - (ii) Engages in development activities expected to impact the coastal environment, marine environment, or human environment, as those terms defined by Section 1331 of Title 43 of the United States Code, of the California coast or submerged lands
    - (iii) Will be required to obtain a lease, permit, or other authorization from the State Lands Commission, the California Coastal Commission, the Department of Fish and Wildlife, the State Water Resources Control Board, a California regional water quality control board, the State Air Resources Board, the Public Utilities Commission, the Independent System Operator, or another state agency or local government, in connection with its development activities.
  - (c) “Eligible entity” as a local community, local government, California tribe, or nonprofit organization selected by California tribes to represent their interests, if the entity is geographically, culturally, or economically impacted by the offshore wind industry. A coalition of more than one of these eligible entities is also an eligible entity if each coalition member is also an eligible entity.
- 6) *Existing Program.* AB 209 (Committee on Budget, Chapter 251, Statutes of 2022) established the Voluntary Offshore Wind and Coastal Resources Protection Program at the CEC to support offshore wind development. The CEC provides grants to public and private entities, including state agencies, tribal entities, local governmental agencies, research institutions, and nonprofit entities. The CEC can also accept federal and private sector money for the Voluntary Program. AB 209 also established the Voluntary Fund which accepts donations from private and federal sources. No donations or other deposits have yet been made into the Voluntary Fund. As noted in the background, concerns have been raised relating to the impact of OSW development on tribal nations and local communities. As such, this legislation authorizes the use of funding within the Voluntary Program to support efforts for capacity-building activities and grants to strengthen early local community and tribal engagement in offshore wind development initiatives.
- 7) *Reporting Requirements.* For transparency and accountability purposes, this measure requires that for each donation to an eligible entity by an offshore wind entity, the offshore wind entity shall disclose the following information to the CEC within 30 days of making the contribution:
- (1) The name and address of the donor
  - (2) The name and address of the eligible entity that received the donation.
  - (3) The amount of the donation
  - (4) The date the donation was made
  - (5) A brief description of the goods or services donated or purchased, if any.
  - (6) A description of the specific purpose or event for which the donation was made, if any.

However, such prescriptive data could place local communities, tribal groups, and nonprofit organizations under heightened scrutiny simply for accepting donations from the private industry. In sensitive environments—especially when private industry is involved—these groups could be accused of compromising their independence, or prioritizing outside interests over their own. This could create divisions and erode trust within these communities, and ultimately strain relationships with private sector partners. *As such, the committee recommends deleting the prescriptive disclosure provisions but rather require the following to be reported:*

- (1) The aggregate amount of donations made*
- (2) The number of groups or Tribes who received donations*
- (3) The counties where those groups or Tribes are based*
- (4) The recipient type, be it a Tribe, community group, local government, or third party*

Instead of identifying the specific names and addresses of donors and recipients, the disclosure would require reporting the counties or regions where donations are directed. This approach provides the public with a general understanding of which areas — and by extension, which communities or tribes — are benefiting from the donations, while protecting the privacy of individual recipients. Reporting the aggregate amount of donations offers a high-level view of the financial support being directed toward local communities and tribes. This ensures that the public can assess whether offshore wind developers are making meaningful contributions in a transparent and accountable manner, consistent with the author's intent.

- 8) *Change in Reporting Timelines. As introduced, the bill required offshore wind (OSW) entities to disclose the required information to the California Energy Commission (CEC) within 30 days. However, to ensure more complete and accurate disclosure, the committee recommends extending the reporting deadline to 90 days.*
- 9) *Additional Clean-Up. This bill contains various provisions related to financial assistance which are no longer applicable to this measure.*
- 10) *January 2025 Temporary Memorandum.* In January 2025, President Trump signed a temporary memorandum indefinitely suspending new or renewed OSW leases on the Outer Continental Shelf (OCS) and mandating a comprehensive assessment and review of federal wind leases and permitting practices. The order also directed all federal agencies to pause all “new or renewed approvals, rights of way, permits, leases, or loans for onshore or offshore wind projects. This policy shift marks a reversal from the previous Administration's efforts to expand the OSW industry. While the order does not immediately revoke existing leases, it subjects them to a review process that could lead to terminations therefore creating uncertainty around the future growth of the industry. As such, this underscores the need for the OSW industry, tribal and local communities to work closely together to ensure tribal and community engagement remains a priority in order to build a successful industry. A successful OSW depends on meaningful tribal and community engagement, just as local communities and tribal groups depend on the responsible development of OSW to realize long-term economic, cultural and environmental benefits.

*Prior Legislation*

AB 2537 (Addis, 2024) was almost identical to this bill. It would have established an Offshore Wind Community Capacity Building Fund Grant Program at the CEC to award grants for the purpose of building capacity within local communities and tribal communities to engage in the process of offshore wind energy development. This bill was vetoed by the governor.

AB 3006 (Zbur, 2024) would have amended the definition of “infrastructure” for purposes of the Governor’s annual infrastructure plan to include port infrastructure for offshore wind energy development. Died – Senate Committee on Appropriations.

AB 2537 (Addis, 2024) would establish the Offshore Wind Community Capacity Funding Grant Account to build capacity within local communities and tribal communities to support engagement of the process of OSW energy development in California and continuously appropriate funding from the existing Voluntary Offshore Wind and Coastal Resources Protection Fund at the CEC. Status: Vetoed by the Governor.

AB 3 (Zbur) requires the CEC to prepare a report that identifies potential alternatives, analyzes, and makes recommendations regarding procurement mechanisms and procurement strategies for offshore wind energy projects to be financed, entitled, constructed, and operated within the timeframes necessary for meeting the state’s carbon neutrality goals. Status: Chapter 314, Statutes of 2023.

AB 80 (Addis, 2023), would have required the Ocean Protection Council, upon an appropriation by the Legislature, to establish and oversee a West Coast Offshore Wind Science Entity to ensure that comprehensive baseline assessments and ongoing monitoring data related to the California ocean ecosystem are available to inform state and federal decision-making. Status: Held in the Senate Committee on Appropriations.

SB 704 (Min, Chapter 292, Statutes of 2023) authorizes the California Coastal Commission to seek scientific advice on offshore wind, among other things.

AB 209 (Committee on Budget, Chapter 251, Statutes of 2022) requires the CEC to establish and administer a program to support OSW infrastructure improvements to advance the capabilities of California’s ports, harbors, and other waterfront facilities to support the buildout of OSW facilities. Also established the Voluntary Offshore Wind and Coastal Resources Program at the CEC to support state activities that complement or support federal laws related to the development of OSW facilities, among other provisions.

SB 1020 (Laird) establishes interim targets for the statewide 100% clean energy policy. Additionally requires state agencies to accelerate their 100% clean energy policy goal by 10 years. Status: Chapter 361, Statutes of 2022.

AB 525 (Chiu) requires the CEC to establish 2030 and 2045 planning goals, as specified, for electricity generated by offshore wind. Additionally requires the CEC, in coordination with specified agencies, to develop a five-part strategic plan for offshore wind development and to submit the plan to the Natural Resources Agency the Legislature by June 30, 2023. Status: Chapter 231, Statutes of 2021



SB 100 (De León) establishes the 100% Clean Energy Act of 2017 which increases the Renewables Portfolio Standards (RPS) requirement from 50% by 2030 to 60% and creates the policy of planning to meet all of the state's retail electricity supply with a mix of RPS-eligible and zero-carbon resources by December 31, 2045, for a total of 100% clean energy. Status: Chapter 312, Statutes of 2018.

**REGISTERED SUPPORT / OPPOSITION:****Support**

350 Humboldt  
Brightline Defense Project  
California Environmental Voters  
California Environmental Voters (formerly CleV)  
Central Coast Alliance United for a Sustainable Economy  
Clean Power Campaign  
Climate First: Replacing Oil & Gas (CFROG)  
Elected Officials to Protect America  
Environment California  
Environmental Defense Fund  
Epic (environmental Protection Information Center)  
Monterey Bay Aquarium  
National Wildlife Federation  
Nrdc  
Sierra Club California  
Slo Climate Coalition  
UAW Region 6  
Usc Schwarzenegger Institute

**Opposition**

American Clean Power- California  
Bay Area Council  
California Chamber of Commerce  
Greater Eureka Chamber of Commerce, the  
Independent Energy Producers Association  
Large Scale Solar Association  
Los Angeles Business Council  
The California Wind Energy Association (CALWEA)  
Tri County Chamber Alliance

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