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# California State Assembly

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## NATURAL RESOURCES

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CHAIR

### AGENDA

Monday, June 22, 2026  
2:30 p.m. -- State Capitol, Room 437

## BILLS HEARD IN SIGN-IN ORDER

**\*\* = Bills Proposed for Consent**

- |     |                  |                   |  |
|-----|------------------|-------------------|--|
| 1.  | SB 58            | Padilla           | Air quality: standard: hydrogen sulfide.   |
| 2.  | SB 299           | Cabaldon          | California Environmental Quality Act: exemption: day care center: family daycare home: zoning.                                       |
| 3.  | SB 887           | Padilla           | California Environmental Quality Act: environmental leadership development projects: data centers: clean energy powerplant projects. |
| 4.  | <b>**SB 894</b>  | <b>Allen</b>      | Wildfire resiliency: financial assistance.   |
| 5.  | SB 954           | Blakespear        | California Environmental Quality Act: advanced manufacturing facilities: exemption.  |
| 6.  | <b>**SB 955</b>  | <b>Blakespear</b> | Beverage containers: supermarkets: reverse vending machines.(Urgency)  |
| 7.  | SB 958           | Weber Pierson     | California Environmental Quality Act: environmental impacts: building height.  |
| 8.  | <b>**SB 973</b>  | <b>Becker</b>     | Wildfire County Coordinator Program.   |
| 9.  | SB 1031          | Blakespear        | Solid waste: compostable products.   |
| 10. | <b>**SB 1079</b> | <b>Stern</b>      | Department of Forestry and Fire Protection: Fire Innovation Unit.  |
| 11. | SB 1108          | Caballero         | Grassland Ecological Area Conservancy.   |
| 12. | SB 1180          | Allen             | Plastic Pollution Prevention and Packaging Producer Responsibility Act: California Plastic Pollution Mitigation Fund.                |
| 13. | SB 1300          | Stern             | Natural Resources Agency: Secretariat for International Climate Coordination and Cooperation.  |
| 14. | SB 1326          | Wahab             | California Environmental Quality Act: tribal cultural resources: mitigation measures.  |
| 15. | SB 1341          | Cabaldon          | Beverage containers: wine and distilled spirits: processing fees.  |
| 16. | SB 1350          | McNerney          | Energy: renewable electrical generation facilities: definition.  |
| 17. | SB 1375          | Cortese           | California Environmental Quality Act: exemption: urban intermodal rail station project.  |



Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 58 (Padilla) – As Amended June 15, 2026

**SENATE VOTE:** 39-0

**SUBJECT:** Air quality: standard: hydrogen sulfide

**SUMMARY:** Requires the Air Resources Board (ARB) to develop a response framework to address fugitive and natural sources of hydrogen sulfide (H<sub>2</sub>S).

**EXISTING LAW:**

- 1) The federal Clean Air Act (CAA) and its implementing regulations set National Ambient Air Quality Standard (NAAQS) for six criteria pollutants, designate air basins that do not achieve NAAQS as nonattainment, and require states with nonattainment areas to submit a State Implementation Plan (SIP) detailing how they will achieve compliance with NAAQS. (42 U.S.C. 7401 *et seq.*)
- 2) Provides the ARB with primary responsibility for control of mobile source air pollution and provides that local air districts have primary responsibility for controlling air pollution from all sources, other than emissions from mobile sources, and establishes certain powers, duties, and requirements for those districts. (Health and Safety Code (HSC) 39500 *et seq.* and 40000 *et seq.*)
- 3) Requires, subject to the powers and duties of the ARB, air districts to adopt and enforce rules and regulations to achieve and maintain the state and federal air quality standards in all areas affected by emission sources under their jurisdiction, and to enforce all applicable provisions of state and federal law. (HSC 40001)
- 4) Prohibits any person from discharging from any source quantities of air contaminants or other material that cause injury, detriment, nuisance, or annoyance to any considerable number of persons or to the public, or that endanger the comfort, repose, health, or safety of any of those persons or the public. (HSC 41700)
- 5) Establishes the Air Toxics “Hot Spots” Information and Assessment Act of 1987 to, among other things, require a health risk assessment to be submitted to the air districts that evaluates and predicts the dispersion of hazardous substances in the environment and the potential for exposure of human populations, and to assess and quantify both the individual and population wide health risks associated with those levels of exposure. (HSC 44300 *et seq.*)
- 6) Requires the Office of Environmental Health Hazard Assessment (OEHHA) to adopt health-based exposure standards, known as Reference Exposure Levels (RELs), for toxic air contaminants, including H<sub>2</sub>S. (HSC 44360)

**THIS BILL:**

- 1) Requires ARB, in consultation with the local air districts, the Office of Emergency Services, the State Department of Public Health, regional water quality control boards or other local or regional authorities, local environmental and public health agencies, universities and academic institutions, affected tribal governments, and community-based organizations, to develop a response framework that establishes best practices and guidance for addressing fugitive and natural sources of H<sub>2</sub>S gas and for community preparation and response to H<sub>2</sub>S exposure events originating from these sources.
- 2) Requires ARB to consider cross-media releases, and develop integrated, multiagency approaches to identify and address fugitive and natural sources, and methods for reducing identified fugitive and natural sources of H<sub>2</sub>S gas in impacted communities.
- 3) Requires ARB to consider and evaluate the inadequacies of the Acute, 8-hour, and Chronic Reference Exposure Levels for fugitive and natural sources of emissions for developing the response plan. Requires the evaluation to consider the following:
  - a) Current scientific literature regarding acute, subchronic, and chronic health effects of H<sub>2</sub>S exposure, including the impact of chronic low-level exposure.
  - b) The adequacy of current averaging times for characterizing hazardous exposure, including the frequency and duration of possible exposures.
  - c) The influence of local and regional climates, outdoor, and indoor settings on exposure.
- 4) Requires ARB to conduct at least three public workshops located in the following:
  - a) At least one in the Tijuana River Valley region.
  - b) At least one in the Salton Sea region.
  - c) At least one selected in consultation with a community that has experienced significant H<sub>2</sub>S exposure.
- 5) Establishes the following definitions:
  - a) “Fugitive source” means any source of emissions of H<sub>2</sub>S gas that is not currently regulated as a stationary source by a local air district.
  - b) “Local environmental and public health agencies” means any local entity that a health officer serves, or any local environmental health agency.
  - c) “Natural source” means a source of H<sub>2</sub>S occurring in nature as a result of environmental circumstances.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Background.** Hydrogen sulfide is a colorless, flammable, poisonous gas with a rotten egg odor. It burns in air with a pale blue flame. Hydrogen sulfide is emitted during the burning of sulfur-containing fuel oil and coal and wherever organic matter undergoes putrefaction. It is also emitted from a variety of industrial sources, including paper plants, leather tanning, production of heavy water for nuclear reactors, and manufacture of chemicals and metals. The primary stationary sources that have reported emissions of hydrogen sulfide in California are electrical service companies, oil and gas extraction operations, and steam and air conditioning supply services. Hydrogen sulfide also occurs in coal pits, volcanic gases, natural gas wells, sulfur springs, and in decaying organic matter containing sulfur. Hydrogen sulfide is known to cause negative respiratory and neurological impacts at the acute exposure level, and while epidemiological information for chronic effects is limited, some studies suggest chronic exposure levels may be associated with ocular, cardiovascular, respiratory, and neurological impacts. Hydrogen sulfide is regulated as a nuisance based on odor detection, with an air quality standard of 30 parts per billion (ppb) averaged over one hour. OEHHA adopted this standard as the acute reference exposure level and established a chronic inhalation reference exposure level of 8 ppb (prolonged exposure greater than one year).

Unlike the emissions from entities that ARB and local air districts regulate, there have been incidents of air emissions across the state that do not have a clear responsible party, but may far exceed established standards and have significant impacts on neighboring communities. The two situations highlighted by this bill are examples of these “orphan incidents.”

Near the California-Mexico border, raw sewage from Tijuana crosses into San Diego County polluting the Tijuana River Valley with industrial chemicals, pesticides, and trash. As this transboundary pollution meanders through the valley, it generates hydrogen sulfide emissions and local scientists and communities have raised alarms about a particular emission site on Saturn Blvd, infamously known as the “hot spot.” A constricted culvert under Saturn Blvd accelerates the untreated wastewater, generating turbulence and emitting hydrogen sulfide. When the wastewater is not diverted in Mexico, hydrogen sulfide has been detected at 2100 ppb (1-hour average), which is 70 times the nuisance standard, and frequently spikes depending on the flow rate of the sewage. Local scientists have demonstrated that averaging the hydrogen sulfide data over 1 hour to compare to the 30 ppb standard does not capture exceedances that occur within minutes and are suspected to have negative public health implications. The community has called for standards that consider different averaging times to capture these spikes and subsequent public notice and response.

Located in Riverside and Imperial counties, the Salton Sea tends to be a major source of hydrogen sulfide emissions due to a large influx of nutrients through agricultural runoff and the declining water levels, which increase the sea’s ability to mix. With summer conditions, monitoring efforts have shown that hydrogen sulfide frequently exceeds the 30 ppb standard, for hundreds of hours over the course of the season. The humid climate of the region anecdotally exacerbates health effects and the current standard does not take humidity into account. These emissions impact communities already overburdened and suffering respiratory impacts from other emissions originating from the progressively declining Salton Sea, such as aerosolized seawater containing toxins and particulate matter released from the exposed seabed.

2) **Author's statement:**

SB 58 advances equity by improving the state's understanding of hydrogen sulfide exposure in disproportionately burdened communities, including the Tijuana River Valley and Salton Sea regions. These communities, often low-income, immigrant, Latino, and Tribal, experience repeated or prolonged exposure alongside other environmental and health stressors.

SB58 requires a more comprehensive evaluation of hydrogen sulfide exposure, including acute and chronic impacts and vulnerable populations, to improve identification of gaps and inform state responses. It seeks to strengthen understanding of community-level health risks and improve coordination among agencies responding to hydrogen sulfide events in the Tijuana River Valley and Salton Sea.

The bill seeks to improve the state's capacity to address environmental health disparities affecting vulnerable communities.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

A Voice for Choice Advocacy  
Climate Reality Project San Fernando Valley Chapter  
Climate Reality Project, Los Angeles Chapter  
County of San Diego  
League of Women Voters of California  
Sierra Club

**Opposition**

California Manufacturers and Technology Association

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 299 (Cabaldon) – As Amended January 14, 2026

**SENATE VOTE:** 39-0

**SUBJECT:** California Environmental Quality Act: exemption: day care center: family daycare home: zoning

**SUMMARY:** Reiterates and expands existing California Environmental Quality Act (CEQA) exemptions for day care centers and family daycare homes in residential zones, while excluding projects located within 3,200 feet of a facility that actively extracts or refines oil or natural gas and projects located on natural and protected lands, as defined.

**EXISTING LAW:**

- 1) CEQA requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) CEQA applies to discretionary projects proposed to be carried out or approved by public agencies, including the enactment and amendment of zoning ordinances, the issuance of zoning variances, the issuance of conditional use permits, and the approval of tentative subdivision maps, unless the project is exempt from CEQA. CEQA does not apply to ministerial projects proposed to be carried out or approved by public agencies. (PRC 21080)
- 3) The CEQA Guidelines (Title 14, Division 6, Chapter 3 of the California Code of Regulations) include categorical exemptions that include certain day care projects, including:
  - a) Section 15301(p) for use of a single-family residence as a small family daycare home (up to eight children).
  - b) Section 15303 for new construction or conversion of small structures, including:
    - i) One single-family residence, or a second dwelling unit in a residential zone. In urbanized areas, up to three single-family residences may be constructed or converted under this exemption.
    - ii) A duplex or similar multi-family residential structure, totaling no more than four dwelling units. In urbanized areas, this exemption applies to apartments, duplexes and similar structures designed for not more than six dwelling units.
    - iii) A store, motel, office, restaurant or similar structure not exceeding 2500 square feet in floor area.
  - c) Section 15332 for larger, infill development projects, as follows:

- i) The project is consistent with the applicable general plan designation and all applicable general plan policies as well as with applicable zoning designation and regulations;
  - ii) The proposed development occurs within city limits on a project site of no more than five acres substantially surrounded by urban uses;
  - iii) The project site has no value as habitat for endangered, rare, or threatened species;
  - iv) Approval of the project would not result in any significant effects relating to traffic, noise, air quality, or water quality; and,
  - v) The site can be adequately served by all required utilities and public services.
- 4) Requires a day care center colocated with multifamily housing to be considered a residential use of property and a use by right, meaning that a local government's review of a daycare center may not require a conditional use permit, planned unit development permit, or any other discretionary local government review or approval that would constitute a project for purposes of CEQA. (Health and Safety Code (HSC) 1597.22)
- 5) Exempts from CEQA a family daycare home, which provides in-home care for up to 14 children. (HSC 1597.45)
- 6) Exempts from CEQA a project that consists exclusively of a day care center that is not located in a residential area. (PRC 21080.69)
- 7) Defines natural and protected lands as sites located within any of the following locations:
- a) The state park system.
  - b) A wilderness area.
  - c) A marine protected area.
  - d) The national park system.
  - e) A national recreation area.
  - f) A national monument.
  - g) The national wild and scenic rivers system.
  - h) Any ecological reserve or wildlife management area acquired and managed by the Department of Fish and Wildlife.
  - i) A hazardous waste site that has not been cleared for the use proposed by the project, as specified.
  - j) Within a regulatory floodway as determined by the Federal Emergency Management Agency unless the development has received a no-rise certification.

- k) Lands under conservation easement.
- l) On, or within a 300-foot radius of, a wetland, as defined in the United States Fish and Wildlife Service Manual.
- m) An environmentally sensitive area within the coastal zone.
- n) Lands identified for conservation in an adopted natural community conservation plan, habitat conservation plan, or other adopted natural resource protection plan.
- o) Within a very high fire hazard severity zone or within the state responsibility area unless the site has adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development, as specified.
- p) Either prime farmland or farmland of statewide importance, as specified, or land zoned or designated for agricultural protection or preservation by a local ballot measure.

(PRC 21067.5)

- 8) Defines “day care center” as a child day care facility other than a family day care home, and includes infant centers, preschools, extended day care facilities, and schoolage child care centers. (HSC 1596.76)
- 9) Defines “family daycare home” as a facility that regularly provides care, protection, and supervision for 14 or fewer children, in the provider’s own home, for periods of less than 24 hours per day, while the parents or guardians are away. (HSC 1596.78)

#### **THIS BILL:**

- 1) Exempts from CEQA a project that consists exclusively of a day care center or a family daycare home that is located on a parcel of land zoned exclusively for residential use.
- 2) Provides that the exemption does not apply to a project located within 3,200 feet of a facility that actively extracts or refines oil or natural gas or to a project located on natural and protected lands.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

#### **COMMENTS:**

- 1) **Where’s the gap?** This bill duplicates existing CEQA exemptions for in-home daycares, while adding more restrictive conditions. The same “family daycare homes” included in this bill are already broadly exempt from CEQA, regardless of zoning or proximity to other uses. The author did not offer a reason for including another exemption for family daycare homes, with additional conditions. *The author and the committee may wish to consider striking the duplicative exemption for family daycare homes.*

The primary effect of the bill is to exempt stand-alone day care center projects located in residential areas, which are not clearly covered by the several existing CEQA exemptions, and were excluded for no apparent reason from the hastily-drafted exemption added last year

by SB 131. This bill's exemption includes larger preschool and school daycare projects that may not be considered a residential use by the city or county reviewing the project. While the bill provides a CEQA exemption for such projects, it does not override local zoning.

The proposed day care center in Napa that gave rise to this bill is located in a 20,000 square foot former church in a residential area and is planned to accommodate 250 children.

**2) Author's statement:**

Last year, the Legislature enacted CEQA reform intended to streamline approval of childcare facilities. In practice, the language has limited the effectiveness of that exemption, particularly for facilities located on parcels zoned exclusively for residential use.

SB 299 provides that childcare facilities are not subject to CEQA delay where no meaningful environmental impacts are at issue. Most CEQA challenges to childcare projects in residential areas are unrelated to air, water, or natural resource protection and instead reflect local opposition to neighborhood-serving uses. SB 299 ensures families can access childcare close to home, consistent with both environmental values and community needs.

**3) Related legislation.** SB 954 (Blakespear), pending in this committee, includes a similar exemption for a day care center or a family daycare home that is not located in an area zoned for industrial use.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

American Planning Association California Chapter  
 Bay Area Council  
 Build Up California - Early Learning and Care Facilities  
 California Chamber of Commerce  
 California Federation Business and Professional Women  
 California State Association of Counties  
 Child Action  
 Children Now  
 Community Resources for Children  
 County of Monterey  
 County of Riverside  
 First 5 Association of California  
 Housing Action Coalition  
 Le Petit Elephant  
 League of California Cities  
 Low Income Investment Fund  
 Monterey County  
 Napa County Supervisor Anne Cottrell  
 Napa County Supervisor Liz Alessio  
 Rural County Representatives of California  
 Urban Counties of California

**Opposition**

None on file

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /



Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 887 (Padilla) – As Amended May 18, 2026

**SENATE VOTE:** 29-9

**SUBJECT:** California Environmental Quality Act: environmental leadership development projects: data centers: clean energy powerplant projects

**SUMMARY:** Provides that the California Environmental Quality Act (CEQA) applies to data center projects, as defined. Adds data center projects meeting specified conditions and geothermal projects to existing judicial streamlining provisions for Environmental Leadership Development Projects (ELDPs).

**EXISTING LAW:**

- 1) CEQA requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA (CEQA includes various statutory exemptions, as well as categorical exemptions in the CEQA guidelines). (Public Resources Code (PRC) 21000 *et seq.*)
- 2) CEQA applies to discretionary projects proposed to be carried out or approved by public agencies, including the enactment and amendment of zoning ordinances, the issuance of zoning variances, the issuance of conditional use permits, and the approval of tentative subdivision maps, unless the project is exempt from CEQA. CEQA does not apply to ministerial projects proposed to be carried out or approved by public agencies. (PRC 21080)
- 3) Requires the CEQA guidelines to include a list of classes of projects that have been determined not to have a significant effect on the environment and that shall be exempt from CEQA (i.e., “categorical exemptions”). The categorical exemptions are subject to exceptions to ensure eligible projects do not have a significant effect on the environment, including when cumulative impacts of successive projects of the same type in the same place may result in significant effect or there is a reasonable possibility that the project will have a significant effect due to unusual circumstances. (PRC 21084)
- 4) Establishes procedures for expedited administrative and judicial review (i.e., limiting public comments, requiring preparation of the record concurrently with the administrative process, and requiring the courts to resolve lawsuits challenging CEQA or other approvals within 270 days from the date the certified record is filed with the court, to the extent feasible) for ELDPs certified by the Governor and meeting specified conditions, including Leadership in Energy and Environmental Design (LEED) certified infill site projects, housing projects, clean renewable energy projects, and clean energy manufacturing projects. (PRC 21178 *et seq.*)
- 5) SB 149 (Caballero), Chapter 60, Statutes of 2023, establishes procedures for expedited administrative review (i.e., concurrent preparation) and judicial review (i.e., requiring the

courts to resolve lawsuits within 270 days, to the extent feasible) for four categories of public and private infrastructure projects, including geothermal projects. (PRC 21189.80 *et seq.*)

- 6) AB 205 (Budget Committee), Chapter 61, Statutes of 2022, authorizes additional facilities not subject to the California Energy Commission (CEC) thermal powerplant licensing process to opt-in to a CEC process for expedited CEQA review, in lieu of review by the appropriate local lead agency. Geothermal projects are eligible for these opt-in permitting procedures. (PRC 25545 *et seq.*)

**THIS BILL:**

- 1) Requires, notwithstanding any other law, that CEQA applies to the issuance of entitlements related to the development and operation of a data center.
- 2) Prohibits a categorical exemption for a project proposed to be carried out or approved by a public agency in furtherance of the development and operation of a data center.
- 3) Defines, for purposes of these provisions, “data center” as a large-scale energy consumer that requires uninterruptible electricity to serve a facility housing servers and related equipment and software for the processing, storage, and distribution of data, excluding any of the following:
  - a) A publicly funded research facility.
  - b) A public safety facility.
  - c) A national security facility.
  - d) A publicly owned facility.
  - e) Other utility facilities, including, but not limited to, an asset of a facilities-based telecommunications provider.
- 4) Provides that a data center project is an ELDP if it is certified by the lead agency to meet all the following conditions:
  - a) Pays the full cost of interconnection to prevent cost shifts to other ratepayers.
  - b) Does not increase fossil fuel consumption within the state.
  - c) Includes zero-carbon energy storage with at least four hours of capacity at 100% of forecasted peak demand for the facility.
  - d) Uses onsite zero-carbon energy storage to provide demand response services to the electrical grid.
  - e) Relies on zero-carbon generation located behind the meter to the maximum extent feasible.

- f) Recovers fully from the data center operator all electrical grid investments, including costs of new generating capacity, to serve the data center in the event the data center ceases operations.
  - g) Uses recycled water and water-efficient technology or waterless cooling systems.
  - h) Will rely on 100 percent zero-carbon electricity resources to serve hourly energy needs within five years of initial operations, of which 75 percent shall be newly developed.
  - i) Will meet specified requirements regarding avoidance and mitigation of impacts in a disadvantaged community.
  - j) Enters into one or more legally binding and enforceable community benefits agreement with community-based organizations.
  - k) Meets specified requirements regarding construction labor per AB 205.
- 5) Requires the CEC to develop uniform statewide standards for these conditions, require regular compliance reporting by the operators of the data centers, and initiate enforcement proceedings in the event of noncompliance with those standards, as appropriate, that may result in the imposition of administrative civil penalties.
- 6) Defines, for purposes of these ELDP provisions, “data center” as a commercial facility primarily used to house computer servers and associated equipment for processing, storing, or transmitting data.
- 7) Provides that a geothermal powerplant is an ELDP if it is certified by the lead agency to meet both of the following conditions:
- a) Meets the criteria for an eligible renewable energy resource, excluding resources that combust biomass fuels.
  - b) Meets specified requirements regarding construction labor per AB 205.
- 8) Makes related findings.

**FISCAL EFFECT:** According to the Senate Appropriations Committee:

- The CEC estimates ongoing costs of approximately \$1.5 million annually (Energy Resources Program Account (ERPA) or General Fund) for seven positions to implement the requirements of this bill. The CEC notes that there is no funding source identified in the bill, and that, because of the ongoing structural deficit within ERPA, it may not be an appropriate fund source to support the implementation of this bill.
- The Governor’s Office of Land Use and Climate Innovation (LCI) estimates one-time costs of about \$1 million spread over two years (General Fund) to facilitate the inclusion of data centers and geothermal powerplants into the judicial streamlining program.

- The California Public Utilities Commission (CPUC) anticipates any costs would be minor and absorbable.
- To the extent the Attorney General successfully brings civil action against reporting entities in violation of the provisions of this bill, potential increases in state revenues of an unknown amount due to the collection of civil penalties.

## COMMENTS:

- 1) **Background.** Data centers house the equipment used to process, store, and transmit digital information. Explosive growth in data centers has significant implications for the environment, as data centers consume huge amounts of energy and water resources, which can result in environmental impacts.

According to a U.S. Department of Energy publication produced by Lawrence Berkeley National Laboratory, data centers consumed about 4.4% of total U.S. electricity in 2023. Data centers are expected to consume approximately 6.7 to 12% of total U.S. electricity by 2028. Data centers that serve AI customers are particularly large electricity consumers within the data center sector.

Depending on the source of all that energy, data centers could have an impact on air pollution and greenhouse gas emissions. Data centers can also lead to localized air pollution from backup power sources at the facilities.

Data centers consume water directly, using it for cooling, and also use water indirectly as part of their energy generation. Water use by data centers can strain local and regional water supplies and adversely impact ecosystems. Researchers at UC Riverside estimate that statewide on-site data center water consumption in California will balloon from 351 million gallons in 2019 to between 1.12 and 1.75 billion gallons by 2028.

While there is not an explicit CEQA exemption for data centers, and it seems unlikely that a class of projects with the scale and potential impacts of data centers would ever qualify for a categorical exemption, the application of CEQA to data center projects has been called into question by at least two recent developments.

First, last year's passage of the CEQA exemption for advanced manufacturing projects, with its vague definitions, has given rise to as yet untested claims that a data center project could qualify as advanced manufacturing.

Second, Imperial County has taken steps toward facilitating a large data center project adjacent to the City of Imperial, including a grading permit and parcel consolidation, via ministerial approval. In this case, the City has sued the County, alleging improper application of ministerial approval and asserting that the project requires rezoning and a conditional use permit, and therefore could not qualify for a CEQA exemption.

**2) Author's statement:**

Data centers are being built at breakneck speed without adequate guardrails, creating air quality, water supply, and energy supply challenges for local communities across the country. Imperial county, which has one of the highest unemployment rates in the state, is currently evaluating multiple proposed hyperscale projects that could transform the region. This could bring substantial economic development to the region, but if done incorrectly, could have disastrous impacts on public health and energy costs. This measure incentivizes good neighbor data center development for projects that support California's grid and the communities in which they are built.

3) **Double referral.** This bill has been double-referred to the Utilities and Energy Committee.

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

350 Humboldt  
350 Sacramento  
Audubon California  
Ceres  
City of Imperial  
Climate Action California  
Climate Reality Project, San Fernando Valley Chapter  
Climate Reality Project, Los Angeles Chapter  
Net-Zero California  
The Utility Reform Network (TURN)

**Opposition**

Associated General Contractors, California Chapters  
Bay Area Council  
California Chamber of Commerce  
CalAsian Chamber of Commerce  
California African American Chamber of Commerce  
California Hispanic Chambers of Commerce  
California Manufacturers & Technology Association  
Data Center Coalition  
Silicon Valley Leadership Group  
TechCA  
TechNet

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /



Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 894 (Allen) – As Amended May 14, 2026

**SENATE VOTE:** 39-0

**SUBJECT:** Wildfire resiliency: financial assistance

**SUMMARY:** Establishes the California Wildfire Resilience Loan Program to provide financial assistance for projects and activities to reduce wildfire-related risks and losses, including home hardening and defensible space improvements.

**EXISTING LAW:**

- 1) Pursuant to the California Alternative Energy and Advanced Transportation Financing Authority Act (Act): (Public Resources Code (PRC) 26000 - 26037)
  - a) States the purpose of the Act is to advance the state’s goals of reducing the levels of greenhouse gas (GHG) emissions, increasing the deployment of sustainable and renewable energy sources, implementing measures that increase the efficiency of the use of energy, creating high quality employment opportunities, and lessening the state’s dependence on fossil fuels.
  - b) Establishes the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) to promote the creation of California-based manufacturing, high-quality California-based jobs, advanced manufacturing, the reduction of GHGs, or reductions in air and water pollution or energy consumption, and to ensure that California communities and workers benefit from projects receiving financial assistance.
  - c) Requires CAEATFA to evaluate a project application based on specified criteria, including the extent to which the project, or the product produced by the project, results in a reduction of GHGs, a reduction in air or water pollution, an increase in energy efficiency, or a reduction in energy consumption, beyond what is required by federal or state law or regulation.
- 2) Defines “home hardening” as the replacement or repair of structural features that are affixed to a property with features that are in compliance with Chapter 7A of Title 24 of the California Code of Regulations (CCR). (PRC 4291.5 (a)(1))
- 3) Requires a person who owns, leases, controls, operates, or maintains an occupied dwelling or occupied structure in, upon, or adjoining a mountainous area, forest-covered land, shrub-covered land, grass-covered land, or land that is covered with flammable material, which area or land is within a very high fire hazard severity zones (FHSZ) designated by the local agency to, at all times, maintain a defensible space of 100 feet from each side and from the front and rear of the structure, as provided. Requires the Board of Forestry (Board) to adopt regulations for an ember-resistant zone for the elimination of materials that would likely be ignited by embers. (Government Code (GC) 51182)

- 4) Requires the Board to develop and update guidance for fuels management for defensible space compliance. Requires the State Fire Marshal (SFM) to make recommendations to the Board on vegetation management and make reasonable efforts to provide notice to affected residents. (PRC 4291)
- 5) Requires insurance companies in California to account for wildfire-mitigation efforts when underwriting and pricing residential and commercial property insurance policies in wildfire-exposed areas. Defines “Wildfire Risk Model” as any tool, instrumentality, means or product, including but not limited to a map-based tool, a computer-based tool or a simulation, that is used by an insurer, in whole or in part, to measure or assess the wildfire risk associated with a residential or commercial structure for purposes of classifying individual structures according to their wildfire risk; or, estimating losses corresponding to such wildfire risk classifications. (Title 10 CCR 2644.9)

**THIS BILL:**

- 1) States the intent of the Legislature to authorize the CAEATFA to establish a wildfire mitigation loan program for wildfire resilience improvements, and to authorize participation by public and private partners, including utilities, insurers, nonprofit organizations, philanthropic entities, and the federal government, where participation advances public safety, market stability, and resilience objectives.
- 2) Finds and declares that it is essential that the state, in cooperation with the federal government and other public and private partners, to use all practical and commercially feasible means to promote the prompt and efficient development of energy sources that are renewable or that more efficiently use and conserve scarce energy resources.
- 3) Finds and declares that it is essential to the public safety, economic stability, and general welfare of the state to promote investments that reduce wildfire-related risk and losses, including home hardening and defensible space improvements.
- 4) Revises the purpose of the Act to additionally increase the adoption of wildfire resilience improvements that reduce wildfire-related risk and losses, and to provide an alternative method of financing in providing and promoting the establishment of facilities, projects, improvements, and measures intended to reduce wildfire risk, enhance structural survivability, or improve community resilience to wildfire, among other facilities under existing law.
- 5) Establishes the California Wildfire Resilience Loan Program (Wildfire Loan Program) to be developed and administered, upon appropriation by the Legislature, including the appropriation of any federal or private funds from any source given, by CAEATFA to achieve all of the following goals:
  - a) Reducing local and statewide wildfire losses through wildfire resilience improvements to residential, multifamily, mixed-use, nonprofit, or small business property;
  - b) Improving insurability and resilience of communities vulnerable to wildfire risk;

- c) Increasing the defensible space around and hardening of residential, multifamily, mixed-use, nonprofit, or small business property to mitigate wildfire risk, thereby reducing emissions of GHGs from wildfires and associated air pollution; and,
  - d) Reduce the upfront and overall cost to eligible property owners of obtaining private financing for wildfire resilience improvements and expand access of eligible property owners to private financing tools for wildfire resilience improvements.
- 6) Authorizes, upon appropriation by the Legislature, including the appropriation of any federal or private funds from any source, the Wildfire Loan Program to include, but not be limited to, establishment of a loan loss reserve, interest rate buy-downs, and other credit enhancements.
- 7) Requires eligible wildfire resilience improvements under the Wildfire Loan Program to include, but not be limited to, any of the following improvements as informed by guidance from the Department of Forestry and Fire Protection (CAL FIRE) in consultation with the California Office of Emergency Services (CalOES) and the Department of Insurance (CDI):
- a) Home hardening, including ignition-resistant features, vegetation management, and defensible space treatments, including, but not limited to, any of the following:
    - i) Risk mitigation identified Title 10 CCR 2644.9 or in successor regulations;
    - ii) Risk mitigation identified in Title 24 CCR Part 7 or in successor regulations; and,
    - iii) Defensible space activities identified in PRC 4291 or GC 51182.
  - b) Smoke mitigation retrofits.
  - c) Other risk reduction measures.
- 8) Authorizes financial assistance under the Wildfire Loan Program to be made available to eligible individual property owners throughout the state and prohibits financial assistance in the form of a lien against the property or be limited by land classification, jurisdiction, or FHSZ.
- 9) Authorizes, upon appropriation by the Legislature, including the appropriation of any federal or private funds from any source, CAEATFA to establish partnerships or referral arrangements with state agencies, local governments, community-based organizations, insurers, lenders, contractors, or other entities for purposes that may include, but are not limited to, identifying and referring eligible applicants, aggregating demand, and facilitating bulk purchasing or group contracting arrangements.
- 10) Authorizes, upon appropriation by the Legislature, including the appropriation of any federal or private funds from any source, CAEATFA to, in consultation with the SFM, establish procedures for preassessments or post-completion verifications of improvements financed through the program for purposes that may include program integrity, evaluation, and continuous improvement.

- 11) Authorizes, upon appropriation by the Legislature, including the appropriation of any federal or private funds given from any source, CAEATFA to enter into agreements to design, develop, maintain, and operate a public-facing internet website for the Wildfire Loan Program.

**FISCAL EFFECT:** According to the Senate Appropriations Committee:

- CAEATFA estimates ongoing costs of \$3.9 million in the first year, gradually increasing to \$5 million per year by the fifth year and likely continuing to grow thereafter (California Alternative Energy Authority Fund or other fund) to administer the Wildfire Loan Program, including to provide a loan loss reserve/credit enhancement funds.
- Unknown, potentially significant one-time costs for CAL FIRE to provide guidance, in consultation with CalOES and the CDI, to CAEATFA on wildfire resilience improvements eligible under the program.
- Unknown but likely minor costs for the CDI to consult with CAL FIRE on the above guidance. CalOES anticipates its consulting costs would be minor and absorbable.
- Cost pressures of an unknown but likely significant amount, possibly in the tens of millions of dollars (various funds), to provide state funding for Wildfire Loan Program projects and activities.

**COMMENTS:**

- 1) **Reducing wildfire risk.** There are various measures that reduce wildfire risk in a FHSZ, and in conjunction with one another, multiply risk reduction.

Defensible space is the buffer created between a building on a property and the grass, trees, shrubs, or any wildland area that surrounds it. This space is needed to slow or stop the spread of wildfire, and it helps protect structures from catching fire. A 2019 analysis done by CAL FIRE of the relationship between defensible space compliance and destruction of structures during the seven largest fires that occurred in California in 2017 and 2018 concluded that the odds of a structure being destroyed by wildfire were roughly five times greater for noncompliant structures compared to compliant ones.

Home hardening includes vegetation management compliance and building materials used to resist the intrusion of flames or embers projected by a wildland fire. It can be applied to new construction or for retrofitting an older home. Home hardening considers the relationship between a structure and its exposure to nearby combustible features such as vegetation, vehicles, accessory buildings, or even miscellaneous structures like a fence.

California's wildfire building code (known colloquially by its citation reference as Chapter 7A) went into effect in 2008 and mandates fire-resistant siding, tempered glass, vegetation management, and ignition-resistant roofs, standards for vents, decks, under eaves, siding, windows, gutters, vents for attics and crawlspaces designed to resist embers and flames. These standards, which are periodically updated, have been shown to work. An analysis by the Sacramento Bee showed that approximately 51% of the 350 single-family homes built after 2008 in the path of the Camp Fire were undamaged. By contrast, only 18% of the 12,100 homes built prior to 2008 escaped damage. Factors that can cause post-2008 homes

to combust include not having adequate defensible space and proximity to neighboring non-fire hardened homes.

According to CAL FIRE, there are roughly five million homes in the wildland urban interface, and CAL FIRE analyses shows that 90% of those homes were built before today's Chapter 7A building codes went into effect in 2008.

Governor Newsom's Executive Order N-4-25 issued January 7, 2025, states that "efforts to rebuild should include measures to increase community resilience, harden homes, and ensure defensible space to build resilience to future wildfires, to the greatest extent practicable."

- 2) **How much does risk mitigation cost?** Property owners are responsible for maintaining defensible space around their property and retrofitting any post-2008 structures with home hardening measures. Those wildfire resilience measures can often be unaffordable for many residents living in FHSZs.

According to a 2021 Legislative Analyst's Office report, researchers have explored – mostly using survey data and interviews – some of the barriers homeowners typically face related to completing defensible space work, including prohibitive costs and/or time constraints, inadequate motivation to comply, and incomplete understanding of the nature of the risk to their home.

Estimating the cost per home to harden and make ember resistant is challenging because it is highly multivariate. Individual homes need different 'packages' of mitigations depending on (1) what kind of risk they are wanting to mitigate (e.g. ember vs. direct flame), (2) how much they want to reduce that risk, (3) what they can afford to do and maintain, and (4) which mitigations happen to already be in place.

Headwaters Economics' 2024 report, *Retrofitting a Home for Wildfire Resistance*<sup>i</sup>, notes that while every home is different, "retrofitting costs between \$2,000-\$15,000 for simple and effective actions such as installing flame- and ember-resistant vents, placing metal flashing along a deck, keeping gutters clean, or using noncombustible mulch in the yard. A full retrofit to the highest level of protection could cost nearly \$100,000, but in many cases that approach is not necessary. Some strategies such as removing flammable materials from near the home and removing debris from the roof can be done at little to no cost."

- 3) **California Alternative Energy and Advanced Transportation Financing Authority.** CAEATFA was created in 1980 and authorized to use revenue bonds to finance projects using alternative sources of energy, such as cogeneration, wind, and geothermal power. It was renamed in 1994 and its charge expanded to include the financing of "advanced transportation" technologies. CAEATFA is housed within the State Treasurer's Office and operates a variety of programs that provide financial assistance—such as tax exemptions, loans, and bonds—largely to entities developing technologies intended to reduce air pollution and conserve energy.

During the energy crisis of 2001, its authority was again expanded to provide financial assistance to public power entities, independent generators, and others for new and renewable energy sources, and to develop clean distributed generation. CAEATFA's board, composed of the Treasurer, Controller, Director of Finance, Chairperson of the Energy Commission, and President of the Public Utilities Commission, decides which projects to assist.

In 2010 its authority was expanded again to grant a sales and use tax exemption to an eligible firm that purchases property necessary to design, produce, manufacture, or assemble advanced transportation technologies or alternative energy source products, components, or systems.

In April 2020, the Residential Energy Efficiency Loan program (later renamed the GoGreen Home Energy Financing program (GoGreen Home)) was formalized statewide under the California Hub for Energy Efficiency Financing at CAEATFA. GoGreen Home makes financing more widely available for home energy improvements by offering a credit enhancement to mitigate the risk of default, which enables participating lenders to offer lower rates, longer payback terms and higher loan amounts, and to approve a broader base of borrowers for energy upgrade loans.

To date, CAEATFA has approved financial assistance for private entities in the following fields: electric vehicle manufacturing, solar photovoltaic manufacturing, landfill gas capture and production, biogas capture and production (dairies and wastewater treatment plants), demonstration hydrogen fuel production, electric vehicle battery manufacturing, biomass processing and fuel production, and others.

The perennial expansions of CAEATFA speaks to its success achieving its mission and financing projects to further the stated statutory goals.

- 4) **Another expansion.** This bill further expands CAEATFA to establish the Wildfire Loan Program, modeled after the GoGreen Home financing platform, to fund the wildfire resilience improvement, including home hardening, defensible space, smoke mitigation and other risk reduction efforts. The bill creates a state-backed loan loss reserve that calls on public dollars to leverage private capital, lower interest rates, and finance home hardening and defensible space improvements for more Californians to protect their residential homes and small businesses.

In the 2024 Little Hoover Commission report, *Building a Stronger Home Insurance Market for California*, the Commission found that proactive mitigation measures to strengthen a home's defenses against wildfire can be cost inhibitive for many homeowners, but ultimately cost less than renovating a home after a devastating wildfire. Proactive mitigation can help prevent some of the worst devastation, but it must be done strategically and on a wide scale to maximize benefits. Their research pointed to examples in several other states where homeowners' efforts to protect against climate-related hazards were supported with state funding. The Commission recommended expanding the programs available to help homeowners upgrade their properties to better protect them from wildfires.

Because Wildfire Loan Program would help offset the cost burden homeowners face when taking on home hardening projects and help improve the insurability of the state's housing stock, the Little Hoover Commission supports this bill.

- 5) **Double referral.** This bill is also referred to the Assembly Emergency Management Committee.

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

## AARP

American Property Casualty Insurance  
Association

Cal Chamber

California Apartment Association

California Credit Union League

California Fire Safe Council

California Forward

California State Association of Counties  
(CSAC)

Climate Resolve

City of Los Angeles

Consumer Watchdog

DAN Munsey, Fire Chief of the San

Bernardino County Fire Protection District

Del Norte Fire Safe Council

Elevate California

Environmental Defense Fund

Fire Aside

Firegeneration Collaborative

Firewerx

Greenlining Institute

Insurance Commissioner Ricardo Lara /

California Department of Insurance

Lieutenant Governor Eleni Kounalakis

Little Hoover Commission

Megafire Action

Napa Communities Firewise Foundation

National Association of Mutual Insurance  
Companies

Neighborhood Partnership Housing Services  
INC

Net-zero California

Pacific Association of Domestic Insurance  
Companies

Pacific Forest Trust

Personal Insurance Federation of California

Rockrose Risk

Roxul Usa, INC. DbA Grodan

Rural County Representatives of California  
(RCRC)

Safe Community Project

San Bernardino County Fire Protection  
District

Santa Barbara County Fire Safe Council

Santa Barbara Fire Safe Council

Sierra Club

The Tahoe Fund

The Greenlining Institute

The Nature Conservancy

Western Riverside Council of Governments

**Opposition**

None on file

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /

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<sup>i</sup> [Retrofitting a Home for Wildfire Resistance](#)



Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES  
Isaac G. Bryan, Chair  
SB 954 (Blakespear) – As Amended May 14, 2026

**SENATE VOTE:** 23-9

**SUBJECT:** California Environmental Quality Act: advanced manufacturing facilities: exemption

**SUMMARY:** Repeals the California Environmental Quality Act (CEQA) exemption for advanced manufacturing facilities enacted by SB 131 (Budget Committee), Chapter 24, Statutes of 2025, replacing it with a more limited exemption with extensive environmental and labor conditions. Revises other provisions of SB 131 to expand the exemption for day care centers and exclude habitat for protected species and tourism facilities from specified provisions.

**EXISTING LAW:**

- 1) CEQA requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Exempts from CEQA a facility for “advanced manufacturing” that is located on a site zoned exclusively for industrial uses, excluding projects on natural and protected lands. (PRC 21080.69)
- 3) Exempts from CEQA a project that consists exclusively of a day care center that is not located in a residential area, excluding projects on natural and protected lands. (PRC 21080.69)
- 4) Exempts from CEQA a rezoning that implements the schedule of actions in an approved housing element, provided any natural and protected lands, except for farmland, are excluded. (PRC 21080.085)
- 5) Defines “natural and protected lands” as sites located within any of the following locations:
  - a) The state park system.
  - b) A wilderness area.
  - c) A marine protected area.
  - d) The national park system.
  - e) A national recreation area.
  - f) A national monument.

- g) The national wild and scenic rivers system.
- h) Any ecological reserve or wildlife management area acquired and managed by the Department of Fish and Wildlife.
- i) A hazardous waste site that has not been cleared for the use proposed by the project, as specified.
- j) Within a regulatory floodway as determined by the Federal Emergency Management Agency unless the development has received a no-rise certification.
- k) Lands under conservation easement.
- l) On, or within a 300-foot radius of, a wetland, as defined in the United States Fish and Wildlife Service Manual.
- m) An environmentally sensitive area within the coastal zone.
- n) Lands identified for conservation in an adopted natural community conservation plan, habitat conservation plan, or other adopted natural resource protection plan.
- o) Within a very high fire hazard severity zone or within the state responsibility area unless the site has adopted fire hazard mitigation measures pursuant to existing building standards or state fire mitigation measures applicable to the development, as specified.
- p) Either prime farmland or farmland of statewide importance, as specified, or land zoned or designated for agricultural protection or preservation by a local ballot measure.

(PRC 21067.5)

- 6) Defines “advanced manufacturing” as manufacturing processes that improve existing or create entirely new materials, products, and processes through the use of science, engineering, or information technologies, high-precision tools and methods, a high-performance workforce, and innovative business or organizational models utilizing any of the following technology areas:
  - a) Microelectronics and nanoelectronics, including semiconductors.
  - b) Advanced materials.
  - c) Integrated computational materials engineering.
  - d) Nanotechnology.
  - e) Additive manufacturing.
  - f) Industrial biotechnology.

“Advanced manufacturing” includes any of the following:

- g) Systems that result from substantive advancement, whether incremental or breakthrough, beyond the current industry standard, in the production of materials and products. These advancements include improvements in manufacturing processes and systems that are often referred to as “smart” or “intelligent” manufacturing systems, which integrate computational predictability and operational efficiency.
- h) Sustainable manufacturing systems and manufacturing technologies that minimize the use of resources while maintaining or improving cost and performance, not including those required to be undertaken pursuant to state or federal law or regulations, air district rules or regulations, memoranda of understanding with a governmental entity, or legally binding agreements or documents.  
(PRC 26003)

**THIS BILL:**

- 1) Adds habitat for protected species to the list of “natural and protected lands” for purposes of excluding such habitat from:
  - a) Limitations on CEQA review when a housing project would be eligible for exemption except for a single condition.
  - b) Exemptions for advanced manufacturing facilities, day care centers, rural health clinics, nonprofit food banks, high-speed rail maintenance facilities and stations, and rezoning to implement a housing element.
- 2) Defines “tourism facility” as a hotel, resort, other transient lodging facility, or an event center for purposes of excluding tourism facilities from the exemption for rezoning to implement a housing element.
- 3) Revises the exemption for day care centers to include projects in residential areas and exclude projects in areas zoned for industrial use and areas within 3,200 feet of an oil or natural gas extraction or refining facility.
- 4) Repeals the exemption for advanced manufacturing facilities on industrial sites and instead adds an exemption for advanced manufacturing facilities as follows:
  - a) Limits to facilities used exclusively for final tier manufacturing, as defined.
  - b) Adds the following location requirements:
    - i) Site zoned exclusively for heavy industrial uses as of January 1, 2026.
    - ii) Not located within 1,600 feet of a sensitive receptor (e.g., a residence, school, daycare, park, nursing home, or hospital), within 1,000 feet of a disadvantaged community, or on natural or protected lands.
  - c) Adds the following emissions limits:
    - i) Fifty-four pounds per day or 10 tons per year of reactive organic gases, whichever is lower.

- ii) Fifty-four pounds per day or 10 tons per year of oxides of nitrogen, whichever is lower.
  - iii) Eighty pounds per day or 14.6 tons per year, whichever is lower, of particulate matter less than 10 microns in diameter.
  - iv) Fifty-four pounds per day or 10 tons per year, whichever is lower, of particulate matter less than 2.5 microns in diameter.
  - v) Ten pounds per day or less of methane.
  - vi) One hundred thirty-seven pounds per day or 25 tons per year, whichever is lower, of oxides of sulfur.
  - vii) Five hundred forty-eight pounds per day or 100 tons per year, whichever is lower, of carbon monoxide.
- d) Requires compliance with a quality community risk reduction plan or demonstration of an increased cancer risk of no more than 10 in one million and an increase in noncancer risk of less than 1.0 on the hazard index for both chronic and acute exposure for receptors within 1,000 feet radius of the fence of the facility.
  - e) Prohibits the project from causing significant adverse impacts to tribal cultural resources, unless there is a documented enforceable agreement, as specified.
  - f) Requires use of zero-emission backup generation.
  - g) Requires the Governor to certify that the project:
    - i) Is certified Leadership in Energy and Environmental Design (LEED) gold or better.
    - ii) Demonstrates significant improvements over current industry standards for energy and water consumption, water quality impacts, specifically including reducing perfluoroalkyl or polyfluoroalkyl substances (PFAS) effluent as compared to industry baselines, and air quality impacts.
  - h) Requires the lead agency to hold at least one public hearing on the project and ensure that the applicant complies with specified “high road” employment standards, enters a community benefits agreement, and for construction work, pays prevailing wages and uses a skilled and trained workforce, or has a project labor agreement.

**FISCAL EFFECT:** According to the Senate Appropriations Committee:

- The Governor’s Office of Land Use and Climate Innovation (LCI) estimates one-time costs of \$448,000 spread over two years for one limited-term positions to establish to draft guidelines, develop internal processes and procedures, begin accepting applications, and provide technical assistance and engagement regarding the addition of an advanced manufacturing category to judicial streamlining certification.
- Unknown but potentially significant one-time costs (Energy Resources Program Account [ERPA] or General Fund) for the California Energy Commission (CEC) to develop and make

available to lead agencies guidelines for evaluating whether a project applicant demonstrates high road employment standards.

- To the extent that projects qualify for judicial streamlining certification that otherwise would not have qualified absent this bill, it would result in potential cost pressure of an unknown amount (General Fund) to the state-funded court system to process and hear challenges to a project's environmental review within the required timeframes.
- Unknown costs (various funds) for other state entities and lead agencies to implement the provisions of this bill.

#### COMMENTS:

- 1) **Background.** The definition of “advanced manufacturing” borrowed for the CEQA exemption added by SB 131 was established in 2013 for purposes of a temporary tax credit program that currently expires in 2028. The definition is extremely broad and vague, in the sense that it describes general manufacturing products and processes rather than physical projects. The definition includes no reference to, or conditions regarding, the environmental benefits or impacts of advanced manufacturing projects.

The California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) Sales and Use Tax Exclusion (STE) Program, offers a full sales and use tax exclusion on equipment purchases for qualified advanced manufacturers meeting this definition. Any business wishing to receive this exclusion must apply to CAEATFA, which reviews the applications to determine if they qualify for the STE. Currently, 85 projects have received the STE for advanced manufacturing. Some examples of project types include the following:

- Strip Mining
- Metal Forging and Thin Steel Plate Manufacturing
- Semiconductor and Fabrication Equipment Manufacturing
- Fertilizer Production
- Lithium Battery Cell Manufacturing
- Metal Products Manufacturing
- Electric Vehicle Battery Manufacturing
- Biopharmaceutical and Medical Device Manufacturing
- Advanced Carpet Recycling
- Water Bottling Facility
- Lithium Recovery and Processing
- Beverage Production

- Solar Photovoltaic Manufacturing
- Defense and Aerospace manufacturing
- Advanced Robotic Surgical Systems and Tools
- Electric Vehicle Charging Station Production
- Peptide Pharmaceutical Manufacturing
- Carbon Black Production
- Biomass Processing, Fuel Production and Corn Oil Production
- Rail Transportation Manufacturing
- Residential Insulation Manufacturing

Unlike the tax credit process, which requires applications to be reviewed and approved by CAEATFA, the eligibility for the CEQA exemption typically will be determined by city or county lead agencies.

2) **Author's statement:**

Last year, the Legislature passed Senate Bill 131 through the budget process. While SB 131 created many sensible CEQA exemptions and reforms, it also created an exemption for advanced manufacturing that is so broad it covers strip mining and other activities known to be especially harmful to the environment. SB 131 passed the Legislature with the commitment that the policy would be revisited to add stronger protections for habitat, tribal resources, and to reconsider the scope of CEQA exemptions for advanced manufacturing.

SB 954 follows through on those promises by adding important guardrails to the CEQA exemption for advanced manufacturing, including adding protections for tribal cultural resources, in addition to adding labor provisions to the CEQA exemption for advanced manufacturing. SB 954 also excludes habitat for protected species from many of the CEQA exemptions created in SB 131, and expands SB 131's CEQA exemption for daycare facilities to include residential areas while excluding industrial areas.

Ultimately, SB 954 advances the goals of SB 131 to reduce green tape while adding the important protections for habitat, communities, tribal resources, and workers needed to ensure that California is not just building more, but building better.

3) **Double referral.** This bill has been double-referred to the Labor and Employment Committee.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

350 Humboldt: Grass Roots Climate Action  
350 Sacramento  
A Voice for Choice Advocacy  
California Alliance for Retired Americans  
California Environmental Voters  
California Federation of Labor Unions, AFL-CIO  
California State Association of Electrical Workers  
California State Legislative Board of the Smart - Transportation Division  
California State Pipe Trades Council  
Center for Biological Diversity  
Center on Race, Poverty & the Environment  
Clean and Healthy California  
Coalition for Clean Air  
Contra Costa Labor Council  
Defenders of Wildlife  
Earthjustice  
Five Counties Central Labor Council  
Inland Empire Labor Council, AFL-CIO  
International Brotherhood of Electrical Workers (IBEW)  
International Brotherhood of Electrical Workers, Local 1245  
Leadership Counsel for Justice & Accountability  
Napa-Solano Central Labor Council (AFL-CIO)  
Nature Conservancy  
North Bay Labor Council  
North Valley Labor Federation  
Orange County Labor Federation, AFL-CIO  
Planning and Conservation League  
Sacramento Central Labor Council, AFL-CIO  
San Diego & Imperial Counties Labor Council  
San Mateo County Central Labor Council  
Sea and Sage Audubon Society  
State Building and Construction Trades Council of California, AFL-CIO  
Teamsters California  
UAW Region 6  
Unite Here Local 11  
United Food and Commercial Workers, Western States Council  
Western States Council of Sheet Metal, Air, Rail, & Transportation

## **Opposition**

Bay Area Council  
California Association for Local Economic Development  
California Business Properties Association  
California Business Roundtable  
California Cement Manufacturers Environmental Coalition  
California Chamber of Commerce  
California Construction & Industrial Materials Association  
California Council for Affordable Housing  
California Manufacturers and Technology Association

California Retailers Association  
California YIMBY  
Chemical Industry Council of California  
Circulate Planning & Policy  
East Bay Economic Development Alliance  
East Bay Leadership Council  
Fieldstead and Company  
Greater Sacramento Economic Council  
Housing Action Coalition  
Los Angeles Area Chamber of Commerce  
NAIOP Commercial Real Estate Development Association SoCal Chapter  
New California Coalition  
North Bay Leadership Council  
Orchard Partners  
Reach Central Coast  
Rural County Representatives of California (unless amended)  
San Joaquin Valley Manufacturing Alliance  
San Mateo County Economic Development Association  
Santa Rosa Metro Chamber  
Southern California Leadership Council  
SPUR  
Student Homes Coalition  
Supply Chain Federation  
Western Electrical Contractors Association

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 955 (Blakespear) – As Amended May 18, 2026

**SENATE VOTE:** 33-0

**SUBJECT:** Beverage containers: supermarkets: reverse vending machines

**SUMMARY:** Clarifies that a reverse vending machine (RVM) can not serve as a convenience zone recycler and revises the definition of “supermarket” to include grocery stores with more than \$5 million in gross annual sales regardless of the presence of a bakery or deli.

**EXISTING LAW** establishes the Beverage Container Recycling and Litter Reduction Act (Bottle Bill), which:

- 1) Requires beverage containers, as defined, sold in-state to have a California redemption value (CRV) of 5 to 25 cents. Requires beverage distributors to pay a redemption payment to Department of Resources Recycling and Recovery (CalRecycle) for every beverage container sold in the state. Continuously appropriates these funds to CalRecycle for, among other things, the payment of refund values and processing payments. (Public Resources Code (PRC) 14500 *et seq.*)
- 2) Defines “beverage” as:
  - a) Beer and other malt beverages;
  - b) Wine and distilled spirit coolers;
  - c) Carbonated water;
  - d) Noncarbonated water;
  - e) Carbonated soft drinks;
  - f) Noncarbonated soft drinks and sports drinks;
  - g) Noncarbonated fruit juice drinks that contain any percentage of fruit juice;
  - h) Coffee and tea drinks;
  - i) Carbonated fruit drinks;
  - j) Vegetable juice;
  - k) Wine and sparkling wine; and,
  - l) Distilled spirits. (PRC 14505)
- 3) Defines “beverage container” as the individual, separate bottle, can, jar, carton, or other receptacle in which a beverage is sold, and which is constructed of metal, glass, plastic, or any other material, or any combination of these materials. Specifies that “beverage container” does not include cups or other similar open or loosely sealed receptacles. (PRC 14505)
- 4) Defines convenience zones as either the 1-mile radius around a supermarket (PRC 14509.4) or a 3- to 5-mile radius, as specified, in rural areas. (PRC 14571.5)
- 5) Requires there to be at least one certified recycling center or location within every convenience zone that pays the full refund for all types of empty CRV containers and is

open for business at least 30 hours per week, with a minimum of 5 hours and maximum of 50% of its hours of operation occurring during periods other than Monday to Friday from 9am to 5pm to be “served.” (PRC 14571).

- 6) Establishes the dealer cooperative program, which authorizes beverage dealers to collectively arrange for the redemption of beverage containers. Requires that dealer cooperatives redeem all beverage types and submit a redemption plan to CalRecycle for approval. (PRC 14578 *et seq.*)
- 7) Requires CalRecycle to pay handling fees to supermarket sites, non-profit convenience zone recyclers, and rural region recyclers to provide an incentive for the redemption of empty beverage containers in a convenience zone. (PRC 14585).
- 8) Requires the following for a reverse vending machine to be considered a certified recycling center:
  - a) Accepts all empty beverage containers or provides an attendant to accept all containers that the reverse vending machine cannot accept (such as large containers or pouches); and,
  - b) Operates a minimum of 30 hours per week. (PRC 14571)
- 9) Defines a “supermarket” as “a full-line, self-service retail store with gross annual sales of \$2 million, or more, and that sells a line of dry grocery, canned goods, or nonfood items and some perishable items. For purposes of determining which dealers are supermarkets, the department shall use the annual updates of the Progressive Grocer Marketing Guidebook and any computer printouts developed in conjunction with the guidebook.” (PRC 14526.5).

**THIS BILL:**

- 1) Revises the definition of “supermarket” by increasing the annual sales amount from \$2 million to \$5 million and expanding the list of sales items to include alcohol and nonalcoholic beverages, regardless of whether the store operates a bakery or deli.
- 2) Specifies that all of the following apply if an RVM is certified to operate as a recycling center:
  - a) The RVM shall not make an unserved convenience zone served, as specified, regardless of the number of hours it operates. Specifies that the RVM must operate the minimum hours required by PRC 14571.
  - b) An RVM located in a convenience zone shall not preclude a dealer cooperative or a mobile unit from operating or receiving program payments in the same convenience zone.
  - c) The RVM located in a convenience zone shall not make an existing recycling center certified in that convenience zone ineligible for handling fees.
- 3) Specifies that an RVM that is certified as a recycling center is subject to all laws and regulations applicable to recycling centers.

- 4) Makes technical, conforming changes to related laws.
- 5) Specifies that no reimbursement is required by this bill pursuant to Section 6 of Article XIII B of the California Constitution, as specified.
- 6) Declares that this bill is an urgency bill necessary for the immediate preservation of the public peace, health, or safety, as specified, and shall go into effect immediately.

**FISCAL EFFECT:** According to the Senate Appropriations Committee:

- Unknown, potentially significant one-time costs (Beverage Container Recycling Fund [BCRF]) for CalRecycle to update administration and enforcement in response to the provisions of this bill.
- To the extent this bill results in increased beverage container redemptions and BCRF program payments, unknown but potentially significant ongoing costs (BCRF) due to increased program expenditures.

**COMMENTS:**

- 1) **Bottle Bill.** The Bottle Bill was established in 1986 to be a self-funded program that encourages consumers to recycle beverage containers and to prevent littering. The program accomplishes this goal by requiring consumers to pay a deposit for each eligible container purchased. Then the program guarantees consumers repayment of that deposit, the CRV, for each eligible container returned to a certified recycler. Statute includes two main goals for the program: (1) reducing litter; and, (2) achieving a recycling rate of 80% for eligible containers. Containers recycled through the Bottle Bill's certified recycling centers also provide a consistent, clean, uncontaminated stream of recycled materials with minimal processing.
- 2) **Funding.** The CRV is paid up-front by distributors to CalRecycle for every covered beverage container sold in the state. Next, distributors are paid by retailers for the CRV collected on beverages sold, and retailers collect the CRV from consumers at the time of retail sale. CRV is paid into the BCRF, which is used to fund CRV redemption when consumers return beverage containers for recycling. Unredeemed CRV funds are used to fund the administration of the Bottle Bill, grants that advance recycling, and various payments that keep the program running.

When the recycling rate increases, less funding is available to make all the budgeted payments prescribed in statute, including funding CRV redemptions, administration, local grants, and other payments. A structural deficit occurs when funding needs exceed revenue. When recycling rates are high, the BCRF operates in a structural deficit. If a structural deficit persists long enough to threaten funding sufficiency, CalRecycle is required to "proportionally reduce" spending equally across nearly all funding expenditures to preserve sufficient funding to refund CRV to consumers.

- 3) **Ways to redeem containers.** Consumers have a handful of options to redeem their empty beverage containers:

- a) Return the container to a “convenience zone” recycling center located within 1-mile radius of a supermarket. These are generally small centers that only accept beverage containers and receive handling fees from the BCRF.
- b) Return to a dealer or a dealer cooperative recycling center. In convenience zones without a convenience zone recycler, beverage dealers, primarily supermarkets, are required to either accept containers for redemption or join a dealer cooperative that meets specified statutory requirements and accepts all beverage containers in the zone.
- c) Return the container to an “old line” recycling center, which refers to a recycler that does not receive handling fees and usually accepts large quantities of materials, frequently by truckload from municipal or commercial waste collection services.
- d) Consumers can also forfeit their CRV and “donate” their containers to residential curbside recycling collection. Curbside programs keep the CRV on these containers.

California currently has approximately 1,200 certified recycling centers throughout the state. However, many recycling zones are “unserved,” meaning they don’t have a certified recycling center. Additionally, many rural counties have only one or two recycling centers to service large geographic areas. Alpine and Sierra County have none. Between 2014 to 2024, approximately half of California’s recycling centers closed.

Though dealers are required to redeem CRV containers if they are in an unserved convenience zone, they don’t always accept them, and many individuals don’t realize that the option for in-store redemption is an option. If recycling centers are scarce or lack capacity, not only do recycling rates decline, but consumers are left without an opportunity to recover the 5-25 cents per bottle deposit they paid at the time of purchase.

- 4) **Dealers.** All supermarkets are dealers, but not all dealers are supermarkets. Under the Bottle Bill, a “dealer” is a retail establishment that offers the sale of beverages in beverage containers to consumers in the state. A supermarket is defined as a "full-line, self-service retail store with gross annual sales of two million dollars (\$2,000,000), or more, and which sells a line of dry grocery, canned goods, or nonfood items and some perishable items," in conjunction with the Progressive Grocers Guidebook. Both are tasked with collecting and remitting the CRV, but only supermarkets anchor convenience zones. Within a convenience zone, every dealer bears some responsibility for CRV container redemption. In an unserved convenience zone, every dealer is obligated to redeem CRV containers. Therefore, every dealer is incentivized in the creation of a certified recycling center or dealer cooperative within their zone.
- 5) **Dealer cooperatives.** SB 1013 (Atkins), Chapter 610, Statutes of 2022, among other changes to the Bottle Bill, established the requirement that dealers must either redeem beverage containers in-store or join a dealer cooperative to serve unserved zones. Dealer cooperatives allow beverage dealers to jointly form an organization to plan and arrange for the redemption of CRV containers in an unserved zone. There is currently only one approved dealer cooperative, the Circular CRV Association, whose stewardship plan was approved by CalRecycle in 2025.

- 6) **Reverse Vending Machines.** A RVM is a machine that allows a person to insert an empty beverage container and redeem the CRV. The RVM identifies the CRV container (typically by scanning the barcode) to pay out the proper amount. The machine sorts and stores the containers until the RVM is serviced. RVMs can offer consumers an accessible and easy to use system to redeem beverage containers for an immediate payout. While RVMs increase convenience in some cases, they can reduce convenience in other ways. For example, they can only process one beverage container at a time and they generally cannot accept all container types. Moreover, they have to be properly maintained; a RVM that is full or broken cannot redeem containers. RVMs vary in size but typically accept between 200 and 600 containers, with some accepting more than one thousand containers before they need to be emptied. In contrast, recycling centers can take up to 200 containers or 1,200 pounds of containers per person per day.

RVMs have different requirements for hours of operation than traditional recycling centers. A certified recycling center must be open for 30 hours per week with between 30 and 50% of those hours occurring outside of 9am to 5pm, Monday to Friday, and sufficiently staffed to accept all beverage types. RVMs are exempted from the staffing requirement and are instead considered "open for business" as long as the equipment is functioning.

Currently, a RVM alone cannot serve a convenience zone. However, RVMs operated by a certified recycling center or dealer cooperative and collocated with a dealer (a host dealer) can serve a convenience zone. The host dealer is responsible for maintaining the RVM, posting signage, and accepting some CRV containers, including those that the RVM cannot redeem, at the register.

7) **Author's statement:**

California's Beverage Container Recycling Program, originally enacted in 1984, significantly reduced litter and dramatically improved recycling rates. It did this by establishing a California Redemption Value (CRV) paid on beverage containers when purchased that could be collected when the containers were returned. However, outdated definitions and limited infrastructure have created recycling "dead zones" in some parts of the state where consumers have few or no practical redemption options, thereby undercutting the state's recycling efforts.

Under current law, some high-volume beverage retailers are not required to participate due to antiquated grocery store definitions, and a single reverse vending machine can qualify as "serving" an area even when its limited capacity cannot accommodate the volume of containers sold in that area.

SB 955 builds on reforms enacted in SB 1013 by requiring all high-volume beverage retailers to participate in the program and mandating that collection facilities within each community have sufficient capacity to collect all bottles and cans sold there.

- 8) **This bill.** SB 955 updates and clarifies the definition of "supermarket" by increasing the gross annual sales threshold from \$2 million to \$5 million, to adjust for inflation and to shift the burden of CRV redemption to larger stores, and specifying that dealers can be supermarkets "regardless of whether the retail store operates a bakery or deli."

Additionally, this bill revises the requirements for RVM operations to ensure that consumers continue to have access to recycling for all beverage container types and that the presence of an RVM does not unintentionally de-fund other recycling centers in a convenience zone.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

A Voice for Choice Advocacy  
Cal Pac Recycling, INC.  
California Grocers Association  
California State Association of Counties  
Circular-CRV Association  
Climate Reality Project, California Coalition  
Container Recycling Institute  
Ivan's Recycling  
Our Planet Recycling SF  
Rural County Representatives of California  
Simply Recycle  
Stopwaste  
The Climate Reality Project, Los Angeles Chapter  
The Climate Reality Project, Orange County Chapter  
The Climate Reality Project, Sacramento Chapter  
The Climate Reality Project, San Diego Chapter  
The Climate Reality Project, San Fernando Valley CA Chapter

**Opposition**

None on file

**Analysis Prepared by:** Elizabeth MacMillan / NAT. RES. /

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 958 (Weber Pierson) – As Amended June 15, 2026

**SENATE VOTE:** 37-0

**SUBJECT:** California Environmental Quality Act: environmental impacts: building height

**SUMMARY:** For purposes of the California Environmental Quality Act (CEQA), provides that building height is not a significant impact on the environment for specified non-industrial infill projects.

**EXISTING LAW:**

- 1) Requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Defines "environment" as the physical conditions that exist within the area which will be affected by a proposed project, including land, air, water, minerals, flora, fauna, noise, or objects of historic or aesthetic significance. (PRC 21060.5)
- 3) Defines "significant effect on the environment" as a substantial, or potentially substantial, adverse change in the environment. (PRC 21068)

**THIS BILL:**

- 1) Prohibits the environmental impacts of a project that are associated with increased building height alone, including air circulation, noise and light refraction or reflection, or the potential to attract wildlife, from being considered significant impacts on the environment if the project meets the following conditions:
  - a) The use and density of the project is otherwise analyzed in a certified EIR.
  - b) The project is on a previously graded infill site.
  - c) There are no sensitive biological resources physically present on the site.
  - d) The project is not an industrial use project.
  - e) Requires a project that is proposed to be constructed on a site that is greater than 40 acres that has an estimated construction valuation that exceeds \$100 million and that is subject to a project-specific EIR to create high-wage, highly-skilled jobs that pay prevailing wages and living wages, employ a skilled and trained workforce, and provide construction jobs and permanent jobs for Californians.

- f) Defines “jobs that pay prevailing wages” as construction workers employed in the execution of the project will receive at least the general prevailing rate of per diem wages for the type of work and geographic area, as determined by the Director of Industrial Relations.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

**COMMENTS:**

- 1) **Background.** This bill is intended to advance the Midway Rising project in the City of San Diego, notwithstanding adverse court decisions, most recently by the Fourth District Court of Appeal in 2025, regarding the City’s environmental review.

Midway Rising is a proposed development in the City of San Diego that covers 49 acres of City-owned land at the San Diego Sports Arena site in the Midway-Pacific Highway community (west of I-5 and south of I-8). The project is envisioned to include a 16,000-seat sports arena, 14 acres of parks and public space, a mixed-use entertainment, arts, and cultural district, and 4,250 housing units (2,000 of which will be affordable at 80% below area median income). The project is intended to replace an older stadium and associated parking lots.

The project is located within an area of San Diego that is subject to San Diego’s Coastal Height Limit Overlay Zone, which was established by the voters in 1972 and generally limits building heights to 30 feet west of I-5 to protect coastal views. In 2018, the City completed a program environmental impact report (PEIR) for the land use plans governing the area to enable development of the project. Because both the arena and several residential buildings exceeded the 30-foot height limit, the City submitted a ballot measure to voters in 2020 to raise the height limit for the project area. The City relied on the PEIR as the environmental analysis for the project. However, the Fourth District Court of Appeals invalidated that ballot measure because the PEIR did not consider potential environmental impacts of removing the height limit. While that appeal was pending, in 2022 the City prepared a supplemental environmental impact report (SEIR) and approved a second ballot measure to remove the height limit from the same area. The Fourth District also invalidated the second ballot measure for similar reasons. The Court noted:

The 2022 draft SEIR recognized removal of the Coastal Zone height limit was a changed circumstance from the 2018 PEIR. Yet, for almost every category of potential environmental impacts the initial study addressed, it said the PEIR adequately examined potential impacts because the project ‘would be limited to the [Midway Rising] area footprint and land use, density, and zoning analyzed in the 2018 PEIR.

The Court went on to identify a litany of impacts that could be related to building height that were not examined in the PEIR.

While the most immediate effect of this bill is to clear a path for the City to approve the Midway Rising project, the Fourth District’s findings regarding the City’s failure to analyze

the environmental impacts of building height have broader implications. Likewise, this bill has a broader effect.

This bill's exemption from consideration of impacts is strictly limited to building height, and only for projects that meet the bill's other conditions. For example, building design or features that may cause significant impacts independent of increased building height are not excluded from CEQA review by the bill. Also, the bill suggests that building height alone may be considered a significant impact for any project that does not meet the bill's several conditions.

**2) Author's statement:**

SB 958 is about providing clarity and certainty within the CEQA process while maintaining strong environmental protections. Recent court decisions have created confusion regarding how environmental impacts associated solely with increased building height should be analyzed, creating uncertainty for housing, mixed-use, and infill projects throughout California. This bill establishes a narrow and thoughtful clarification in state law to ensure that projects are evaluated based on meaningful environmental impacts rather than speculative claims tied only to height itself. As California continues to confront interconnected housing, climate, and affordability challenges, we must support well-planned infill development near jobs, transit, and existing infrastructure while preserving the integrity of CEQA's environmental review process. SB 958 strikes that balance and helps ensure that projects approved through robust public planning processes can move forward with greater predictability and transparency.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

San Diego Regional Chamber of Commerce

**Opposition**

Peninsula Community Planning Board

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /



Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 973 (Becker) – As Amended June 9, 2026

**SENATE VOTE:** 37-0

**SUBJECT:** Wildfire County Coordinator Program

**SUMMARY:** Codifies the Wildfire County Coordinator Program (County Coordinator Program) into state statute.

**EXISTING LAW:**

- 1) Establishes within the Office of the State Fire Marshal (OSFM) a Deputy Director Community Wildfire Preparedness and Mitigation to be responsible for fire preparedness and mitigation missions of the Department of Forestry and Fire Protection (CAL FIRE). (Public Resources Code (PRC) 4209)
- 2) Requires the OSFM to establish the Wildfire Mitigation Advisory Committee to provide a public forum to solicit and consider public input on programs and activities and to advise the Deputy Director in developing and implementing programs and activities. (PRC 4209.4)
- 3) Defines the California Wildfire Mitigation Program Joint Powers Authority (WMP JPA) as the agency or entity designated or created pursuant to a joint powers agreement between the Office of Emergency Services (CalOES) and CAL FIRE to develop and administer a comprehensive wildfire mitigation program. (Government Code 8654.2, 8654.4)
- 4) Establishes, pursuant to Executive Order No. B-52-18, a Forest Management Task Force, now known as the Wildfire and Forest Resilience Task Force (Task Force), involving specified state agencies to create the action plan for wildfire and forest resilience. (PRC 4005)
- 5) Requires the Task Force to develop a Wildfire and Forest Resilience Action Plan (Action Plan) as a strategy to integrate recommendations from existing state and federal plans that tackle various aspects of the state’s forest health and wildfire crisis. (PRC 4771)
- 6) Defines “Community Wildfire Protection Plan” as a plan for an at-risk community that (a) is developed within the context of the collaborative agreements and the guidance established by the Wildland Fire Leadership Council and agreed to by the applicable local government, local fire department, and state agency responsible for forest management, in consultation with interested parties and the federal land management agencies managing land in the vicinity of the at-risk community; (b) identifies and prioritizes areas for hazardous fuel reduction treatments and recommends the types and methods of treatment on federal and non-federal land that will protect one or more at-risk communities and essential infrastructure; and, (c) recommends measures to reduce structural ignitability throughout the at-risk community. (16 United States Code 6511(3))

**THIS BILL:**

- 1) Defines the California Fire Safe Council (CFSC) as the non-profit entity that supports communities across the state in wildfire preparedness and resiliency through grant funding, programmatic support, and technical assistance.
- 2) Requires CAL FIRE to do all of the following:
  - a) Establish recommended guidance for the use of available wildfire risk modeling and analysis tools by organizations, including but not limited to fire departments, local department units, local fire safe councils, resource conservation districts, tribal entities, counties, cities, special districts, communities, and mitigation practitioners, seeking to support the work of the County Coordinator Program, in consultation with the Risk Modeling Advisory Workgroup within CAL FIRE. Prohibits the guidance from applying to or affecting the regulation, or use of catastrophe or wildfire risk models used by insurers for ratemaking filings under Insurance Code Section 1861.05.
  - b) Develop guidance and tools to support county-level wildfire risk assessments, the identification of high-risk communities, prioritization of mitigation activities, and evaluation of quantifiable risk reduction outcomes;
  - c) Support the development, updating, or procurement of county-level wildfire risk assessments;
  - d) Maintain oversight authority for program implementation, performance, and alignment with Community Wildfire Protection Plans and CAL FIRE's Unit Fire Plans, and ensure, to the extent feasible, activities conducted align with those relevant fire agency plans and existing applicable state and local fire agency standards in order to avoid duplicative planning and reporting requirements, reduce administrative burden, and improve coordination; and,
  - e) In coordination with the Office of Land Use and Climate Innovation (LCI), develop guidance and templates for the creation or revision of county-level wildfire resilience prioritization and implementation plans, along with accompanying guidance for integrating these plans with county and local Community Wildfire Protection Plans, regional resilience plans, and related wildfire resilience programs.
- 3) Requires CAL FIRE to establish the County Coordinator Program and enter into an agreement with the CFSC to administer and deliver the County Coordinator Program.
- 4) Establishes that the purpose of the County Coordinator Program is to support county-level coordination of and capacity for wildfire mitigation, prevention, preparedness, and recovery activities, including, but not limited to, evacuation and resilience planning, data collection, public education and outreach, smoke mitigation, home hardening, defensible space, fuels reduction, and community-scale mitigation.
- 5) Requires the County Coordinator Program to do all of the following:

- a) Establish capacity in participating counties to plan and execute community- and county-level wildfire prevention, preparedness, mitigation, and recovery activities in support of the Action Plan;
- b) Support the use of the risk assessment tools and guidance to enhance county-level risk assessment, wildfire planning, and project prioritization, including the integration with Community Wildfire Protection Plans;
- c) Facilitate local coordination on priority wildfire resilience planning and implementation with federal, local, and regional wildfire resilience partners, including, but not limited to, fire departments, local department units, local fire safe councils, resource conservation districts, tribal entities, counties, cities, special districts, communities, and mitigation practitioners;
- d) Develop and disseminate educational materials and programming on wildfire and smoke mitigation and preparedness, including targeted outreach to high-risk communities and populations;
- e) Provide information on available local, state, and federal financial resources to support wildfire resilience planning and implementation;
- f) Support local capacity to access and implement state or federal wildfire resilience funding programs;
- g) Support the planning and implementation of home hardening, defensible space, and related mitigation activities, through activities such as the following:
  - i) Implementing cost-reduction strategies, standardized implementation practices, contractor or workforce development, and data collection to evaluate program effectiveness;
  - ii) Implementing strategies to lower the cost of home hardening and defensible space, including bulk-purchasing agreements, shared procurement, and other logistical efficiencies;
  - iii) Establishing clear guidelines, standardized scopes of work, and cost estimates for common retrofits; and,
  - iv) Identifying, training, and creating a centralized list of wildfire mitigation practitioners.
- h) Coordinate with the WMP JPA to improve access to and streamline financial assistance for home hardening and defensible space in high-risk communities;
- i) Support activities to increase community resilience to smoke, including, but not limited to, increasing community access to indoor clean air spaces, distribution of high efficiency particulate air filters, educational initiatives, and improved communication of planned prescribed burns. County coordinators may disseminate the latest information from air districts, public health departments, and other partners to support outreach and education efforts; and,

- j) Collect data on local mitigation and preparedness activities, including costs and quantifiable risk reduction outcomes.

**FISCAL EFFECT:** According to the Senate Appropriations Committee:

- LCI estimates one-time costs of \$870,000 spread over two years for two limited-term positions to develop the wildfire resilience guidance, templates, and implementation guidance as required by the bill.
- Unknown, but potentially significant ongoing costs (General Fund) for CAL FIRE to implement the provisions of this bill.
- Unknown, but potentially significant ongoing cost pressures (General Fund and other funds) to continue providing funding for home hardening certification and the County Coordinator Program after 2027.

**COMMENTS:**

1) **Author's statement:**

SB 973 establishes a statewide framework to strengthen community wildfire resilience by directing CAL FIRE to develop standardized wildfire risk assessment guidance and tools. This bill establishes in statute the Wildfire County Coordinator Program, which the CFSC has been successfully delivering in partnership with CAL FIRE since 2021 to increase county-level coordination of wildfire prevention, preparedness, mitigation, and recovery activities, by supporting a Country Coordinator position for each participating county. This bill expands the program to provide more tools and resources to the Coordinators and establishes a pathway to scale home hardening and defensible space activities through the program.

- 2) **California Fire Safe Council.** CFSC is a California non-profit organization established in 1993 as part of CAL FIRE to address the state's growing wildfire challenges. Over the years, CFSC moved out of CAL FIRE and became an independent non-profit organization, focusing on channeling federal, state, and private funds to support wildfire preparedness, mitigation, and resiliency across California.
- 3) **Task Force.** The Task Force was established in 2018 to develop a framework for establishing healthy and resilient forests that can withstand and adapt to wildfire, drought and a changing climate. The Task Force developed the Action Plan to integrate recommendations from existing state and federal plans that tackle various aspects of the state's forest health and wildfire crisis. The January 2021 Action Plan notes that CAL FIRE and other state agencies will increase their assistance programs and partnerships with local communities to reduce risk, improve preparedness, and foster resilience. While each community has a unique set of needs, values, risks, and capacities, CAL FIRE will develop a common framework to facilitate comprehensive local plans. State agencies have partnered with the CFSC, among others, to expand and integrate these efforts into creating fire-adapted communities.
- 4) **Wildfire County Coordinator Program.** Many counties have historically lacked the technical and administrative capacity to assess risk, prioritize projects, and implement

mitigation at scale. The County Coordinator Program was established in 2021 as a partnership between the CFSC and CAL FIRE to operationalize recommendations in the Action Plan at the county level. The purpose of the County Coordinator Program is to develop countywide community collaboration and coordination among wildfire mitigation groups and accelerate home hardening, defensible space implementation, and public education. The County Coordinator Program has provided funding to 52 of California's 58 counties to hire a County Coordinator and establish critical local capacity to plan and implement wildfire resilience strategies on the ground.

The 2025-2026 Budget Act of 2025 provided for a community hardening program at CAL FIRE that includes home hardening certification and a Wildfire County Coordinator Program, authorizing \$12.5 million dollars for it through 2027, and required the county coordinators to prioritize home hardening, defensible space, planning, and education for community-level wildfire mitigation efforts.

Since the County Coordinator Program's inception, county coordinators have secured more than \$104 million for local mitigation and preparedness projects; coordinated with more than 10,000 organizations to increase collaboration; and, established more than 100 new FireWise Communities and Fire Safe Councils.

A 2025 Program Evaluation Brief assessed early implementation of the County Coordinator Program and found CFSC's core statewide functions – grant administration, compliance support, technical assistance, convening and shared learning, and alignment/oversight – are in place and actively shaping county efforts.

- 5) **This bill.** In 2025, the Legislature assigned the California Earthquake Authority (CEA) the task of conducting a study and reporting on options to enhance natural catastrophe resiliency while meeting California's climate change and clean energy goals. The CEA's report, *Enhancing California's Resiliency to Natural Catastrophes: Senate Bill 254 (2025) Study Report*, released April 7, recommends the state support community mitigation planning and implementation through programs like the Wildfire County Coordinator Program to build local capacity for wildfire mitigation.

SB 973 codifies the existing County Coordinator Program in state law to build upon the existing County Coordinator Program infrastructure and create a long-term, sustainable mechanism for community-level execution of state strategy, tailored to meet local needs.

CFSC writes in support of this bill that through county coordinators, counties can effectively translate statewide wildfire resilience goals into coordinated, on-the-ground action aligned with regional landscape resilience efforts. By placing the County Coordinator Program into statute, SB 973 ensures stability, accountability, and long-term impact—while requiring no new appropriation to support this program this year beyond existing funding.

- 6) **Double referral.** This bill is also referred to the Assembly Emergency Management Committee.

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

40 Acres Fire Safe Council  
 Alpine Viejas Fire Safe Council  
 American Property Casualty Insurance Association  
 Butte County Fire Safe Council  
 California Building Industry Association  
 California Fire Safe Council  
 California Forward  
 California State Association of Counties  
 Colusa County Resource Conservation District  
 Community Wildfire Planning Center  
 County of Kern  
 County of Mendocino  
 County of Mono  
 County of Monterey  
 County of Nevada  
 County of Sacramento  
 County of Sacramento Board of Supervisors  
 County of San Luis Obispo  
 County of San Luis Obispo Board of Supervisors  
 County of Trinity  
 Del Mar Mesa Fire Safe Council  
 Del Norte Fire Safe Council  
 Diablo Firesafe Council Executive Committee  
 Elevate California  
 Escondido Fire Safe Council  
 Eucalyptus Hills Landowner's Association  
 Fire Safe Council of San Diego County  
 Fire Safe Council of Siskiyou County  
 Fire Safe Marin  
 Firegeneration Collaborative  
 Firewerx  
 IBHS - Insurance Institute for Business & Home Safety  
 Insurance Commissioner Ricardo Lara / California Department of Insurance  
 Inyo County Board of Supervisors  
 Irvine Ranch Conservancy  
 Kern Fire Safe Council  
 Lassen Fire Safe Council  
 Mariposa Fire Safe Council  
 Mattole Restoration Council  
 Megafire Action  
 Mendocino County Fire Safe Council  
 Mercury Insurance  
 Midpeninsula Regional Open Space District  
 Modoc Fire Safe Council  
 National Association of Mutual Insurance Companies  
 Neighborhood Partnership Housing Services, INC.  
 Net-zero California  
 Nevada County Board of Supervisors  
 Ojai Valley Fire Safe Council  
 Orange County Fire Authority  
 Pacific Association of Domestic Insurance Companies  
 Pacific Forest Trust  
 Pacific Gas and Electric Company  
 Palomar Mountain Fire Safe Council  
 Personal Insurance Federation of California  
 Resource Conservation District of Tehama County  
 Rural County Representatives of California  
 Safe Community Project  
 San Bernardino County  
 Santa Barbara County Fire Safe Council  
 Santa Clara County Firesafe Council  
 Sierra Business Council  
 Southern Humboldt Fire Safe Council  
 Sunnyslope Firewise Committee  
 The Nature Conservancy  
 Town of Mammoth Lakes  
 Trinity County Resource Conservation District  
 Tulare County Board of Supervisors  
 United Policyholders  
 University City Fire Safe Council  
 Ventura Regional Fire Safe Council  
 Via Crest Fire Safe Council of San Diego County  
 Yolo County Resource Conservation District

**Opposition**

None on file

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /



Date of Hearing: June 22, 2026

**ASSEMBLY COMMITTEE ON NATURAL RESOURCES**

Isaac G. Bryan, Chair

SB 1031 (Blakespear) – As Amended May 14, 2026

**SENATE VOTE:** 30-9

**SUBJECT:** Solid waste: compostable products

**SUMMARY:** Establishes labeling requirements for compostable plastics.

**EXISTING LAW:**

- 1) Until January 1, 2026, prohibits the sale or offering for sale of a product that is labeled with the term “compostable” or “home compostable” unless the product meets specified standards. (Public Resources Code (PRC) 42357)
- 2) On and after January 1, 2026, prohibits a product from being labeled “compostable” or “home compostable” unless it satisfies all of the following:
  - a) Is an allowable agricultural input under the requirements of the United States Department of Agriculture (USDA) National Organic Program (NOP);
  - b) Does not have a total organic fluorine concentration of greater than 100 parts per million, as specified;
  - c) Is labeled in a manner that distinguishes the product from a noncompostable product upon reasonable inspection by consumers and to help enable efficient processing by solid waste facilities; and,
  - d) Is designed to be associated with the recovery of desirable organic waste. (PRC 42357)
- 3) Authorizes the Department of Resources Recycling and Recovery (CalRecycle) to grant an extension for up to five years to the requirement that compostable products be an allowable organic input under the requirements of the NOP if the product has, or will soon be, included as allowed on the National List of Allowed and Prohibited Substances or the product or substance has, or will soon be, included as an allowable organic input for compost. (PRC 42357)
- 4) Requires compostable bags, as specified, to be readily and easily identifiable from other plastic bags in a manner that is consistent with the Federal Trade Commission (FTC) Guides for the Use of Environmental Marketing Claims (Green Guides), as specified. (PRC 42357.5)
- 5) Defines “ASTM standard specification” as either the ASTM standard specification for labeling of plastics designed to be aerobically composted in municipal or industrial facilities (D6400), as published in 2019 or the ASTM standard specification for labeling of end items that incorporate plastics and polymers as coatings or additives with paper and other substrates designed to be aerobically composted in municipal or industrial facilities (D6868), as published in 2019. (PRC 42356)

- 6) Defines “product” as including, but not limited to, a consumer product; a package or packaging component; a bag, sack, wrap, or other thin plastic sheet film product; and, a food or beverage container or container component. (PRC 42356)
- 7) Requires CalRecycle to review the ASTM standards specified in PRC 42356 if they are revised, and, if the new standard is more stringent and more protective of public health, public safety, and the environment, to adopt the new standard, as specified. (PRC 42356.1)
- 8) Authorizes CalRecycle to adopt an existing standard other than the prescribed ASTM standard specifications if the standard meets specified requirements. (PRC 42356.2)
- 9) Requires CalRecycle to adopt regulations to establish a process and develop criteria for determining the types of food service packaging that are reusable, recyclable, or compostable. (PRC 42370.2)

**THIS BILL:**

- 1) Revises the labeling requirement for compostable products to specify that the labeling distinguishes the product from noncompostable products upon reasonable inspection by consumers and solid waste processing facilities during receiving and processing.
- 2) Allows the sale or offering for sale of products labeled “compostable” or “home compostable” if the plastic product meets specified ASTM standard specifications and is labeled in a manner that meets the following:
  - a) The product is uniformly green and is labeled with the word “compostable” on the side of the product, with the lettering being at least one inch in height; or,
  - b) The product displays the word “compostable” on both sides of the product and the label has either green colored lettering at least one inch in height or has lettering at least one-half inch in height with a contrasting green band that is at least one inch in height.
- 3) Requires the Office of Environmental Health Hazard Assessment (OEHHA) to conduct a study evaluating the health effects of degraded compostable plastics and their additives to evaluate toxicity characteristics and levels of compostable plastics that are not anticipated to cause or contribute to adverse health effects, or to identify data gaps that would need to be addressed to establish those levels. Requires OEHHA to provide biennial status updates that may contain a compilation of findings from the study into a report and post the final report on its website.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, OEHHA estimates one-time costs of about \$1 million and ongoing costs of at least \$625,000 annually (General Fund) to manage and implement the study required by this bill, including study design, contract oversight, interagency coordination, evaluation of findings, and preparation of biennial updates and the final report. OEHHA notes that ongoing contract funding is needed because the health effects of compostable plastics are an emerging issue with a sustained project timeframe. Ongoing contracting dollars would support sampling and assessment as research on compostable plastics evolves.

**COMMENTS:**

- 1) **Organic waste recycling.** Nearly 40 million tons of waste are disposed of in California's landfills annually. Nearly half of those materials are organics (~48%). Organic waste includes food, yard, paper, and other organic materials. As that material decomposes in landfills, it generates significant amounts of methane, a potent greenhouse gas (GHG) with 84 times the climate impact as carbon dioxide. The Air Resources Board (ARB) states that about 20% of methane emissions in California comes from landfills.

SB 1383 (Lara), Chapter 395, Statutes of 2016, requires ARB to approve and implement a comprehensive short-lived climate pollutant (SLCP) strategy to achieve, from 2013 levels, a 40% reduction in methane, a 40% reduction in hydrofluorocarbon gases, and a 50% reduction in anthropogenic black carbon, by 2030. In order to accomplish these goals, the law specifies that the methane emission reduction goals include targets to reduce the landfill disposal of organic waste, including food, 50% by 2020 and 75% by 2025 from the 2014 level. SB 1383 also requires that 20% of edible food that would otherwise be sent to landfills is redirected to feed people by 2025.

To achieve this, California's waste management infrastructure is going to have to process and recycle much greater quantities of organic materials, involving significant investments in additional processing infrastructure. Organic waste is primarily recycled by composting the material, which generates compost that can be used in gardening and agriculture as a soil amendment and engineering purposes for things like slope stabilization. Composting operations in California range from large-scale commercial operations to onsite agricultural composting activities to backyards. Anaerobic digestion is also widely used to recycle organic wastes. This technology uses bacteria to break down the material in the absence of oxygen and produces biogas, which can be used as fuel, and digestate, which can also be used as a soil amendment. Tree trimmings and prunings can also be chipped or mulched and applied to agricultural land for beneficial use, known as land application.

- 2) **Determining compostability.** Compostable plastics are plastics that are designed to decompose under certain conditions. They can be fossil-fuel based or based on various "bio" materials, but essentially all compostable plastics include some amount of synthetic additives or include some percentage of fossil-based polymers. Prior to the state adopting standards in 2004, plastic with misleading claims of biodegradability and compostability were widely marketed to consumers, even though the material did not break down as claimed. Compostable materials are generally not recyclable and are instead a contaminant when mixed with recyclable plastic waste. Since 2004, the Legislature has enacted numerous bills that attempt to prevent misleading environmental marketing claims and ensure that the materials we use can be properly managed, including banning the use of terms like "biodegradable" for plastic products and requiring plastics labeled "compostable" to meet widely accepted standards for compostability.

ASTM is an international standards organization that develops and publishes consensus-based technical standards. ASTM standards include two for compostable plastics. For plastics designed to be composted in industrial compost facilities (D6400) and for paper and other products coated in plastic or other polymers designed to be composted in industrial compost facilities (D6868). The standards are intended to provide consistency and clarity for consumers and producers who want to ensure that their products are compostable; however,

the standards are imperfect. Composting technology has advanced significantly since their adoption, and material is processed more quickly, so many compostable items, like utensils, often have to be removed from the finished compost and landfilled. Composting is designed to manage organic waste, like yard clippings and leaves, and is not an ideal management option for plastic waste.

In recognition of the issues with the current ASTM standards, SB 1335 (Allen), Chapter 610, Statutes of 2018, which establishes reuse, recycling, and compost requirements for food packaging used in state facilities, also required CalRecycle to adopt regulations to create standards for those terms. For composability, CalRecycle regulations require that the packaging must meet the ASTM standards D6400-19 or D6868-19, demonstrate 90% biodegradation within 60 days, and comply with related statutory requirements to be labeled “compostable” in the state.

Pursuant to AB 1201 (Ting), Chapter 504, Statutes of 2021, the sale of offering for sale any product in the state that is labeled “compostable” or “home compostable” is prohibited unless it meets specified requirements, including that, beginning January 1, 2026, the product is an allowable organic input under the NOP. This law additionally granted the director of CalRecycle the authority to issue an extension on this requirement for up to five years if the director determines that the product or substance is, or will soon be, an allowable organic input for compost. Last year, industry groups representing the compostable plastics industry requested that CalRecycle issue such an extension, which was granted by the director until June 30, 2027.

- 3) **SB 54.** SB 54 (Allen), Chapter 75, Statutes of 2022, requires the development of a circular economy program for packaging and plastic foodware in the state. The law requires that producers meet ambitious recycling, composting, and source reduction targets through the creation of a producer responsibility organization, and to achieve specified source reduction requirements for plastic covered materials. The recycling and compostability requirements increase from 30% by 2028 to 65% by 2032, and source reduction requirements increase from 10% by 2027 to 25% by 2032.

Under SB 54, plastic producers are responsible for ensuring there is a “responsible end market” for their recycled plastic products to ensure that the plastic is used in a new product and is not taken to a landfill, sold internationally, or downcycled. However, plastic producers are not responsible for finding an end market for compostable alternatives. Therefore, even if compostable packaging is landfill bound, plastic producers can still meet their SB 54 requirements even though compostable plastics do not currently have a responsible end market. This means that single-use plastic products made from compostable plastics could be in compliance with the letter of SB 54 without meeting the spirit of the law.

- 4) **Federal standards.** Unfair or deceptive acts or practices in or affecting commerce are illegal under federal law. The Federal Trade Commission (FTC) publishes the Green Guides to explain how the law applies to environmental labeling, advertising, and marketing, including the use of labels such as "degradable," "biodegradable," or "compostable."

The USDA’s NOP requirements prohibit compostable plastic as a feedstock for compost that can be used on organic crops. In 2023, the Biodegradable Products Institute petitioned to revise the regulations to allow their use under the NOP. After a multi-year review of the

petition and the associated science, the National Organics Standards Board unanimously rejected the petition in January of this year, finding that “synthetic compostable materials” do not meet necessity, environmental and human health, and sustainable agriculture criteria for the inclusion. However, the action did leave the possibility open for future consideration of individual materials for narrowly-defined uses (e.g., collection bags, produce stickers, etc.).

- 5) **Where do they go?** Consumers should have confidence that the items they sort into their compost and recycling bins are composted or recycled. However, few composters in the state accept compostable plastics for composting. Instead, these items are generally screened out and landfilled to avoid contaminating the finished compost. When items labeled compostable end up in the recycling bin, they act as a contaminant in the recycling system and are also landfilled.
- 6) **Markets.** As noted above, the state generates massive quantities of organic waste, of which a substantial portion is managed by the state’s composters. The compost they produce is widely used in agriculture, landscaping, and other beneficial uses, but because of the quantities of organic waste that need to be managed, supply outpaces demand. The state’s composters actively pursue markets, and many local organics programs give away the finished compost for free to the communities they serve. For this reason, composters have an incentive to produce high-quality compost that is marketable to the state’s vibrant agricultural industry, which uses approximately two-thirds of the state’s compost. In order to do this, many composters work to maintain their organic eligibility. Even for those composters that don’t produce organic compost, compostable plastic items that end up in feedstock are often indistinguishable from conventional plastic. Rather than trying to sort compostable plastic from conventional plastic, most composters simply screen out all plastic prior to composting to avoid plastic contamination in the finished product.

According to the California Farm Bureau, compost is used as a soil conditioner, “sustainably improving the physical, chemical, and biological health of the soil, which leads to stronger crops and higher yields.” Compost reduces the need for synthetic fertilizers and both reduces water use and improves water retention in the soil. Farmers rely on the NOP label to ensure “quality and purity” of the compost they purchase. According to the Marin Carbon Project, the use of compost is a “triple win.” It increases carbon sequestration in the soil, mitigates emissions, and enhances the land’s resilience to extreme weather, such as flooding and drought.

- 7) **This bill.** This bill is intended to make compostable plastics easier to identify by waste processors, both recyclers and composters. Given the challenges associated with the management of compostable plastics and the lack of markets for nonorganic compost, it is not clear that increased labeling standards are necessary, or even beneficial. This provision is also in conflict with AB 1812 (Aguiar-Curry), which prohibits the sale of plastic products labeled compostable in the state.

This bill also requires OEHHA to study the health impacts of compostable plastics. There is very little information available about how compostable plastics behave in real-world compost operations, and even less on their potential health impacts. Having additional information about the health impacts would be helpful when establishing future state policies regarding their use.

Should this bill move forward, the author should coordinate with stakeholders, the relevant committees, and the author of AB 1812 to ensure that the bills are complimentary and do not undermine the goals of SB 1383 and SB 54.

**8) Author's statement:**

While compostable materials are often promoted as a sustainable alternative to conventional plastics, in practice they are frequently indistinguishable from traditional plastics, creating confusion for consumers and contamination challenges for composting facilities. As a result, many composters do not process them, undermining California's circular economy goals. To address this problem, SB 1031 establishes labeling requirements to ensure compostable products are clearly identifiable and reinforces product safety standards. The bill also directs the Office of Environmental Health Hazard Assessment (OEHHA) to study the breakdown, toxicity, and environmental public health impacts of compostable plastics.

- 9) **Related legislation.** AB 1812 (Aguiar-Curry) would prohibit a person from selling a product in California labeled "compostable" that is wholly or partially made of plastic. This bill has been referred to the Senate Environmental Quality Committee.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

350 Humboldt Grass Roots Climate Action  
A Voice for Choice Advocacy  
Climate Action California  
Stopwaste

**Opposition**

California Manufacturers and Technology Association

**Analysis Prepared by:** Elizabeth MacMillan / NAT. RES. /

Date of Hearing: June 22, 2026

**ASSEMBLY COMMITTEE ON NATURAL RESOURCES**

Isaac G. Bryan, Chair

SB 1079 (Stern) – As Amended April 28, 2026

**SENATE VOTE:** 33-0

**SUBJECT:** Department of Forestry and Fire Protection: Fire Innovation Unit

**SUMMARY:** Establishes the Fire Innovation Unit (FIU) in the Department of Forestry and Fire Protection (CAL FIRE), under the direction of a Deputy Director of Wildfire Innovation.

**EXISTING LAW:**

- 1) Requires the Office of Emergency Services (CalOES) and CAL FIRE to jointly establish the Wildfire Forecast and Threat Intelligence Integration Center to collect, assess, and analyze threat indicators that could lead to catastrophic wildfires, reduce the likelihood and severity of wildfire incidents, and develop and share intelligence products related to wildfires. (Government Code (GC) 8586.7)
- 2) Establishes the Office of Wildfire Technology Research and Development (Office) within CAL FIRE to study, test, and advise regarding procurement of emerging technologies and tools in order to more effectively prevent and suppress wildfires within the state. The office shall serve as the central organizing hub for the state government's identification of emerging wildfire technologies. Sunsets the Office on January 1, 2029. (GC 8586.8)

**THIS BILL:**

- 1) Establishes within CAL FIRE a FIU to serve as CAL FIRE's innovation arm and as the state's principal hub for wildfire technology research, coordination, procurement, and deployment for technologies that improve ecosystem and landscape scale resilience, community risk reduction, ignition reduction, early detection, fast fire suppression, and decision support tools.
- 2) Requires the FIU to consist of the existing Office, two new programs created by the bill: the Innovation, Outreach, and Coordination Program (IOCP) and the Rapid Acquisition and Deployment Program (RADP).
- 3) Requires the Office to do all of the following:
  - a) Perform scientific and technical evaluations of emerging wildfire technologies;
  - b) Conduct and participate in laboratory and field tests of wildfire technologies within CAL FIRE and in partnership with local, state, tribal, federal, and international fire agencies;
  - c) Document operational and technical results of laboratory, field, and operational evaluations of wildfire technologies; and,
  - d) Issue recommendations on wildfire technologies regarding adoption and performance standards.

- 4) Requires the IOCP to do all of the following:
  - a) Coordinate with end users across local, state, tribal, federal, and international fire agencies;
  - b) Identify innovation gaps;
  - c) Serve as a liaison between technologists and frontline personnel;
  - d) Oversee collaborative development efforts between CAL FIRE and technology developers;
  - e) Implement the Wildfire Innovation Grant Program established by this bill;
  - f) Collaborate with public and private educational and research institutions;
  - g) Coordinate demonstration events in established testbeds;
  - h) Provide the requisite firefighting expertise necessary for field trials in operational environments; and,
  - i) Facilitate information sharing with local fire agencies and relevant state agencies, including CalOES, regarding wildfire technologies evaluated, piloted, or deployed through the FIU.
- 5) Authorizes the RADP to do all of the following:
  - a) Pilot and scale wildfire technologies through use of flexible contracting authorities pursuant to this bill;
  - b) Manage the Wildfire Innovation Grant Program;
  - c) Enter into agreements with local governments, state and federal agencies, tribes, nonprofit and philanthropic organizations, utilities, public and private educational institutions, and private companies; and,
  - d) Ensure that all projects carried out include clear objectives, performance metrics, and audit provisions.
- 6) Authorizes the FIU to enter into memoranda of understanding, cooperative research and development agreements, contracts, and grant agreements with public agencies, private sector entities, nonprofit organizations, educational and research institutions, tribal governments, and philanthropic partners.
- 7) Authorized the FIU to consult with and invite participation from relevant state agencies, including CalOES, for technologies under evaluation that may support the state agencies' operational missions or impact cross-agency technology integration.
- 8) Authorizes the FIU to establish and administer a Wildfire Innovation Grant Program and authorizes the FIU to issue solicitations, conduct a merit-based award process, and oversee

grant performance. Requires the grant program to fund early-stage, mature, or dual-use technology projects that enhance wildfire readiness, mitigation, or response.

- 9) Provides that eligible entities include, but are not limited to, local, state, and federal agencies, tribal entities, nonprofit organizations, public and private academic and research institutions, and private sector technology developers.
- 10) Requires the FIU, to the extent practicable, encourage projects that evaluate technologies across diverse operational environments and geographical conditions within the state to assess performance under varying terrain, fuel types, and weather conditions.
- 11) Requires all grants awarded pursuant to the Wildfire Innovation Grant Program to align with statewide wildfire resilience goals and include clear metrics for success that are informed by end-user input.
- 12) Authorizes the FIU to administer or monitor pilot, prototype, or demonstration projects involving public agencies, private technology companies, nonprofit organizations, educational institutions, tribal governments, and philanthropic partners to evaluate, mature, and validate wildfire-related technologies.
- 13) Requires the FIU, if it administers or monitors a pilot, prototype, or demonstration project, to consider if the wildfire-related technology meets the criteria for formal validation.
- 14) Authorizes the FIU to award a technology vendor that completes an FIU-administered or FIU-monitored pilot, prototype, or demonstration project and receives a formal validation a follow-on contract for operational fielding without a separate competitive solicitation process, if the scope of the follow-on contract is substantially similar to the wildfire-related technology that received a formal validation.
- 15) Defines “substantially similar” to mean that the follow-on award is limited to the same use case, operational context, and performance characteristics that were evaluated during the pilot, prototype, or demonstration project.
- 16) Authorizes the FIU to use flexible contracting authorities to acquire proven technologies for pilot, prototype, and demonstration projects and to award follow-on contracts to support pilot-to-scale transitions.
- 17) Authorizes the FIU to collaborate with public and private educational and research institutions on wildfire technology and innovation.
- 18) Authorizes the FIU to enter into partnerships, memoranda of understanding, or cooperative research agreements with the University of California, the California State University, community colleges, independent nonprofit institutions of higher education, and other accredited research centers to support wildfire technology and innovation.
- 19) Authorizes the FIU to provide technical expertise, operational data, field testing environments, and appropriate funding to ensure the technologies developed in the collaborations are transitioned into wildfire operations.

- 20) Authorizes the FIU to establish testbeds to test or evaluate emerging technologies. Requires the FIU to establish or designate testbeds where technologies can be safely deployed and evaluated under real-world conditions.
- 21) Authorizes the FIU to provide technical assistance to local, state, tribal, federal, and international fire agencies to facilitate deployment of wildfire-related technologies.
- 22) Authorizes the FIU to maintain a publicly available resource, including, but not limited to, an information bulletin, to provide visibility into technologies evaluated, piloted, or deployed.
- 23) Authorizes the FIU to provide opportunities to participate in demonstrations, pilot programs, and field testing.
- 24) Requires the FIU, if it provides opportunities for participation, to seek operational feedback from participating local, state, tribal, federal, and international fire agencies, and where appropriate, state agencies.
- 25) Provides that participation by a private entity in any FIU-authorized pilot, prototype, testing, demonstration, or research activity does not by itself constitute a conflict of interest, create an unfair competitive advantage, be considered a gift of public funds, or disqualify the private entity from any simultaneous or subsequent procurement, solicitation, or contracting opportunity with the state or a local agency.
- 26) Requires information, data, or predecisional materials exchanged during activities conducted to be treated as nonprocurement sensitive and not to be used as a basis to exclude or disadvantage any participant in future competitive procurement.
- 27) Requires, on or before January 1, 2028, and annually thereafter, CAL FIRE to submit to the Governor and the appropriate fiscal and policy committees of the Legislature a report summarizing all of the following information:
  - a) Technologies and projects evaluated, tested, or deployed under the FIU;
  - b) Results and findings regarding cost-effectiveness and operational performance of the FIU; and,
  - c) Partnerships and funding sources leveraged to support innovation activities.
- 28) Requires the director to implement this bill only upon an appropriation by the Legislature for its purposes in the annual Budget Act or another statute.
- 29) Authorizes CAL FIRE to reorganize existing positions and resources to fulfill the purposes of this bill.
- 30) Sunsets the provisions of this bill on January 1, 2033.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, while the bill's provisions would be contingent upon an appropriation, it could result in General Fund cost pressures in the hundreds of thousands of dollars each year for CAL FIRE to administer the FIU. There could be additional costs that are likely to be significant, to the extent that the FIU elects to implement the Wildfire Innovation Grant Program as authorized by the bill. It specifies that

the program shall fund early-stage, mature, or dual-use technology projects that enhance wildfire readiness, mitigation, or response. However, the bill does not specify the number or size of the grants to be awarded.

## COMMENTS:

### 1) **Author's statement:**

Last year, Angelenos experienced firsthand that California wildfires are becoming more destructive and deadlier with increasingly extreme weather. It is critical we prioritize programs with innovative technology and research to properly equip our emergency management personnel who keep our communities safer in the face of disaster. SB 1079 creates the FIU under CAL FIRE, giving California a formal mechanism to identify firefighter needs, source technologies, prototype solutions, and move successful technologies from pilot to scale. By establishing a robust and permanent unit to test and deploy new firefighting technology, protecting Californians from future megafire disasters becomes not just an aspiration, but a coordinated priority for the state.

### 2) **Wildfire risk mitigation.** Wildfires have been growing in size, duration, and destructivity over the past 20 years. Growing wildfire risk is due to accumulating fuels, a warming climate, and expanding development in the wildland urban interface. The Legislature has enacted various laws to mitigate the risk as the risk has exponentially increased.

In 2019, the Legislature enacted SB 209 (Dodd), Chapter 405, Statutes of 2019, to establish the state's Wildfire Forecast and Threat Intelligence Integration Center (Center), which requires CalOES and CAL FIRE to jointly establish a first-of-its-kind center focused on wildfire forecasting; wildfire risk, hazard, and threat assessments; fire weather and fire behavior; and, intelligence gathering, analysis, and dissemination. The Center maintains a statewide wildfire forecast and threat intelligence strategy to improve how wildfire threats are identified, understood, and shared in order to reduce threats to residents, businesses, and governments.

SB 109 (Dodd), Chapter 239, Statutes of 2021, established the Office as CAL FIRE's technical and research backbone. The Office evaluates potential solutions, conducts research and field testing alongside CAL FIRE's Innovation, Outreach & Coordination Unit, documents results, and provides recommendations for adoption.

AB 9 (Wood), Chapter 225, Statutes of 2021, created the Community Wildfire Preparedness and Mitigation Division within the Office of the State Fire Marshal. The deputy director is responsible for fire preparedness and mitigation missions of CAL FIRE, including oversight of the Fire Prevention Grants Program, defensible space requirements, the California wildfire mitigation financial assistance program, the establishment of fire hazard severity zones, consultation with the Office of Energy Infrastructure Safety regarding wildfire mitigation plans, general plan safety element review, wildland building code standards, and implementation of the minimum fire safety standards.

California has made meaningful progress in wildfire innovation over the past decade. New technologies are emerging to support early detection, rapid suppression, community risk reduction, ecosystem resilience, and ignition prevention. However, a group of fire risk

reduction groups including California Fire Safe Council, MegaFire Action, Napa Fire Wise, and others, note that the pathway from promising idea to proven pilot to scaled deployment remains fragmented and slow. Too often, innovative tools stall between demonstration and adoption — not because they lack value, but because there is no formal system to evaluate, integrate, and deploy them efficiently across the state’s wildfire agencies.

- 3) **Fire Innovation Unit.** The Office currently serves as a central hub in CAL FIRE for identifying emerging technologies, but functions primarily as an information-gathering channel rather than a structured pathway for testing, validating, procuring, and deploying solutions. Supporters state that SB 1079 “expands that foundation into a complete innovation pipeline, including pilots, demonstrations, testbeds, grant support, academic partnerships, and pathways for rapid operational adoption.”

CAL FIRE has an existing Fire Innovation Unit, which represents its unified effort to drive the development and deployment of next-generation wildfire technology and operational advancements. By partnering with philanthropic organizations and nonprofits, CAL FIRE has access to capital to fund the innovation pipeline without relying exclusively on state funds. This partnership effectively de-risks the early development of FIU capabilities while ensuring that scarce taxpayer resources are focused on testing, validating, and scaling technologies that meet real operational needs.

The Innovation, Outreach & Coordination (IOC) Unit engages directly with CAL FIRE programs, units, and regions to define operational needs and gather technical requirements. IOC staff work closely with partners to ensure that new technologies address true field challenges, leveraging operational experience to guide research and development efforts.

A January 2026 RAND Corporation report, *Accelerating Technological Innovation Across the U.S. Wildfire Management System*, concluded that the wildfire management system remains fragmented and lacks mechanisms to coordinate innovators, accelerators, and end users, recommending the creation of dedicated innovation structures to speed adoption of wildfire technologies.

This bill places CAL FIRE’s FIU and IOC programmatic structure in statute, creates a new RADP, and requires the IOC to implement a new Wildfire Innovation Grant Program.

- 4) **Staying on top of technological advancements.** The advancement of technology has been important for state and local agencies to improve their detection of and response to emergencies. As the Assembly and Senate Governmental Organization Committees have summarized, advances in various technologies are helping to better prepare communities for, and help first responders in identifying and battling wildfires including: the Santa Ana Wildfire Threat index, operated by the United States Forest Service, which uses advanced simulation models to forecast wildfire threats up to six days in advance for communities in Southern California; drones used to map routes for firefighters, and to identify small fires in thick smoke; temperature and humidity sensors to detect the presence of a fire, and infrared cameras used to detect hot spots; satellite imagery used to map the current position of wildfires and using that knowledge to model and forecast the future movements of a fire; and, AlertCalifornia, a state-focused program that manages a network of more than 1,200 monitoring cameras and sensor arrays and a new AI system that provides early wildfire

confirmation and actionable real-time data to quickly scale fire resources, helps evacuations through enhanced situational awareness, and monitors fire behavior.

With the advent of AI and the ever-present need to coordinate amongst state, federal, and local jurisdictions on emergency response, technology can improve our ability to detect the most minute changes in weather or temperature and respond faster and in a more coordinated fashion to prevent wildfire destruction and death.

The FIU will be authorized to establish testbeds to test or evaluate emerging technologies and provide technical expertise, operational data, field testing environments, and appropriate funding to ensure the technologies developed in the collaborations are transitioned into wildfire operations.

5) **Double referral.** This bill is also referred to the Assembly Emergency Management Committee.

6) **Related legislation:**

AB 441 (Hadwick) Extends the sunset on the Office to January 1, 2031. This bill is referred to the Senate Appropriations Committee.

SB 973 (Becker) directs CAL FIRE to implement specified wildfire risk and resilience related activities and formalizes CAL FIRE's partnership with the California Fire Safe Council to administer and deliver the Wildfire County Coordinator Program. This bill is referred to the Assembly Natural Resources Committee.

SB 326 (Becker, 2025) requires the deputy director of Community Wildfire Preparedness within CAL FIRE to prepare a Wildfire Risk Mitigation Planning Framework, a Wildfire Risk Baseline and Forecast (Forecast), and a Wildfire Mitigation Scenarios Report. Requires, contingent upon an appropriation, CAL FIRE to provide local assistance to local governments to achieve wildfire risk reduction consistent with the aforementioned plans, for defensible space inspections, and to facilitate compliance with forthcoming ember-resistant zone (known as zone o) regulations. This bill was vetoed.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

Calforests	Fire Districts Association of California
California Fire Chiefs Association	Firewerx
California Fire Safe Council	Megafire Action
California Forward	Muon Space
California Special Districts Association	Napa Communities Firewise Foundation
City of Moorpark	Net-zero California
Climate Resolve	Orange County Fire Authority
DAN Munsey, Fire Chief of the San Bernardino County Fire Protection District	Pacific Forest Trust
Del Norte Fire Safe Council	Rain
Fire Aside	Rockrose Risk
	Safe Community Project

San Bernardino County  
San Bernardino County Fire Protection  
District

Santa Clara Valley Habitat Agency  
Tahoe Fund; the

**Opposition**

None on file

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 1108 (Caballero) – As Amended April 7, 2026

**SENATE VOTE:** 37-1

**SUBJECT:** Grassland Ecological Area Conservancy

**SUMMARY:** Creates the Grassland Ecological Area Conservancy (Conservancy) as a state agency within the Natural Resources Agency (NRA).

**EXISTING LAW:**

- 1) Establishes the NRA, which oversees six state departments, 11 conservancies, 17 boards and commissions, 3 councils, and an urban park in Los Angeles that consists of two museums. (Government Code 12805)
- 2) Establishes 11 conservancies under NRA to oversee restoration projects, land acquisitions, and recreational opportunities, among other things, in their respective regional jurisdictions. (Public Resources Code (PRC) divisions 21-23.6)

**THIS BILL:**

- 1) Defines the following terms:
  - a) “Grassland Ecological Area” (GEA) as the portion of the County of Merced containing the Grasslands Wildlife Management Area, Grassland Water District, Grassland Resource Conservation District, Los Banos Wildlife Area, Volta Wildlife Area, Great Valley Grasslands State Park, San Luis National Wildlife Refuge, and Merced National Wildlife Refuge, designated on, and specifically set forth in, the map called “Grassland Ecological Area Conservancy,” dated \_\_\_\_ 2026, and placed on file with the Secretary of State (SOS).
  - b) “Grassland Focus Area” (GFA) as the area of land surrounding the GEA that is recognized as a buffer of agricultural and other working landscapes that are compatible with wetland habitats and functions, designated on, and specifically set forth in, the map called “Grassland Ecological Area Conservancy,” dated \_\_\_\_ 2026, and placed on file with the SOS.
- 2) Establishes the Conservancy as a state agency within NRA to fulfill all of the following purposes, working in collaboration and cooperation with local governments and interested parties:
  - a) Protect, conserve, and restore the physical, cultural, archaeological, historical, and living resources of the GEA and the GFA, including migratory birds on the Pacific Flyway and other wildlife;
  - b) Provide increased opportunities for tourism and recreation;

- c) Aid in the preservation of working landscapes;
  - d) Reduce the risk of natural disasters, such as wildfires;
  - e) Protect and improve water and air quality;
  - f) Assist the regional economy through the operation of the conservancy's efforts;
  - g) Identify the highest priority projects and initiatives for which funding is needed;
  - h) Undertake efforts to enhance public and educational use and enjoyment of lands owned by the public;
  - i) Support efforts that advance both environmental preservation and the economic well-being of the region's residents in a complementary manner; and,
  - j) Support efforts that advance climate resilience and equity.
- 3) Requires the Board of the Conservancy (Board) to consist of specified voting and nonvoting members; requires members of the Board to serve specified terms and receive specified compensation; specifies processes for conducting business of the Board; and, requires the Board to adhere to the requirements of the Bagley-Keene Open Meeting Act.
  - 4) Establishes the Conservancy's jurisdiction as being limited to the GEA and the GFA.
  - 5) Requires the Conservancy to carry out projects and activities throughout the GEA and the GFA.
  - 6) Authorizes the Conservancy to make grants or loans to specified entities in order to carry out the purposes of the Conservancy, including grants or loans provided to acquire an interest in real property. Requires grant or loan funds to be disbursed only after the recipient entity has entered into an agreement with the Conservancy.
  - 7) Authorizes the Conservancy to acquire an interest in real property. Authorizes the Conservancy to lease, rent, sell, exchange, or otherwise transfer an interest, option, or contractual right in real property, subject to terms and conditions. Prohibits the Conservancy from exercising the power of eminent domain.
  - 8) Authorizes the Conservancy to improve, restore, or enhance lands for the purpose of protecting wildlife habitat, conserving natural resources, improving public access or enjoyment of public lands, or otherwise meeting the specified objectives, and may carry out the planning and design of those improvements or measures.
  - 9) Authorizes the Conservancy to enter into agreements with public agencies, nonprofit organizations, or private entities for the construction, management, or maintenance of facilities authorized by the Conservancy.

- 10) Deposits all proceeds from a lease, rental, sale, exchange, or transfer of an interest or option in real property, and all other income, in the Grassland Ecological Area Conservancy Fund (Fund) in the State Treasury. Requires monies in the Fund to be available, upon appropriation by the Legislature, only for the purposes of this bill.
- 11) Requires the Conservancy to cooperate and consult with the city or county where a grant is proposed or an interest in real property is proposed to be acquired, and, as necessary or appropriate, coordinate its efforts with other state agencies, in cooperation with the Secretary of NRA.
- 12) States that the Conservancy does not have the powers of a city or county to regulate land use; authority to regulate activities on land, except as the owner of an interest in land or pursuant to an agreement with, or a license or grant of management authority from, the owner of an interest in land; or, authority over water rights held by others.
- 13) Requires, beginning January 1, 2028, the Conservancy to submit an annual report to the Legislature and the Secretary of NRA regarding the activities of the conservancy, including expenditures, land management costs, and administrative costs.
- 14) Requires, if the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs to be made.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, NRA estimates ongoing costs of \$2 million annually (Fund) for the establishment and operation of the new Conservancy. Additionally, the bill would result in unknown but potentially significant ongoing cost pressures (bond funds or other funds) to provide additional funding for projects, land acquisitions, maintenance, and other activities that occur as a result of establishing a new conservancy.

**COMMENTS:**

- 1) **State conservancies.** There are currently 11 independent conservancies under NRA that are charged with the protection and preservation of the lands within their statutorily specified jurisdictions. The conservancies also work to provide recreational opportunities, facilitate climate adaptation, connect people to the regional landscapes, and bring state investments to the region for the aforementioned purposes. The current conservancies include:
  - Coastal Conservancy – established in 1976
  - Santa Monica Mountains Conservancy (SMMC) – established in 1980
  - Tahoe Conservancy – established in 1985
  - Coachella Valley Mountains Conservancy – established in 1991
  - San Joaquin River Conservancy – established in 1992
  - San Diego River Conservancy – established in 2003
  - Sacramento-San Joaquin Delta Conservancy – established in 2010
  - San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy – established in 1999
  - Baldwin Hills and Urban Watersheds Conservancy – established in 2000

- Sierra Nevada Conservancy – established in 2004
- Salton Sea Conservancy – established in 2024

All conservancies have a governing board, mission statement, geographic territory, and stipulated powers, duties, and limitations.

Existing law also establishes the Wildlife Conservation Board (WCB) in the Department of Fish and Wildlife to provide a single and coordinated program for the acquisition of lands and facilities suitable for recreational purposes, and adaptable for conservation, propagation, and use of the fish and game resources of the state. The state's conservancies collaborate with the WCB to provide conservation and restoration programs and funding for the entire state.

2) **Grassland Ecological Area.** The GEA is designated on, and specifically set forth in, the map called "Grassland Ecological Area Conservancy." The area includes:

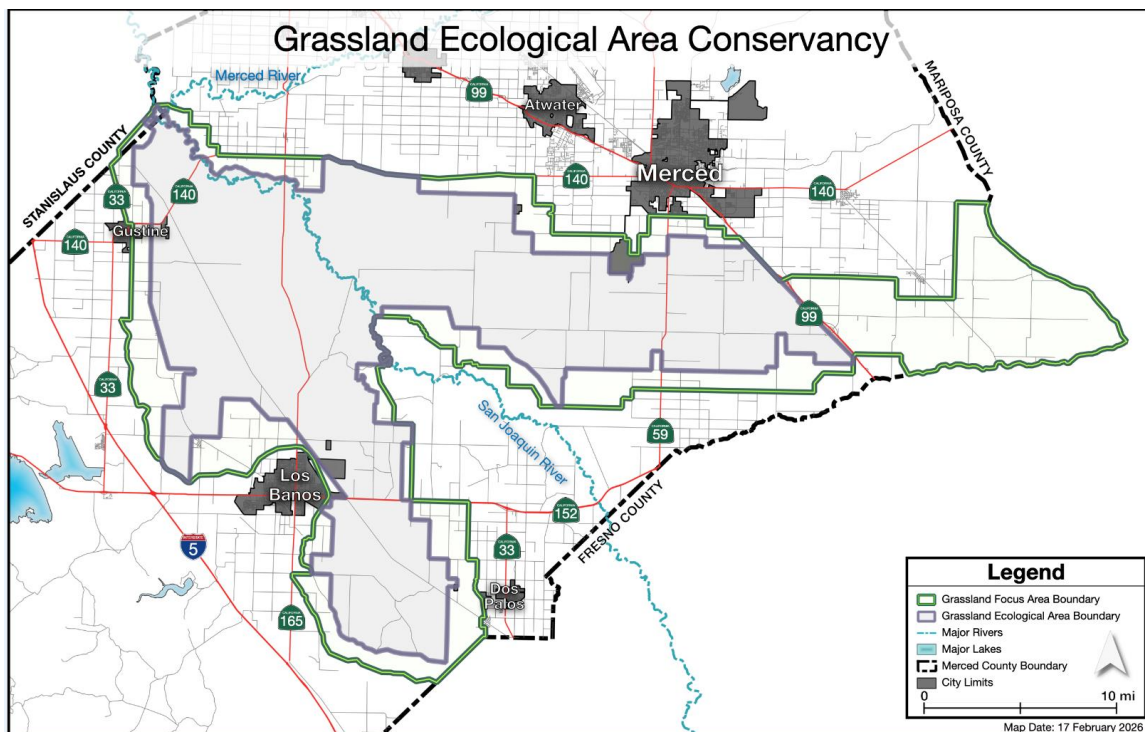
- Great Valley Grasslands State Park, which lies 25 miles west of Merced and is part of the larger GEA of federal, state, and private lands all managed for wildlife values.
- San Luis National Wildlife Refuge in Merced County, which encompasses more than 26,800 acres of wetlands, riparian woodlands, native grasslands, and vernal pools.
- Merced National Wildlife Refuge in Merced County, which encompasses more than 10,200 acres of wetlands, native grasslands, vernal pools, and riparian areas.
- Los Banos Wildlife Area, which is approximately 6,200 acres in Merced County.
- Volta Wildlife Area, which covers 3,800 acres of managed marsh and valley alkali shrub in the San Joaqui Valley near Los Banos.
- The Grasslands Wildlife Management Area (WMA) was established in 1979 and is located in western Merced County within the San Joaquin River basin. The WMA consists of 94,576 acres of perpetual conservation easements on private lands. Of this total acreage, 11,150 acres of service-owned fee-title land are managed as part of the San Luis National Wildlife Refuge, and 4,497 acres are managed as part of the Merced National Wildlife Refuge.

The GEA represents the largest remaining contiguous block of wetlands in California. Several rare and endangered plant and animal species inhabit the park, including alkali sacaton, a native bunch grass, and the Delta button celery, a state listed endangered species found in the flood plain of the San Joaquin River. Biologists have also reported the California Tiger Salamander and endangered vernal pool fairy shrimp and tadpole shrimp.

The WMA consists mostly of individual private lands and as these lands are privately-held; there is no public access onto them. Most of the lands that comprise the WMA consist of private waterfowl hunting clubs, as well as wildlife-friendly agricultural lands. Habitat management activities on hunting clubs--primarily intensive moist soil management within wetland basins--are conducted by the private landowners.

The GEA is an internationally recognized wildlife and wetland habitat area that hosts millions of migratory birds, supports threatened and endangered plants and wildlife, and provides one of the last remaining undeveloped corridors for wildlife movement across the San Joaquin Valley. The area is recognized under international treaty, federal law, local land use plans, and by conservation groups, but it does not have any state designation.

- 3) **This bill.** SB 1108 creates a new Conservancy within NRA with a nine-member appointed board to represent state and local interests. The Conservancy will have the ability to receive and distribute funding, partner with landowners, and acquire, protect, and enhance property for the purposes of protecting, conserving, and restoring the GEA and the surrounding GFA. (Map below of proposed Conservancy jurisdiction provided by the author's office.)



Two of the 11 current conservancies have maps on file with the SOS to designate their jurisdiction (SMMC (PRC 33105.5) and Coachella Valley (PRC 33502)); the rest of the conservancies have their jurisdictions described in geographic detail in their governing statutes.

All of the designated areas that make up the GEA -- the Grasslands Wildlife Management Area, Grassland Water District, Grassland Resource Conservation District, Los Banos Wildlife Area, Volta Wildlife Area, Great Valley Grasslands State Park, San Luis National Wildlife Refuge, and Merced National Wildlife Refuge – have legally mapped perimeters, but the author notes that the complete GEA could include additional lands beyond those boundaries. SB 1108 defines the GEA and GFA based on respective maps that have yet to be filed with the SOS. In lieu of designating those boundaries with a yet-to-be-filed map, the author is working on a definition based on the detailed geography of the above map to amend into the bill in the next policy committee.

- 4) **Double referral.** This bill is also referred to the Assembly Water, Parks & Wildlife Committee.

**5) Author's statement:**

The GEA, located in Merced County within the Central Valley, is the single largest wetland, grassland and working land complex west of the Mississippi. It provides critical habitat for migratory bird species and essential local opportunities for education and recreation. Yet as climate, water, pollution, and development risks increase, there is a need to ensure coordinated efforts among public agencies, NGOs, landowners and working lands to preserve this vital habitat. SB 1108 will ensure this by establishing the Grassland Ecological Area Conservancy, which will operate incentive based and voluntary programs to preserve the wetlands. The Conservancy will equip landowners and communities with the tools and resources necessary to navigate an uncertain future, ensuring preservation of California's largest wetland complex for generations to come.

**6) Related legislation:**

AB 2216 (Aguiar Curry) renames the Sacramento-San Joaquin Delta Conservancy Act to the Valley and Delta Conservancy Act, expands the Sacramento-San Joaquin Delta Conservancy's geographical jurisdiction, and establishes the Valley Program under the administration of the Conservancy to support efforts that advance the environmental protection and the economic well-being of Valley residents. This bill is referred to the Senate Rules Committee.

AB 2566 (Soria) establishes the Huron Hawk Conservancy in the California NRA. This bill was held in the Assembly Appropriations Committee.

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

Audubon California  
Backcountry Hunters & Anglers  
California Waterfowl Association  
Defenders of Wildlife  
Delta Waterfowl  
Ducks Unlimited  
East Merced Resource Conservation District  
Environmental Defense Fund  
Grassland Water District  
Point Blue Conservation Science  
River Partners  
The Nature Conservancy

**Opposition**

None on file

**Analysis Prepared by:** Paige Brokaw / NAT. RES. /

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 1180 (Allen) – As Amended June 15, 2026

**SENATE VOTE:** 29-5

**SUBJECT:** Plastic Pollution Prevention and Packaging Producer Responsibility Act: California Plastic Pollution Mitigation Fund

**SUMMARY:** Establishes new spending requirements and guidelines for the California Plastic Pollution Mitigation Fund (PPMF).

**EXISTING LAW:**

- 1) Establishes the Plastic Pollution Prevention and Packaging Producer Responsibility Act (Act) (Public Resources Code (PRC) 42040 *et seq.*), which:
  - a) Requires, by January 1, 2024, producers of covered material to form and join a producer responsibility organization (PRO), subject to specified requirements and Department of Resources Recycling and Recovery (CalRecycle) approval, to carry out the requirements of the Act. Prohibits a producer of covered material from selling, offering for sale, importing, or distributing covered materials in the state unless the producer is approved to participate in the PRO.
  - b) Requires that all covered material offered for sale, distributed, or imported into the state on and after January 1, 2032, is recyclable in the state or eligible to be labeled "compostable," as specified.
  - c) Requires that all plastic covered material offered for sale, distributed, or imported into the state to meet the following recycling rates:
    - i) Not less than 30% of covered material on and after January 1, 2028;
    - ii) Not less than 40% of covered material on and after January 1, 2030; and,
    - iii) Not less than 65% of covered material on and after January 1, 2032.
  - d) By January 1, 2032, requires the PRO to develop and implement a plan to achieve 25% reduction by weight and 25% reduction by plastic component for covered material sold, offered for sale, or distributed in the state, as prescribed, including interim targets of 10% by January 1, 2027, and 20% by January 1, 2030.
  - e) Establishes the PPMF, which consists of all environmental mitigation surcharges, interest, penalties, and other amounts collected under SB 54. This includes an annual (beginning in 2027) environmental mitigation surcharge paid by the PRO of five hundred million dollars (\$500,000,000) annually for ten years.
  - f) Specifies how funds from the PPMF will be expended by state agencies after being appropriated by the Legislature, specifically:

- i) 40% of the PPMF to be expended by the Department of Fish and Wildlife, the Wildlife Conservation Board, the State Coastal Conservancy, the California Coastal Commission, the Ocean Protection Council, the Department of Parks and Recreation, the Natural Resources Agency, and the California Environmental Protection Agency to monitor and reduce the environmental impacts of plastics on terrestrial, aquatic, and marine life and human health, including to restore, recover, and protect the natural environment.
  - (1) Of this 40%, at least 50% must benefit residents living in a disadvantaged or low-income community or rural areas, and the money can be used to support grants for tribes, nongovernmental organizations (NGOs), community-based organizations, land trusts, and local jurisdictions.
  
- ii) 60% of the PPMF to be expended by the Strategic Growth Council (SGC), the California Environmental Protection Agency (CalEPA), the Natural Resources Agency (NRA), and the Department of Justice (DOJ) to monitor and reduce the historical and current environmental justice and public health impacts of plastics, including to mitigate the historical and current impact of plastics on disadvantaged or low-income communities or rural areas.
  - (1) Of this 60%, 75% must directly and primarily benefit residents living in disadvantaged or low-income communities and the money may be used to support grants to local jurisdictions, tribes, NGOs, and community-based organizations.

**THIS BILL:**

- 1) Specifies that every expenditure from the PPMF shall:
  - a) Improve public or environmental health.
  - b) Incorporate outreach efforts that inform the public of the purpose and scope of the funded program, project, or initiative.
  - c) Prioritize programs, projects, and initiatives that:
    - i) Benefit communities most burdened by the impacts of plastic pollution;
    - ii) Are aligned with or implement community-driven solutions;
    - iii) Provide multiple benefits; and,
    - iv) Demonstrate engagement with communities and tribes in planning, development, and implementation.
  
- 2) Require each expenditure from the PPMF to achieve one or more of the following:
  - a) Sustained mitigation of the potential adverse health impacts of plastics;
  - b) Support a durable and significant reduction in plastic production, use, and disposal by supporting programs, projects, and initiatives that are tied to reduction of plastic waste, exposure, or pollution;

- c) Durably reduce the amount of plastic waste entering the environment, either as litter or microplastics pollution, including by advancing state strategies on microplastics and plastics in marine environments;
  - d) Clean up or restore lands or waterways that have been negatively impacted by plastic pollution, including microplastics; and,
  - e) Support research, data collection, and monitoring activities, as specified. Limits the amount allocated or expended for research, data collection, and monitoring activities to not more than 15% of the total amount appropriated from the PPMF in any fiscal year.
- 3) Requires each department, agency, or entity implementing a grant program funded in whole or in part by the PPMF to:
- a) Provide technical assistance to eligible applicants;
  - b) Use a single standardized, simplified application;
  - c) Consider the use of awards and categorical grant opportunities in addition to competitive grants;
  - d) Provide advanced payments, as specified;
  - e) Reimburse the grantee's and any subgrantee's indirect costs, as specified;
  - f) Establish clear, objective criteria for evaluating and awarding grants; and,
  - g) Require applicants to demonstrate a nexus between the proposed programs, projects, and initiatives and the mitigation of environmental or public health impacts associated with plastic.
- 4) Limits state administrative and program support costs, exclusive of technical assistance, to 10% of the funds allocated in any fiscal year.
- 5) Prohibits PPMF funds from being used for:
- a) Any obligations of a producer responsibility organization; or,
  - b) To fulfill any environmental mitigation requirements or compliance obligations imposed by any law other than the bill or PRC 42064.
- 6) Specifies that public agencies, nonprofit organizations, special districts, joint powers authorities, public utilities, local publicly owned utilities, and mutual water companies are eligible for grants if the programs, projects, or initiatives have the primary and direct purpose of mitigation, prevention, or remediation of plastic pollution.
- 7) Requires the Secretary for Environmental Protection to publish a list of all program, project, and initiative expenditures pursuant to this bill and PRC 42064 not less than annually and to post the list as a spreadsheet on CalEPA's website. To the extent feasible, requires a standardized and simplified reporting template or form to be used for grant recipients. Requires the spreadsheet to include:

- a) The location and footprint of the program, project, or initiative;
  - b) The objectives and anticipated outcomes of the program, project, or initiative;
  - c) The status of the program, project, or initiative;
  - d) A description of the outreach and engagement performed to develop the program, project, or initiative;
  - e) The public benefits to be derived from the program, project, or initiative, including whether it delivers meaningful and direct benefits for vulnerable populations, disadvantaged communities, or severely disadvantaged communities;
  - f) The total cost of the program, project, or initiative;
  - g) The amount of funding provided from the PPMF for the program, project, or initiative;
  - h) Any matching funds provided by any grant recipient or other partners to the program, project, or initiative;
  - i) Evidence of measurable reductions in plastic pollution; and,
  - j) A description of the nexus between the program, project, or initiative and the mitigation of environmental or potential public health impacts associated with plastic.
- 8) Makes related legislative findings and declarations.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, this bill has unknown, likely significant ongoing costs (PPMF) to SGC, CalEPA, NRA, DOJ, and other state entities required to expend PPMF monies to implement the requirements of this bill, and unknown, potentially significant ongoing cost pressures (PPMF) due to expanded eligibility for entities able to receive PPMF funds as a result of this bill.

**COMMENTS:**

- 1) **Plastic pollution.** In 2021, global plastics production was estimated at 390.7 million metric tons. Only 9% of all plastic ever made has been recycled, according to a United Nations Environment Programme report. Plastics production and pollution have the potential to negatively impact human health, the environment, and ecosystems.

A 2025 report by the University of California Los Angeles Luskin Center focuses on creating a framework to evaluate which communities are overly burdened by plastic, considering plastic extraction, manufacturing, pollution, and waste. The report finds that plastic manufacturing emits air pollutants, including volatile organic compounds and polycyclic aromatic hydrocarbons emissions. Both air pollutants are linked to health risks, including increased cancer risk. The report further notes that plastic can also adversely impact communities when crude oil is extracted to make plastic, when plastic substrate leaches from landfills, and when humans are exposed to microplastics that occur during the useable life of the plastic or when the plastic becomes litter in the environment.

Plastic is also a potent contributor to climate change. Nearly all plastic is made from fossil fuels; the plastic industry is the fastest-growing source of industrial greenhouse gases in the world. According to the United Nations Development Programme, plastic generates 4% of total global greenhouse gas (GHG) emissions, but will be responsible for as much as 19% of global greenhouse emissions by 2040 if production trends continue. The plastic industry's GHG emissions are expected to surpass those of coal-fired power in the United States by 2030.

Each year, approximately 11 million tons of plastic enter the ocean, which has diverse and serious impacts on marine wildlife. Smaller plastic particles are ingested by animals, leading to plasticosis-where the rough edges of plastic cause internal injuries and scarring that reduces the ability of animals to break down nutrients. Seabirds are especially vulnerable to plastic pollution; a recent study found plastic in 90% of seabirds. Animals can also become entangled in plastics, such as plastic bags, plastic rings, and plastic fishing equipment. Marine mammals, birds, and turtles are commonly affected by entanglement, but terrestrial animals also can suffer entanglement or suffocate or starve from ingesting plastic.

Microplastics, due to their small size, can travel in water, air, and the bodies of living organisms. As a result, microplastics are ubiquitous in the environment and are found in some of the most remote areas on earth, including arctic sea ice, the deep ocean, mountain peaks in national parks, and human embryos. Microplastic's small size allows them to bioaccumulate up the food chain. Microplastics can also act as vectors for pollutants like pesticides and heavy metals, effectively transporting these harmful pollutants wherever the microplastics go, including into the living tissues of plants, animals, and humans. Current studies have found microplastics in human lungs, brains, and placentas. A recent study suggests that human brains may contain an amount of microplastics equivalent to a plastic spoon. The study also indicated that microplastic levels in the brain have increased by 50% since 2016.

Shockingly few studies exist examining the impacts of microplastics on human health. However, a study from 2024 by the New England Journal of Medicine provided the first evidence of a potential link between microplastics and human health. The study states that “a study of more than 200 people undergoing surgery found that nearly 60% had microplastics or even smaller nanoplastics in a main artery. Those who did were 4.5 times more likely to experience a heart attack, a stroke or death in the approximately 34 months after the surgery than were those whose arteries were plastic-free.”

- 2) **SB 54.** The Act was established by SB 54 (Allen), Chapter 75, Statutes of 2022, which created a sweeping new expanded producer responsibility (EPR) program for single-use packaging and food ware. The Act requires producers of covered products to join a producer responsibility organization (PRO) that is tasked with ensuring that covered material is recyclable or compostable (as specified) and meet specified goals, including:
- Ensuring that all covered material sold in the state to be recyclable or compostable by January 1, 2032;
  - Ensuring that all plastic-covered material sold in the state meet a recycling rate of 65% by Jan 1, 2032, with interim goals beginning in 2028; and,
  - Prohibiting producers of expanded polystyrene (EPS) from selling EPS food ware unless they meet specified recycling rates.

The Act requires producers, via the PRO, to pay \$500 million annually for 10 years (of which the PRO may recoup up to \$150 million per year from resin manufacturers), for a total of \$5 billion, which, upon appropriation by the Legislature, will be available to monitor and reduce the impact of plastics in the environment, restoring the natural environment, and monitoring and reducing the historical and current environmental justice and public health impacts of plastics. Under SB 54, 40% of the money in the PPMF will be allocated by agencies that oversee natural resources in order to reduce environmental impacts of plastic on the environment. Agencies include the Department of Fish and Wildlife, the Wildlife Conservation Board, the State Coastal Conservancy, the California Coastal Commission, the Ocean Protection Council, the Department of Parks and Recreation, NRA, and CalEPA. Of this amount, 50% of the funds must provide benefits to residents living in a disadvantaged or low-income community or rural area. The other 60% of the PPMF will be allocated to reduce the public health impacts of plastics and mitigate the disproportional impacts of plastics on low-income communities or rural areas. This money will be awarded by the SGC, CalEPA, NRA, and DOJ. Of this amount, 75% must directly and primarily benefit residents living in disadvantaged or low-income communities.

3) **This bill.** While SB 54 created the PPMF and provided general guidance on how it should be used, it did not provide a solid framework or specific criteria for the use of the fund. SB 1180 is intended to provide specific guidance to the agencies that administer PPMF expenditures.

4) **Author's statement:**

SB 54 (Allen, 2022) was landmark legislation to require producers of single use packaging and food service ware to address the growing waste crisis and plastic pollution through a producer-funded and implemented program to source-reduce and recycle material, and ensure material on the market is truly recyclable or compostable. As part of this legislation, the California Plastic Pollution Mitigation Fund (PPMF) was created to address environmental and public health impacts of plastic pollution. The fund consists of at least \$5 billion over the next 10 years, funded by producers. However, while existing statute establishes general goals for the PPMF, additional operational specificity is crucial for successful implementation. SB 1180 provides the detailed framework necessary to effectively administer the PPMF, including defining the required purposes achieved by expenditures, providing guidelines for implementing agencies, and establishing reporting and transparency measures for fund operations.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

1000 Grandmothers for Future Generations

5 Gyres Institute

A Voice for Choice Advocacy

Access to Thrive, INC

Azul

Beyond Plastics

Black Fiber & Textile Network  
California Environmental Justice Alliance  
California Environmental Justice Coalition  
California Environmental Voters  
California State Association of Counties  
California Stormwater Quality Association  
Californians Against Waste  
CALPIRG  
Center for Biological Diversity  
Center for Coalfield Justice  
Central California Environmental Justice Network  
Cherokee Concerned Citizens  
City of Sacramento Department of Utilities  
City of Thousand Oaks  
Clean Water Action  
Climate Health Now Action Fund  
Communities for a Better Environment  
Contra Costa County  
East Yard Communities for Environmental Justice  
Ecology Center  
Environmental Justice Communities Against Plastics  
Environmental Justice Ministry of Emerson UU Church  
Esperanza Community Housing  
Extinction Rebellion Los Angeles  
Food & Water Watch  
Fresnans Against Fracking  
Global Alliance for Incinerator Alternatives (GAIA)  
Greenaction for Health and Environmental Justice  
Greenlatinos  
Greenpeace USA  
Heal the Bay  
Just Transition Alliance  
Los Angeles Neighborhood Land Trust  
Monterey Bay Aquarium  
Ocean Conservancy  
Oceana  
Pacific Environment  
Pacoima Beautiful  
Parents Against Santa Susana Field Lab  
Physicians for Social Responsibility - Los Angeles  
Physicians for Social Responsibility - San Francisco Bay  
Plastic Free Future  
Port Arthur Community Action Network (PACAN)  
Protect Playa Now  
Redeemer Community Partnership  
Rethinkwaste  
Richmond Shoreline Alliance  
Sacramento Environmental Justice Coalition  
San Antonio Bay Waterkeeper

Sierra Club California  
SoCal 350 Climate Action  
Stand-LA  
Stopwaste  
Sunflower Alliance  
Surfrider Foundation  
The Climate Reality Project Orange County Chapter  
The Climate Reality Project San Diego Chapter  
The Climate Reality Project, California State Coalition  
The Climate Reality Project, Los Angeles Chapter  
The Climate Reality Project, San Diego Chapter  
The Climate Reality Project, San Fernando Valley CA Chapter  
The Nature Conservancy  
The Watershed Project  
Valley Improvement Projects  
West Berkeley Alliance for Clean Air and Safe Jobs  
West Oakland Environmental Indicators Project  
Zero Waste USA

**Opposition**

American Chemistry Council  
Cal Chamber  
California Manufacturers & Technology Association  
California Retailers Association  
Consumer Brands Association  
Dairy Institute of California  
Flexible Packaging Association  
Foodservice Packaging Institute  
Household and Commercial Products Association  
Plastics Industry Association  
Western Growers Association  
Western Plant Health Association  
Western Plastics Association

**Analysis Prepared by:** Elizabeth MacMillan / NAT. RES. /

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 1300 (Stern) – As Amended May 27, 2026

**SENATE VOTE:** 35-0 (not relevant)

**SUBJECT:** Natural Resources Agency: Secretariat for International Climate Coordination and Cooperation

**SUMMARY:** Authorizes the Natural Resources Secretary to appoint a Secretariat for International Climate Coordination and Cooperation.

**EXISTING LAW:**

- 1) Establishes the Natural Resources Agency, and requires the secretary of an agency to be generally responsible for the sound fiscal management of each department, office, or other unit within the agency; review and approve the proposed budget of each department, office, or other unit; hold the head of each department, office, or other unit responsible for management control over the administrative, fiscal, and program performance of his or her department, office, or other unit; review the operations and evaluate the performance at appropriate intervals of each department, office, or other unit, and; seek continually to improve the organization structure, the operating policies, and the management information systems of each department, office, or other unit. (Government Code (GC) 12800)
- 2) Provides that the Natural Resources Agency consists of the departments of Forestry and Fire Protection, Conservation, Fish and Wildlife, Parks and Recreation, and Water Resources; the State Lands Commission; the Colorado River Board; the San Francisco Bay Conservation and Development Commission; the Central Valley Flood Protection Board; the Energy Resources Conservation and Development Commission; the Wildlife Conservation Board; the Delta Protection Commission; Exposition Park; the California Science Center; the California African American Museum; the Native American Heritage Commission; the California Conservation Corps; the California Coastal Commission; the State Coastal Conservancy; the California Tahoe Conservancy; the Santa Monica Mountains Conservancy; the Coachella Valley Mountains Conservancy; the San Joaquin River Conservancy; the San Gabriel and Lower Los Angeles Rivers and Mountains Conservancy; the Baldwin Hills Conservancy; the San Diego River Conservancy; and the Sierra Nevada Conservancy. (GC 12805)

**THIS BILL** authorizes the Secretary to appoint an individual or identify one or more University of California centers to oversee and administer a Secretariat for International Climate Coordination and Cooperation to assist the legislative and executive branches' engagement in international climate policy, including, but not limited to, the United Nations Framework Convention on Climate Change Conference of Parties processes and the state's existing and future international climate change memoranda of understanding, technical cooperation agreements, and other voluntary frameworks.

**FISCAL EFFECT:** Unknown

**COMMENTS:****Author's statement:**

The State of California has a long and successful track record of entering into voluntary agreements on the topic of climate change, both sharing mitigation and adaptation strategies with other countries and subnational jurisdictions. These agreements have been growing in recent months, including announcements about clean technology investments.

For decades, California has demonstrated that subnational governments can play a meaningful role in addressing climate change. Through partnerships with governments and regions around the world, California has advanced innovation, strengthened clean energy investment, and shared successful climate solutions that benefit communities both at home and abroad.

Historically, these voluntary agreements, often called Memorandums of Understanding (MOUs), have been led through the Executive Branch. As international climate engagement continues to expand globally, California must strengthen and coordinate these efforts to ensure they are informed by the best available scientific and policy expertise.

SB 1300 builds on California's longstanding climate leadership by creating a framework to support international climate cooperation. At a time when climate challenges increasingly transcend national borders, California must continue to collaborate with partners around the world to accelerate solutions and promote innovation.

SB 1300 strengthens California's ability to engage strategically and effectively in international climate efforts that support our environmental, economic, and public-health goals.

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

None on file

**Opposition**

None on file

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 1326 (Wahab) – As Amended June 11, 2026

**SENATE VOTE:** 33-0

**SUBJECT:** California Environmental Quality Act: tribal cultural resources: mitigation measures

**SUMMARY:** Revises definitions and procedures for tribal consultation and consideration of impacts to tribal cultural resources (TCRs) under the California Environmental Quality Act (CEQA), increasing deference to California Native American tribes regarding identification and protection of TCRs.

**EXISTING LAW:**

- 1) CEQA requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Defines “California Native American tribe” as a Native American tribe located in California that is on the contact list maintained by the Native American Heritage Commission (NAHC) for the purposes of SB 18 (Burton), Chapter 905, Statutes of 2004. (PRC 21073)
- 3) Defines “tribal cultural resources” as either sites, features, places, cultural landscapes, sacred places, and objects with cultural value to a California Native American tribe, a resource determined by the lead agency, in its discretion and supported by substantial evidence, to be significant pursuant to specified criteria. Requires the lead agency to consider the significance of the resource to a California Native American tribe. (PRC 21074)
- 4) Requires, prior to the release of a negative declaration, mitigated negative declaration, or EIR for a project, the lead agency to begin consultation with a California Native American tribe that is traditionally and culturally affiliated with the geographic area of the proposed project if: (1) the California Native American tribe requested to the lead agency, in writing, to be informed by the lead agency through formal notification of proposed projects in the geographic area that is traditionally and culturally affiliated with the tribe, and (2) the California Native American tribe responds, in writing, within 30 days of receipt of the formal notification, and requests the consultation. (PRC 21080.3.1)
- 5) Requires, as a part of the consultation, the parties may propose mitigation measures, including, but not limited to, those recommended capable of avoiding or substantially lessening potential significant impacts to a TCR or alternatives that would avoid significant impacts to a TCR. If the California Native American tribe requests consultation regarding alternatives to the project, recommended mitigation measures, or significant effects, requires the consultation to include those topics. (PRC 21080.3.2)

- 6) Requires public agencies, when feasible, to avoid damaging effects to any TCR. (PRC 21084.3)
- 7) Requires the NAHC to identify and catalog places of special religious or social significance to Native Americans and known graves and cemeteries of Native Americans on private lands. (PRC 5097.94)
- 8) Authorizes the NAHC to prepare an inventory of Native American sacred places that are located on public lands and review the current administrative and statutory protections accorded to such places. (PRC 5097.96)

**THIS BILL:**

- 1) Revises the definition of “tribal cultural resources” to include resources that are (a) included or eligible for inclusion in the National Register of Historical Places, (b) identified by the NAHC as a sacred place, (c) included in a local tribal register and provided to the lead agency by a consulting California Native American tribe.
- 2) Declares that TCRs are a separate category from cultural resources and archaeological resources, and that certain archaeological methods and standards may not be appropriate for identifying TCRs.
- 3) Requires the lead agency, if it decides to use archaeological methods and standards in the identification of TCRs instead of tribal methods and standards or tribal traditional knowledge submitted by a California Native American tribe during tribal consultation, to explain its decision, supported by substantial evidence, in the environmental documents for the project.
- 4) Requires the lead agency, when feasible, to adopt mitigation measures to avoid or minimize significant adverse impacts to TCRs.
- 5) Requires the lead agency to consider avoidance and preservation of the TCR in place when requested by the consulting California Native American tribe. Requires the lead agency, if avoidance and preservation of the resource in place are determined to not be feasible, to document the basis for that determination with substantial evidence and, when feasible, adopt mitigation measures to avoid or minimize significant adverse impacts to the resource.
- 6) Requires the lead agency, in developing mitigation and treatment measures, to consider and incorporate, to the extent feasible, culturally appropriate mitigation measures, identified by the consulting California Native American tribe.
- 7) Provides that curation of a TCR at private or public repository facilities may only occur if agreed upon by the consulting California Native American tribe and any curation may be subject to federal and state repatriation laws and repository fees.

**FISCAL EFFECT:** According to the Senate Appropriations Committee:

- The Governor’s Office of Land Use and Climate Innovation estimates one-time costs of about \$128,000 spread over two years to coordinate and work with the NAHC, tribes, and the public, as well as update the appropriate guidance documents.

- The California Air Resources Board estimates unknown but potentially significant ongoing costs, possibly in the hundreds of thousands of dollars annually (General Fund) to expand its environmental impact analyses of the kinds of mitigation measures recommended for tribal cultural resources impacts, among other things.
- The California Natural Resources Agency, Department of Fish and Wildlife, and Department of Water Resources anticipate any costs would likely be minor and absorbable.

#### COMMENTS:

- 1) **Background.** Consideration of tribal cultural resources, as distinct from cultural, historical, or archaeological resources, has been an essential requirement of CEQA review since passage of AB 52 (Gatto), Chapter 532, Statutes of 2014. AB 52 created a process to identify California Native American tribes traditionally and culturally affiliated with a project site and an obligation for lead agencies to consult with the appropriate tribe(s) to identify the existence of TCRs and measures to avoid or mitigate significant impacts.

By requiring consideration of TCRs early in the CEQA process, the legislative intent was to ensure that local and tribal governments, public agencies, and project proponents would have information available early in the project planning process to identify and address potential adverse impacts. Further, AB 52 requires the NAHC to provide each California Native American tribe with a list of all public agencies that may be a lead agency under CEQA within the geographic area with which the tribe is traditionally and culturally affiliated, the contact information of those public agencies, and information on how the tribe may request the public agency to notify the tribe of projects within the jurisdiction of those public agencies for the purposes of requesting consultation.

AB 52 defines “California Native American tribe” as a Native American tribe located in California that is on the contact list maintained by the NAHC. Independent of AB 52 and CEQA, SB 18 requires cities and counties to consult with California Native American tribes for the preservation of, or the mitigation of impacts to, specified Native American “places, features, and objects” when developing or amending their General Plans.

This bill provides greater deference to California Native American tribes in the identification and protection of TCRs, while limiting the discretion of lead agencies to disregard tribal knowledge and recommendations. The bill requires the recognition of TCRs that are included in a local tribal register and provided to the lead agency during consultation. The bill requires a lead agency to justify, with substantial evidence, a decision to use archaeological methods and standards to identify TCRs, rather than tribal methods and standards or tribal traditional knowledge submitted by the tribe during consultation.

This bill further requires the lead agency to adopt mitigation measures, when feasible, to avoid or minimize significant adverse impacts to TCRs (which is consistent with prevailing CEQA requirements for mitigation of significant effects). The bill favors avoidance and preservation in place of TCRs when requested by the consulting tribe, requiring the lead agency to document with substantial evidence a determination that avoidance and preservation are not feasible. Finally, the bill requires the lead agency to explain its decision, supported by substantial evidence, if the lead agency does not adopt the treatment and mitigation measures submitted by the consulting tribe.

**2) Author's statement:**

California has taken significant steps to protect Native American culture and TCRs, including artifacts and objects, sacred places, and landscapes. However, CEQA lead agencies have interpreted the law related to the handling of TCRs narrowly, disrespecting a California Native American tribe's knowledge and failing to identify and protect TCRs. California Native American tribes, not CEQA project lead agencies, are best positioned to identify their own TCRs and how best to protect them. Relying on a project lead agency to determine the cultural significance of a TCR is problematic, insensitive, and can disregard tribal knowledge and Native American culture.

SB 1326 provides much needed clarity for CEQA lead agencies when identifying TCRs by reframing CEQA tribal consultation and revising the definition of a TCR to empower California Native American tribes, clarify qualifying resources, and reprioritize TCR avoidance and preservation. This vital bill provides uniformity for CEQA lead agencies to ensure TCR mitigation is developed by California Native American tribes that are best positioned to identify their own TCRs and know best how to protect the resource and preserve their culture.

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

California Teachers Association  
Cloverdale Rancheria of Pomo Indians of California  
Dry Creek Rancheria Band of Pomo Indians  
Federated Indians of Graton Rancheria  
Lytton Rancheria  
Pechanga Band of Indians  
Picayune Rancheria of the Chukchansi Indians  
United Auburn Indian Community  
Yocha Dehe Wintun Nation

**Opposition (unless amended)**

Association of California Water Agencies (ACWA)  
California Building Industry Association  
California State Association of Counties (CSAC)  
League of California Cities  
Rural County Representatives of California (RCRC)

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 1341 (Cabaldon) – As Amended June 15, 2026

**SENATE VOTE:** Not relevant

**SUBJECT:** Beverage containers: wine and distilled spirits: processing fees

**SUMMARY:** Exempts the box portion of “bag in box” beverage containers from the California Beverage Container Recycling and Litter Reduction Act (Bottle Bill).

**EXISTING LAW:**

1) Establishes the Bottle Bill, which:

- a) Requires beverage containers, as defined, sold in-state to have a California redemption value (CRV) of 5 to 25 cents. Requires beverage distributors to pay a redemption payment to Department of Resources Recycling and Recovery (CalRecycle) for every beverage container sold in the state. Continuously appropriates these funds to CalRecycle for, among other things, the payment of refund values and processing payments. (Public Resources Code (PRC) 14500 *et seq.*)
- b) Defines “beverage” as:
  - i) Beer and other malt beverages;
  - ii) Wine and distilled spirit coolers;
  - iii) Carbonated water;
  - iv) Noncarbonated water;
  - v) Carbonated soft drinks;
  - vi) Noncarbonated soft drinks and sports drinks;
  - vii) Noncarbonated fruit juice drinks that contain any percentage of fruit juice;
  - viii) Coffee and tea drinks;
  - ix) Carbonated fruit drinks;
  - x) Vegetable juice;
  - xi) Wine and sparkling wine; and,
  - xii) Distilled spirits. (PRC 14505)
- c) Defines “beverage container” as the individual, separate bottle, can, jar, carton, or other receptacle in which a beverage is sold, and which is constructed of metal, glass, plastic, or any other material, or any combination of these materials. Specifies that “beverage container” does not include cups or other similar open or loosely sealed receptacles. (PRC 14505)
- d) Requires CalRecycle to establish a processing payment for a beverage container that has a scrap value less than the cost of recycling, as specified, that is at least equal to the difference between the scrap value of the material and the sum of the cost of recycling

and a reasonable financial return. (PRC 14575(b))

- e) Requires beverage manufacturers to pay a processing fee that is equal to the processing payment. Reduces, or “offsets,” the processing fee based on the recycling rate of the container type. The offsets range from 65% of the processing payment for a container type with a recycling rate of 30% or less to 10% of the processing payment for a container type with a recycling rate of greater than 75%. (PRC 14575(d))

**THIS BILL:**

- 1) Defines “bag in box” as a container for wine, distilled spirits, or wine and distilled spirit coolers that have both:
  - a) An interior flexible bag with a valve to dispense the beverage; and,
  - b) A rigid box composed primarily of cardboard or corrugated paper that is designed to contain the bag and to allow the bag’s valve to extend through the box to dispense the beverage.
- 2) Specifies that the interior flexible bag in a bag in box container is a beverage container, and that the rigid box that is used to contain the bag is not a beverage container, for purposes of the Bottle Bill.
- 3) Specifies that beginning January 1, 2027, the processing fee for a beverage container that is a bag in box be calculated based on the weight of the interior flexible bag and its valve.

**FISCAL EFFECT:** Unknown

**COMMENTS:**

- 1) **Bottle Bill.** The Bottle Bill was established in 1986 to be a self-funded program that encourages consumers to recycle beverage containers and to prevent littering. The program accomplishes this goal by requiring consumers to pay a deposit for each eligible container purchased. Then the program guarantees consumers repayment of that deposit, the CRV, for each eligible container returned to a certified recycler. Statute includes two main goals for the program: (1) reducing litter; and, (2) achieving a recycling rate of 80% for eligible containers. Containers recycled through the Bottle Bill’s certified recycling centers also provide a consistent, clean, uncontaminated stream of recycled materials with minimal processing.
- 2) **Ways to redeem containers.** Consumers have a handful of options to redeem their empty beverage containers:
  - a) Return the container to a “convenience zone” recycling center located within 1-mile radius of a supermarket. These are generally small centers that only accept beverage containers and receive handling fees.
  - b) Return to a dealer or a dealer cooperative recycling center. In convenience zones without a convenience zone recycler, beverage dealers, primarily supermarkets, are required to

either accept containers for redemption or join a dealer cooperative that meets specified statutory requirements and accepts all beverage containers in the zone.

- c) Return the container to an “old line” recycling center, which refers to a recycler that does not receive handling fees and usually accepts large quantities of materials, frequently by truckload from municipal or commercial waste collection services.
- d) Consumers can also forfeit their CRV and “donate” their containers to residential curbside recycling collection. Curbside programs keep the CRV on these containers.

California currently has approximately 1,200 certified recycling centers throughout the state. However, many recycling zones are “unserved,” meaning they don’t have a certified recycling center. Additionally, many rural counties have only one or two recycling centers to service large geographic areas. Alpine and Sierra County have none. Between 2014 to 2024, approximately half of California’s recycling centers closed.

- 3) **Processing payments.** The processing payment is calculated to reflect the difference between the cost to recycle and the scrap value of a beverage container. Materials that are highly recyclable with higher scrap values have lower processing payments than more difficult to recycle materials. For example, polyethylene terephthalate (PET) had a processing payment of only \$0.00091 per container in 2025. In contrast, harder-to-recycle polyvinyl chloride (PVC) containers had a processing payment of \$0.05447. CalRecycle updates processing payments at least annually based on the actual costs of recycling.

CalRecycle collects between 10% and 65% of the processing payment from beverage manufacturers as the processing fee. The portion of the processing payment not covered by the processing fee is funded by unredeemed CRV deposits. By passing along the cost of recycling from recyclers to manufacturers, the processing fee serves as an incentive to producers to use more readily recyclable materials and incentivizes recyclers to accept hard-to-recycle materials.

- 4) **Wine and spirits.** SB 1013 (Atkins), Chapter 610, Statutes of 2022, added wine and spirits to the Bottle Bill beginning January 1, 2024. Due to the challenges associated with recycling boxes, bladders, and pouches, SB 1013 established a CRV of 25 cents for those container types.

While some boxes, particularly those used for bag in box containers, are made from coated cardboard (which is highly recyclable through curbside recycling), some are cartons. Cartons contain layers of fiber, plastic, and aluminum for waterproofing and shelf stability. Very few facilities accept cartons for recycling as it is labor intensive to separate the materials into recyclable raw materials.

While the box portion of a bag in box container is readily recyclable, the bag must be removed from the box prior to recycling, which requires additional processing. Once separated, the box can be recycled or may be discarded. The bag can be made from a variety of materials, such as a combination of plastic laminate with PET, low density polyethylene (LDPE) or ethylene vinyl acetate. None of these types are readily recycled.

Plastic labeled #7 (categorized as “other” or mixed/miscellaneous plastic) had a processing payment of \$0.14789, 162 times the cost of PET. LDPE had a processing payment of \$0.01907, 20 times higher than PET. A product made with several layers of different plastics adds additional complexity to the recycling process.

Without data on the cost of recycling, SB 1013 gave boxes, bladders, and pouches a placeholder processing payment equivalent to the processing payment for high density polyethylene (HDPE), which is much more recyclable material with a relatively low processing payment (currently \$0.00867 per container), for two years to allow CalRecycle time to collect the relevant recycling data. In 2026, CalRecycle released actual processing payments for bag in box containers, multilayered pouches, and paperboard cartons, based on real recycling data. Bag in box containers now have a processing fee of \$0.32503 per container, multilayered pouches have a processing fee of \$0.02802 per container, and paperboard cartons have a processing fee of \$0.02851 per container. Bag in box currently has the highest processing fee in the Bottle Bill, followed by #7 (other) containers, which have a processing fee of \$0.21988 per container. Given the low recycling rates for these materials, producers are required to pay 65% of the processing fee. While manufacturers anticipated higher processing fees in 2026, they did not anticipate how high the processing fee for bag in box containers would be.

- 5) **This bill.** This bill is intended to lower the processing fees for bag in box containers by removing the box portion of the container from the Bottle Bill. While this change is likely to reduce the processing fee by reducing the weight of each container and the labor costs associated with recycling, it also significantly impacts convenience for consumers, which is a critical element of the Bottle Bill. Instead of recycling the bag in box container, consumers would be required to separate the bag from the box and recycle them separately. Additionally, removing the box from the Bottle Bill would move it to the state’s producer responsibility program for single-use packaging established by SB 54 (Allen), Chapter 75, Statutes of 2022, increasing consumer confusion about how to properly manage these containers. Without the box, beverage bags would fall under the #7 category for the processing fee. Finally, CalRecycle submitted the final regulations implementing SB 1013 to the Office of Administrative Law on May 29<sup>th</sup>. The regulations require the bag in box container to be intact to be eligible for CRV. As drafted, this bill would require CalRecycle to revise the regulations and potentially delay SB 1013 implementation.

6) **Author’s statement:**

SB 1341 creates a mechanism to recalibrate the processing fee for beverage containers for situations in which the amount of fees expected to be collected is significantly higher than the amount needed to make the associated processing payments. This situation is occurring presently with certain wine and spirits container types that first entered the Bottle Bill program in 2024. Specifically, on December 15, 2025, CalRecycle announced an increase in the processing fee for bag-in-box containers of nearly 5000% that took effect on January 1, 2026. Information provided by CalRecycle made it apparent that the amount of fees expected to be collected would be several orders of magnitude more than necessary to meet anticipated processing payments for those containers. Unfortunately, there is no mechanism to adjust processing fees in these instances.

SB 1341 empowers CalRecycle to adjust the processing fee to account for these discrepancies.

- 7) **Suggested amendment.** The *committee may wish to amend the bill* to keep bag in box containers in the Bottle Bill and link the processing fee for those containers to the processing fee for #7 containers until January 1, 2031, to allow the manufacturers the time to improve the recyclability of the containers.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Container Recycling Institute  
Tetra Pak, Inc.

**Opposition**

Californians Against Waste

**Analysis Prepared by:** Elizabeth MacMillan / NAT. RES. /



Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 1350 (McNerney) – As Amended June 15, 2026

**SENATE VOTE:** 39-0

**SUBJECT:** Energy: renewable electrical generation facilities: definition

**SUMMARY:** Provides that a turbine converting hydrogen to electricity may be considered a renewable electric generating facility for purposes of the Renewables Portfolio Standard (RPS) if specified criteria are met.

**EXISTING LAW:**

- 1) Requires, pursuant to the RPS, utilities and other retail sellers of electricity to procure 60% of their retail electricity sales from eligible renewable energy resources by 2030 and thereafter, including interim targets of 33% by 2020, 44% by 2024, and 52% by 2027. (Public Utilities Code 399.11 *et seq.*)
- 2) Provides that RPS-eligible generation facilities must use biomass, solar thermal, photovoltaic, wind, geothermal, renewable fuel cells, small hydroelectric, digester gas, limited non-combustion municipal solid waste conversion, landfill gas, ocean wave, ocean thermal, or tidal current. (Public Resources Code 25741)

**THIS BILL** provides that a facility that converts hydrogen gas to electricity in a turbine is a renewable electrical generation facility for purposes of the RPS if it meets the following criteria:

- 1) The hydrogen used in the turbine is solely derived from an eligible renewable feedstock or through the electrolysis of water, and exclusively uses electricity generated from another renewable electrical generation facility. Provides that any fraction of hydrogen produced through use of nonrenewable fuels or nonrenewable electricity is not eligible.
- 2) The electricity used to derive the hydrogen is not also counted toward a RPS compliance obligation or claimed as renewable generation for any other state program.
- 3) The facility's turbine has the capacity to use a fuel for which hydrogen comprises a sufficient quantity of the blend by volume, as determined by the California Energy Commission (CEC), but not below 20% by volume, to achieve a measurable reduction in greenhouse gas emissions.
- 4) The operator of the facility has submitted information on the hydrogen production process, as specified by the CEC. For electrolytic production, the operator shall demonstrate, for the production process, hourly matching of hydrogen production with renewable energy generation starting January 1, 2030.
- 5) The manufacturing of the hydrogen does not result in resource shuffling, as independently determined by the CEC based on regional impacts of hydrogen production on zero-carbon generation, local air pollution, and fossil fuel generation.

- 6) The manufacturing of the hydrogen does not use unbundled renewable energy credits.
- 7) The use of the hydrogen results in a net decrease of air pollutants, as regulated by local air districts, and of greenhouse gases from the electrical sector.
- 8) The operator of the facility provides the CEC with confirmation from the local air district that the combustion of hydrogen will not increase the oxides of nitrogen emissions rate from the turbine compared to natural gas.
- 9) The hydrogen is physically delivered to the turbine.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, ongoing costs, potentially in the hundreds of thousands of dollars annually (Energy Resources Program Account), for the CEC to provide project technical analysis, develop program guidelines, perform process creation and facility eligibility determinations in the RPS program, and undertake reporting, data collection and analysis from energy data of facilities using eligible renewable fuels, among other things.

**COMMENTS:**

- 1) **Background.** The environmental impacts of hydrogen use, including effects on climate and air quality, can range from very favorable to very unfavorable, depending on production, delivery, end use, and the fuel the hydrogen is replacing. For example, hydrogen produced with fossil fuels and used in a combustion application that replaces a renewable energy source is not a good environmental solution. However, hydrogen produced with zero-carbon energy and used in a zero-emission application that replaces diesel combustion has clear climate and air quality benefits.

The source of the hydrogen and the source of the energy used to split hydrogen plays a significant role in determining the lifecycle emissions associated with hydrogen use. Green hydrogen, using 100% renewable electricity to split hydrogen from water molecules, can result in almost no greenhouse gas emissions. However, green hydrogen is relatively expensive and accounts for approximately 2% of total hydrogen production.

Both California and the federal government have taken steps to encourage the development of cleaner hydrogen production. In 2021, the Infrastructure Investment and Jobs Act (IIJA) included \$8 billion to the federal Department of Energy (DOE) to establish regional clean hydrogen hubs across the nation. In 2022, the Legislature passed AB 157 (Committee on Budget) Chapter 570, Statutes of 2022, which authorized Governor's Office of Business and Economic Development (GO-Biz) to take steps to prepare and submit an application to receive funding from the regional clean hydrogen hubs program. This legislation led to the establishment of California's clean hydrogen hub administrator, known as the Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES). In July 2024, DOE announced a \$1.2 billion award for ARCHES, with \$30 million for the first round of funding.

In addition to funding provided under the IIJA, the Inflation Reduction Act (IRA) provides a number of production tax credits for certain types of clean energy and manufacturing acceleration projects. The IRA tasked the federal Treasury Department with developing a federal tax credit to incentivize the production of clean hydrogen, otherwise known as the 45V production tax credit. The 45V tax credit is structured to provide up to a \$3 tax credit

per kg of hydrogen produced, with higher credits granted to lower-carbon intensity (CI) hydrogen. In December 2023, the Treasury Department released its draft proposal, which included a version of the “three pillars,” which are principles intended to ensure that hydrogen production supports decarbonization and does not result in an increase in emissions. Final regulations were released on January 3, 2025, and clarified that projects in states with clean energy policies and emissions caps – like California – are considered to meet the requirements of one pillar (incrementality).

However, since mid-2025, federal support for clean hydrogen has contracted significantly. The Trump administration cancelled the \$1.2 billion DOE award for ARCHES, defunding California's hydrogen hub program. The future of the 45V production tax credit is also uncertain, with the credit's scope and longevity remaining the subject of ongoing Congressional debate. Compounding the uncertainty around 45V, H.R. 1 phases out the production tax credit (PTC) for solar and wind projects that do not begin construction by July 4, 2026, or are not placed in service by December 31, 2027, undermining the economics of the on-site renewable energy generation that many electrolytic green hydrogen projects depend upon to meet the 45V clean electricity sourcing requirements.

This bill expands the definition of a “renewable electrical generation facility” under the RPS to include turbines that convert hydrogen to electricity, where the hydrogen is produced from RPS-eligible feedstocks (e.g., biomass) or electrolysis, using exclusively RPS-eligible electricity. For electrolytic hydrogen, this bill requires hourly matching of hydrogen production with renewable energy generation starting in 2030 (consistent with the 45V requirement, as well as state law and CEC rules for retail sellers' power source disclosure, which requires electricity generators to provide hourly scheduling data).

This bill is largely motivated by Element Resources' Lancaster Clean Energy Center (LCEC), which they describe as one of “the largest off-grid solar-powered green hydrogen plants in the U.S.” According to their materials, LCEC is proposed to be fully islanded (not grid connected), reliant on ~690 MW onsite solar and ~350 MW-hour storage to power a ~400 MW electrolyzer plant, and will deploy zero-emissions trucks to carry the hydrogen to consumers. Such a facility could be eligible for the 45V tax credits for the hydrogen production, as well as tax credits for the onsite solar and batteries. As noted above, recent federal changes have initiated the phase out of the PTC (45Y) for solar and wind projects that do not begin construction by July 4, 2026, or are not placed in service by December 31, 2027. LCEC has met the July 4 “begin construction” date, starting construction in December 2025, but now must continuously demonstrate construction at the facility to assure compliance with the new tax law. Element Resources has indicated without a clear path toward financing the project – i.e., signing offtake agreements – they cannot continue to spend on ongoing construction requirements. Making the LCEC hydrogen RPS-eligible, as proposed by this bill, would make it more valuable and attractive to retail sellers facing RPS compliance obligations, particularly publicly-owned utilities like LADWP that own natural gas power plants.

## 2) **Author's statement:**

California has committed to reaching 100% clean energy by 2045. Clean hydrogen made from renewable sources, is a clean and safe fuel source that can be used to transition some of our existing energy infrastructure into clean energy infrastructure – reducing

costs of the energy transition for ratepayers, helping better integrate renewables, and providing good union jobs in the process. SB 1350 will help California meet its clean energy goals by allowing power plants to get Renewables Portfolio Standard credit while using green hydrogen to power their turbines – as they currently do when they use biogas, and as fuel cells do when they use hydrogen. This will stimulate investment in clean hydrogen projects in California that will decarbonize both the power system and transportation system.

- 3) **Double referral.** This bill was heard by the Utilities and Energy Committee on June 10 and passed by a vote of 18-0.

### **REGISTERED SUPPORT / OPPOSITION:**

#### **Support**

California Hydrogen Business Council  
California Municipal Utilities Association  
Green Hydrogen Coalition  
State Building & Construction Trades Council of California

#### **Opposition**

California Environmental Justice Alliance (CEJA) Action  
Climate Action California  
Sierra Club  
Union of Concerned Scientists

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /

Date of Hearing: June 22, 2026

ASSEMBLY COMMITTEE ON NATURAL RESOURCES

Isaac G. Bryan, Chair

SB 1375 (Cortese) – As Amended April 16, 2026

**SENATE VOTE:** 39-0

**SUBJECT:** California Environmental Quality Act: exemption: urban intermodal rail station project

**SUMMARY:** Exempts from the California Environmental Quality Act (CEQA) a public urban, intermodal rail station project within a long-urbanized area within the statewide passenger rail network, at which high-capacity light, commuter, and intercity rail services converge that meets specified conditions.

**EXISTING LAW:**

- 1) CEQA requires lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. (Public Resources Code (PRC) 21000 *et seq.*)
- 2) Exempts a project for the institution or increase of passenger or commuter service on rail or highway rights-of-way already in use, including modernization of existing stations and parking facilities. (PRC 21080(b)(10))
- 3) Exempts high-speed rail maintenance facilities and stations that have been evaluated in a prior project-level EIR. (PRC 21080.70)
- 4) Exempts, until January 1, 2040, several public transit project types, including:
  - a) A project for the institution or increase of new bus rapid transit, bus, or light rail service, including the rehabilitation of stations, terminals, or existing operations facilities.
  - b) A project for the institution or increase of zero-emission passenger rail service within an existing rail or highway right-of-way.
  - c) Diesel-powered heavy rail projects meeting the “Tier 4” exhaust emissions standard, if the project is not located in an air basin designated as a serious, severe, or extreme nonattainment area for particulate matter and ozone.
  - d) A project to construct or maintain infrastructure to charge or refuel zero-emission transit buses, trains, and ferries.  
(PRC 21080.25)
- 5) PRC 21080.25 requires exempt projects meet the following criteria:
  - a) A public agency is carrying out the project and is the lead agency for the project.

- b) The project is located on or within an existing public right-of-way.
  - c) The project does not add physical infrastructure that increases new automobile capacity on existing rights-of-way except for minor modifications needed for the efficient and safe movement of transit vehicles, such as extended merging lanes.
  - d) The construction of the project does not require the demolition of affordable housing units, including rent-controlled units and units occupied by low-income tenants.
- 6) PRC 21080.25 requires a project exceeding \$100 million to also meet all of the following criteria:
- a) The project is incorporated in a regional transportation plan, sustainable communities strategy, general plan, or other plan that has undergone a programmatic-level environmental review within 10 years of the approval of the project.
  - b) Construction impacts are fully mitigated.
  - c) The lead agency completes and considers the results of a project business case, a racial equity analysis, and an analysis of residential displacement.
  - d) The lead agency holds specified public meetings.
- 7) PRC 21080.25 requires the lead agency to certify that the project will be completed by a skilled and trained workforce, as specified.

**THIS BILL** exempts a public urban, intermodal rail station project within a long-urbanized area within the statewide passenger rail network, at which high-capacity light, commuter, and intercity rail services converge that meets the following conditions:

- 1) The project primarily modernizes and expands existing station facilities and rail infrastructure to improve operational efficiency, passenger capacity, and intermodal connectivity, including changes to tracks, platforms, station facilities, public plazas or realms, safety barriers, noise barriers, sound barriers, roadway crossing and access improvements, intermodal connections and facilities, transit-oriented development, and the interface with adjacent development.
- 2) The station passenger rail service will exclusively use Tier IV or cleaner rolling stock or locomotive engines.
- 3) The station is in an urban area and is not located in an air basin designated as a serious, severe, or extreme nonattainment area for particulate matter or ozone at the time the exemption is applied for.
- 4) The majority of the station project's footprint is in an existing public or publicly owned right-of-way.

- 5) The project complies with all applicable historic preservation measures, including Section 106 of the National Historic Preservation Act.
- 6) The project adopts a natural resource management plan or equivalent document that identifies what natural resources are present on the site and how environmental impacts affecting those natural resources will be avoided, reduced, and compensated for.
- 7) The project is in compliance with the California Endangered Species Act, Chapter 6 of Division 2 of the Fish and Game Code, the Porter-Cologne Water Quality Control Act, and all applicable natural resource protection laws.
- 8) The project adopts a construction impact and mitigation plan, specifying mechanisms to reduce to below state and local requirements for construction-related impacts and communicate proactively and responsively with the community.
- 9) The project adopts a plan for how any displacement from the project will be fully addressed in line with federal and state relocation laws, including a plan to replace any lost housing units through new market-rate and affordable housing.
- 10) The plan includes specific commitments to expanding tenant education resources and offering tenants subject to relocation by the project access to legal counsel.
- 11) The local land use authority adopts an affordable housing implementation plan that prioritizes the production of new affordable housing units, preservation of affordable homes, and protection of vulnerable residents from displacement to further plan for and address displacement. The plan may be citywide or for a specific area covering the project.

**FISCAL EFFECT:** According to the Senate Appropriations Committee, pursuant to Senate Rule 28.8, negligible state costs.

**COMMENTS:**

- 1) **Background.** This bill is intended to exempt the project to modernize and expand Diridon Station in San Jose from CEQA. The lead agency for the project, Caltrain, has hired a consultant to begin required environmental review, including CEQA and National Environmental Policy Act (NEPA), with an estimated completion in 2029. The preferred project alternative is estimated to cost \$3-6 billion and is likely to take many years to fully fund and construct, following completion of environmental review and approval by the relevant agencies.

Aspects of the station project and area have been reviewed under CEQA at the planning and project level in recent years. Specifically, the station was included in the Bay Area Rapid Transit (BART) to Silicon Valley Phase 2 EIR certified in 2018, the Diridon Station Area Plan programmatic EIR certified in 2021, the Downtown West Project EIR certified in 2021, and the high-speed rail project EIR certified in 2022. Regardless of the application of CEQA, the project will require a NEPA review because of the use of federal funds. It is estimated that the CEQA exemption would reduce the project review time by one year.

According to the City of San Jose:

Diridon Station, a key transit hub at the western edge of Downtown San Jose, will be expanded and redesigned to address the region's future transit needs. A collaboration among five public agencies – City of San Jose, Caltrain, Santa Clara Valley Transportation Authority (VTA), California High-Speed Rail Authority (CHSRA), and Metropolitan Transportation Commission (MTC) (collectively the “Partner Agencies”) – is underway to develop a comprehensive plan for the station. This initiative aims to improve the station's integration with the surrounding area, positioning it as a catalyst for both economic and community development. The goal of the project is to increase transit capacity and service, facilitate seamless transfers, and create a safe, passenger-friendly station.

On May 21, 2025, the Diridon Steering Committee – a representative body of the Partner Agencies – selected a preferred station alternative. This marked the conclusion of a two-year phase of work called the Business Case. The at-grade, preferred station alternative, will rebuild the station with the tracks at roughly the same elevation as they are today, and requires some streets surrounding the station to be regraded reconfigured to improve neighborhood connections, particularly for those on foot or bike.

Having selected a preferred alternative, the Partner Agencies began the next phase of work on the project: environmental review, which is expected to take approximately three to four years. The Partner Agencies selected an environmental consultant, ICF, to assist with this work. In parallel with this environmental review work, the Partner Agencies will continue to develop the funding strategy and implementation phasing for the project. They will also continue to develop the most suitable long-term organizational structure to deliver the project.

**2) Author's statement:**

SB 1375 establishes a targeted, criteria-based CEQA exemption tailored to the distinct realities of complex, multi-modal urban transit hubs. By recognizing the extensive environmental review, robust land-use planning, and years of deep, iterative community engagement already completed for these hubs, the bill responsibly saves time and public funds by eliminating redundant administrative delays for projects already thoroughly shaped by the public. Importantly, this measure maintains strict, legally binding compliance with all other state and federal environmental laws and regional permitting structures. Enabling the timely delivery of these critical transit centers will unlock profound regional and statewide benefits—accelerating a mode shift from automobiles, reducing greenhouse gas emissions, spurring transit-oriented housing, and creating thousands of high-quality jobs—without compromising essential statutory safeguards.

**3) Suggested amendments.** Because this bill is intended to provide an exemption for one project in the near future, *the author and the committee may wish to consider* adding a filing deadline of January 1, 2032, after which additional projects could not use this exemption.

In addition, *the author and the committee may wish to consider* adding a provision offered by the author to memorialize the project proponents' intention to follow the existing process for tribal consultation, notwithstanding the project's exemption from other provisions of CEQA.

**REGISTERED SUPPORT / OPPOSITION:**

**Support**

Bay Area Council

City of San Jose

Diridon Station Steering Committee

Greenbelt Alliance

Metropolitan Transportation Commission

Peninsula Corridor Joint Powers Board (Caltrain)

San Francisco Bay Area Planning & Urban Research Association

San Jose Chamber of Commerce

San Jose Downtown Association

Santa Clara Valley Transportation Authority

Silicon Valley Bicycle Coalition

**Opposition**

None on file

**Analysis Prepared by:** Lawrence Lingbloom / NAT. RES. /