



ENVIRONMENTAL QUALITY POLICY COMMITTEE HIGHLIGHTS

Friday, March 28, 2025

ATTENDANCE

Members: Members: Max Perrey (Chair); Teresa Acosta; Paul Akinjo; Brent Bartlett; Scott Bauer; Edward Belden; James Breitling; Rob Brewer; Margaret Clark; David Cohen; Larissa De La Cruz; Matthew Downing; Chris Freeland; Debra Garnes; Miguel Guardado; Guadalupe Gutierrez; Tracy Jensen; Sean Kelleher; Eric Knight; Linda Launer; Kevin Lee; Joe Lillio; Elaine Litster; Maika Llorens Gulati; Jeff Maloney; Julio Martinez; Deborah McGarrey; Peggy McQuaid; Melissa Morgan; David Newman; Tomas Oliva; Randall Putz; Karina Quintanilla; Gabe Quinto; Alonso Ramirez; Candice Rankin-Mumby; David Ring; Ariana Rodriguez; Matthew Summers; Igor Tregub; Kevin Wilk; Thomas Wong

Cal Cities Partners: Jordan Chriss; Haig Kartounian

Staff: Melissa Sparks-Kranz, Legislative Advocate
Zack Cefalu, Legislative Affairs and Policy Analyst

I. General Briefing

In accordance with the customary practice of convening all policy committee members for a general briefing prior to the start of policy committee meetings, the Cal Cities advocacy team provided a General Briefing Update, which includes the latest on legislative and budgetary matters affecting cities.

II. Welcome and Introductions

Chair Perrey welcomed the committee members and introduced themselves and present Cal Cities staff. Each committee member provided self-introductions.

III. Public Comment

No public comment was made.

IV. Cal Cities Roundtables Updates (CEQA & Earthquakes)

Cal Cities staff provided an update on two roundtables recently held by Cal Cities. Following discussion from the January Policy committee meeting Cal Cities hosted a round table on earthquake preparedness, response, and recovery, as well as a roundtable on CEQA.

Cal Cities staff highlighted key takeaways from both roundtables. A key takeaway from the Earthquakes Roundtable was the recognition that FEMA funding may not be available to rural, vulnerable, or small communities that do not meet the minimum damage threshold of \$72 million from disaster impacts and the burden this places on these communities.

Key highlights from the CEQA roundtable focused on the desire to address challenging issues with CEQA such as the use of litigation, potential streamlining, mitigations, and exemptions.

V. Public Safety Power Shutoff Presentation

Southern California Edison provided a presentation regarding Public Safety Power Shutoffs. The presentation provided an overview of the types of shutoffs that can occur and emphasized that utilities use these types of power shutoffs as a tool of last resort to protect the public.

VI. Key Disaster-Related Legislative Hearings Update

Cal Cities staff provided an overview on four different Legislative hearings that have taken place since the start of the year related to topics on wildfires, flooding, the Sustainable Groundwater Management Act, the Cap-and-Trade Program, as well as Zone Zero draft regulations by the Board of Forestry.

VII. Bill Analyses

Cal Cities staff presented on AB 61 (Pacheco), which would require Public Utilities Commission's Public Advocate's Office to, by January 1, 2027, establish a program to analyze legislation that could have impacts on electrical and gas ratepayers. The committee engaged in a discussion on the scope of the proposed program including analyzing legislation impacting ratepayers. The motion to recommend a "Watch" position on the bill was put to vote and passed unanimously.

Cal Cities presented SB 491 (Laird) to the committee. This bill would require the Chair of the State Energy Resources Conservation and Development Commission to appear annually before appropriate policy committees in the Legislature. A motion to recommend a "Support" position on the bill was made and put to a vote. The motion passed unanimously.

Cal Cities staff presented SB 915 (Petrie-Norris) to the committee. The bill would require \$900 million to be appropriated from the General Fund to the California Energy Commission (commission) for the 2025–26 fiscal year to be allocated for the CERIP as local grants to increase investment in clean energy infrastructure. The committee engaged in a discussion around the state's fiscal health and sustainability, due to the budget deficit in the state some members felt this bill may not be proposed at the right time. Committee members engaged in a robust discussion where the funds should potentially be allocated from, where this be from the General Fund, the Greenhouse Gas Reduction Fund, or from the Climate Bond. Members also discussed the need to amend the bill to ensure funding is specifically allocated for disadvantaged communities. A motion to recommend a "Support if Amend" position was made and put to a vote. The motion passed with a vote 32 in favor and 6 opposed. Amendments include flexibility in the funding source and a percentage to ensure funding will be directed to support clean energy investments in disadvantaged communities.

Cal Cities staff presented AB 222 (Bauer-Kahan) to the committee. This bill would require a data center that provides computing resources to a developer for the purpose of developing an AI model to estimate the total energy used to develop the covered model and to report that information to the developer. The bill would also require operators of data centers to report to the California Energy Commission energy consumption and performance data and the Commission to include the reported data in their Integrated Energy Policy Report. The bill would also require the adoption of energy efficiency standards for data centers and prevent the costs of constructing data centers from being passed onto ratepayers. The committee's robust discussion

covered concerns of these requirements potentially driving data centers out of the state when many cities have been actively trying to have these centers develop in their cities due to the associated economic development they bring. Other members expressed their concerns with the amount of resources these centers can use and the adverse environmental effects some cities have experienced from these centers. A motion was made to recommend a "Support" position on the bill, and this was put to a vote. The motion passed with 23 in favor, 15 opposed, and 1 abstaining.

Cal Cities staff presented the final bill to the committee. AB 306 (Schultz) which was also presented to the Housing, Community, and Economic Development Policy Committee, where they recommended a "Support" position. This bill would put a six-year moratorium on state and local building standards beginning in June 2025 and ending in June 2031 unless they address public health and safety concerns. The committee discussed the bill and expressed concerns of the bill's erosion of local control and a city's ability to establish reach codes that go further than building standards. Further discussion took place about a potential exemption on building standards for retrofitting existing structures for fire prevention and mitigation. Ultimately a motion to recommend an "Oppose" position on the bill was made and put to a vote. The motion passed with 29 in favor, 9 opposed, and 3 abstaining.

VIII. State Legislative and Regulatory Updates

Cal Cities staff provided an overview on priority legislation concerning the topics of air quality, climate change, water, solid waste and recycling, and coastal issues.

IX. Adjourn

Next Meeting – Virtually: Friday, June 13, 9:30 a.m. - 12:30 p.m.