
SENATE COMMITTEE ON NATURAL RESOURCES AND WATER

Senator Monique Limón, Chair
2025 - 2026 Regular

Bill No:	AB 1417	Hearing Date:	July 16, 2025
Author:	Stefani		
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Urgency:	No	Fiscal:	Yes
Consultant:	Katharine Moore		

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

SUMMARY

This bill would authorize the State Energy Resources and Development Commission (California Energy Commission, CEC) to allocate moneys in an existing continuously appropriated fund for capacity funding activities and grants for local communities and tribes to engage in offshore wind development, as provided.

BACKGROUND AND EXISTING LAW

California's Clean Energy Goals

Over the past few decades, California has established ambitious clean energy goals, including a requirement for 100% renewable and zero-carbon energy resources by the end of 2045. An important component of California's strategy to meet these goals is the development of offshore wind (OSW) energy resources.

In 2021, AB 525 (Chiu) set the foundation for the state's efforts to develop OSW by requiring the CEC to establish 2030 and 2045 planning goals for electricity generated by OSW energy resources. AB 525 also required the CEC to develop a five-part strategic plan for offshore wind development and to submit the plan to the Natural Resources Agency and the Legislature (OSW Strategic Plan or Strategic Plan).

In 2022, the state set dual goals of 5 gigawatts (GW) of OSW energy by 2030 and 25 GW by 2045. At the same time, SB 1020 (Laird) accelerated the requirement for state agencies by requiring them to meet the 100% clean energy target by 2035, and created benchmarks to help the state meet the broader 100% requirement. In 2024, the California Public Utilities Commission (CPUC) established an authorized capacity of 7.6 GW of OSW energy to be procured by the Department of Water Resources (DWR).

The previous federal administration set a goal of deploying 30 GW of OSW electricity generation by 2030. In contrast, on January 20, 2025, the Trump Administration announced a temporary withdrawal of all areas on the Outer Continental Shelf for OSW leasing, and a review of existing federal wind permitting and leasing. In addition, the Trump Administration's recently-passed "One Big Beautiful Bill" which sharply reduces access to a 30% tax credit for solar and wind power projects that had been set to run until 2032, and which was an important financing mechanism for OSW projects.

OSW development off the California Coast

In late 2022, the federal Bureau of Ocean Energy Management (BOEM) awarded five leases off the shores of Morro Bay and Humboldt. The California Coastal Commission

conditionally concurred with this federal action. More BOEM lease areas will be required to achieve the state's 2045 goals, although whether there will be additional federal lease auctions is unclear.

Due to the water depth in areas with high ambient winds, much of the OSW energy projects serving California are likely to be composed of very large floating wind turbines (as tall as the Eiffel Tower) anchored to the sea floor in federal waters offshore. These projects will include components in state waters, such as cables transporting the energy onshore, vessels navigating state waters to serve the projects, and docking and support facilities onshore. Depending on the type of floating structure, some assemblage of floating turbines may need to occur offshore, requiring naval cranes and vessels to stabilize such operations, and port infrastructure and specific port water depths.

CEC's OSW Strategic Plan

In June 2024, the final OSW Strategic Plan required by AB 525 for public comment was released by the CEC. The Strategic Plan describes the potential economic benefits of OSW, including direct benefits, indirect benefits, induced benefits, and potential increased tax revenue. A recent study estimates that more than 8,000 jobs will be generated by OSW during peak development. OSW has the potential to benefit the communities located near its development.

However, the Strategic Plan and related reports also note potential negative impacts on frontline communities. Historically, communities that have hosted large infrastructure projects have borne the brunt of their impacts, including various different types of pollution, noise, and traffic impacts.

As part of the process of preparing their plan and reports, the CEC consulted with California tribes to solicit their thoughts and concerns about offshore wind development. Different tribes have unique concerns about development in their communities. Tribes have raised concerns regarding access to commercial and recreational fishing grounds, access to areas used for subsistence fishing and hunting, impacts to species that use or pass through federal lease areas, impacts to culturally important areas, and tribal access to the coastline and tribal resources. Some tribes also expressed concerns about their ability to participate in the regular meetings involved in the OSW development process, which involves significant costs.

Under current law, OSW leaseholders are required to develop community benefits agreements (CBAs) with local communities to fulfill their lease bidding credits, which may include training and educational programs and requirements for local hiring that would benefit port communities and California tribes. Considering the potential for both valuable benefits and harmful negative impacts, it's crucial that communities have the opportunity to participate in this process. However, not all communities have the financial means to do so. One way to facilitate their engagement is through community capacity building.

The Strategic Plan recommends identifying and evaluating ways to increase capacity for stakeholders to engage in the permitting, development, and mitigation of OSW development. The Strategic Plan recommends that the state should prioritize community capacity building opportunities in working toward achieving its OSW planning goals. Communities and tribes located close to OSW impacts, in particular,

have a vested interest in decision-making opportunities during the offshore wind development process.

The CEC's Voluntary Offshore Wind and Coastal Resources Protection Program

In order to facilitate state efforts, AB 209, the 2022 energy budget trailer bill, established the Voluntary Offshore Wind and Coastal Resources Protection Program (Voluntary Program) to support activities related to OSW development, as provided. The CEC administers the Voluntary Program and awards funding to public and private entities, including state agencies, tribal entities, local government agencies, research institutions, and nonprofit entities through a variety of mechanisms, including grants.

Funding may be awarded to state agencies to engage in postlease assessments including project compliance and monitoring; for research; for contracts with technical experts to help to develop guidelines and best practices with the overall goal to avoid and minimize impacts to coastal resources; and to support infrastructure readiness, as provided.

AB 209 also established a new fund, the Voluntary Offshore Wind and Coastal Resources Protection Fund (Voluntary Fund), to accept donations from private and federal sources.

Previous capacity building legislation

AB 2537 (Addis, 2024) would have established the Offshore Wind Community Capacity Funding Grant Account for the purpose of building capacity within local communities and tribal communities to support engagement in the process of OSW energy development in California. The bill was vetoed by Governor Newsom whose veto message stated:

While I share the author's desire to ensure communities hosting OSW projects are resourced to constructively engage in their planning and development, this bill falls short of providing a viable funding stream to accomplish this very objective. I encourage the author and the OSW developers to collaborate further with communities to identify an approach that not only fosters capacity for engagement but considers community benefits from the development of these projects.

Existing law:

- 1) Establishes the policy goal of the state that eligible renewable energy resources and zero-carbon resources supply 100% of all retail sales of electricity to California end-use customers and 100% of electricity procured to serve all state agencies by December 31, 2045. (Public Utilities Code §454.53)
- 2) Requires the CEC, in coordination with relevant federal, state, and local agencies, to develop a strategic plan for OSW energy developments installed off the California coast in federal waters, and requires the CEC to submit the strategic plan to the Natural Resources Agency and the Legislature on or before June 30, 2023. (Public Resources Code (PRC) §25991)
- 3) Establishes the California Offshore Wind Energy Fisheries Working Group. Requires the working group to be composed of numerous members including

representatives of federal and state agencies, the OSW energy industry, and California Native American tribes with affected tribal fisheries, among others. Provides for compensation for participation by certain members of the working group. (PRC §30616)

- 4) Establishes the Voluntary Program and Voluntary Offshore Wind and Coastal Resources Protection Fund (Voluntary Fund), administered by the CEC, to support state activities that complement and are in furtherance of federal laws related to the development of OSW facilities. Continuously appropriates moneys in, the Voluntary Fund for purposes of the Voluntary Program. Requires the CEC to award and allocate moneys under the Voluntary Program for various purposes. Authorizes the CEC to accept federal and private sector moneys for purposes of the Voluntary Program, and to allocate moneys in the Voluntary Fund for certain purposes, including workforce development grants. Requires the CEC to post a report on its internet website, within 30 days of receiving a donation, about specified information regarding each donation received. (PRC §§25992.10, 25992.20, 25992.21)
- 5) Requires, if the CPUC requests DWR to procure eligible energy resources, and DWR elects to exercise its central procurement function to conduct one or more competitive solicitations or enter into contracts for eligible energy resources, as provided, the CPUC, in consultation with DWR, to develop and adopt procedures and requirements that govern competitive procurement by, obligations on, and recovery of costs incurred by DWR relating to bids for the development of eligible energy resources. (Water Code §80820)

PROPOSED LAW

This bill would authorize the CEC to allocate moneys in an existing continuously appropriated fund for capacity funding activities and grants for local communities and tribes to engage in OSW development, as provided.

Specifically, this bill would:

- 1) Add capacity funding activities and grants within local communities and tribal communities to the list of eligible activities that the CEC may allocate moneys to as part of the Voluntary Program.
- 2) Require an OSW entity to report to the CEC every 90 days the following information:
 - a) The aggregate amount of donations made.
 - b) The number of groups or tribes that received donations.
 - c) The counties where those groups or tribes are based.
 - d) The types of eligible entities that received a donation, including, but not limited to, whether the eligible entity is a tribe, community group, local government, or third party.
- 3) Revise CEC reporting requirements for donations made by an OSW entity and reported to the CEC described above as follows:

- a) Annual reporting posted online, replacing within 30 days of each donation receipt.
 - b) All donations in the preceding year, as provided, replacing each individual donation and the name and address of each donor.
 - c) All donations received by eligible entities from OSW entities in each county in the preceding year.
 - d) The number of eligible entities receiving a donation in the preceding year.
- 4) Require the CEC to annually prepare and submit a report to the Legislature on the implementation and effectiveness of capacity funding activities and grants on or before March 1 of each year, as provided.
 - 5) Expand the purposes for which continuously appropriated moneys may be allocated, thus making an appropriation.
 - 6) Define various relevant terms, including an “eligible entity” to receive funds and “offshore wind entity,” as specified.

ARGUMENTS IN SUPPORT

According to the author, “California is leading the charge on clean energy and offshore wind is key to our renewable future—but we must ensure the benefits reach the communities most impacted. AB 1417 requires offshore wind developers to report to the CEC any funding they provide directly to local and tribal communities, specifically for the purposes of capacity building. In addition, this bill expands the scope of the existing Voluntary Offshore Wind and Coastal Resources Program by allowing capacity-building activities in local and tribal communities to be eligible uses of any voluntary donations. This bill drives environmental justice, economic opportunity, and a more equitable transition to clean power—ensuring those on the frontlines have a voice in the process. By investing in a responsible and inclusive transition, we maximize benefits while minimizing harm.”

ARGUMENTS IN OPPOSITION

None received

COMMENTS

This bill is double-referred. This bill was referred to both the Senate Energy, Utilities, and Communications Committee (Senate Energy Committee) and this Committee. This Committee is the Committee of second referral. Elements of the bill within the jurisdiction of the Senate Energy Committee are included here for context and completeness only.

Second time the charm? This bill is another attempt at securing voluntary contributions for capacity funding for communities that may be impacted from OSW energy development, in order to include their participation in the development of these projects.

The potential impacts to coastal resources are significant. As offshore wind energy systems are built out, there is the potential for significant and profound impacts to

coastal resources, including local ports and fishing areas. In view of this, there is merit in specifically providing for local community and tribal capacity to participate in the planning efforts. Capacity building could include activities related to consultation, participation in project planning and development, programs connecting members of tribal nations and underrepresented communities to careers in science, technology, engineering, and math, and the implementation of local and tribal benefit agreements. Establishing a standardized process with funding to build capacity with local communities and tribal communities impacted by OSW could complement existing efforts directly targeted at job skills training and port development.

Continuous appropriation. This bill would provide moneys for the capacity building program from a continuously appropriated account. One of the usual legislative methods to provide oversight over programs is through the budget and appropriations process.

California Native American tribes impacted by offshore wind. Many California Native American tribes and peoples have connections to the Pacific Ocean, the coast, and marine habitats and species. Each California Native American tribe has its own perspective, concerns, and priorities regarding OSW. Many tribal members depend on local fishing and harvesting of sea life for cultural, subsistence, and commercial needs, and have concerns about the potential impact on their ability to feed their families and loss of income from commercial fishing. On the North Coast, tribes expressed significant concern about the impacts on the population and migration patterns of the already endangered salmon.

In Humboldt, there are three federally-recognized tribes near the OSW lease site: the Yurok, the Wiyot, and the Mattole. For the southern leases, Morro Bay and Diablo Canyon are ancestral lands of cultural, ceremonial, and spiritual importance to the Santa Ynez Band of Chumash Indians Tribe, and the Gabrieleño are nearby on the Santa Barbara coastline.

Tribes are seeking a direct role in the decision-making process throughout the planning, permitting, operation, and decommissioning of OSW operations and associated infrastructure for OSW development.

Recent related legislation

AB 2537 (Addis, 2024) would have established the Offshore Wind Community Capacity Funding Grant Account for the purpose of building capacity within local communities and tribal communities to support engagement in the process of OSW energy development in California, and continuously appropriates the funding. *(This bill was vetoed by Governor Newsom.)*

AB 2212 (Lowenthal, 2024) would have enacted the Offshore Wind Workforce Safety Training Facility Development Act and would have required the CEC to oversee the allocation and use of funds allocated for the development of training facilities and to develop standardized training curricula tailored to the specific needs of the OSW industry. *(This bill was held on the suspense file in the Assembly Appropriations Committee.)*

AB 3006 (Zbur, 2024) would have amended the definition of “infrastructure” for purposes of the Governor’s annual infrastructure plan to include port infrastructure for OSW energy development. *(This bill was held on the suspense file in the Senate Appropriations Committee.)*

SB 286 (McGuire, Chapter, 386, Statutes of 2023) established the California Offshore Wind Energy Fisheries Working Group to address OSW project impacts to certain fisheries and other interests, including providing for compensation to those affected, among other things.

AB 209 (Committee on Budget, Chapter 251, Statutes of 2022), the energy budget trailer bill, among its many energy-related provisions, established the Voluntary Offshore Wind and Coastal Resources Protection Program.

SB 1020 (Laird, Chapter 361, Statutes of 2022) established interim targets to reach SB 100 clean energy goals and requires state agencies to purchase 100 percent zero carbon electricity by 2035 to serve their load, including obligations on State Water Project. This bill also required the development of electric and gas utility service affordability metrics.

AB 525 (Chiu, Chapter 231, Statutes of 2021) required the CEC to develop a strategic plan for achieving 3,000 MW of OSW development off the California Coast by 2030, and at least 10,000 MW by 2040.

SB 100 (De León, Chapter 312, Statutes of 2018) established the 100 Percent Clean Energy Act of 2018, which increased the Renewable Portfolio Standard (RPS) requirement from 50 percent by 2030 to 60 percent, and created the policy of planning to meet all of the state’s retail electricity supply with a mix of RPS-eligible and zero-carbon resources by December 31, 2045, for a total of 100 percent clean energy.

SUGGESTED AMENDMENTS: none**SUPPORT**

Brightline Defense (sponsor)
350 Humboldt
Audubon California
Blue Lake Rancheria
California Environmental Voters
Central Coast Alliance United for a Sustainable Economy
Clean Power Campaign
Climate Action California
Climate First: Replacing Oil & Gas (CFROG)
Elected Officials to Protect America
Environment California
Environmental Defense Fund
Environmental Protection Information Center
Fund Her
Monterey Bay Aquarium
National Wildlife Federation
Natural Resources Defense Council

Northern Chumash Tribal Council
San Luis Obispo (SLO) Climate Coalition
Sierra Club California
Union of Concerned Scientists
United Autoworkers (UAW) Region 6
USC Schwarzenegger Institute

OPPOSITION

None received

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