
THIRD READING

Bill No: AB 1417
Author: Stefani (D), et al.
Amended: 9/5/25 in Senate
Vote: 27

SENATE ENERGY, U. & C. COMMITTEE: 13-2, 7/1/25

AYES: Becker, Allen, Archuleta, Arreguín, Ashby, Caballero, Gonzalez, Hurtado, Limón, McNerney, Rubio, Stern, Wahab

NOES: Grove, Strickland

NO VOTE RECORDED: Ochoa Bogh, Dahle

SENATE NATURAL RES. & WATER COMMITTEE: 5-2, 7/16/25

AYES: Limón, Allen, Hurtado, Laird, Stern

NOES: Seyarto, Grove

SENATE APPROPRIATIONS COMMITTEE: 5-2, 8/29/25

AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto, Dahle

ASSEMBLY FLOOR: 77-1, 6/4/25 - See last page for vote

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

SOURCE: Brightline Defense Project

DIGEST: This bill authorizes the California Energy Commission (CEC) to allocate moneys in an existing continuously appropriated fund for capacity funding activities and grants to help local communities and tribes engage in planning for offshore wind (OSW) development projects.

Senate Floor Amendments of 9/5/25 delete the clarifying amendments that were crossed on 9/4/25 and return the language in the bill as it was prior to those amendments.

Senate Amendments of 9/4/25 clarify eligible entities and replace references to “capacity funding” with “capacity building”.

ANALYSIS:

Existing law:

- 1) Requires the State Energy Resources Conservation and Development Commission (also known as the California Energy Commission (CEC)), in coordination with specified state entities and other relevant federal, state, and local agencies, to develop a strategic plan for 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 §25991 *et seq.*)
- 2) Establishes the Voluntary Offshore Wind and Coastal Resources Protection Program, which is administered by CEC for the purpose of supporting state activities that complement and are in furtherance of federal laws related to the development of OSW facilities. (Public Resources Code §25992.10)
- 3) Creates, and continuously appropriates moneys in, the Voluntary Offshore Wind and Coastal Resources Protection Fund for purposes of the program and the Private Donations Account, which is created in the fund. Authorizes the CEC to accept federal and private sector moneys for purposes of the program and requires the private sector moneys to be deposited into the account and the federal moneys to be deposited into the fund. 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. Authorizes the CEC to allocate moneys in the fund or account for specified purposes, including workforce development grants. (Public Resources Code §§25992.20 - 25992.21)

This bill:

- 1) Authorizes the CEC to allocate moneys in the fund or account for capacity funding activities and grants for purposes of the program. Makes only a local community, local government, California tribe, nonprofit organization selected by California tribes to represent their interests or a coalition of these entities eligible for these capacity funding activities and grants.
- 2) Makes an appropriation by expanding the purposes for which continuously appropriated moneys may be allocated.

- 3) Makes the public disclosure by the CEC of donations received applicable to donations received by an eligible entity from an OSW entity and requires an OSW entity to report, every 90 days, specified information concerning these donations to the CEC.
- 4) Deletes the requirement for the CEC to post a report on its internet website for donations received by the CEC, and would instead require the CEC to annually post a report on its internet website related to donations made by OSW entities to eligible entities.
- 5) Requires the CEC to annually prepare and submit a report, on or before March 1 of each year, to the Legislature on the implementation and effectiveness of the activities and grants funded pursuant to this bill.

Background

OSW potential. OSW energy generation is projected to be an important component of the state's efforts to decarbonize energy generation and to achieve carbon neutrality by 2045, particularly as OSW can be a more stable and complementary resource to help integrate variable renewable energy resources. As of 2019, almost six gigawatts (GW) of installed wind capacity was generating in the state, the fifth largest amount of wind capacity in the United States, with all of it generated from land-based systems. Although California has no commercial OSW generation, the National Renewable Energy Laboratory has identified 112 GW of OSW technical potential for California. However, approximately 96% of this potential is located in water deeper than 60 meters, where the mature, fixed-bottom turbine technology is not technically feasible. 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.

OSW Report. AB 525 (Chiu, Chapter 231, Statutes of 2021) required the CEC, in coordination with federal, state, and local agencies, California Native American tribes, and a variety of stakeholders, to develop a strategic plan for OSW energy

development in federal waters off the California coast. In August 2022, the CEC approved a planning goal of 2,000 to 5,000 megawatts (MW) of OSW energy capacity by 2030, and 25,000 MW by 2045. In June 2024, the CEC adopted a long-awaited Strategic Plan for Offshore Wind Development in three volumes which among its contents, discusses the impacts and strategies to address those impacts in California's underserved communities. Building upon these efforts, AB 1373 (Garcia, Chapter 367, Statutes of 2023) designated the Department of Water Resources (DWR) as a centralized procurement entity to, in part, help reduce risk and facilitate offshore wind development in California. In 2024, the California Public Utilities Commission (CPUC) established an authorized capacity of 7.6 GW of OSW energy to be procured by DWR.

California Native tribes. According to the *AB 525 Report*, the CEC and coordinating agencies had numerous tribal consultations and community engagement discussions on the potential impact of OSW energy development. There were a myriad of concerns for California Native Tribes, each with their own perspective, concerns, and priorities regarding OSW, including impacts to local fishing for subsistence and cultural impacts. On the North Coast, there have been significant concerns about the impacts on the population and migration patterns of the already endangered salmon. They have concerns about the impacts of OSW and associated infrastructure on tribal cultural resources. Additionally, there are concerns regarding the fiscal impact that comes with participating at ongoing meetings on planning processes such permitting processes. In Humboldt, there are three federally-recognized Tribes near the OSW lease site: the Yurok, the Wiyot, and the Mattole. 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 near the Santa Barbara coastline.

Strategies for addressing impacts. Some of the suggestions in the *AB 525 Report* include conducting meaningful consultation with tribal representatives, supporting the establishment of strong, legally binding tribal community benefits agreements, continuing to study impacts on tribes including exploring public safety measures to reduce violent crime and sexual and gender-based violence against California tribes and other vulnerable populations, and collaborating with tribes on avoidance, mitigation, and co-management opportunities.

Underserved communities. Supporters of this bill note that historically underserved communities have experienced a disproportionate share of economic, health and environmental burdens, which include poverty, high unemployment, air, and water pollution. Supporters of this bill state that OSW development can provide a variety

of benefits such as the creation of well-paying jobs and new tax revenues. Industrial activity can impact underserved communities living near ports through air, water, noise, and light pollution. Additional air pollution may also occur from increased vehicle emissions on land and vessel emissions offshore to transport materials and turbines. Advocates would like to see increased engagement with potentially impacted communities. The CEC *AB 525 Report* notes that strategies to address these impacts include conducting early and meaningful community outreach and engagement efforts throughout the OSW planning and development process.

SB 286 Fisheries Working Group. SB 286 (McGuire, Chapter 386, Statutes of 2023) established the California Offshore Wind Energy Fisheries Working Group (Working Group) which includes representatives from the relevant permitting and resource agencies, commercial and recreational fishing industries, OSW energy industry, California Native American Tribes with affected tribal fisheries, and other stakeholders, as determined by the California Coastal Commission (CCC). The Working Group is required to develop a statewide strategy by January 1, 2026, that proposes ways to minimize impacts of OSW on ocean fisheries, including the application of best practices in compensating impacted stakeholders. After the statewide strategy is developed, the CCC must review and adopt it on or before May 1, 2026. The Working Group is responsible for creating a framework for reasonable compensatory mitigation for unavoidable impacts associated with OSW energy projects and include a payment structure to reasonably compensate commercial, tribal, and recreational fisheries and impacted commercial fish processors. The California State Lands Commission (SLC) – or a local trustee of granted public trust lands standing in its place – must consider reasonable compensatory mitigation for unavoidable impacts to fishing and tribal interests when granting a lease for an OSW energy project. In addition, SLC is required to deposit revenues generated from the leases into a newly created Offshore Wind Energy Resiliency Fund. Upon appropriation by the Legislature, the fund will be made available for reasonable compensatory mitigation for unavoidable impacts.

AB 209 establishes voluntary fund and program. AB 209 (Committee on Budget, Chapter 251, Statutes of 2022) established the Voluntary Offshore Wind and Coastal Resources Protection Program at the CEC to support OSW development. The CEC provides grants to public and private entities, including state agencies, tribal entities, local governmental agencies, research institutions, and nonprofit entities. The CEC can also accept federal and private sector money for the Voluntary Program. AB 209 also established the Voluntary Fund which accepts donations from private and federal sources and requires specified reporting of these donations.

AB 2537 (Addis) of the 2024 legislative session, 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. The bill was vetoed by the Governor stating:

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.

Comments

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

Continuous appropriation. This bill authorizes the CEC to allocate capacity building grants as part of the use of the fund which is embedded within the statutory language adopted in AB 209, which authorized a continuous appropriation. This bill is silent on the amount of the financial assistance for capacity building with the notion that this would likely be negotiated with the OSW leaseholders. The CEC currently has the discretion to award any funding

deposited into the Account towards specified activities to support the development of OSW energy. This bill adds capacity funding activities and grants to the list of eligible uses. This bill also requires annual and 90 day reporting regarding any donations received or awarded that meet the requirements of this bill.

Related/Prior Legislation

AB 2537 (Addis) of 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. The bill was vetoed by the Governor.

AB 3006 (Zbur) of 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. The bill was held in the Senate Appropriations Committee.

SB 286 (McGuire, Chapter 386, Statutes of 2023) established, among its provisions, the 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) established, among its many energy-related provisions, the Voluntary Offshore Wind and Coastal Resources Protection Program.

AB 525 (Chiu, Chapter 231, Statutes of 2022) required the CEC to establish, by June 1, 2022, planning goals, as specified, for the years 2030 and 2045 from electricity generated by OSW. The bill also required the CEC, in coordination with specified agencies, to develop a strategic plan, as specified, for OSW developments and to submit the plan to the Natural Resources Agency and the Legislature by June 30, 2023.

FISCAL EFFECT: Appropriation: Yes Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee:

- The CEC estimates ongoing costs of about \$241,000 annually (Energy Resources Programs Account [ERPA] or other fund) for one position to conduct workshops and listening sessions specific to the issues identified in this bill to

maintain up-to-date guidelines and inform potential funding opportunities. The CEC notes it did not receive any positions for the underlying Program and the work to support the development and implementation of the Program is currently being absorbed by existing resources, which are funded only temporarily.

- Cost pressure of an unknown but potentially significant amount to fund capacity funding activities and grants within local communities and tribal communities (various funds).

SUPPORT: (Verified 9/5/25)

Brightline Defense Project (Source)

350 Humboldt

Audubon California

Blue Lake Rancheria Tribe of California

California Environmental Voters

Central Coast Alliance United for a Sustainable Economy

Clean Power Campaign

Climate Action California

Climate First: Replacing Oil & Gas

Elected Officials to Protect America Code Blue

Environmental Defense Fund

Environmental Protection Information Center

Monterey Bay Aquarium

National Wildlife Federation

Natural Resources Defense Council

Northern Chumash Tribal Council

San Luis Obispo Climate Coalition

Sierra Club California

Union of Concerned Scientists

United Autoworkers, Region 6

USC Schwarzenegger Institute

OPPOSITION: (Verified 9/5/25)

None received

ARGUMENTS IN SUPPORT: Brightline Defense Project, the sponsor of this bill, states:

As OSW planning continues, it is critical to center the voices of local communities, especially overburdened EJ communities and Tribal Nations. ...Unfortunately, these communities face major barriers to engagement. ...Brightline has heard directly from community leaders in the North Coast and Central Coast that they lack the capacity and technical expertise to participate in the lengthy and complex OSW processes. Without upfront investment in these communities, the state will leave out these critical voices, and likely encounter higher costs and conflicts down the road. ...AB 1417 addresses this problem by creating a state-wide mechanism to encourage and keep track of OSW capacity building investments. Specifically, the bill requires OSW developers to report on contributions they make to local communities and Tribal Nations for capacity building to the California Energy Commission (CEC). The agency will then make this information publicly available, facilitating improved transparency and better-informed state planning.

ASSEMBLY FLOOR: 77-1, 6/4/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NOES: Flora

NO VOTE RECORDED: Sanchez

Prepared by: Nidia Bautista / E., U. & C. / (916) 651-4107
9/8/25 21:44:03

**** END ****