SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

SB 1097 (Wiener) - California Environmental Quality Act: electrical distribution: exemptions

Version: April 23, 2026
Urgency: No
Hearing Date: May 11, 2026

Policy Vote: E.Q. 5 - 0, E., U. & C. 17 - 0
Mandate: Yes
Consultant: Ashley Ames

Bill Summary: This bill would establish a CEQA exemption for maintaining, reconductoring or replacing and removing transmission lines that meet certain conditions, including for projects that are located on federally and state protected lands.

Fiscal Impact:

- The California Public Utilities Commission (CPUC) estimates ongoing costs of $30 million annually (ratepayer funds) for 18 positions and consultant resources to review every electric project proposed by a utility. According to the CPUC, the current exemptions in CEQA and GO 131-E are in place to target review of projects that are deemed most impactful. Eliminating existing exemptions would result in project delays, increased costs, negatively impact the achievement of state's environmental goals, and exacerbate current affordability issues.
- To the extent that the absence of CEQA review for projects that qualify for the exemption established by this bill results in damage to sensitive biological resources, cultural resources, wetlands, and other environmentally sensitive lands, it could result in increased state costs related to mitigation obligations and enforcement proceedings involving agencies such as the California Department of Fish and Wildlife, State Water Resources Control Board, Native American Heritage Commission, and California Coastal Commission.
- To this extent that transmission projects exempted from CEQA by this bill result in impacts to public lands, parks, conservation easements, and other protected landscapes that otherwise would not occur, unknown but potentially significant cost pressures (various funds) related to future restoration funding, habitat acquisition, wildfire risk reduction, erosion control, or species recovery.
- The Governor's Office of Land Use and Climate Innovation (LCI) anticipates any costs would be minor and absorbable.

Background:

Transmission projects and permitting. Electric transmission lines are generally high voltage lines that move electricity from power plants to substations, which in turn connect to distribution lines in neighborhoods. Companies, usually electric investor-owned utilities (IOUs), proposing the construction of new transmission, are required to obtain a permit from the CPUC for construction of transmission projects. The CPUC reviews permit applications under two concurrent processes: (1) an environmental review pursuant to CEQA, and (2) the review of project need and costs pursuant to Public Utilities Code Section 1001 and General Order (GO) 131-D (CPCN).

As the CPUC conducts the CEQA review, it also reviews the electric IOU's application for either a CPCN or a Permit to the Construct (PTC). Which application the CPUC pursues depends on the size of the project, specifically:

a) Projects below 50 kV are considered distribution projects, rather than transmission projects, and in general do not require CPUC approval.
b) Projects between 50 kV and 200 kV require a PTC from the CPUC, which consists primarily of an environmental review pursuant to CEQA. The CPUC process generally does not require a detailed analysis of the need for or economics of these projects.
c) Projects over 200 kV require a CPCN from the CPUC. The CPCN process analyzes the need for the project and the economics of the project, as well as the environmental impacts of the project.

The CPUC's decision on the CPCN or PTC cannot be issued until the environmental review is complete

Most projects are reviewed through the CPUC's advice letter approval process, which tends to be more simplified and expedient than a full application for a CPCN. According to CPUC data, from 2012 to 2023, 608 projects have been exempted from CEQA, 29 projects have been approved via negative declaration, and 27 have required an EIR.

CEQA and permit streamlining for clean energy and transmission projects. In recent years, the Legislature and Governor's Office have advanced a suite of policies to streamline clean energy projects and associated transmission lines.

Clean energy projects, including solar and wind projects, energy storage systems, power plants 50 MW or greater using any source of thermal energy, excluding fossil or nuclear fuels, and transmission lines associated with these generating and storage facilities, and facilities that manufacture or assemble clean energy or storage technologies or related components, and hydrogen production facilities that are not derived from fossil fuel are eligible for CEQA streamlining processes.

GO 131-E streamlining for electric transmission lines and existing CEQA exemptions. SB 529 (Hertzberg), Chapter 357, Statutes of 2022, directed the CPUC to revise General Order (GO) 131-D to authorize a utility to use the PTC process or claim an exemption to seek approval to construct an extension, expansion, upgrade, or other modification to its existing transmission facilities regardless of the voltage level.

On January 30, 2025, the CPUC adopted GO 131-E, replacing the previous GO 131-D. The new order establishes updated rules for the permitting, approval, and construction of electric transmission lines, substations, and generation facilities. It also clarifies and streamlines the regulatory process.

Reconductoring of powerlines. Conductors are the wires that carry electricity. Most of the existing electric grid uses conductors with a steel core for strength surrounded by aluminum for the electrical current. More recently, conductor designs (referred to as advanced conductors) with composite or carbon cores, in place of steel, have come into use. Advanced conductors provide a variety of benefits including increased capacity. By

increasing the capacity of powerlines it is possible to get more electricity into the grid without the need to build new powerlines. The new composite or carbon cores replacing steel are also lighter, leading to less sag in the line which may reduce the chances of the line connecting with vegetation (which is a fire risk).

Proposed Law: This bill would establish a CEQA exemption for maintaining, reconductoring or replacing and removing transmission lines that meet certain conditions, including for projects that are located on a sensitive site such as a state or national park, wilderness area, habitat for protected species, or lands with a conservation easement, as specified.

Related Legislation:

SB 607 (Wiener) would have overturned the fair argument standard in CEQA for all projects, among many other substantial changes to CEQA.

SB 529 (Hertzberg, Chapter 357, Statutes of 2022) exempts an extension, expansion, upgrade, or other modification of an existing transmission line or substations from the requirement of a CPCN and directed the CPUC to revise its GO, by January 1, 2024, to instead use its permit to construct process for these approvals.

AB 205 (Committee on Budget, Chapter 21, Statutes of 2022) allows certain energy projects, including electric transmission lines between certain non-fossil fuel energy generation facilities to become certified leadership projects under the Jobs and Economic Improvement Through Environmental Leadership Act of 2021 through a certification process through the CEC. With this certification, actions or proceedings related to the certification of an environmental impact report need to be resolves within 270 days to the extent feasible.

Staff Comments:

CPUC costs. According to the CPUC, there are 300-400 projects each year that are currently exempted from CEQA under the categorical exemption process. The CPUC believes these projects could require CEQA review under SB 1097 as currently written. The view of the CPUC is that language of this bill could be interpreted to require CEQA review for every project on a "sensitive site," which is defined broadly.

Environmental costs and cost pressures. CEQA review typically identifies impacts and requires avoidance, minimization, and mitigation for impacts that, when not mitigated by the project applicant, become operational costs borne by the property owner. While state lands are overseen and stewarded by many departments, California State Parks is probably the most obvious example. State Parks staff have typically identified the following categories of costs that CEQA review and mitigation would normally address:

- Staff time for project monitoring during construction and operation (including inspections that would identify management needs);
- Project inspection costs to verify compliance and site conditions;
- Wildfire fuel treatment and vegetation management in newly cleared areas;
- Invasive species management in disturbed soils and edge habitat;

- Habitat restoration and remediation following ground disturbance.

The absence of CEQA review, these activities could create state cost pressures impacting the department and its already limited resources. Something similar would likely play out across several state departments, including CDFW, CalFire, state conservancies, and the California Coastal Commission.

These risks would be exacerbated in wildfire prone areas where CEQA review often serves as a safeguard. Under this bill, when transmission line voltage or capacity is increased through reconductoring, there would be no attendant CEQA review considering the wildfire ignition risk associated with conductor failures or pole collapses. Such projects could become high risk. Higher probability of a wildfire ignition on state protected lands or sensitive habitat make it more likely that a park or other resource could be devastated by wildfire, which would generate significant fire suppression costs, in addition to the direct habitat loss and future restoration costs.

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