

(Without Reference to File)**SENATE THIRD READING**

SB 127 (Committee on Budget and Fiscal Review)

As Amended June 24, 2025

Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY

This bill is the omnibus Climate Change budget trailer bill. It contains provisions necessary to implement the Budget Act of 2025 related to energy and the California Air Resources Board.

Major Provisions:

- 1) *California Energy Commission Chairperson Salary Increase Technical Adjustment.* Makes a technical adjustment to move the code section for a previously approved increase to the salary of the chairperson of the California Energy Commission (CEC) by 5% for the 2025-26, 2026-27, and 2027-28 years.
- 2) *Demand Side Grid Support.* Extends existing authority and exemptions related to the Demand Side Grid Support Program at the California Energy Commission to all fund sources.
- 3) *Clean Transportation Program Block Grant.* Amends the Clean Transportation Program at the California Energy Commission to eliminate the restriction that block grants or incentive programs be administered by public entities or not-for-profit technology entities and authorizes funding for block grants or incentive programs for zero-emission vehicle infrastructure.
- 4) *Alternative Fee Structure for the Power Plant Licensing and Compliance Programs.* Amends the existing certification process for power plants, energy storage systems, and related facilities at the California Energy Commission. Specifically, it requires a person submitting an application for certification to submit with the application a nonrefundable deposit of \$750,000 and would require the applicant to pay all costs incurred by the Energy Commission in processing the application; require the Energy Commission to provide invoices for additional fees, at least annually, for the actual costs incurred by the Energy Commission in excess of the deposit; increase the annual fee to \$70,000 for each year the facility retains its certification; and specify that the petition fee is nonrefundable.
- 5) *Electric Program Investment charge (EPIC) Program Follow-On Funding.* Extends the California Energy Commission's follow-on funding authority for the EPIC program to January 1, 2028.
- 6) *Electricity Supply Strategic Reliability Reserve Facility Divestiture.* Specifies restrictions on operations be applied to facilities constructed and owned by the Department of Water Resources, not just facilities constructed by the department as currently stated in existing statute.
- 7) *Mobile Source Laboratory Equipment Support and Maintenance.* Specifies existing deficiency fines and fees are a part of the certification, audit, and compliance programs regulating motor vehicle manufacturers at the California Air Resources Board.

- 8) *Clean Cars 4 All*. Expands the requirement to maintain funding to local air districts using specified funds made available the suite of equity transportation programs at the California Air Resources Board from the 2021 and 2022 Budget Acts.
- 9) *Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project (HVIP)*. Appropriates \$132,175,000 from the Air Pollution Control Fund to the California Air Resources Board, when funds are available from the Hino Consent Decree, for HVIP.

COMMENTS

According to the Author

This bill is the omnibus Climate Change budget trailer bill. It contains provisions necessary to implement the Budget Act of 2025 related to energy and the California Air Resources Board.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

Appropriates \$132,175,000 from the Air Pollution Control Fund to the California Air Resources Board.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 24, 2025

CONSULTANT: Shy Forbes / BUDGET / (916) 319-2099

FN: 0001001