

Date of Hearing: August 20, 2025

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 787 (McNerney) – As Amended June 26, 2025

Policy Committee:	Utilities and Energy	Vote:	15 - 1
	Transportation		14 - 1

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill establishes a new position at the California Energy Commission (CEC)—the Senior Counselor on Industrial Policy and Clean Energy Development—to generally facilitate the accelerated deployment of clean energy technologies, and requires CEC and several other state agencies to enter into a memorandum of understanding (MOU) on equitable clean energy supply chains and industrial policy in California.

Specifically, this bill, among other things:

- 1) Directs CEC, by March 1, 2026, to establish the position of the Senior Counselor on Industrial Policy and Clean Energy Development to facilitate the accelerated deployment of clean energy technologies and prescribes numerous data collection and stakeholder and policy coordination activities the senior counselor is to undertake.
- 2) Directs CEC and several other specified state agencies—the Governor’s Office of Business and Economic Development (GoBiz), the Labor and Workforce Development Agency, the California Public Utilities Commission (CPUC), the Department of Water Resources (DWR), the Department of General Services (DGS), and the office of the Treasurer (State Treasurer)—on or before March 1, 2026, to enter into an MOU on equitable clean energy supply chains and industrial policy in California with specified clean energy and industrial policy.
- 3) Charges the senior counselor with tracking and coordinating the work under the MOU preparing an annual report summarizing the key findings and recommendations resulting from activities undertaken pursuant to the MOU, to be presented annually at a public meeting of CEC and published annually on its website.
- 4) Creates the Equitable Clean Energy Supply Chain and Industrial Policy Fund, monies in which are to be expended, upon appropriation, for purposes described in this bill.

FISCAL EFFECT:

- 1) This bill will entail significant new administrative work for CEC to establish the senior counselor position and support administration of the senior counselor’s efforts to accelerate deployment of clean energy technologies. Costs to CEC will likely be in the low hundreds of thousands of dollars, onetime, to establish the position, and in the mid hundreds of thousands

of dollars annually ongoing, which includes the senior counselor's salary and related costs (Energy Resources Programs Account (ERPA)).

CEC describes the work this bill asks of it as “a very large workload” and “on a very tight timeline.” CEC estimates costs to implement all aspects of the bill at approximately \$1.1 million: two positions at an annual cost of approximately \$212,000 each, and \$750,000 for a contract with outside consultants. CEC notes the ongoing structural deficit within ERPA and advises it “may not be an appropriate fund source to support the implementation of this bill.”

- 2) For each of the agencies the bill tasks with entering into an MOU on equitable clean energy supply chains and industrial policy, the bill will create onetime legal and administrative work to develop the MOU. Cost for each agency will likely range from the tens of thousands of dollars to low hundreds of thousands of dollars. For example, the Workforce Development Board estimates costs of at least \$256,000.
- 3) The CPUC provides a cost estimate of \$900,000 (Public Utilities Commission Utilities Reimbursement Account) to support the training objectives of the bill by supplementing its student internship opportunities. The other agencies this bill directs to enter into the MOU may face similar cost of a greater or lesser amount, though none provided an estimate of costs to this committee by the time this analysis was prepared.
- 4) Cost pressure of an unknown but significant amount, likely in the tens of millions to hundreds of millions of dollars, to fund eligible expenses from the Equitable Clean Energy Supply Chain and Industrial Policy Fund (General Fund, special funds and bond funds).

COMMENTS:

The state has numerous and ambitious clean energy goals. Various state agencies—individually or, sometimes, collectively—are directed in statute or tasked by the Governor with furthering or with ensuring their achievement, usually based on each agency's expertise or scope of responsibility. For example, the CPUC, as the state regulator of the privately owned investor-owned energy utilities (IOUs), is tasked with monitoring and enforcing IOU compliance with the state's renewable energy procurement requirements. The Air Resources Board (ARB), as the state's air quality regulator, regularly prepares a scoping plan that lays out how the California will reduce its emissions of greenhouse gases, in keeping with state law. DWR procures electricity to compensate for supply shortfalls. GoBiz identifies barriers to local permitting of clean energy resources. And CEC regularly develops energy efficiency standards for buildings and appliances that are incorporated into the state's building code. In addition, many of these state agencies have agreements—both formal and informal—to coordinate on clean energy.

However, there is no one entity in California state government responsible for overall coordination and achievement of the state's overall clean energy polices. Over the years, some have seen this lack of a single point of accountability and have called for remedies, such as the creation of a state-level department of energy within which to consolidate all of the state's clean energy efforts.

The author, too, shares this criticism of the state's clean energy efforts, asserting California lacks a “comprehensive, all-of-government approach to building out the clean energy supply chain and related workforce.” The author describes this bill as formalizing “partnerships between state agencies, labor, environmental organizations, clean energy industries, and other relevant sectors

to coordinate CA's supply chain development goals for these key industries," thereby helping the state meet its clean energy goals affordably while creating "strong family-supporting manufacturing jobs, and advancing economic development goals across every region of the state."

Many seem to agree. The bill is supported by a very long list of labor groups, environmental advocacy organizations, and private businesses and associations. And there is no opposition to the bill.

Analysis Prepared by: Jay Dickenson / APPR. / (916) 319-2081