

SENATE THIRD READING
SB 787 (McNerney)
As Amended September 2, 2025
Majority vote

SUMMARY

Requires the California Energy Commission (CEC), in coordination with other several agencies to enter into a memorandum of understanding (MOU) to carry out specified duties related to the development of equitable clean energy supply chains in California, and also establishes a new position at the CEC—the Senior Counselor on Industrial Policy and Clean Energy Development—to facilitate the accelerated deployment of clean energy technologies.

Major Provisions

- 1) Directs the CEC and other 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 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 goals and provisions.
- 2) Requires the CEC, by March 1, 2026, to establish the position of the Senior Counselor on Industrial Policy and Clean Energy Development, along with other duties, to facilitate the accelerated deployment, of clean energy technologies.
- 3) Tasks 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 the CEC and published annually on its website.
- 4) Establishes the Equitable Clean Energy Supply Chain and Industrial Policy Fund in the State Treasury to collect and allocate monies for the purposes outlined in this bill.

COMMENTS

California's Climate and Clean Energy Goals. AB 32 (Núñez, Chapter 488, Statutes of 2006) required CARB to develop a Scoping Plan to reduce statewide greenhouse gas (GHG) emissions to 1990 levels by 2020—a goal California achieved ahead of schedule in 2016. SB 32 (Pavley, Chapter 249, Statutes of 2016) expanded this mandate by requiring emissions be reduced to 40% below 1990 levels by 2030. CARB’s 2022 Scoping Plan sets declining electricity sector targets as part of the state’s strategy to achieve carbon neutrality by 2045, requiring coordinated reductions across all major sectors of the economy.

Despite this framework, California lacks a single entity responsible for coordinating and ensuring achievement of its clean energy policies. To address the gap, this legislation directs the CEC to establish a Senior Counselor on Industrial Policy and Clean Energy Development and to convene a multi-agency task force to guide an equitable clean energy supply chain strategy. The bill further requires the CEC, and other specified agencies to enter into a memorandum of understanding by March 1, 2026 on equitable clean energy supply chains and industrial policy in California with specified goals and actions.

According to the Author

According to the author, "California has ambitious goals for building a green economy that accelerates affordable clean energy growth and provides quality jobs for its citizens. The state has made tremendous progress in clean energy innovation and installation. However, the state lacks a comprehensive, all-of-government approach to building out the clean energy supply chain and related workforce, especially in the growing industries of batteries and energy storage, building decarbonization technologies, and offshore wind. SB 787 formalizes 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. SB 787 will help the state meet our ambitious clean energy goals affordably for working families while also creating strong family-supporting manufacturing jobs, and advancing economic development goals across every region of the state."

Arguments in Support

This legislation is supported by labor groups, environmental advocates, and private businesses, who emphasize that the bill could create high-quality jobs, strengthen in-state supply chains, and advance California's climate and energy affordability goals.

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations:

- 1) This bill requires significant new administrative work at the CEC to establish and support a senior counselor position. Costs are estimated in the low hundreds of thousands of dollars one-time to create the position, and in the mid hundreds of thousands annually on an ongoing basis. CEC estimates costs to implement all aspects of the bill at approximately \$1.1 million.
- 2) This bill creates one-time legal and administrative costs for each agency tasked with entering into an MOU on equitable clean energy supply chains and industrial policy, ranging from the tens of thousands to low hundreds of thousands of dollars.
- 3) The CPUC estimates costs of \$900,000 to expand student internship opportunities under the bill. Other agencies directed to enter into the MOU may face similar costs, though none provided estimates to the committee.
- 4) This bill creates cost pressures of an unknown but potentially significant amount—likely ranging from tens to hundreds of millions of dollars—from the Equitable Clean Energy Supply Chain and Industrial Policy Fund.

VOTES**SENATE FLOOR: 28-10-2**

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

ABS, ABST OR NV: Hurtado, Reyes

ASM UTILITIES AND ENERGY: 15-1-2

YES: Petrie-Norris, Boerner, Calderon, Chen, Davies, Mark González, Harabedian, Hart, Irwin, Kalra, Papan, Rogers, Schiavo, Schultz, Zbur

NO: Patterson

ABS, ABST OR NV: Ta, Wallis

ASM TRANSPORTATION: 14-1-1

YES: Wilson, Davies, Aguiar-Curry, Ahrens, Carrillo, Harabedian, Hart, Hoover, Jackson, Lowenthal, Papan, Ransom, Rogers, Ward

NO: Macedo

ABS, ABST OR NV: Lackey

ASM APPROPRIATIONS: 11-3-1

YES: Wicks, Arambula, Calderon, Caloza, Elhawary, Fong, Mark González, Ahrens, Pacheco, Pellerin, Solache

NO: Sanchez, Dixon, Tangipa

ABS, ABST OR NV: Ta

UPDATED

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