

The Mercury News

July 10, 2023

Newsom signs budget with bills to streamline environmental approval for clean energy

California Gov. Gavin Newsom speaks during a news conference, Thursday, May 25, 2023, in Richmond, California. Newsom updated his plan for the state to move away from fossil fuels. State regulators say California is unlikely to have an electricity shortage this summer. (AP Photo/Adam Beam)



Infrastructure package signed with \$311 billion budget

By **JOHN WOOLFOLK** | jwoolfolk@bayareanewsgroup.com | Bay Area News Group

Gov. Gavin Newsom signed off on the state's \$311 billion budget Monday along with a package of what he called California's most ambitious environmental review reforms in half a century to speed approval of clean energy projects. The governor, expected to be a future White House contestant, touted the 2023-2024 budget for the fiscal year that began this month as a model of Democratic financial stewardship, noting it built reserves and closed a nearly \$32 billion shortfall.

"We've proven a paradigm: You don't have to be profligate to be progressive," Newsom said. A key part of that budget was a package of bills aimed at streamlining permitting and project reviews for clean energy and other infrastructure construction that the governor bargained with lawmakers for in finalizing the state budget last month. The governor has said it will cut project timelines by three years or more while creating thousands of jobs.

The infrastructure legislation builds on Newsom's earlier efforts to reform the California Environmental Quality Act, or CEQA, the state's signature environmental protection law often criticized as overly burdensome. Then-governor Ronald Reagan signed CEQA into law in 1970. It requires detailed studies of proposed projects to reduce the impacts of noise, traffic, pollution and other factors on wildlife and the environment.

But critics have argued CEQA has invited abuse and project-killing delays, even for environmentally friendly projects like clean energy generators and bicycle lanes. Newsom has said such bureaucratic quicksand put California at risk of losing billions of dollars in new federal infrastructure funding.

"This package cuts green tape to move projects faster," said Assemblywoman Rebecca Bauer-Kahan, a San Ramon Democrat who chairs the Water, Parks and Wildlife Committee and joined Newsom for Monday's bill signing. "But it does so while ensuring that our endangered species and biodiversity are protected, our environmental impacts are considered — just more swiftly — and that we continue to drive down greenhouse gas emissions and mitigate our impacts to our precious lands."

Newsom had announced the bill package in May at a Patterson solar farm that broke ground last August and is expected to be operational in December, flanked by project workers to demonstrate the measures' job-creation potential. The [governor said clean energy projects could produce 400,000 jobs](#) over the next decade, and a sign on the desk where he signed the bill read "Building More Creating Jobs."

Three of the five infrastructure bills Newsom signed Monday — Senate Bills 145, 146 and 149 — passed out of the Senate and Assembly with no opposition votes.

- [SB 145](#) calls for wildlife crossings over Interstate 15, which runs from San Diego through Los Angeles to Las Vegas, in connection with intercity passenger rail.
- [SB 146](#) extends environmental review and contracting streamlining provisions for rail and public transportation projects.
- [SB 149](#) calls for limiting CEQA judicial review to 270 days for energy, transportation, water, and semiconductor projects.
- [SB 147](#) allows protected species to be killed by water infrastructure, transportation, wind, solar and associated electric transmission projects as long as there are efforts to reduce the harm and the species wouldn't be driven to extinction. It passed the Assembly without opposition, but five Senate Republicans were opposed.
- [SB 150](#) adds local-hire provisions and other requirements in labor agreements for state projects of \$35 million or more in construction costs. All eight Senate Republicans and 11 of the 18 Assembly Republicans were opposed.

Left out of the [final infrastructure package as part of last month's negotiations](#) was an effort to streamline CEQA approval for Newsom's plan to build a massive \$16 billion tunnel under the Sacramento-San Joaquin River Delta to make it easier to move water from Northern to Southern California. Critics call that project a Southern California water grab, and some Democrats and environmentalists balked.