SENATE COMMITTEE ON ENERGY, UTILITIES AND COMMUNICATIONS Senator Josh Becker, Chair 2025 - 2026 Regular

Bill No:	AB 39		Hearing Date:	7/15/2025
Author:	Zbur			
Version:	7/3/2025	Amended		
Urgency:	No		Fiscal:	Yes
Consultant:	Nidia Bautista			

SUBJECT: General plans: Local Electrification Planning Act

DIGEST: This bill establishes the Local Electrification Planning Act and requires each city, county, or city and county, on or after January 1, 2027, but no later than January 1, 2030, to prepare and adopt an electrification plan, decarbonization plan, community energy plan, or other similar plan. This bill also states that the Legislature finds and declares that reducing greenhouse gas (GHG) emissions through electrification is a matter of statewide concern.

ANALYSIS:

Existing law:

- 1) Requires, via the Planning and Zoning Law, a city or county to adopt a comprehensive general plan for the city's or county's physical development that includes various elements, including, among others, a land use element that designates the proposed general distribution and general location and extent of the uses of the land in specified categories, and a circulation element that identifies the location and extent of existing and proposed major thoroughfares, transportation routes, terminals, any military airports and ports, and other local public utilities and facilities. (Government Code §65000 *et seq.*)
- 2) Requires the State Energy Resources Conservation and Development Commission, also known as the California Energy Commission (CEC) to establish building design and construction standards that increase the efficiency in the use of energy and water for new residential and new nonresidential buildings. Authorizes the CEC to prescribe, by regulation, lighting, insulation, climate control system, and other building design and construction standards that increase efficiency in the use of energy and water for new residential and new nonresidential buildings, and energy and water conservation design standards for new residential and new nonresidential buildings. The CEC must update the standards and also submit them to the California Building Standard Commission (BSC) for adoption. Six months after the CEC certifies an energy

conservation manual, cities, counties, and state agencies are prohibited from issuing a building permit for a building that does not comply with the current standards created by the CEC. (Public Resources Code §25402 *et seq.*)

- 3) Requires the CEC to establish the Equitable Building Decarbonization Program, which includes establishing a statewide incentive program for low-carbon building technologies and the direct install program to fund certain projects, including installation of energy efficient electric appliances, energy efficiency measures, demand flexibility measures, wiring and panel upgrades, building infrastructure upgrades, efficient air conditioning systems, ceiling fans, and other measures to protect against extreme heat, where appropriate, and remediation and safety measures to facilitate the installation of new technologies. (Public Resources Code §25665 *et seq.*)
- 4) Requires electric utilities and retail sellers to procure 60% of their retail sales of electricity from renewable energy by 2030. This is known as the Renewable Portfolio Standard (RPS). (Public Utilities Code §399.11 *et seq.*)
- 5) Requires CEC, working with the California Air Resources Board (CARB) and the California Public Utilities Commission (CPUC), to prepare a statewide assessment of the electric vehicle (EV) charging infrastructure needed to support the levels of EV adoption required for the state to meet its goals of putting at least five million zero-emission vehicles (ZEVs) on California roads by 2030, and of reducing GHG emissions to 40% below 1990 levels by 2030. (Public Resources Code §25229)
- 6) Establishes the Clean Transportation program (CTP), administered by the CEC, with funding from vehicle and vessel registration, vehicle identification plates, and smog-abatement fees that provide up to \$100 million annually for grants, revolving loans, loan guarantees, and other financial assistance to accelerate the development and deployment of clean, efficient, low carbon alternative fuels and technologies. (Health and Safety Code §44272)

This bill:

- 1) Makes findings that the changes proposed by this bill address a matter of statewide concern rather than a municipal affair and, therefore, apply to all cities, including charter cities.
- 2) Establishes the Local Electrification Planning Act and requires each city, county, or city and county, on or after January 1, 2027, but no later than January

1, 2030, to prepare and adopt a specified plan, or integrate a plan in the next adoption or revision of the general plan, that includes:

- a) Locally based goals, objectives, policies, and feasible implementation measures that include, but are not limited to:
 - i) Identification of opportunities to expand EV charging and other ZEV fueling infrastructure (for residents and businesses, at residential, retail, and commercial lots and public streets).
 - ii) Identification of strategies for public electrification and decarbonization of new and existing buildings (to the extent not prohibited by federal or state law).
 - iii) Identification of opportunities to expand zero-emission and renewable distributed energy resources to increase clean energy generation and local energy reliability.
 - iv) Identification where infrastructure may be needed to meet existing and projected needs of medium- and heavy-duty ZEV fleets.
 - v) Identification of areas where grid infrastructure upgrades are needed to meet the needs, in coordination with load-serving entities.
 - vi) Policies that meet the needs of disadvantaged communities and lowincome households, and small businesses for equitable investments in zero-emission technology.
- 3) Authorizes a city, county, or city and county to designate a previously adopted similar plan that meets the above-described requirements, as specified.
- 4) Exempts a city, county, or city and county, with a population of 75,000 or less from the requirements of this bill.
- 5) Establishes a state-mandated local program by increasing the duties of local jurisdictions but states no reimbursement is necessary because a local agency has the authority to levy fees, assessments, and charges to pay for the requirements of this bill.
- 6) Deems a plan adopted pursuant to this bill to be a regional plan for purposes related the California Environmental Quality Act (CEQA).
- 7) Requires that this bill's requirements only apply to a city, county, or city and county with a population greater than 75,000 residents.

Background

GHG emissions reduction goals. California must reduce statewide GHG emissions to a level 40% below 1990 levels by 2030, as provided by SB 32 (Pavley, Chapter 249, Statutes of 2016). The CARB is the lead agency implementing SB 32, and has developed the Climate Change Scoping Plan (Scoping Plan), which outlines the policies that the state will implement to reach the 2030 target, as well as reducing GHG emissions 80% below 1990 levels by 2050. SB 100 (De Leon, Chapter 312, Statutes of 2018) sets the goal of carbon neutrality for the state's electrical grid by 2045. State and local agencies have adopted a wide range of policy tools and requirements to assist the state in reducing GHG emissions, as described below.

Building decarbonization. According to CARB, residential and commercial buildings are responsible for roughly 25% of California's GHG emissions when accounting for fossil fuels consumed onsite, electricity demand, and leakage of refrigerants. Of that 25%, about half is attributable to fossil fuel combustion, including natural gas, with residential buildings accounting for 2.5 times more of those emissions than commercial buildings. The Scoping Plan identifies actions to reduce GHG emissions from the building sector, including progressively improving building codes and standards, pursuing voluntary efforts to exceed code requirements, and completing existing building retrofits. Several strategies can be deployed to reduce carbon emissions from the buildings and appliances, reducing carbon emissions from fossil fuel sources, ensuring cleaner sources of energy to operate buildings and associated appliances, addressing methane leaks, and others.

Building codes. The California Building Standards Code (Title 24 of the California Code of Regulations) contains building standards and regulations as adopted by the BSC. These standards include, among other requirements, structural standards for building safety (the Building Code), fire safety standards (the Fire Code), energy efficiency standards (the Energy Code), and standards for green buildings (CalGreen). The BSC updates the Building Standards Code on a three-year cycle—the BSC published new standards that went into effect on January 1, 2023. Once adopted at the state level, cities and counties in California then enact an ordinance to adopt the codes. New construction and improvements to existing buildings must comply with the current building codes, and improvements to an existing building may trigger additional code upgrades for other parts of a building.

California's building energy efficiency standards. The CEC adopts building energy efficiency standards that must be cost effective for occupants over the 30-

year lifespan of a building. The standards ensure builders use the most energy efficient technologies and construction, save energy, increase electricity supply reliability, increase indoor comfort, avoid the need to build new power plants and help preserve the environment. State law also tasks the CEC with developing and implementing a comprehensive program to achieve greater energy savings in California's existing residential and nonresidential building stock that fall significantly below the current standards in Title 24. The CEC has also adopted a Building Action Plan that sets out a ten-year roadmap to use market forces to improve California's existing residential, commercial, and public building stock into high-performing and energy-efficient buildings.

Local green building codes. Local ordinances that adopt the state building codes may include amendments that are more stringent than the state codes—including green building standards—if the local governing body makes findings the amendments are necessary because of local climatic, geological, or topographical conditions. The California Green Building Standards Code provides local climatic, geological, or topographical conditions include environmental conditions established by the city, county, or city and county, meaning local agencies can adopt more stringent green building requirements than the state codes. The CEC must approve these "reach codes" as cost effective and at least as energy efficient as state standards before they go into effect. To date, roughly 75 cities and counties in California have adopted reach codes that exceed the statewide minimum 2022 Energy Code requirements.

Barriers to reducing emissions from existing buildings. There are many barriers to building decarbonization, including costs, availability of workforce to install products, ability to install products in some emergency circumstances, current building age, availability of electric technology in some markets, and misaligned incentives between landlords and tenants in rental buildings, among others. The AB 3232 (Friedman, Chapter 373, Statutes of 2018) assessment notes, "Low-income and disadvantaged communities may face additional unique barriers because of systemic inequality, a history of lower access to capital and financing, greater energy burden, and lower rates of home or business ownership. Rural regions and Native American tribes also require careful consideration for decarbonization solutions."

Transportation sector. Nearly 40% of California's GHG emissions are generated by the transportation sector, which includes both the light-duty (passenger) and medium- and heavy-duty fleets. Heavy-duty diesel trucks also contribute to unhealthy levels of ozone, inhalable particulate matter, carbon monoxide, NO_x , and sulfur dioxide, affecting local air quality. In the transportation sector, measures to reduce GHG emissions include requiring the use of low carbon fuels, cleaner

vehicles, and strategies to promote sustainable communities and improved transportation choices that reduce growth in number of vehicle miles traveled.

To further the transition to a zero-emission fleet, at the end of 2020, Governor Newsom issued Executive Order (EO) N-79-20 which requires 100% of mediumand heavy-duty vehicles in the state be zero-emission by 2045 for all operations where feasible and by 2035 for drayage trucks. EO N-79-20 charges CARB with developing and proposing medium- and heavy-duty vehicle regulations requiring increasing volumes of new zero-emission trucks and buses sold and operated in the state towards that goal. EO N-79-20 also requires 100% of in-state sales of new passenger cars and trucks to be zero-emission by 2035, and requires CARB to develop and propose passenger vehicle and truck regulations requiring increasing volumes of new zero-emission by 2035, and requires CARB to develop and propose passenger zEVs sold in the state towards that goal.

EO N-79-20 directed CEC to provide an update to the biennial AB 2127 (Ting, Chapter 365, Statutes of 2018) assessment of EV infrastructure needed to support the levels of EV adoption required by the order.

Climate Action Plans (CAP). Local agencies can adopt certain plans to reduce their GHG emissions and mitigate the climate impacts of their activities. One such document is a CAP. A CAP is a voluntary document that:

- Identifies baseline GHG emissions;
- Sets a target level of GHG emissions;
- Forecasts business-as-usual emissions without additional actions;
- Chooses strategies to reduce emissions to meet the target;
- Identifies implementation steps, including funding; and
- Provides for monitoring and tracking of emissions.

According to CARB's 2019 Report on the State of CAPs in California (the most recent available), 181 cities and 21 counties had adopted some form of CAPs. However, each jurisdictions' CAP varies in content and strategies, as well as, focus, as some CAPs may focus on energy efficiency while others encompass strategies in the waste sector. CARB's 2022 Scoping Plan noted that nearly half (47%) of the state's cities and counties have no known CAP. The plan notes: "Many jurisdictions find that performing and hiring consultants to perform a GHG inventory and developing a CAP is costly and time-consuming, regardless of their desire to take action on climate." The Scoping Plan also notes that local action will vary by jurisdiction, and should be encouraged including in wide spectrum of actions including infill housing and transit, reducing vehicle miles traveled, access to shared mobility services, opportunities via CEQA mitigation, and others, including those related to supporting building decarbonization and EV charging.

CARB's website notes that an estimated 38% of counties and 48% of cities have a CAP (with more populated cities and counties being more likely to have adopted a CAP, representing just over 70% of the state's population living in a jurisdiction with a CAP).

Recent budget actions pause adoption of new building standards for residential units. AB 130 (Committee on Budget, Chapter 22, Statutes of 2025) among its many provisions related to housing policy, the bill prohibits new building standards on residential units, including by local governments, between October 1, 2025, to June 1, 2031, unless the BSC deems emergency standards are needed to address health and safety issues. Amendments taken in the Senate Local Government Committee add language that makes clear cities and counties are not required to include building code standards that are prohibited by the federal or state law.

Mandate! The California Constitution requires the state to reimburse local governments for the costs of new or expanded state mandated local programs. Because AB 39 increases the duties of local public officials, Legislative Counsel says this bill imposes a new state mandate. AB 39 disclaims the state's responsibility for providing reimbursement by citing local governments' authority to charge for the costs of implementing this bill's provisions.

Amendments needed. The author and committee may wish to amend this bill to provide cities the flexibility to reflect their needs in their respective plans by:

• Add clarifying amendments to require local governments to coordinate and collaborate with their respective electric utilities, where appropriate.

Dual referral: This bill passed out of the Senate Local Government Committee on July 2, 2025 with a vote of 5-2.

Prior/Related Legislation

AB 1176 (Zbur) of 2024, would have established the Local Electrification Planning Act and required cities and counties with over 75,000 residents to prepare and adopt a specified plan that requires a list of prescribed measures related to electrification of buildings and transportation. The bill died in this committee.

AB 2427 (McCarty, Chapter 569, Statutes of 2024) required a city or county to take specified actions regarding the permitting of EV charging station in the public right-of-way.

AB 970 (McCarty, Chapter 710, Statutes of 2021) updated earlier requirements to deem an application to install an EV charging station complete if the local building official hasn't identified deficiencies, as specified.

SB 48 (Becker, Chapter 378, Statutes of 2023) required the CEC along with other agencies, to develop to a state strategy to achieve state goals for energy and GHG emissions from existing buildings.

AB 209 (Committee on Budget, Chapter 251, Statutes of 2022) among its many provisions, established the Equitable Building Decarbonization Program, including a direct install program to fund the installation of measures to reduce GHGs from buildings.

AB 179 (Ting, Chapter 249, Statutes of 2022) Budget Act of 2022 appropriated \$1.12 billion for the Equitable Building Decarbonization Program.

AB 3232 (Friedman, Chapter 373, Statutes of 2018) required the CEC to assess the potential for the state to achieve the goal of reducing the emissions of GHGs by the state's residential and commercial building stock by at least 40 percent below the 1990 levels by January 1, 2030.

AB 1236 (Chiu, Chapter 598, Statutes of 2015) required each city and county to adopt an ordinance to streamline and expedite the permitting process for EV charging stations.

AB 1279 (Muratsuchi, Chapter 337, Statutes of 2022) established the policy of the state to achieve carbon neutrality as soon as possible, but no later than 2045

SB 32 (Pavley, Chapter 249, Statutes of 2016) required the CARB to reduce statewide GHG emissions to at least 40 percent below the 1990 emissions level by 2030.

AB 32 (Nuñez/Pavley, Chapter 488, Statutes of 2006) required CARB to adopt policies to reduce statewide GHG emissions to 1990 levels by 2020.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

SUPPORT:

Building Decarbonization Coalition (Co-Sponsor)CALSTART (Co-Sponsor)350 Humboldt: Grass Roots Climate Action, if amended

Advanced Energy United American Federation of State, County and Municipal Employees, AFL-CIO Ava Community Energy California African American Chamber of Commerce California Asian Pacific Chamber of Commerce California Center for Sustainable Energy California Electric Transportation Coalition California Environmental Voters California Green New Deal Coalition California State Association of Electrical Workers Civicwell Climate Action California. if amended Coalition of California Utility Employees **Electric Vehicle Charging Association** Electrify America, LLC Glendale Environmental Coalition, if amended **Rewiring America Rising Sun Center for Opportunity** San Diego Gas and Electric Company Santa Cruz Climate Action Network, if amended Santa Monica Democratic Club Service Employees International Union California Sierra Club California Southern California Edison Southern California Gas Company Streets are for Everyone The Climate Center The Climate Reality Project, Bay Area Chapter The Climate Reality Project, California State Coalition The Climate Reality Project, Los Angeles Chapter The Climate Reality Project, San Diego Chapter The Climate Reality Project, San Fernando Valley CA Chapter Union of Concerned Scientists Valley Clean Air Now Vote Solar

OPPOSITION:

None received

ARGUMENTS IN SUPPORT: According to the Service Employees International Union:

This bill acknowledges the leadership that some of our cities and counties are already undertaking in their planning processes and provides the flexibility to utilize existing plans rather than creating new ones, while also providing guidance and a clear path forward to ensure no municipality falls behind. The transportation and built environment sectors are the primary areas that California's greenhouse gas reduction goals focus on, as they make up most of our emissions. This bill critically focuses on the intersection of these two sectors and the infrastructure that will be necessary in order to make meaningful progress towards both. As the transition to ZEVs and all-electric appliances continues to accelerate with the development and increasing access to new technologies, cities and counties will not be able to keep up and support this growing facet of municipal life without robust planning to ensure the sufficient distribution of charging and electric-ready infrastructure. This legislation is critical as establishing these local plans will better assist California with identifying equitable solutions to critical statewide goals.

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