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California Leaders Move to Support Energy Storage

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Our previous post[1] covered the introduction of A.B. 303 (Addis), the "Battery Energy Safety and Accountability Act", following a catastrophic fire at one of the world's largest battery energy storage facilities located in Moss Landing, California, starting on January 16, 2025. As we explained, that bill, proposed as an urgency statute, would significantly curtail the authority of both local agencies and the California Energy Commission (CEC) to site new energy storage facilities and would likely result in significant adverse consequences for meeting California's clean energy goals.

At the time A.B. 303 was introduced, several clean energy media outlets and industry groups including the California Energy Storage Alliance (CESA), expressed concerns with the bill as proposed, especially its failure to distinguish between the older technology and safety standards in place at the time the Moss Landing facility was developed in 2019 and those applicable to battery facilities currently under development, which use newer and safer technology and are also subject to State law requirements to prepare an Emergency Response Plan under Senate Bill (S.B.) 38 (Laird), adopted in 2023. To date, A.B. 303 has not yet received a hearing or a vote.

In the immediate aftermath of the Moss Landing fire, Governor Newsom called for an investigation into the incident, which the California Public Utilities Commission (CPUC) Safety and Enforcement Division (SED) subsequently initiated.[2] The California Department of Toxic Substances Control (DTSC) and several other agencies, including the Monterey County Health Department's Environmental Health Bureau and the UC Cooperative Extension all conducted testing for water and soils contamination and found no significant impacts.[3] Meanwhile, the CPUC continued its effort to update General Order 167 to include standards for the maintenance and operation of storage facilities in accordance with S.B. 1383 (Hueso), adopted in 2022. These changes were adopted on March 13, 2025.

While these efforts were ongoing, little was said by the Governor or his Office of Business and Economic Development (GO-Biz), which has a dedicated Energy and Climate Unit, about the future of energy storage development in the state. Now, two months after the fire and over the course of just days, both Governor Newsom and Senator John Laird, author of SB 38 and a prominent member of the Senate and former California Secretary for Natural Resources, have made moves demonstrating their continued support for battery storage development in California.

First, on March 19, the Governor certified the first hybrid solar generation and storage facility, the Cornucopia Hybrid Project, as an Environmental Leadership Development Project (ELDP) subject to

judicial streamlining pursuant to the "Jobs and Economic Improvement Through Environmental Leadership Act", A.B. 900 (2011).[4] The Act was amended in 2023 by the adoption of S.B. 149 to expand the scope of projects eligible for certification to include wind, solar and battery energy storage projects as well as other transmission, water and transportation infrastructure projects.

In his certification order,[5] Governor Newsom found that the project would "invest in the California economy, create living wage jobs and help achieve California's renewable energy generation goals." The certification (not to be confused with certification under the CEC's Opt-In Certification Program pursuant to A.B. 205 (2022)) affords the project streamlined judicial review by requiring state courts to resolve any CEQA challenge (including appeals) within 270 days after filing of the certified administrative record, to the extent feasible. Since the Act's adoption in 2011, only 24 projects have received ELDP certification,[6] yet there are indications that the program works to streamline judicial review. Last year, the Yolo County Superior Court issued its order rejecting a CEQA challenge to the Sites Reservoir project, a certified ELDP, within just 148 days.[7]

In his press release announcing the certification, the Governor reconfirmed his commitment to clean energy development as well as grid reliability, stating: "In California, we're in the 'how' business – we're moving fast to achieve our world-leading clean energy goals. By fast-tracking critical projects like this one in Fresno, we're creating good-paying jobs, cutting pollution, and building a cleaner, more reliable energy grid to serve Californians for generations."[8]

Two days later, on March 21, Senator Laird issued his proposed battery energy storage safety bill, S.B. 283. Intended to ensure "future BESS facilities adhere to the highest fire safety standards, protecting first responders, local communities, and the integrity of our renewable energy transition", S.B. 283 would require that National Fire Protection Association (NFPA) standards for energy storage systems (NFPA 855[9]) apply to any facility certified by the CEC pursuant to its Opt-In Certification Program, and that the state Building Codes Standards Commission and the State Fire Marshall review and consider the most recently published edition of NFPA 855 for incorporation into the state Fire Code in the next update adopted after July 1, 2026. The bill also requires that energy storage developers consult with local fire authorities to address facility design, assess potential risks and integrate emergency response plans, and that safety inspections be conducted by local fire officials or the State Fire Marshal, at the developer's cost, after construction and prior to operation of a storage facility. In his press release, Senator Laird also stated that "As the bill moves forward, SB 283 will be amended to prohibit the development of BESS in indoor combustible buildings."

Meanwhile, continuing the State's theme of progressing BESS development post-Moss Landing, on March 26, GO-Biz plans to hold a webinar to "discuss challenges and best practices in permitting BESS project" and to develop a "toolkit of resources for local jurisdictions to use when permitting renewable energy projects across the State."[10]

While battery storage is likely to continue to remain controversial in the near term, these actions demonstrate State leadership's commitment to continued progress towards clean energy transition goals, including battery storage. With prudent legislative action to ensure projects are designed to meet (and actually do meet) the highest safety standards available, California can continue to move towards a safer and cleaner future.

FOOTNOTES

[1] <u>Understanding AB 303: Potential Impacts for California BESS Project Development | Real Estate, Land Use & Environmental Law Blog.</u>

- [2] California investigating Moss Landing fire; proposes more battery plant safety
- [3] As reported by the California Certified Organic Farmers Moss Landing Update CCOF.org.
- [4] Now codified at Public Resources Code section 21178 et seq.
- [5] https://www.gov.ca.gov/wp-content/uploads/2025/03/Fresno-Cornucopia-certification.pdf.
- [6] <u>Judicial Streamlining Office of Land Use and Climate Innovation</u>.
- [7] Sites Reservoir project clears hurdle thanks to streamlining law | Governor of California.
- [8] Governor Newsom cuts red tape to accelerate Fresno clean energy project | Governor of California.
- [9] NFPA 855 is the second edition (2023) of the Standard for the Installation of Stationary Energy Storage Systems.
- [10] <u>Join the GO-Biz Energy Unit for a webinar on March 26th, bringing together... | California Governor's Office of Business and Economic Development (GO-Biz)</u>

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