STATE OF CALIFORNIA
Budget Change Proposal - Cover Sheet
DF-46 (REV 03/25)

Fiscal Year	Business Unit Number	Department
2026-27	3360	California Energy Commission

Hyperion Budget Request Name	Relevant Program or Subprogram
3360-028-BCP-2026-GB	2380010 – Power Plant Site Certification and Transmission Line Corridor Designation Program

Budget Request Title
Energy Modernization and Affordability (SB 254)

Budget Request Summary
The California Energy Commission (CEC) requests $2 million Energy Resources Programs Account (ERPA) annually for four years to support 4.0 positions and consultant support resources to implement the requirements of Chapter 119, Statutes of 2025 (SB 254) specific to the preparation of one or more program environmental impact report(s) (PEIR) for clean infrastructure projects to accelerate the review of clean and renewable energy projects.

Requires Legislation (submit required legislation with the BCP)	Code Section(s) to be Added/Amended/Repealed
☐ Trailer Bill Language ☐ Budget Bill Language ☒ N/A	Click or tap here to enter text.

Does this BCP contain information technology (IT) components? ☐ Yes ☒ No *If yes, departmental Chief Information Officer must sign.*	Department CIO	Date
	Click or tap here to enter text.	Click or tap to enter a date.

For IT requests, specify the project number, the most recent project approval document (FSR, SPR, S1BA, S2AA, S3SD, S4PRA), the approval date, and the total project cost.

Project No. Click or tap here to enter text.
Approval Date: Click or tap to enter a date.
Project Approval Document: Click or tap here to enter text.
Total Project Cost: Click or tap here to enter text.

If proposal affects another department, does other department concur with proposal? ☐ Yes ☒ No
Attach comments of affected department, signed and dated by the department director or designee.

Prepared By	Date	Reviewed By	Date
Sean Simon	12/19/2025	Damien Mimnaugh	12/19/2025
Department Director	**Date**	**Agency Secretary**	**Date**
Drew Bohan	12/19/2025	Amanda Martin for Secretary Crowfoot	1/7/2026

Department of Finance Use Only

Additional Review: ☐ Capital Outlay ☐ ITCU ☐ FSCU ☐ OSAE ☐ Dept. of Technology

Principal Program Budget Analyst	Date submitted to the Legislature
Erin Carson	1/9/2026

A. Problem Statement

SB 254 makes several changes to the CEC's Opt-In Certification Program and introduces new statutory requirements to the CEC's workload.

Specifically, SB 254 adds a requirement that the CEC prepare a PEIR or a series of PEIRs to analyze the development of a class or classes of facilities in the state, with a goal of ensuring "that California's environmental review processes are streamlined and optimized to ensure the most efficient process to approve clean infrastructure projects in a manner that does not weaken environmental protections or public participation."

Resource History
(Dollars in thousands)

Program Budget	**PY - 4**	**PY - 3**	**PY - 2**	**PY-1**	**PY**
Authorized Expenditures	22,904	285,063	290,475	77,454	124,141
Actual Expenditures	22,593	20,535	38,645	46,786	23,847
Revenues	NA	NA	NA	NA	NA
Authorized Positions	69.0	67.0	67.0	68.0	87.0
Filled Positions	59.4	59.4	66.3	85.8	72.7
Vacancies	9.6	7.6	0.7	-17.8	14.3

**Amounts are for 2380010 – Power Plant Site Certification and Transmission Line Corridor Designation Program from budget galleys and FTE counts are for the division from Salaries and Wages Supplements. Authorized amounts PY to PY-3 are larger than normal baseline due to one-time appropriations from General Fund and/or Greenhouse Gas Reduction Fund that have extended expenditure/encumbrance and liquidation authority.*

SB 254 extends the existing the CEC's Opt-In Certification Program, which sunsets in June 2030. This program is focused on individual project approvals and does not include the development of a PEIR or PEIRs to support project approvals. The requirement in SB 254 for the CEC to develop a PEIR (or multiple PEIRs) creates a new workload that is not absorbable with existing resources. In addition, the existing the CEC's Opt-In Certification program relies on consultant contracts to supplement or provide specific technical and environmental expertise that does not exist within the CEC staff that implement the Opt-In program. Additional technical staff and contract dollars are required for the CEC to meet the new SB 254 requirement for developing and adopting one or more PEIRs to facilitate and accelerate individual project approvals for the CEC's Opt-In Certification projects and by other public agencies.

Workload History – Program Environmental Impact Report (PEIR)

This is a new program, so workload history is not available.

B. Justification

SB 254 requires the CEC to prepare a PEIR that analyzes the "development of a class or classes of facility for which the Energy Commission has received an application under the certification program

established" under the Opt-In Certification Program. The PEIR must include detailed information including:

- A description of the class or classes of facility being analyzed.
- A description of potential project locations.
- An analysis of the potential environmental impacts of developing the class or classes of facility.
- A description of potential feasible mitigation measures to avoid or minimize the environmental impacts.
- An identification of trustee and potentially responsible agencies with regulatory authority over the class or classes of facilities.
    - The CEC must consult with identified agencies in conducting the analysis of environmental impacts and identification of potentially feasible mitigation measures and alternatives.
- An analysis of cumulative impacts and project alternatives.

New staff resources and consultant support funds are needed to implement this part of the bill. Because the bill does not define the scope of the PEIR, data collection and analysis will need to be done to define the scope of the PEIR(s). Additionally, staff will be needed to develop the PEIR, conduct outreach and public review process, and coordinate and collaborate with state, local, and federal agencies. Stakeholder engagement will be critical for this effort. Public process will be needed for the PEIR as well as direct outreach to and convening of industry, local governments, affected and interested parties. Tribal consultation will be critical as well.

Directing the CEC to prepare a PEIR for specific classes of clean energy facilities is a departure from the project-specific CEQA analysis the CEC conducts pursuant to the Opt-In program. Implementing the PEIR requirement will require new resources to obtain information, perform necessary studies, and conduct appropriate public processes. It should be noted that a PEIR may take several years to complete. Also, the CEC anticipates that it may take multiple PEIRs to complete this work statewide, with individual PEIRs addressing either specific renewable energy technologies, specific regional geographies of the state, or a combination of both.

Both staffing and consultant costs will depend highly on the scope of the PEIR(s). At this time, the CEC estimates implementation of this bill will require limited-term resources to support 2.0 Energy Generation Systems Program Specialist (EGSPS) II and 2.0 EGSPS I. Under current estimates, the resources requested in this proposal will provide sufficient funding for SB 254 activities. A description of duties for these positions follows.

<u>2.0 Energy Generation Systems Program Specialist (EGSPS II)</u>

The EGSPS II duties will include:

- Provide overall project management for the PEIR effort.
- Lead development of the PEIR scope, including managing data gathering and analyzing and summarizing data.
- Manage consultant contract and coordination, including managing and participating in consultant selection process.
- Lead and organize interagency coordination and consultation.
- Lead and organize outreach and engagement with local governments, key experts, and stakeholders, including community-based organizations, environmental justice groups, environmental non-governmental organizations, scientific experts, and members of the public.
- Work with Tribal Liaisons on Tribal outreach and consultation, including hold tribal listening sessions and participate in tribal working group meetings.
- Write, develop, and review consultant technical reports and PEIR documents.
- Manage internal and interagency review of PEIR(s).
- Prepare administrative draft PEIR (ADPEIR), meet with administrative draft reviewers, and respond to comments on ADPEIR.
- Manage public process, including publishing draft PEIR, conducting public workshops, holding a comment period, and fielding outreach inquiries.

- Review and process public comments, including updating and editing PEIR based on public comment.
- Serve as point of contact for public, media, and legislative inquiries.

2.0 Energy Generation Systems Program Specialist I (EGSPS I)

The EGSPS I duties will include:

- Support and assist EGSPS II with above tasks.
- Serve as technical lead on key topics related to the analysis of environmental impacts, identification of potentially feasible mitigation measures and alternatives, and/or analysis of cumulative impacts and project alternatives, including independently managing projects and analysis to support the development of the PEIR(s).
- Prepare public engagement materials, including factsheets and website text.
- Coordinate with tribal liaisons for tribal outreach and consultation activities.
- Prepare presentations to support outreach activities and for public meetings, workshops, and other public engagement activities.
- Gather and synthesize data to support PEIR development.
- Provide planning and logistics support for public meetings, outreach, and workshops.
- Compile and summarize public comments from public meetings and draft document review.

In addition to the staffing needs above, the CEC estimates that the PEIR will require a one-time consulting service contract at $1,000,000 per year for four years to augment STEP staff to develop the PEIR(s). The existing CEC Opt-In Certification program relies on consultant contracts to supplement or provide specific technical and environmental expertise that does not exist within the CEC staff that implement the Opt-In program. Similar technical support and contract dollars are required for the CEC to meet the new SB 254 requirement. The table below delineates the contract tasks that would be performed by the consultant.

C. Departmentwide and Statewide Considerations

The PEIR(s) developed to implement SB 254 will assist in the accelerated review and potential permitting and development of clean and renewable energy generation facilities required to meet California's 100 percent clean energy and greenhouse gas reduction goals, including those established by the 100 Percent Clean Energy Act of 2018 Chapter 312, Statutes of 2018 (SB 100), by helping to identify and assess potential project environmental impacts before projects enter the critical permitting phase.

D. Outcomes and Accountability

Outcomes and accountability can be measured by the successful completion of the CEQA process milestones, which are summarized in the table below, and the successful CEC Certification of the PEIRs developed through this program. The CEC estimates that 2-4 PEIRs could be completed in the first phase. The CEC will refine and identify the work program with the development of a detailed workplan and draft project schedules.

Projected Outcomes

Workload Measure	CY	BY	BY+1	BY+2	BY+3	BY+4
Develop workplan	0	1	1	1	1	1
Process and analyze reports and data to develop scope of PEIR	0	20	20	15	15	15
Develop consultant contract	0	1	1	1	1	1
Hold meetings with consultant	0	12	24	24	24	24
Develop, vet, and refine scope of PEIR(s)	0	2	1	1	1	0
Create, edit, shepherd through review, and disseminate outreach and education materials regarding the PEIR effort	0	2	2	2	2	2
Conduct outreach and consult state (and potentially federal) agencies	0	15	30	30	30	30
Conduct outreach and hold meetings held with local governments, community-based organizations, experts, and other interested parties	0	15	30	30	30	30
Conduct Tribal outreach, including consultations, listening sessions, and other meetings held	0	5	10	10	10	10
Develop Draft PEIR	0	0	1	1	1	1
Hold PEIR public comment and workshops	0	0	1	2	2	2
Comments reviewed and processed	0	25	50	50	50	50
Develop Final PEIR	0	0	1	1	1	1
Certification of PEIR	0	0	0	2	1	1

E. Implementation Plan

The CEC is beginning development of a detailed workplan to implement this statutory provision. If resources are approved, this will begin by hiring necessary staff, identifying consultant support for this effort, and preparing a Scope of Work for the PEIR(s). The CEC will then hold public workshops to validate this scope of work. This will be followed by data gathering, analysis, report writing, and public engagement. Key milestones will include publishing the draft PEIR(s), holding public workshops, and finalizing the PEIR(s). Draft PEIRs are targeted for completion in 2029, and final PEIRs by the end of 2030.

F. Supplemental Information (If Applicable)

Current and proposed organization charts are available upon request.

BCP Fiscal Detail Sheet

(Dollars in Thousands)

BCP Title: Energy Modernization and Affordability (SB 254)

BR Name: 3360-028-BCP-2026-GB

Budget Request Summary

Personal Services

Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Salaries and Wages Earnings - Temporary Help	0	584	584	584	584	0
Total Salaries and Wages	**$0**	**$584**	**$584**	**$584**	**$584**	**$0**
Total Staff Benefits	0	324	324	324	324	0
Total Personal Services	**$0**	**$908**	**$908**	**$908**	**$908**	**$0**

Operating Expenses and Equipment

Operating Expenses and Equipment	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5301 - General Expense	0	92	92	92	92	0
5340 - Consulting and Professional Services - External	0	1,000	1,000	1,000	1,000	0
Total Operating Expenses and Equipment	**$0**	**$1,092**	**$1,092**	**$1,092**	**$1,092**	**$0**

Total Budget Request

Total Budget Request	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Budget Request	**$0**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$0**

Fund Summary

Fund Source

Fund Source	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
State Operations - 0465 - Energy Resources Programs Account	0	2,000	2,000	2,000	2,000	0
Total State Operations Expenditures	**$0**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$0**
Total All Funds	**$0**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$0**

Program Summary

Program Funding

Program Funding	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
2380010 - Power Plant Site Certification and Transmission Line Corridor Designation Program	0	2,000	2,000	2,000	2,000	0
Total All Programs	**$0**	**$2,000**	**$2,000**	**$2,000**	**$2,000**	**$0**

Personal Services Details

Salaries and Wages

Salaries and Wages	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
TH00 - Temporary Help (Eff. 07-01-2026)(LT 06-30-2030)	0	584	584	584	584	0
Total Salaries and Wages	**$0**	**$584**	**$584**	**$584**	**$584**	**$0**

Staff Benefits

Staff Benefits	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
5150350 - Health Insurance	0	96	96	96	96	0
5150500 - OASDI	0	45	45	45	45	0
5150600 - Retirement - General	0	183	183	183	183	0
Total Staff Benefits	**$0**	**$324**	**$324**	**$324**	**$324**	**$0**

Total Personal Services

Total Personal Services	FY26 Current Year	FY26 Budget Year	FY26 BY+1	FY26 BY+2	FY26 BY+3	FY26 BY+4
Total Personal Services	**$0**	**$908**	**$908**	**$908**	**$908**	**$0**