



San Mateo County Bill Analysis Form

Date Submitted: August 19, 2025
Submitted Department: County Executive's Office
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Reviewed and Approved by County Attorney
☒ Yes ☐ No

Reviewed and Approved by County Executive
☒ Yes ☐ No ☐ N/A

Senate Bill 787 Senator McNerney, District 5 Industrial Policy and Equitable Clean Energy Supply Chains

Version Date: June 26, 2025
☐ New bill ☒ Amended Bill ☐ Gut & Amend

Recommended Position

☐ Sponsor ☐ Support
☐ Support, if Amended ☐ Oppose
☒ Other - Supervisors Canepa and Corzo requested the Board support this measure.

Summary

Senate Bill (SB) 787 (McNerney) would formalize partnerships between state agencies and relevant stakeholders to coordinate the development of California's clean energy supply chain in key industries. This bill would help California meet its clean energy goals, create high-quality manufacturing jobs, accelerate the deployment of affordable clean energy, and advance economic development across the entire state.

Background/Analysis

California's ambitious climate goals have led to bold climate actions. In the past few years, the Legislature has set numerous goals to reduce greenhouse gas (GHG) emissions and address climate change. This includes the Global Warming Solution Act of 2006, AB 32 (Nuñez), Chapter 4888, Statutes of 2006, and subsequent legislation, which requires California to reduce state GHG emissions to 40% below the 1990 level by 2030. More recently, AB 1279 (Muratsuchi), Chapter 337, Statutes of 2022, establishes the state's policy to achieve carbon neutrality as soon as possible, but no later than 2045. Additional efforts include, but are not limited to the following:

- 2020 – Requiring all-in state sales of new cars and trucks be zero-emission by 2035.
- 2022 – Declaring a need for 6 million heat pumps by 2030 to build climate-friendly buildings and homes.
- 2022 – Deploying 2,000-5,000 gigawatts of offshore wind energy by 2030, and 25,000 gigawatts by 2045.

These efforts alone have already helped California reduce its carbon emissions and move closer towards our 2045 clean energy goal. However, in meeting our environmental goals the state should also consider how to best support its economic growth. Through strong planning, coordination, and implementation efforts, California can accelerate its supply chain growth, create high quality jobs, and reduce energy costs for all Californians. For example, in the California Energy Commission's (CEC) AB 525 Offshore Wind Strategic Plan, they highlight that California is on track to reach 11,280 supply chain jobs by 2045 for **offshore wind** alone, contributing more than \$5 billion to the state's GDP. If the state takes a similar approach across other areas, such as in the **battery**, **building decarbonization**, and **heat pump** industries, our environmental and economic benefits will only multiply.

Furthermore, in 2017, the Legislature approved AB 398 (E. Garcia), Chapter 135, Statutes of 2017, which extended the California Cap and Trade Program. The bill also required the Workforce Development Board to submit a report to the Legislature detailing approaches to better address labor challenges associated with the clean energy transition. The report highlighted the state's need to support and encourage training and development for the integration of emerging technologies, which would in turn, lead to greater renewable energy usage.

However, according to Senator McNerney's office, no statewide strategy currently exists that identifies where California could be most competitive in bringing clean energy manufacturing and supply chain jobs to the state. SB 787 aims to fill this void by formally convening groups to strategize how they can best advance this goal.

While several states, including California, have made progress in developing and strengthening clean energy supply chains with the help of the Infrastructure Investment and Jobs Act and the Inflation Reduction Act, the status of these funds remains unclear. President Trump's announcements on the rollback of numerous grants and rules supporting these tax credits may just underscore how important it is for California to have an "all-of government" approach to building out a green economy that accelerates affordable clean energy and provides high-quality jobs for its residents.

The Bill

SB 787 (McNerney), specifically, does the following:

- (1) Establishes the Equitable Clean Energy Supply Chain and Industrial Policy Fund.
 - Includes private and nonprofit donations to support the implementation of strategies to create clean energy supply chains and jobs.
- (2) Designates a Senior Counselor on Industrial Policy and Clean Energy Development within the CEC by March 1, 2026.
 - The Senior Counselor shall be responsible for convening working groups and collecting relevant data for the development of the strategic industries.
- (3) Requires the CEC, Governor's Office of Business and Economic Development, Labor and Workforce Development Agency, Public Utilities Commission, Department of Water Resources, Department of General Services, and the Office of the Treasurer to enter into an MOU by March 1, 2026.
 - The MOU should work towards supporting the industrial planning, public investment, procurement, deployment, and subsidization of **battery**, **offshore wind**, **building decarbonization**, and **heat pump** industries.

Recommended Solution

Adopting a resolution to support SB 787 would align with the County's previous advocacy efforts and priorities to accelerate decarbonization, improve energy efficiency, expand sustainability initiatives, and grow a resilient green economy through strong workforce development.

Departments Impacted

Sustainability Department

- SB 787 is primarily focused on state-level coordination and policy for clean-energy supply chains. The bill, as currently written, does not create a state-mandated local program that would require local governments and sustainability departments to

take specific action. Instead, its impacts are likely to be indirect, fostering increased collaboration, improving alignment between state and local level clean energy planning, providing innovative funding models and sources, and presenting new opportunities for economic development in communities for clean energy industries.

Specifically, the County Sustainability Department might be invited to contribute to discussions on decarbonization, workforce development, or siting clean energy infrastructure, aligning the County's climate initiatives with state priorities. The County can also tailor its Climate Action Plans to align with state strategies emerging from SB 787, such as promoting battery manufacturing or community microgrids, thereby enhancing eligibility for state support. The MOU and the Equitable Clean Energy Supply Chain and Industrial Policy Fund (Fund) could provide additional resources, such as grants or technical assistance for county-level projects in heat pump deployment, building retrofits, Electric Vehicle infrastructure, or green job training. Leveraging the collected data related to clean energy deployment, costs, and workforce needs could aid in local planning, grant applications, and community outreach.

Finally, SB 787 can help the County ensure benefits are equitably distributed and create jobs in disadvantaged communities, as the bill focuses on strategies to reduce clean energy costs for low-income, tribal, and disadvantaged communities. The bill also encourages innovative financing mechanisms, such as public equity stakes, joint ventures, bond instruments, and advanced purchase commitments, which the County could model for local clean energy projects. For SB 787 to be fully effective, however, separate legislative appropriations would be required.

Public Works Department

- There are no direct impacts to the Public Works Department aside from the fact that SB 787 appears to introduce new clean energy projects/purchase requirements without providing a dedicated funding source to implement them.

Fiscal Impact

The fiscal impacts of SB 787 on San Mateo County are currently unknown, as it is unclear what specific actions, if any, the County may need to take as a result of this bill. Additionally, there is no state funding attached to the implementation of this bill.

Support

Active San Gabriel Valley
Advanced Energy United
Bluegreen Alliance
Brightline Defense
Cal Epic
California Environmental Voters
California Federation of Teachers
California Forward
California Green New Deal Coalition
California Labor Federation, AFL-CIO
California Labor for Climate Jobs
California State Association of Electrical Workers
California State Council of the Service Employees
International Union
California State Pipe Trades Council
Calstart
Caps, UAW Local 1115
Central Coast Alliance United for a Sustainable Economy
Central Coast Labor Council
Comite Civico Del Valle
E2
Earthworks
EOPA Code Blue
Environmental Protection Information Center
Gaia
Global Witness
Greenpeace USA
Imperial Valley Equity & Justice Coalition
Industrious Labs
Jobs to Move America
Mighty Earth
Move California
NRDC
Plug in America
Port of Long Beach
Public Citizen
Rising Sun Center for Opportunity
Ryvid
Sheet Metal Workers' Local Union No. 104 (SMART)
Sierra Club California
Spur
Sylvatex
UAW Region 6
Union of Concerned Scientists
United Steelworkers District 12
USGBC California
Western States Council Sheet Metal, Air, Rail and
Transportation
Working Partnerships USA

Opposition

None Registered on File.

Status

7/15/25—Assembly Appropriations Committee.