



OFFICE OF THE GOVERNOR

June 30, 2022

To the Members of the California State Assembly:

I am signing Assembly Bill 205, which will provide relief to Californians with past-due energy bills, support and expedite the State's transition to clean energy projects and help maintain energy reliability in the face of climate change.

Our \$53.9 billion in new investments will better protect Californians from the extreme weather that has been impacting our bills, our livelihoods, our farms and our families. As we have seen from the past two summers, climate change is causing unprecedented stress on California's energy system. Action is needed now to maintain reliable energy service as the State accelerates the transition to clean energy. This bill works to maintain reliability through extreme climate events and a rapid energy transition while accelerating efforts to get clean generation and storage online.

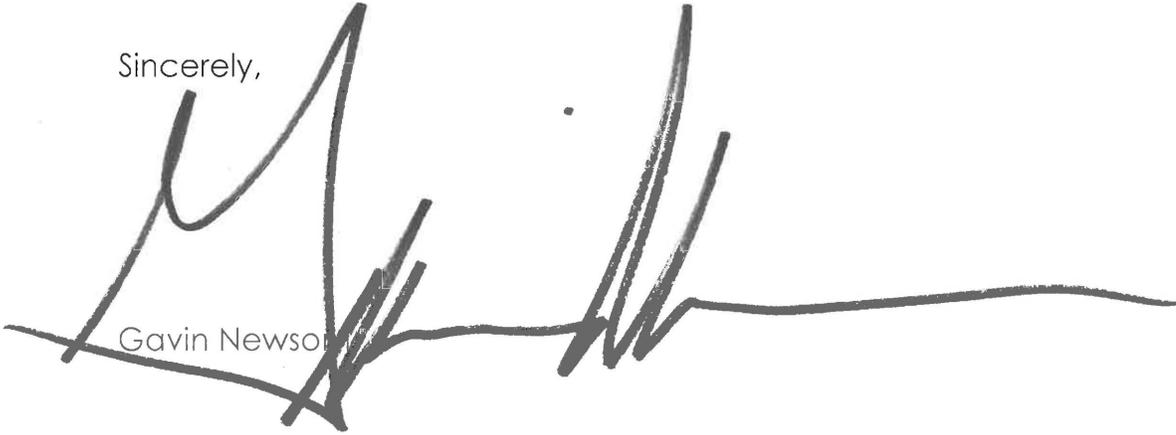
The bill creates a State-led Strategic Reserve that will only be used in extreme events such as heatwaves and only as a last resort. The Strategic Reserve will operate on top of and after procurement by load serving entities, including local publicly owned utilities, and does not modify or reduce utilities' obligation to meet reliability requirements set in law and regulation. The Strategic Reserve will be comprised exclusively of new emergency and temporary generators, new storage systems, clean generation projects, and funding an extension of existing generation operations, if any occur. The bill does not facilitate the renewal or extension of any permit for expiring power plants.

I am directing the California Energy Commission, the California Air Resources Board, and the Department of Water Resources to work with stakeholders to ensure full and substantial engagement with relevant state, local and regional agencies in the implementation of this act, including the development of guidelines required by Public Resources Code section 25791(c) and Water Code section 80710(j), to ensure clean energy resources are prioritized over fossil fuels.



I thank you for your decisive action to speed up California's transition to clean energy while maintaining reliability and look forward to continuing to work with you to achieve our shared goal of providing affordable, clean and reliable energy for all Californians.

Sincerely,



A handwritten signature in black ink, appearing to read 'Gavin Newsom'. The signature is stylized with several loops and a long horizontal tail extending to the right. It is positioned over the printed name 'Gavin Newsom'.

Gavin Newsom