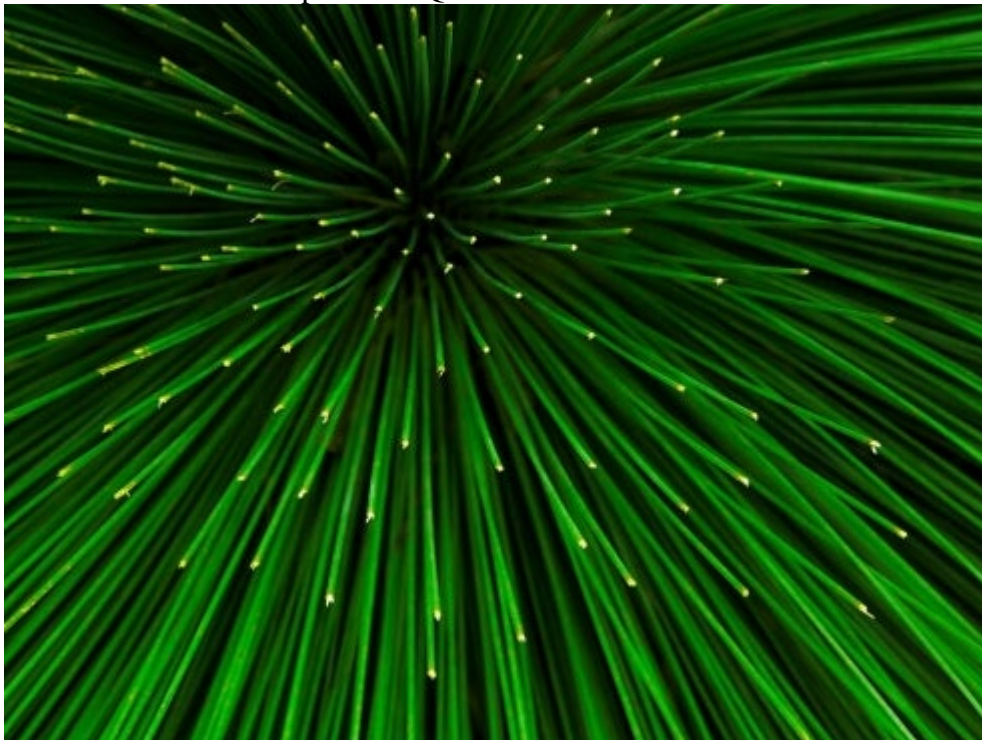


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May 22, 2023

Governor Newsom Proposes CEQA Reform



Governor Gavin Newsom announced an ambitious and wide-ranging plan on May 19 to expedite the development of important infrastructure projects across the state, with the twin goals of building California's clean energy future to meet its bold climate goals while creating hundreds of thousands of jobs. The plan contains a set of legislative proposals to achieve the following:

- Streamline environmental planning and review by coordinating among different local, state, and federal agencies.
- Limit to nine months the amount of time courts have to rule on environmental challenges.
- Increase agency funding to speed up environmental reviews.
- Cut back on the number of documents that each review requires.
- Provide for more California Environmental Quality Act exemptions for key infrastructure projects.

Together, these proposals aim to cut project timelines by more than three years, save businesses and state and local governments hundreds of millions of dollars, and reduce paperwork by hundreds of thousands of pages.

According to the [governor's office](#), the plan constitutes "the state's most ambitious permitting and project review reforms in a half-century." To facilitate the plan's implementation, Governor Newsom issued an [executive order](#) on May 19, which establishes an Infrastructure Strike Team charged with the following tasks:

- Identify projects for focusing streamlining efforts, and support coordination among federal, state, tribal, and local governments and agencies concerning project review, permitting, and approvals.
- Support complementary investments across different sectors of the economy (e.g., transportation and energy investments that support housing development).
- Identify and share challenges, best practices, and opportunities for improvement across governmental agencies.

- Establish working groups focused on key sectors, including transportation, energy, water, environmental remediation, broadband, semiconductor research and development, and zero-emission vehicles.
- Facilitate coordination among governmental agencies to eliminate duplication and delay, reduce agency conflicts, and shorten project permitting timelines.
- Identify potential statutory and regulatory changes to facilitate and streamline project approval and completion.
- Identify ways to maximize state and federal project funding.
- Establish metrics and dashboards to track progress.

The governor's plan builds upon [a report](#) issued in May 2023 by Infrastructure Advisor Antonio Villaraigosa titled *Building a More Inclusive and Sustainable California: Maximizing the Federal Infrastructure Funding Opportunity*. This report explains that the state—if it acts now to create a new framework to streamline and coordinate project planning, permitting, and approval—could deliver up to \$180 billion worth of infrastructure projects over the next decade, creating about 400,000 direct and indirect construction jobs.

But as the governor cautioned in announcing his plan: "The question is, are we going to screw it up by being consumed by paralysis and process?" According to the governor, the plan is needed to ensure that the state is able to build key infrastructure projects to "meet the state's ambitious economic, climate, and social goals... By streamlining permitting, cutting red tape, and allowing state agencies to use new types of contracts, these proposals will maximize taxpayer dollars and accelerate timelines of projects throughout the state, while ensuring appropriate environmental review and community engagement."

Some examples of projects for potential streamlining under the governor's plan include the following:

- Hundreds of solar, wind, and battery storage projects.
- Transit and regional rail construction.
- Clean transportation, including maintenance and bridge projects.
- Water storage and conveyance projects.
- Semiconductor fabrication plants.
- Wildlife crossings along the I-15 corridor.

In announcing the plan, the governor named as specific examples the Sites Reservoir Project in the Sacramento Valley and the Delta Conveyance Project.

The plan builds on the administration's previous efforts to streamline CEQA, and it complements a slew of recent state laws to simplify the environmental review process for housing development. Lamenting the amount of time and paperwork it can take to build a major infrastructure project, Governor Newsom said the plan is needed not only to address the urgent climate change concerns facing California, but also to restore the public's faith in the state's ability to do "big things." The details of the governor's plan are still emerging, and time will tell what specific proposals ultimately will make it into California law.

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