Carbon Direct

2024 California Legislative Session

Summary and commentary on new laws addressing climate change



Notable Climate Laws from the 2024 California Legislative Session

During the 2024 session of the California State Legislature, several new bills addressing climate change were considered, with some passed and signed into law. Below is a brief overview of these new laws and their implications for various stakeholders. For information about major climate legislation passed in 2023 please see our report from last year on the subject.

SB-1420 Hydrogen production facilities: certification and environmental review

Summary: SB-1420 adds hydrogen production facilities, and associated onsite storage and processing facilities that do not derive hydrogen from a fossil fuel feedstock, to the definition of "energy infrastructure project" as long as the project meets certain state funding requirements. By including them in this definition, hydrogen projects are eligible for a streamlined permitting review under the California Environmental Quality Act. The bill also provides for expedited certification of projects by the State Energy Resources Conservation and Development Commission. The law goes into effect on January 1, 2025.

Commentary: SB-1420 aims to accelerate the development of renewable hydrogen production facilities in California. The legislation supports the state's Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES) hydrogen hub, which has been allocated up to $1.2 billion in support from the federal government. According to the bill's author, state Senator Anna Caballero, the new law will help to stimulate an estimated $10 billion in private sector investment in hydrogen in California.

SB-1418 Hydrogen-fueling stations: expedited review

Summary: SB-1418 requires cities and counties to adopt an expedited, streamlined permitting process for "hydrogen-fueling stations." The process is similar to how electric vehicle charging stations are currently permitted. Localities with populations of more than 250,000 will be required to establish the new provisions by September 30, 2025, while localities with smaller populations will have until Sept 30, 2028.
Commentary: Hydrogen fuel cell vehicles are a relatively small part of the car market in the US. An estimated 17,000 hydrogen powered vehicles are currently registered in the US right now, and all of them are in California.[1] This is the only state with the fueling infrastructure required to support such vehicles. Experts disagree about the climate effectiveness of using hydrogen for vehicle fuel rather than as a feedstock or heat source in other industrial applications. Even with a further buildout of hydrogen fueling infrastructure, hydrogen fuel cell cars are unlikely to overcome electric vehicles as the zero-emissions vehicle preferred by most Americans.

AB-3233 Oil and gas: operations: restrictions: local authority

Summary: AB-3233 grants authority to cities and counties to limit or prohibit oil and gas operations or oil and gas development in their jurisdictions. The law goes into effect on January 1, 2025.
Commentary: In 2016, voters in Monterey County adopted a ballot initiative, Measure Z, to ban the drilling of new oil and gas wells. In 2022, the City Council of Los Angeles voted to end all oil and gas production within its jurisdiction within 20 years. However, different courts struck down both policies. With the passage of AB-3233, these and similar initiatives now have the green light to move forward.

AB-1866 Oil and gas: idle wells

Summary: AB-1866 increases the fees operators of idle wells must pay to the State Oil and Gas Supervisor of the Geologic Energy Management Division in the Department of Conservation. The fees will continue to be paid into the Hazardous and Idle-Deserted Well Abatement Fund, as provided for by existing law. The law also expands the pool of idle wells that are required to pay fees by including wells that have been idle for less than three years. In lieu of these fees, the law also allows for idle well operators to submit a plan to the state outlining a process for managing and eliminating their idle wells, including consideration of which wells should be prioritized for plugging and abandonment. The law takes effect on January 1, 2025.

1. Voelcker J. 2024 Apr 29. Hydrogen Fuel-Cell Vehicles: Everything You Need to Know. Car and Driver. [accessed 2024 Oct 25]. https://www.caranddriver.com/features/a41103863/hydrogen-cars-fcev/.

Commentary: Even though idle wells may not be actively producing oil or gas, they pose a climate risk through the methane they leak, and also pose a risk to groundwater and local environments. There are an estimated 35,000 idle wells in the state of California.[2] AB-1866 incentivizes the plugging of idle wells by increasing the cost to let them remain idle.

AB-2716 Oil and gas: low-production wells: Baldwin Hills Conservancy: Equitable Community Repair and Reinvestment Account

Summary: AB-2716 is a hyper-targeted bill that specifically requires operators in the Baldwin Hills Inglewood oil field of Los Angeles County to shut down low-production wells starting in 2026. Operators must also plug and abandon all remaining wells by 2030. Failure to comply with the law will result in a penalty of $10,000 per month for every well that is not in compliance. The law defines "low-production well" to mean a well that produces, on a yearly average, fewer than 15 barrels of oil per day or 60,000 cubic feet of natural gas per day during the past 12 consecutive months.
Commentary: Urban oil fields, such as the Baldwin Hills Inglewood oil field, pose health and safety risks to nearby communities. As is typical with many other urban oil fields, the demographics of the surrounding community are defined by high percentages of minority populations and low socioeconomic status. By accelerating the closure of this oilfield, nearby residents will see an increased quality of life. AB-2716 builds on a settlement agreement signed in 2023 between Culver City and Sentinel Peak Resources.[3] This agreement includes a provision that Sentinel Peak Resources must plug and abandon all remaining wells and complete the overall closure of the city portion of the Inglewood Oil Field by December 31, 2029. While Sentinel Peak Resources operates all the wells in the oil field affected by AB-2716, only about 10% of the oilfield is within Culver City. The rest of the oilfield lies within Baldwin Hills, Inglewood, and unincorporated areas of Ladera Heights. This bill will ensure the rest of the oilfield is shut down by the end of 2030.

AB-460 State Water Resources Control Board: water rights and usage: civil penalties

Summary: AB-460 increases fines levied by the State Water Resources Control Board on individuals who divert or withdraw water from rivers or aquifers without proper authorization. The law goes into effect on January 1, 2025 and sets the fines to increase in line with inflation starting in 2026.
Commentary: In 2022, several farmers in Northern California illegally diverted large amounts of

2. Idle Well Program. [accessed 2024 Oct 25]. https://www.conservation.ca.gov/calgem/idle_well.

3. Settlement Agreement. [accessed 2024 Oct 25]. https://www.culvercity.org/City-Hall/Get-Involved/Inglewood-Oil-Field/Settlement-Agreement.

water from the Shasta River.[4] Though they defied a state drought order, putting downstream Native American tribes and salmon habitat at risk, they were fined a relatively small amount. This new law changes the economic dynamics of water use violations, increasing fines and making non-compliance financially imprudent.

AB-2875 Wetlands: state policy

Summary: AB-2875 codifies the state policy of California with respect to wetlands as being designed to "ensure no net loss and long-term gain in the quantity, quality, and permanence of wetlands acreage and values." The law goes into effect on January 1, 2025.
Commentary: Existing law requires the Natural Resources Agency to prepare a plan for the acquisition, protection, preservation, restoration, and enhancement of wetlands, including details on funding requirements and the priority status of specific proposed wetlands projects. A 1993 executive order, from former governor Pete Wilson, declared that the state's Comprehensive Wetlands Policy is to protect and increase wetlands. However, that order was not codified into state law. Since the order, the state has lost more wetland than it replaced. By protecting more wetlands in California, this law ensures healthier wildlife habitats and boosts biodiversity in the state.

AB-1963 Pesticides: paraquat dichloride

Summary: AB-1963 directs the Department of Pesticide Regulation to complete a reevaluation of paraquat dichloride by Jan 1, 2029 to determine if this pesticide is a public health threat and should be banned.
Commentary: Paraquat dichloride, often referred to simply as "paraquat," is banned in at least 58 countries,[5] but is one of the most widely used herbicides in the US.[6] Workers in the state who have come into contact with paraquat have been diagnosed with Parkinson's disease and research suggests a link exists.[7] As originally filed, the bill would have banned the use of paraquat by 2026, but the legislation was amended to require a study from the state's pesticide regulator before any action is taken.

4. Sabalow R. 2022 Nov 11. They defied California and drained an important salmon stream. Their fine: $50 per farmer. The Sacramento Bee. [accessed 2024 Oct 25]. https://www.sacbee.com/article268432332.html.

5. Smith H. 2023 Dec 20. California workers say herbicide is giving them Parkinson's. Los Angeles Times. [accessed 2024 Oct 25]. https://archive.ph/n156B.

6. US EPA O. 2016 Feb 26. Paraquat Dichloride. [accessed 2024 Oct 25]. https://www.epa.gov/ingredients-used-pesticide-products/paraquat-dichloride.

7. Boyd WA, Blain RB, Skuce CR, Thayer KA, Rooney AA. 2020. NTP Research Report on the Scoping Review of Paraquat Dichloride Exposure and Parkinson's Disease: Research Report 16. Research Triangle Park (NC): National Toxicology Program (NTP Research Reports). [accessed 2024 Oct 25]. http://www.ncbi.nlm.nih.gov/books/NBK563360/.

Vetoed Bills and Other Failed Legislation

The bills listed below failed to become law in 2024. Some didn't make it all the way through the legislature and others were passed by both chambers of the California Legislature, but were vetoed by Governor Newsom. The last time the California legislature overrode a veto was in 1980 and it remains unlikely that any of these vetoes will be overridden.

AB-2331 Voluntary carbon market disclosures

Summary: AB-2331 makes several amendments to the recently passed AB-1305. The most important amendment is a clarification of the date of enforcement to be January 1, 2025, with a later amendment in the Senate changing the date to July 1, 2025. The bill also clarifies that "voluntary carbon offset" does not include a renewable energy certificate issued through a governmental regulatory body or a low-carbon fuel standard credit, though that was also later amended by the Senate.
Outcome: AB-2331 passed out of the Assembly, and was amended by the Senate, but the Assembly failed to concur with the Senate's amendments by the end of session, so the bill died.
Commentary: In 2023, the legislature passed AB-1305 which required businesses that are marketing or selling voluntary carbon offsets in California to annually disclose certain information on their websites about the applicable carbon offset project. The law also requires an entity that makes claims of achieving "net-zero emissions," sells a product it claims is "carbon-neutral," or makes other similar claims through the purchase or use of voluntary carbon offsets to make certain disclosures. The bill did not specify the date on which the first set of disclosures were to be made, and new laws that don't specify a date usually take effect on Jan 1 of the following year, meaning that companies would have to start reporting on Jan 1, 2024. However, Assemblyman Jesse Gabriel, the author of AB-1305 sent a letter to the Assembly Clerk in December 2023, which was published in the Journal on January 3, 2024.[8] The letter stated that his intent was for the law to not take effect until 2025, though that letter is not binding since it is still up to local prosecutors on whether to bring a suit against non-compliant companies. As of October 2024, no legal action has

8. California Legislature. 2024 Jan 3. Assembly Daily Journal. [accessed 2024 Oct 25]. https://clerk.assembly.ca.gov/sites/clerk.assembly.ca.gov/files/adj010324.pdf.

taken place concerning disclosures required under AB-1305 and most of the business and legal community have accepted Jan 1, 2025 as the de facto enforcement date, so companies should be prepared for compliance at that time.

SB-308 Net zero greenhouse gas emissions goal: carbon dioxide removal: regulations

Summary: SB-308 directs the California Air Resources Board "to establish separate interim targets for greenhouse gas emissions reductions and carbon dioxide removals" beginning no later than January 2030, and "to report on progress toward achieving those targets." Additionally, this policy would have specified certain approval requirements for carbon dioxide removal processes. The bill would have established a framework meant to guide California in meeting its 2045 net-neutral emissions goal, which was set by the passage of California's 2006 Global Warming Solutions Act.
Outcome: SB-308 passed the Senate in May 2024, but was ultimately held up in the Assembly Committee on Appropriations where it eventually died in August 2024.
Commentary: While the Committee made significant efforts to include input from labor rights coalitions in the development of the bill, the final product did not have the full support of labor rights groups. Additionally, policymakers were not aligned in how this policy should be rolled out—either through the passage of SB-308 or through another approach, such as including elements of SB-308 in the reauthorization of California's cap-and-trade program,[9] the process for which will begin next year.

SB-1374 Net energy metering

Summary: SB-1374 directs the California Public Utilities Commission to issue regulations clarifying that schools and apartment buildings have the right to net metering and self consumption of electricity generated on site, such as from rooftop solar, similar to single family homes.
Outcome: SB-1374 passed both the Assembly and the Senate before being vetoed by Governor Newsom on September 27, 2024.
Commentary: Like many other energy issues, rooftop solar has polarized key constituencies of the Democratic coalition pitting unionized workforces against environmentalists. While utility-scale solar is often constructed by union crews governed by project labor agreements, rooftop solar is typically installed by non-union workforces. This has caused some utility unions to view rooftop solar as a threat. Consumer advocates have also taken issue with how some net metering

9. Mulkern AC. 2024 Jul 29. California looks to extend carbon market 5 years ahead of end date. E&E News by POLITICO. [accessed 2024 Oct 25]. https://www.eenews.net/articles/california-looks-to-extend-carbon-market-5-years-ahead-of-end-date/.

programs are configured, pointing out that rooftop solar projects are usually installed by wealthy homeowners and that if these homeowners are not paying for the grid infrastructure they utilize while their solar arrays are not producing, then their energy use is effectively being subsidized by poorer customers who either cannot afford to install solar arrays or who live in apartment buildings where they cannot install them. In his veto message, Governor Newsom echoed those sentiments and raised concerns about how this bill would have affected the affordability of electric bills.[10]

AB-2513 Gas stoves and ranges: warning label

Summary: AB-2513 requires all gas stoves sold in California after 2026 to come with a label that warns about the risk of harmful pollutants from the stove and encourages the use of proper ventilation while the stove is in use.
Outcome: AB-2513 passed both the Assembly and the Senate before being vetoed by Governor Newsom on September 27, 2024.
Commentary: Studies have linked gas cooking stoves with a number of health risks.[11] Switching away from gas and toward electric stoves would also significantly reduce greenhouse gas pollution in California. However, the bill ignited a fierce debate and pitted industry representatives against advocates for environmental and public health. In his veto message on the bill,[12] Governor Newsom mainly took issue with the "highly prescriptive" label laid out in the legislation which he said would lead to problems if the label needed to be updated in the future.

10. Governor Gavin Newsom. 2024. Letter to the California State Senate Vetoing Senate Bill 1374. [accessed 2024 Oct 25]. https://www.gov.ca.gov/wp-content/uploads/2024/09/SB-1374-Veto-Message.pdf.

11. Briscoe T. 2024 May 22. Gas stoves may contribute to early deaths and childhood asthma, new Stanford study finds. Los Angeles Times. [accessed 2024 Oct 25]. https://www.latimes.com/environment/story/2024-05-22/stanford-study-gas-stoves-early-deaths-childhood-asthma.

12. Governor Gavin Newsom. 2024. Letter to the California State Senate Vetoing Assembly Bill 2513. [accessed 2024 Oct 25]. https://www.gov.ca.gov/wp-content/uploads/2024/09/AB-2513-Veto-Message.pdf.

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About Carbon Direct

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Our expertise is trusted by global climate leaders including Microsoft, American Express, and Alaska Airlines, as well as by the World Economic Forum, which selected Carbon Direct as an Implementation Partner for the First Movers Coalition. To learn more, visit www.carbon-direct.com.

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