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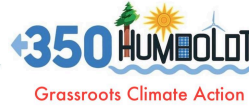
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Condition Proposition 4 Funding on Planning & Implementation of Port Electrification of Offshore Wind Ports

See attached document.

Additional submitted attachment is included below.



March 12, 2026

California Energy Commission
Docket No. 26-POPD-01
715 P Street
Sacramento, CA 95814

Re: Condition Proposition 4 Funding on Planning & Implementation of Port Electrification of Offshore Wind Ports

Dear Chair Hochschild & Commissioners,

We, the undersigned organizations, write to urge the California Energy Commission (CEC) to condition the award of Proposition 4 (“Climate Bond”) funding for offshore wind ports on the planning, design, and deployment of port electrification and the use of zero-emission equipment to the maximum extent feasible. As documented in the CEC’s January 2026 *Report to the Legislature on the Use of Proposition 4 Funding for Offshore Wind Ports* (Report),¹ the Climate Bond provides a once-in-a-generation opportunity to shape California’s offshore wind port infrastructure in a manner that advances climate goals, improves air quality, and delivers tangible benefits to nearby communities. Conditioning Climate Bond awards on electrification and the use of zero-emission equipment is consistent with this opportunity, the authority granted in Public Resources Code § 94540, and the CEC’s own stated plans for future grant solicitations.

I. Background

¹ <https://www.energy.ca.gov/sites/default/files/2026-01/CEC-700-2026-002.pdf>

California's offshore wind industry has tremendous potential to generate emission-free electricity – fighting climate change and cleaning our state's air – while providing high-paying jobs and lowering electricity prices. For this reason, many of our organizations supported the inclusion of funding for offshore wind ports in the Climate Bond or have written advocacy letters urging the Governor to appropriate the Climate Bond funds to the CEC so that they can be granted to the offshore wind ports.

The Climate Bond authorized up to \$475 million to support the construction, expansion, improvement, and upgrade of public port infrastructure to enable offshore wind development. As the recent CEC report makes clear, offshore wind ports will become long-term industrial facilities supporting staging, integration, manufacturing, operations, and maintenance for decades. Decisions made through upcoming Climate Bond solicitations will therefore lock in operational practices, energy use, and emissions profiles well beyond the initial buildout. It is essential for those decisions to protect air quality of portside communities and workers to the extent feasible. After all, the \$475 million for offshore wind ports is located in the "Clean Air" section of Proposition 4.

The CEC indicated in its recent report to the legislature that future solicitations may include evaluation criteria related to greenhouse gas reductions, air emission reductions, equity, resiliency, and zero-emissions planning. We urge the Commission to take the next, necessary step by making port electrification, to the maximum extent feasible, a condition of funding, rather than a discretionary or optional feature.

II. The Energy Commission Can Condition Funding Under Public Resources Code § 94540

Public Resources Code § 94540 authorizes the CEC to fund construction, expansion, improvement, and upgrades of public port infrastructure to support offshore wind. The statute authorizes the Commission to structure solicitations and prioritization criteria in a manner that advances greenhouse gas reductions, air quality improvements, equity, and other public benefits, as reflected in the Commission's January 2026 report to the Legislature. Consistent with this authority and the CEC's stated intent to include emissions reduction and zero-emissions planning considerations in future solicitations, Climate Bond awards for offshore wind ports should be conditioned on a demonstrated commitment to electrification. At a minimum, applicants should be required to:

- Demonstrate sufficient electrical capacity and grid planning to support fully electrified offshore wind port operations over time;
- Plan for and install vessel shore power and supporting electrical infrastructure;
- Deploy best-available zero-emission cargo handling equipment and port vehicles; and
- Avoid the purchase of new diesel or fossil-fueled equipment using Climate Bond funds, except where no zero-emission alternative is reasonably available.
- Develop a plan for monitoring remaining emissions, publicly reporting them, and achieving zero emissions over time.

Establishing these conditions would ensure that Proposition 4 funds are used in a manner consistent with their purpose as a Climate Bond and with the CEC's responsibility to maximize public benefits from state investment.

III. Port Electrification Requires Upfront Planning Which Should Be Catalyzed by Climate Bond Funds

As recognized in the CEC's report, Climate Bond solicitation criteria may account for non-energy benefits such as air emission reductions and public health improvements. This focus is well-founded. Traditional port operations are a significant source of nitrogen oxides, particulate matter, and diesel exhaust, which are associated with asthma, cardiovascular disease, cancer risk, and premature mortality. Ports in California, some of the busiest seaports in the country, are some of the biggest sources of air pollution. In addition, GHG emissions from port operations are a contributor to global climate change.

Electrification directly eliminates these emissions at the source. Technologies such as electric cargo handling equipment, shore power for at-berth ships, and electrified port vehicles are among the most effective strategies to reduce port-related air pollution, particularly when combined with non-automation policies that protect jobs for local people. However, port electrification and decarbonization requires upfront planning and investment. In particular, sufficient electrical capacity is necessary to support port electrification technologies, such as shore power for at-berth vessels. By conditioning Climate Bond funding on port electrification, the CEC can catalyze this essential planning at California's offshore wind ports at the design stage. This would ensure that offshore wind development delivers the broadest air quality improvements for decades to come, rather than shifting pollution burdens onto port-adjacent communities.

IV. Environmental Justice Requires Zero-Emission Port Investments

The CEC's report emphasizes public engagement with environmental justice organizations, community-based organizations, and Tribal Nations in the development of future Climate Bond solicitations. These engagements consistently highlight the disproportionate pollution burdens borne by communities living near and laborers working at ports.

Environmental justice requires more than engagement alone. It requires that new public investments avoid repeating historic harms. Conditioning Proposition 4 funding on zero-emission equipment and electrified operations ensures that offshore wind ports do not exacerbate cumulative impacts in overburdened communities and instead deliver measurable health and quality-of-life benefits.

V. Electrification Reduces Long-Term Costs and Regulatory Risk

While electrification can involve higher upfront capital costs, it reduces long-term operating and maintenance expenses by avoiding fuel costs, lowering maintenance needs, and reducing

exposure to fuel price volatility. Our state already faces severe consequences if we fail to attain National Ambient Air Quality Standards, particularly in the South Coast Air Basin where the largest Staging and Integration terminal is being proposed. Investing in port electrification now will help protect ports from having to replace equipment as future regulatory risk as California's air quality and climate standards continue to strengthen. The State of California is committed to achieving a just and equitable transition to carbon neutrality by 2045. Investing in electrified infrastructure today makes that goal much easier to accomplish.

The CEC's report notes that full offshore wind port development is expected to require billions of dollars in investment statewide. Given this scale, it is fiscally prudent to require electrification at the outset rather than rely on costly retrofits later. Conditioning Climate Bond funding on electrification ensures that state dollars are spent strategically and in-line with the State's broader climate goals.

VI. Conclusion

The CEC's January 2026 report demonstrates that Proposition 4 funding will shape California's offshore wind port system for decades. By conditioning Climate Bond awards on port electrification planning and implementation, the Commission can ensure that offshore wind development advances California's climate goals, improves air quality, protects frontline communities, and reduces long-term costs.

We respectfully urge the CEC to incorporate these funding conditions into forthcoming Climate Bond solicitations under Public Resources Code § 94540.

Sincerely,

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