



**BlueGreen Alliance California Newsletter**  
**May 2026**

As bills move through the legislature and budget conversations heat up, BGA will share some of our budget and legislative priorities. Our coalition was recently in the Swing Space for a lobby day to discuss these priorities and introduce who we are as a group and to show that environmental groups and labor unions have a long history of working together to support working people and pass policies that benefit our communities. Read on to learn more about our work and lobby day.

**Budget & GGRF Update:**

BGA California supports a budget solution to get next generation geothermal off the ground. The proposal allocates \$40 million to drill a minimum of four exploratory geothermal wells, creating jobs and determining geothermal potential that will unlock even further investment and job creation. The program would be a 50/50 cost share with private investment providing up to \$10 million per well, matching dollar for dollar with private investment. This structure replicates a similar program successfully implemented by the federal government through the Utah FORGE project that drilled exploratory wells and publicly released the geologic data that led to billions in private investment. Find the full support letter [here](#).

BGA also supports continued funding under the Greenhouse Gas Reduction Fund (GGRF) for two of California's most effective industrial decarbonization programs under the California Energy Commission's (CEC):

- The Industrial Decarbonization and Improvement of Grid Operations (INDIGO) program
- Food Production Investment Program (FPIP)

Together, these programs represent exactly the kind of investment the GGRF was designed to support. Find the full support letter [here](#).

Lastly, BGA strongly supports fixes to the CalSHAPE program to ensure that the remaining

program funds reach California schools that need them to improve energy efficiency, health, and resilience to extreme heat, wildfire smoke, and infectious diseases. The particular fixes are to:

- Extend statutory deadlines for the **CalSHAPE program**, currently set to sunset on January 1, 2027, with unspent funds reverting to investor-owned utilities (IOUs) on December 1, 2026
- Direct the California Energy Commission (CEC) to distribute the estimated **\$194 million** in remaining funds to schools
- Prioritize funding for HVAC upgrades and repairs that will promote high-quality local jobs and help schools

Read the full coalition letter [here](#).

### **Spotlight: BGA California Lobby Day**



Our Executive Director, Jason Walsh, and Senior California State Organizer, Franki Gracey, led a BGA California Lobby Day in Sacramento on May 20<sup>th</sup> with partners from USW, CA EnviroVoters, CSAEW, NRDC, Sierra Club, SMART Local 104, and UAW. The goal was to show that environmental groups and labor unions have a long history of working together to advocate for working people in addition to advocating specific manufacturing, industrial decarbonization, and workforce policies. Our coalition stood together to advance the following priorities:

#### **Manufacturing**

- **AB 2516 (Petrie-Norris)** creates a state-run purchasing program for critical grid equipment. The state would aggregate all utilities' needs, bulk-purchase components, and support in-state manufacturing, which helps avoid supply chain delays that slow down connecting new power plants to the grid.

- [SB 954 \(Blakespear\)](#) would clean up the "advanced manufacturing" definition under SB 131; the CEQA exemption bill enacted last year. The current definition applies to a broad and vaguely defined set of heavy industrial sectors, ranging from strip mining to chemical recycling to waste incineration. For these projects, SB 954 would restore critical protections for workers, public health, and the environment. The bill also signals the legislature's intent to narrow the applicability of this exemption to a limited, clearly defined set of projects that pose minimal environmental impacts.

### **Industrial Decarbonization**

- [SB 943 \(Becker\)](#) SB 943 makes two reforms to provide the Public Utilities Commission (PUC) authority to develop electricity rates to help commercial and industrial companies switch to electricity for industrial heat. This will help keep and expand companies and jobs in CA while reducing air pollution and GHG emissions and lowering electricity bills for all consumers.

### **Workforce**

- [AB 2157 \(Connolly\)](#) Sponsored by BGA partner USW, this bill eliminates the sunset date for the Displaced Oil and Gas Worker Fund (DOGWF) to allow the program to continue to provide support for workers beyond 2027. Studies have shown it takes years for workers to find new employment, and the industry is expected to lose thousands more jobs over the next decade, making it essential for the DOGWF program to continue to support workers' transition.
- [AB 2634 \(Zbur\)](#) Strengthens the High Road Training Partnerships (HRTPs) funding requirements to ensure workforce investments lead to good-paying, high-quality jobs. The bill requires the CA Workforce Development Board to create a scoring process for grant applicants that prioritizes programs with labor management partnerships and directs funding to industries with real demand and strong job standards.
- [SB 1383 \(Arreguin\)](#) Sponsored by BGA partner SMART Local 104, this bill clarifies California's Density Bonus Law to ensure that developers cannot waive essential construction labor standards when seeking concessions or incentives. California's Density Bonus Law was established to incentivize the development of affordable housing by allowing developers to receive concessions such as increased density, reduced parking requirements, or other regulatory relief. While the law plays an important role in promoting housing production, recent cases have demonstrated that it is being misused in ways that threaten worker protections and undermine responsible development practices.

---

Thanks for reading! If you have any questions, comments, or feedback, please let us know:  
[fgracey@bluegreenalliance.org](mailto:fgracey@bluegreenalliance.org)

Follow us on Twitter/X: [@BGAlliance](#)  
Bluesky Social: [@bluegreenalliance](#)  
Instagram: [@bluegreenalliance](#)  
Threads: [@bluegreenalliance](#)  
TikTok: [@bluegreenalliance](#)  
Join our Facebook: [BlueGreen Alliance](#)  
LinkedIn: [BlueGreen Alliance](#)

*The BlueGreen Alliance (BGA) unifies labor unions and environmental organizations into a powerful force working for an economy that fights climate change, protects the health of people and the environment, stands against economic and racial inequality, and creates and maintains good-paying, union jobs in communities across the country.*

Visit <http://www.bluegreenalliance.org>