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A Trump-era twist to Newsom’s oil fight

By CAMILLE VON KAENEL | 05/27/2025 09:00 PM EDT

With help from Alex Nieves

CRUDE SHOWDOWN: A Texas-based oil company is putting Gov. **Gavin Newsom’s** fight with Big Oil to the test in the Trump era.

Sable Offshore Corp. started pumping oil last week out of wells in federal waters off the Santa Barbara coast, almost exactly 10 years after an oil spill from a connected pipeline leaked over 100,000 gallons of crude and shut down production. And while some state agencies are putting up a fight, Newsom isn’t.

“Under Gov. Newsom’s leadership, California has strengthened its position as a national leader in protecting the coastline and public health,” said Newsom spokesperson **Daniel Villaseñor** in an email. “While some offshore drilling continues in federal waters under

longstanding federal leases, the governor remains unwavering in his commitment: no new offshore drilling — period.”

Some of Sable's restart is out of Newsom's control: Sable is avoiding some hoops by restarting a dormant operation instead of building a new one (thus technically abiding by Newsom's “no new drilling” dictum), and President **Donald Trump** is providing some tailwinds with the declaration of an “energy emergency” and reversal of a Biden-era ban on new drilling.

But some of it is under Newsom's control, at least sort of. Eight state agencies have piecemeal oversight over the onshore pipeline that ruptured 10 years ago and that Sable bought from Exxon to shuttle the newly flowing crude to refineries — and have made at times contradictory moves towards a full restart.

Sen. **Monique Limón**, a Democrat who represents the Santa Barbara coast, sees some of those permits as a change in tone from Newsom's two special sessions on gas prices in the last two years, which resulted in measures enabling the state to cap refiners' profits and regulate their gasoline inventories. Newsom's also sought climate damages from the world's largest oil companies and signed a law requiring them to situate new wells far away from homes and schools.

“We really got a lot of messaging about how important it was to keep our community safe, to think about the future and the energy transition,” she said. “This is a reversal, of course, from even just last fall. ... The word I would use is ‘disconnect.’”

Environmental groups sued the Office of the State Fire Marshal last month over its December conditional permit, or “waiver,” to Sable for its alternative to corrosion prevention on the pipeline and called for a full environmental analysis. They're also concerned about State Parks' move in early May to waive environmental review for a right-of-entry permit for Sable to make repairs within Gaviota State Beach.

Only one agency has come out swinging against Sable: The California Coastal Commission, which fined the company \$18 million for continuing its repairs despite three cease-and-desist orders. (Sable, in turn, sued the Coastal Commission in February, arguing it already has the agency's authorization from decades ago.)

State Fire Marshal **Daniel Berlant** said his office has more stringent safety requirements than the federal government and that it is still waiting for Sable to do a final pressure test on the pipeline before it allows crude oil to flow.

Lt. Gov. **Eleni Kounalakis** wrote to Sable on Friday urging it to resolve its issues with other agencies before fully restarting operations or the State Lands Commission, which she chairs, may not approve future leases with the company. She also wrote that Sable failed to meet a requirement to notify the commission before starting up any oil flow, which “undermines trust of Sable’s motives.”

In the meantime, state lawmakers are trying to throw up roadblocks with legislation. Limón’s SB 542 would require thorough hydrostatic testing before an oil pipeline that’s been dormant five years or more can be restarted. And AB 1448, from fellow Central Coast representative Assemblymember **Gregg Hart**, would add requirements for State Lands Commission leases for coastal oil and gas infrastructure. Western States Petroleum Association opposes both bills.

Sable has been moving quickly in the past few months and is eyeing July for sales of its crude, which is currently being stored in tanks onshore.

“Sable will continue to aggressively defend our vested rights to pursue low-carbon native California oil and natural gas sorely needed to stabilize supply and lower consumer gasoline prices,” said spokesperson **Alice Walton**. — **CvK**

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GAO COW: Republicans’ bucking of the Government Accountability Office on California’s vehicle emissions waivers is just the tip of their crusade.

The typically uncontroversial, under-the-radar agency is fighting a slew of attacks against its independence, as Jennifer Scholtes, Jordain Carney and Katherine Tully-McManus report.

From the Office of Management and Budget's criticism of GAO for finding the Trump administration improperly withheld funding for electric vehicle infrastructure to the Department of Government Efficiency's attempts to assign the agency a downsizing team, the office has found itself in the middle of the partisan fray — despite its attempts to stay out of it.

“We’re just responding to help Congress,” GAO Comptroller **Gene Dodaro** said at a recent hearing. “We’re not trying to influence things one way or the other. We’re nonpartisan. We’re asked a question; we give an answer. It doesn’t matter who it is.”

FORKLIFT IN THE ROAD: Amid all the federal rule rollbacks, state regulators issued an advisory Tuesday confirming that they won’t enforce a zero-emission forklift rule they never got federal approval for.

The California Air Resources Board, in an email, encouraged companies to voluntarily report their progress at phasing out fossil fuel forklifts but clarified that it wouldn’t retroactively hold them responsible if the rule is enforced in the future.

CARB last June approved the proposal to ban the sale of new combustion engine forklifts by 2026 and phase out older models by 2038. But state officials never submitted the rule for an EPA waiver, anticipating that the Trump administration would not approve it.

The Western Propane Gas Association sued in August, arguing that CARB failed to analyze the environmental impacts of new infrastructure needed to operate larger fleets of electric forklifts. — **AN**

MORE SUSPENSE: We’re back with another tranche of bills that either hit a wall or got through Friday’s appropriations committee deadline with significant amendments:

Inmate firefighter pay: Assemblymember **Isaac Bryan**’s bid to boost pay for incarcerated firefighters survived appropriations, but only after he agreed to significantly reduce how much they’d earn while responding to an active fire. Bryan lowered his proposal in AB 247 from \$19 per hour to \$7.25 per hour, equal to the federal minimum wage.

Inmate firefighters are currently paid \$30 per day for a 24-hour emergency shift.

Child labor: The Senate Appropriations Committee killed a bill from Sen. **Shannon Grove** that would have required California to certify that vehicles purchased for state-owned fleets were manufactured with metal and minerals mined at operations without

child labor. SB 77 cleared its only policy committee hearing with unanimous support, but the Department of General Services warned that the costs associated with analyzing complex supply chains and working with potentially unwilling vehicle manufacturers would be high.

Leno's Law: Grove also made amendments to her bill championed by comedian Jay Leno that would exempt classic collector cars from smog checks. The Republican added language to SB 712 that would require qualifying cars to have collector's insurance and be required as historical vehicles, which restricts their use to events like historical exhibitions, parades, or club activities. The amendments mirror language originally in the bill that Grove removed in March.

Fuel prices: Assembly Appropriations nixed a bill from Assemblymember **Corey Jackson**, AB 555, that would have required CARB to submit quarterly reports on the impacts of regulations on transportation fuel prices. CARB argued the proposal could create significant new costs by forcing it to develop new models for calculating the "cause-and-effect relationships" between its regulations and consumer prices.

The issue isn't going away. Speaker **Robert Rivas** last month named Assemblymembers **David Alvarez** and **Lori Wilson** co-chairs of a new committee to study the state's low-carbon fuel standard and transportation affordability. — *AN*

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SUMMER SPLASH: The federal government gave San Joaquin Valley farmers a "welcome to summer" gift Tuesday by increasing its expected water deliveries from 50 percent of requested supplies to 55 percent.

The Bureau of Reclamation adjusted its forecast because of "greater certainty about water availability" now that the state's wet season is over, according to a statement by acting Regional Director **Adam Nickels**. Reservoirs are currently brimming at or nearly at

capacity across California following the third year in a row with average to above average winter precipitation.

The Bureau of Reclamation also cited Trump's January executive order to "maximize" California water supplies for its new allocation.

The state government's summer allocations, meanwhile, remain at 50 percent for now, though Department of Water Resources spokesperson **Ryan Endean** said state officials are continuing to analyze snowmelt runoff and current water supply and could still adjust allocations later. — **CvK**

FROG FIGHT: California water agencies, farmers and utility companies got a temporary reprieve in their fight against expansive habitat protections for the endangered foothill yellow-legged frog.

The federal Fish and Wildlife Service extended its review period from May 17 to July 28 for a proposal to designate 760,071 acres as critical habitat for the 3-inch-long frog that historically ranged from Oregon to Baja California, Michael Doyle reports for POLITICO's E&E News.

The potential habitat designation, published during the waning days of former President **Joe Biden**'s term, has set off alarms across the political spectrum. Groups like the Association of California Water Districts and California Farm Bureau warn that the proposal could hinder efforts to manage water resources on public and private land.

And the San Francisco Public Utilities Commission that a proposed buffer zone for transmission lines and other infrastructure is too large and includes habit unsuitable for the frog. — **AN**

— Former Los Angeles mayor and gubernatorial candidate **Antonio Villaraigosa** is **defending refineries and accepting campaign donations** from oil companies and executives.

— Groundwater losses **exceed above-ground losses of water** in the Colorado River Basin.

— PG&E has seen **requests for power from data center developers** jump over 40 percent this year.

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