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THE INDUSTRIAL ASSOCIATION

April 1, 2025

The Honorable Scott Wiener 1021 O Street, Suite 8620 Sacramento, CA 95814

Re: SB 222 (Wiener), as amended March 28, 2025 - OPPOSE - Creates new private right of action that is arbitrary, vague, retroactive, and unconstitutional

Dear Senator Wiener:

The below-listed organizations respectfully OPPOSE your SB 222, as amended March 28. While we appreciate recent amendments to the bill that removed a few problematic provisions, the fundamental problems with the bill remain as set forth below:

1. SB 222 would drive up costs for California consumers and wreak havoc on the economy.

Even as amended, SB 222 would still create a new mechanism for individuals and lawyers to sue California's energy companies for damages caused by natural disasters like fires, floods, hurricanes, and earthquakes. The bill is still vague and retroactive - newly added intent language refers to alleged activity from the 1950s and 1960s. It bases liability on events "attributable to

climate change" without defining "attributable" and without providing any time bounds on attribution.

Additionally, SB 222 continues to allow a private right of action against energy companies without proof of causation – there is no requirement of any evidence that energy companies' actions caused the alleged damages. To sue, a person need only allege the damage was the result of a climate disaster. As a result, SB 222 still blatantly violates the U.S. Constitution.

Because these fundamental flaws with SB 222 persist, the bill would still result in higher costs for all Californians. According to an independent study by the California Center for Jobs and the Economy, SB 222 would drive up costs for gasoline, diesel, electricity, and natural gas – resulting in a massive increase to the state's already-high cost of living.

Specifically, SB 222 would, by 2026, increase:

- the price per gallon of gas to \$7.89 per gallon, a 63% hike;
- the average household's costs by \$6,200 per year; and
- electricity rates by 31%.

In addition to enormous new costs imposed on California consumers, the bill would harm the state's economy, with nearly 300,000 jobs lost each year, reducing wages and state tax revenues, according to the California Center's study.

Finally, the bill would still exacerbate the tremendous financial strain already felt by the FAIR Plan, as well as private insurers. It *mandates* the FAIR Plan to bring – and penalizes private insurers with an extra 10% assessment if they *do not* bring – unconstitutional lawsuits under this bill.

2. SB 222 is unconstitutional and would spawn costly and lengthy legal challenges to its provisions.

Even with the recent amendments, SB 222 is still riddled with legal issues, including the following likely Constitutional violations:

- Violates due process: The bill would impose billions of dollars in liability related to alleged climate-related disasters upon energy companies, using vague and retroactive standards without requiring proof of causation. The bill also would prevent energy companies from limiting liability to intentional conduct or in proportion to fault, by making them jointly, severally, and strictly liable.
- **Violates equal protection:** The bill would hold a single industry responsible for all the costs associated with any alleged climate-related disasters, ignoring the inherently global nature of climate change and the multitude of factors and sources purportedly contributing thereto.
- Violates the Fifth, Fourteenth, and potentially the Eighth Amendments. The bill would levy excessive fines by creating billions of dollars in retroactive liability for lawful conduct.

As a result of these substantial legal flaws, SB 222 would still generate a host of costly legal challenges to its provisions that could potentially last for a decade or more.

3. SB 222 sets a terrible precedent for all industries and would do nothing to help with Los Angeles wildfire recovery.

By singling out one industry for billions of dollars in arbitrary, retroactive liability, SB 222 would set a horrible precedent for every industry in California. Indeed, the bill begs the question: which industry will be targeted next?

And, while the bill is brought in response to the devastating Los Angeles wildfires, SB 222 would do nothing to benefit victims and survivors. By creating a new, blatantly unconstitutional way to sue, SB 222 would be tied up in litigation for years. SB 222 will not actually help Californians recover from alleged climate-related disasters.

Our state's citizens are looking for the Legislature to enact policies that make California affordable, not create gigantic new costs for consumers.

For the foregoing reasons, we must respectfully **OPPOSE SB 222**. Thank you for your consideration. If you have any questions or would like to discuss our position, please contact: Chris Micheli at (916) 743-6802, cmicheli@snodgrassmicheli.com; or Soyla Fernandez at (916) 995-4278, sfernandez@fernandezgov.com.

Sincerely,

Kyla Christoffersen Powell

President & Chief Executive Officer

On behalf of the below-listed organizations:

Civil Justice Association of California - Kyla Christoffersen Powell

Agricultural Energy Consumers Association - Michael Boccadoro

American Chemistry Council - Tim Shestek

American Pistachio Growers - Zachary Fraser

American Property Casualty Insurance Association - Mark Sektnan

American Tort Reform Association - Sherman Joyce

Bay Area Council - Jim Wunderman

Building Owners and Managers Association of California - Matthew Hargrove

California Building Industry Association - Karim Drissi

California Business Properties Association - Matthew Hargrove

California Business Roundtable - Oracio Gonzalez

California Chamber of Commerce - Jonathan Kendrick

California Fresh Fruit Association - Daniel Hartwig

California Fuels + Convenience Alliance - Alessandra Magnasco

California Hispanic Chambers of Commerce - Julian Canete

California Manufacturers and Technology Association - Elizabeth Esquivel

California Renewable Transportation Alliance - Nicole Rice

California Retailers Association - Ryan Allain

California Rice Commission - Timothy A. Johnson

California Taxpayers Association - Peter Blocker

Central Valley Business Federation - Clint Olivier

Council of Business and Industries - Rauly Butler

East Bay Leadership Council - Mark Orcutt

Family Business Association of California - Robert Rivinius

Garden Grove Chamber of Commerce - Claudette Baldemor

Grower-Shipper Association of Central California - Christopher Valadez

Harbor Association of Industry and Commerce - Henry Rogers

Howard Jarvis Taxpayers Association - Scott Kaufman

Industrial Association of Contra Costa County - Mark Hughes

Kern Citizens for Energy - Tracy Leach

Los Angeles County Business Federation - Brian Johsz

National Association of Mutual Insurance Companies - Christian Rataj

National Federation of Independent Business - Tim Taylor

Nisei Farmers League - Manuel Cunha, Jr.

Orange County Business Council - Jeffrey Ball

Personal Insurance Federation of California - Allison Adey

Redondo Beach Chamber of Commerce - Dominik Knoll

San Gabriel Valley Economic Partnership - Matthew Lyons

South Bay Association of Chambers of Commerce - Kimberly Caceres

Southern California Leadership Council - Mike Roos

U.S. Chamber Institute for Legal Reform - Jeanne Walker

Western Plant Health Association - Renee Pinel

Western Propane Gas Association - Krysta Wanner

Western States Petroleum Association - Zachary Leary

cc: Members, Senate Judiciary Committee Christian Kurpiewski, Consultant, Senate Judiciary Committee

Morgan Branch, Senate Republican Caucus