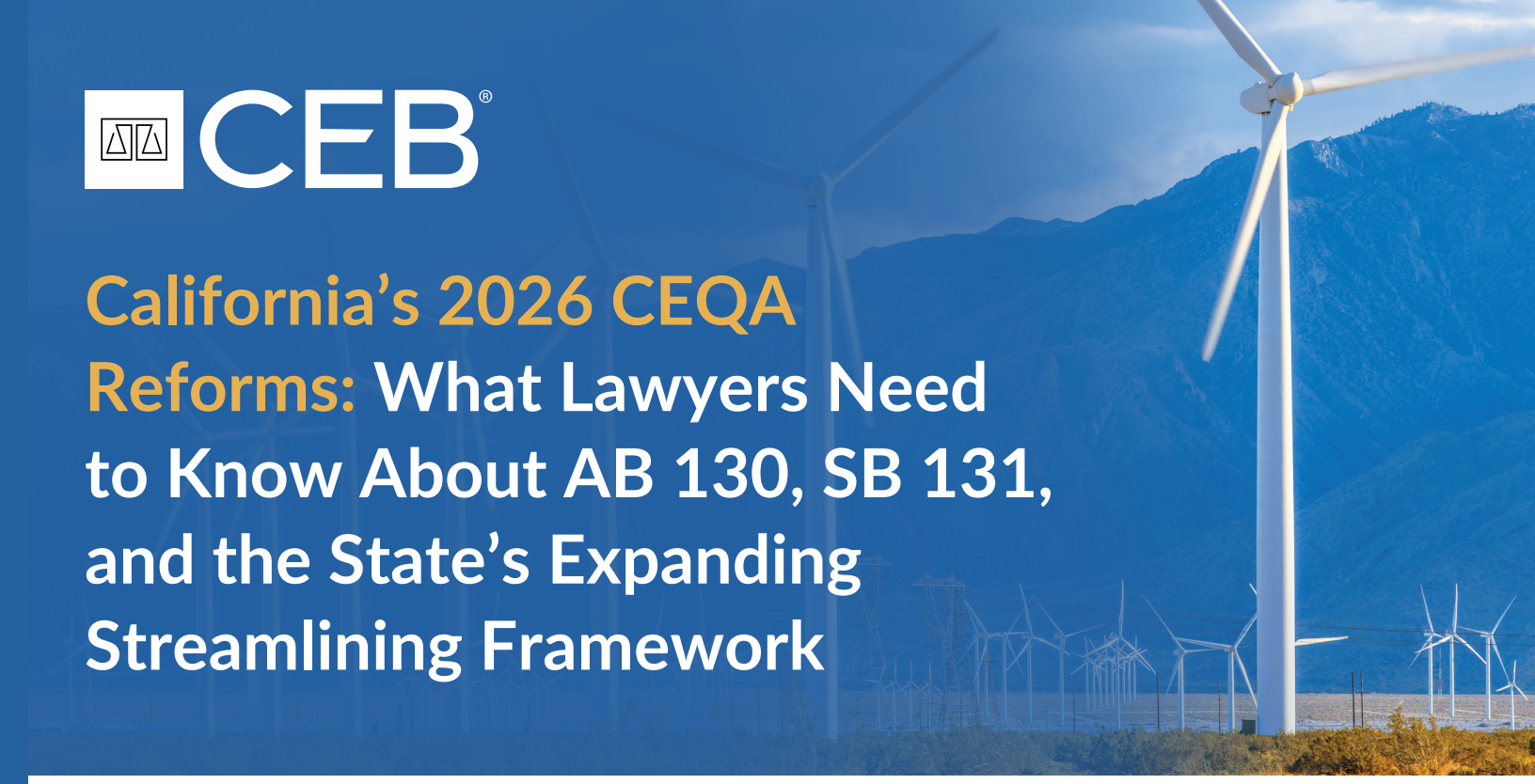


California's 2026 CEQA Reforms: What Lawyers Need to Know About AB 130, SB 131, and the State's Expanding Streamlining Framework

California is enacting sweeping revisions to CEQA under AB 130 and SB 131. This guide explains what changed, who it affects and how attorneys should advise clients in 2026 and beyond.

Legislative Background: Why CEQA Reform Returned in 2025

For years, CEQA (the California Environmental Quality Act) has been central to environmental protections in the state, but also a frequent source of delay, litigation and uncertainty for developers, agencies and infrastructure proponents. By 2024, the state faced a mounting need for housing, clean energy, water and transportation investment. The legislature responded by passing, and the governor signing, two complementary reform bills: AB 130 and SB 131.

Those laws reflect a renewed policy direction: enable critical projects while preserving environmental safeguards. The reforms build on prior actions such as SB 743, but significantly expand CEQA-streamlining pathways.

Key Components of the 2026 CEQA Reforms

Together, AB 130 and SB 131 introduce new exemptions, procedural changes and litigation reforms, while leaving CEQA's core framework intact.

What Did *Not* Change Under CEQA

Despite the breadth of **AB 130 and SB 131**, the 2026 reforms do not eliminate CEQA's core substantive or procedural requirements. Environmental review remains mandatory for projects that do not qualify for statutory or categorical exemptions, and agencies must continue to support their determinations with substantial evidence in the administrative record.

CEQA's foundational principles also remain intact. Lead agencies are still required to identify and analyze significant environmental impacts, consider feasible mitigation measures and alternatives where applicable, and respond to public and agency comments in a reasoned manner. Courts retain authority to scrutinize whether agencies have adequately disclosed impacts and exercised their discretion within the bounds of the statute.

Importantly, expanded exemptions do not create blanket immunity from challenge. Many exemptions remain subject to the "unusual circumstances" exception, and project opponents are likely to test the boundaries of newly expanded categories, particularly in infill, housing and clean-energy contexts. Tribal consultation obligations, environmental justice considerations and public notice requirements likewise continue to apply.

For attorneys advising clients, the takeaway is cautionary but practical: while the reforms offer new pathways to streamline approval, they do not excuse shortcuts in documentation, analysis or process. Projects that rely on exemptions or accelerated review must still be supported by a defensible factual record, particularly during the early years of implementation when judicial interpretation of the reforms is still evolving.

New and Expanded Exemptions

AB 130 and SB 131 expand statutory exemptions and categorical exemptions for defined project types. These include:

- Housing infill in priority or transit-oriented areas
- Clean-energy infrastructure (solar, storage, transmission upgrades)
- Water systems modernization and resilience projects
- Specified **advanced-manufacturing facilities** (e.g., semiconductors, biotech)

Attorneys should examine project eligibility carefully, as these definitions are technical and statute-driven.

Adjusted Review Timelines and Administrative Record Process

The reforms impose more predictable review timelines for **Environmental Impact Reports** (EIR) and Negative Declarations. Lead agencies are required to comply with statutory deadlines unless they document extraordinary circumstances. Simultaneously, SB 131 modernizes the administrative record process, requiring earlier digitization and stricter deadlines for producing records in litigation. That change aims to reduce procedural delay and enable swifter resolution in CEQA cases.

The Administrative Record Becomes Front-Loaded

One of the most consequential, and potentially underappreciated, aspects of SB 131 is its overhaul of the CEQA administrative record process. While framed as a procedural efficiency measure, the changes materially affect how agencies and project proponents must approach CEQA compliance from the outset.

Under the revised framework, lead agencies face earlier and more rigid deadlines for compiling, digitizing and certifying the administrative record once litigation is filed. Agencies can no longer rely on post hoc supplementation to cure gaps or clarify decision-making after a project is approved.

For agency counsel, this means record management must begin during environmental review, not after it concludes. Draft technical studies, internal memoranda, consultant communications and public comments must be curated with litigation defensibility in mind. Informal or incomplete documentation may create vulnerabilities if it becomes part of the record without sufficient context.

Private-sector counsel should advise project proponents that early coordination with agencies is essential. A streamlined approval pathway may reduce substantive review, but it does not eliminate the need for a clean, well-organized record. In fact, because exemptions and shortened timelines are more likely to be challenged in early cases, the administrative record may be the primary battleground.

Litigation counsel should also anticipate tighter timelines for briefing and fewer opportunities to delay proceedings through record disputes. As courts begin interpreting these provisions, early decisions will likely shape best practices statewide.

Judicial Deference for Climate-Aligned and Critical Projects

Under the new framework, courts may afford greater deference to state and agency findings when projects align with statewide climate or infrastructure goals. This includes renewable energy projects and transit-adjacent housing developments. The deference, while not absolute, represents a shift away from strictly local-centric review.

The 2026 CEQA Ballot Measure: Potential Additional Reforms

In parallel to the statutory changes, the California Chamber of Commerce submitted a **CEQA reform ballot initiative** that, if placed on the November 2026 ballot and adopted by voters, would tighten CEQA litigation standards statewide. The measure would limit CEQA lawsuits to parties able to demonstrate direct environmental harm, narrow the issues that may be raised, and restrict standing for nonenvironmental claims.

For attorneys with long-term clients, its adoption could further accelerate project approvals and reduce litigation, but also limit public-participation leverage and community oversight.

If the 2026 Ballot Measure Passes — and If It Does Not

If adopted, the proposed 2026 CEQA ballot initiative would further reshape the litigation landscape by narrowing standing, limiting the scope of claims and requiring plaintiffs to demonstrate direct environmental harm. For project proponents, this could significantly reduce the volume and leverage of CEQA lawsuits, particularly those brought primarily to delay or extract concessions unrelated to environmental impacts.

Under that scenario, attorneys advising developers and public agencies may be able to pursue more aggressive timelines, particularly for large infrastructure and housing projects with long planning horizons. Litigation risk would not disappear, but it would likely be concentrated among a smaller pool of plaintiffs with demonstrable environmental interests and stronger factual claims.

If the measure does not pass, AB 130 and SB 131 will still represent a substantial shift, but CEQA litigation will continue to operate within a familiar framework of broad standing and procedural challenges. In that case, opponents may focus even more heavily on exemption challenges and administrative record deficiencies as primary tools.

Given the uncertainty, attorneys should counsel long-term clients to plan for both outcomes. Projects entering early design or entitlement phases in 2025 and 2026 should be evaluated under dual-track assumptions, with flexibility built into approval strategies and litigation budgets until the ballot measure's fate is resolved.

Practice Implications for California Attorneys

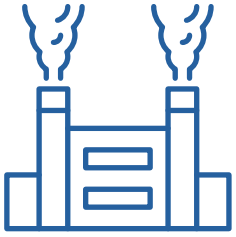
Agency Counsel and Municipal Attorneys

Local governments, special districts, and public works agencies should begin reviewing internal CEQA policies now.

That includes:

- Updating environmental-review guidelines and CEQA compliance manuals
- Training staff on the new exemptions, timelines and record keeping requirements
- Coordinating with planning, water and energy departments to identify projects eligible under the new law

Given the risk of enforcement actions and litigation under the new statutes and upcoming ballot measure, agencies should also carefully document decision-making processes.



Private-Sector Counsel (Developers, Energy, Infrastructure)

For developers, utilities, and infrastructure clients, the reforms present opportunity. Many projects that once faced full environmental review may be eligible for streamlined approval beginning in 2026. This could reduce costs, accelerate timelines and increase predictability.

Attorneys should:

- Re-evaluate projects now in early-stage planning to see if they qualify for new exemptions
- Consider whether to delay or withdraw long-pending EIRs in favor of faster ministerial pathways
- Advise clients on potential litigation exposure, including how record preparation and judicial deference may affect strategy

Litigation Counsel

Although CEQA litigation will continue, the 2026 reforms change the calculus: earlier administrative record deadlines, statutory time limits and modified deference standards will shape how CEQA claims are brought and defended.

Counsel should prepare for:

- Faster deadlines for plaintiffs and defendants alike
- Challenges to exemptions, particularly in infill or renewable-energy cases
- Increased significance of judicial interpretation of the reforms, especially in first-wave cases post-2026

First-Wave CEQA Litigation Risks in 2026–2027

As with prior CEQA amendments, the practical impact of AB 130 and SB 131 will be shaped not only by statutory text but by early judicial interpretation. The first wave of CEQA litigation filed in 2026 and 2027 is likely to focus on testing the outer boundaries of the new exemptions, streamlining provisions and judicial deference standards.

Initial challenges are expected to target exemption eligibility, particularly for housing infill, renewable energy and advanced manufacturing projects that would previously have required full environmental review. Plaintiffs are likely to argue that agencies misapplied statutory definitions or failed to adequately document threshold findings, while defendants will rely heavily on the reform's express policy objectives.

Judicial deference provisions may also generate early appellate scrutiny. Courts will be asked to interpret how much weight to afford agency determinations that a project aligns with statewide climate, housing or infrastructure goals, and whether such alignment alters traditional standards of review. These cases may produce uneven results across jurisdictions until appellate guidance emerges.

Procedural disputes are also likely to accelerate. With tighter administrative record deadlines and shorter review timelines, litigation strategy will shift away from delay tactics and toward early dispositive motions. Counsel on both sides should expect compressed schedules, faster briefing cycles and heightened consequences for incomplete records.

For attorneys, the early implementation period presents heightened risk but also opportunity. Firms that closely monitor early decisions and adapt their strategies accordingly will be better positioned to guide clients through an evolving and still uncertain CEQA landscape.

Preparing for 2026: What Attorneys Should Do Now

To stay ahead, attorneys should:

1. Review AB 130, SB 131 and related implementing regulations to identify which clients or projects are affected.
2. Update internal CEQA review policies, environmental scoping procedures and compliance checklists.
3. For developers and infrastructure clients, run a "CEQA eligibility audit" on prospective projects to assess exemption or streamlining opportunities.
4. Monitor developments on the 2026 ballot measure, including signature-gathering and potential litigation rule changes.
5. Carefully document client advice and project files to preserve defensibility in light of changed record and review protocols.

The Strategic Advantage of Early Preparation

The 2026 CEQA reforms under AB 130 and SB 131 represent one of the most significant overhauls of environmental review in decades, modifying exemptions, shortening review timelines and reshaping litigation risk. With a potential statewide ballot initiative looming, CEQA's future remains in flux.

For California attorneys working in land use, environmental law, energy, water, housing or infrastructure, now is the time to review practice plans, audit client pipelines and prepare for a transformed regulatory landscape. The firms that do so first will gain a competitive advantage and help their clients achieve compliance without delay.