Date of Hearing: April 30, 2025

ASSEMBLY COMMITTEE ON UTILITIES AND ENERGY
Cottie Petrie-Norris, Chair
AB 706 (Aguiar-Curry) – As Amended April 23, 2025

SUBJECT: Forest Organic Residue, Energy, and Safety Transformation and Wildfire Prevention Fund Act

SUMMARY: Establishes the Forest Organic Residue, Energy, and Safety Transformation (FOREST) and Wildfire Prevention Fund

Specifically, **this bill:**

1) Establishes the FOREST and Wildfire Prevention Fund in the State Treasury is continuously appropriated to the Natural Resources Agency

2) Establishes the purpose of the FOREST and Wildfire Prevention Fund is to reduce organic fuel sources that increase fire risk by providing funding for the fire fuel reduction procurement program.

3) Establishes the fire fuel reduction procurement program to support sufficient procurement, transport, and beneficial use of forest biomass waste that reduces fuel for wildfires by up to 15,000,000 bone-dry tons of forest biomass waste per year.

4) Prioritizes funding BioRAM and BioMAT fleets in operation on or before January 1, 2031.

EXISTING LAW:

1) Establishes the Wildfire and Forest Resilience Task Force, involving specified state agencies to create the action plan for wildfire and forest resilience. The executive order also established a Joint Institute for Wood Products Innovation. (Executive Order No. B-52-18).

2) Designates, under the California Global Warming Solutions Act of 2006, CARB as the state agency charged with monitoring and regulating sources of emissions of GHGs. Requires CARB to adopt a statewide greenhouse gas (GHG) emissions limit and to adopt rules and regulations in an open public process to achieve the maximum technologically feasible and cost-effective GHG reductions. (Health and Safety Code §§ 38500-38510)

3) Requires CARB, in consultation with the Department of Forestry and Fire Protection (CalFire), to develop a report on or before December 31, 2020, and every 5 years thereafter that assesses GHGs associated with wildfire and forest management activities. (Health and Safety Code § 38535 and § 39607.4)

4) Establishes the BioMAT program that requires investor-owned utilities (IOUs) to procure at least 250 megawatts (MW) from bioenergy projects, and the CPUC to allocate amongst the electric IOUs shares of the 250 MW from bioenergy derived from organic waste diversion, dairy and agricultural sources, and byproducts of forest management. (Public Utilities Code § 399.20)

5) Requires retail sellers and publicly owned utilities to increase purchases of renewable energy such that at least 60% of retail sales are procured from eligible renewable energy resources by December 31, 2030. This is known as the Renewables Portfolio Standard (RPS). Electricity generated from biomass is considered a renewable energy resource under this policy. (Public Utilities Code §§ 399.11-399.33)

6) Requires that all electricity be RPS-eligible and zero-carbon resources by December 31, 2045. Requires the CPUC, in consultation with the CEC, CARB, and all California balancing authorities, to issue a joint report to the Legislature by January 1, 2021, reviewing and evaluating the 100% clean energy policy. (Public Utilities Code § 454.53)

7) Establishes the Bioenergy Renewable Auction Mechanism (BioRAM) program in Public Utilities Commission Resolution E-4770 (March 18, 2016), Commission Motion Authorizing Procurement from Forest Fuelstock Bioenergy Facilities supplied from High Hazard Zones for wildfires and falling trees pursuant to the Governor's Emergency Proclamation.

8) Establishes within the RPS a requirement that electrical corporations by December 1, 2023 to collectively procure 125 MWs of cumulative rated generating capacity from bioenergy projects commencing operation prior to June 1, 2013. Each project must produce its generation using specified minimum percentages of certain types of forest feedstock, including from Tier 1 and Tier 2 high hazard zones. (Public Utilities Code § 399.20.3)

9) Requires an electrical corporation, local electric publicly owned utility, or community choice aggregator with a contract to procure electricity generated from biomass that is operative at any time in 2022, and expires or expired on or before December 31, 2028, to extend the contracts 5 years. (Public Utilities Code § 8388)

10) Requires the CEC to adopt the IEPR every two years, which must contain an overview of major energy trends in the state, including supply, demand, pricing, reliability, efficiency, and impacts on public health and safety, the economy, resources, and the environment. (Public Resources Code §§ 25300-25327)

11) Requires the CEC to incorporate firm zero-carbon resources into the IPER in a timely fashion. (Public Resources Code § 25305.5)

FISCAL EFFECT: Unknown. This bill is keyed fiscal and will be referred to the Assembly Committee on Appropriations for its review.

CONSUMER COST IMPACTS: Unknown.

BACKGROUND:

Biomass in California – California covers about 100 million acres and approximately 40% of the state is forest. National Forest System lands, managed by the US Forest Service (USFS), cover in excess of 18 million acres (approximately 58% of California forestland). Forest operations such as logging, thinning, fuels reduction programs, and ecosystem restoration create a huge amount of woody biomass. Some of this is brought out of the forest for use, but as much as half of the biomass is left in the forest. According to the CEC, there are currently approximately 47 million bone dry tons (BDT) of biomass in California.[1]

SB 901 (Dodd, Chapter 626, Statutes of 2018) required California to double forest fuel removal to reduce the risks of catastrophic wildfires. In 2020 California entered an agreement with the USFS to reduce forest fuels on one million acres per year through prescribed fire and mechanical thinning.

Making Energy from Biomass – Biomass is organic material that can include wood and wood processing wastes, yard and food waste, agricultural crops, animal manure, and human sewage (municipal solid waste). Biomass is converted to energy through four main processes: direct combustion, and thermochemical, chemical, and biological conversion. Direct combustion, or burning wood, is the most common method for converting biomass to useful energy. Thermochemical conversion—such as pyrolysis and gasification—breaks down the biomass material with heat, usually with little to no oxygen. Chemical conversion breaks down the biomass material through chemical reactions; whereas biological conversion—including fermentation and bacterial decay—breaks down the biomass material through the use of enzymes, bacteria, or other microbes. Today, there are about 23 biomass power plants in California producing around 532 MW of energy.[2] Electricity generated from biomass meets the state's RPS requirements.

BioMAT Program – A feed-in tariff (FIT) is a contracting mechanism for small renewable generators to sell power to a utility at predefined terms and conditions, without contract negotiations. For the IOUs, the FIT operates as a "must-take" contract in its portfolio. If the participant generates the power, the IOU must take it and pay for it according to the pre-defined terms of the FIT. The BioMAT program is for small bioenergy renewable generators less than 5 MW in size. The BioMAT program offers up to 250 MW to eligible projects through a fixed-price standard contract to export electricity to IOUs. Electricity generated as part of the BioMAT program counts towards the utilities' RPS and resource adequacy targets. Small-scale bioenergy projects can be procured in three categories:

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[1] https://www.energy.ca.gov/data-reports/california-power-generation-and-power-sources/bioenergy/biomass-energy-california, Accessed April 28, 2025

[2] California Biomass Energy Alliance, Biomass Essentials, https://www.calbiomass.org/general-statement/, accessed April 28, 2025.

- Category 1: Biogas from wastewater treatment, municipal organic waste diversion, food processing, and co-digestion - 110 MW
- Category 2: Dairy and other agricultural bioenergy - 90 MW
- Category 3: Bioenergy using byproducts of sustainable forest management, including fuels from high hazard zones effective February 1, 2017 - 50 MW

The BioMAT program underwent a formal program review in 2018, where CPUC staff recommended programmatic and procedural improvements to the program. The goal of the program review was to simplify the BioMAT procurement process, enable expanded program participation, address program barriers, reduce ratepayer expenditures, and promote statewide goals. In August 2020 a decision was issued directing changes to the BioMAT program rules, contract terms, clarifications in the procurement process, and an extension of the BioMAT program until December 2025 (from the previously set end date of February 2021).

In October 2022, the CPUC opened a rulemaking to implement AB 843 (Aguiar-Curry, Chapter 234, 2021), which authorized Community Choice Aggregators (CCAs) to participate in the BioMAT program. In this proceeding, the CPUC is considering how to most effectively integrate CCAs into the BioMAT program alongside IOUs, as well as the potential effect of the incorporation of CCAs on the BioMAT program. In their evaluation of potential effects of CCA addition, the CPUC identified specific issues as being within the scope of the proceeding, including the possibility of an additional 5-year extension of the BioMAT program (extending the end date to December 2030). The CPUC is currently considering a petition to extend the BioMAT program timeline.[3]

BioRAM. In 2016, the CPUC implemented Governor Brown's October 2015 Emergency Order Addressing Tree Mortality by establishing the BioRAM program. BioRAM uses the RPS standardized renewable auction mechanism (RAM) contract to streamline the procurement process. Subsequently, SB 859 (Committee on Budget and Fiscal Review), Chapter 368, Statues of 2016, directed additional BioRAM procurement from the investor-owned utilities (IOUs), resulting in the procurement order of 146 MWs of bioenergy from HHZs fuel to aid in mitigating the threat of wildfires. SB 859 also required at least 80% of the feedstock of an eligible facility, on an annual basis, to be a byproduct of sustainable forestry management, which includes removal of trees from HHZs and is not that from lands that have been clear cut, and that at least 60% of the feedstock must come from HHZs. SB 901 amended the BioRAM program to add program flexibility and extend certain biomass contracts by five years. SB 1109 (Caballero), Chapter 364, Statues of 2022, further extended certain eligible biomass contracts by a minimum of five years but not to exceed fifteen years. The current collective IOU's BioRAM contracts are for 154 MW.

COMMENTS:

1) *Author's Statement.* According to the author: "California's forests, covering nearly one-third of the state, provide critical environmental, economic, and climate benefits but are increasingly threatened by wildfires, drought, and invasive species. To mitigate these risks, the state has committed to removing forest biomass waste from one million acres annually, generating millions of tons of waste each year. However, without sufficient

[3] CPUC, R18-07-003

infrastructure to process this material, much of it is either openly burned—releasing harmful emissions—or left to decay, producing methane, a potent greenhouse gas. AB 706 addresses this challenge by establishing the FOREST and Wildfire Prevention Fund, which will promote the sustainable utilization of biomass waste for bioenergy. This initiative will reduce wildfire risks, cut climate and air pollution, and enhance economic opportunities in some of California's most vulnerable regions—all without increasing costs for energy ratepayers."

2) *The Purpose of this Bill.* In the current age of rampant wildfires, forest management practices are under scrutiny. The removal of accumulated biomass has been central to wildfire mitigation approaches in the state of California since Governor Jerry Brown's State of Emergency Proclamation on Tree Mortality,[4] leading to the creating to the BioMAT and BioRAM programs. One criticism of these programs from the investor-owned utilities (IOUs) is that the energy generated in biomass power plants is expensive. IOUs are mandated to purchase this energy and the excess cost is being passed on to ratepayers. The current bill establishes the FOREST and Wildfire Prevention Fund in the treasury to be continuously appropriated to the Natural Resources Agency. The goal of this funding is to support biomass procurement, transport, and use that reduces fuel for wildfires by up to 15,000,000 BDT of forest biomass waste per year. Generating a fund to support these biomass removal projects would alleviate heightened costs to ratepayers due to biomass energy procurement mandates.

   Proponents of the bill argue that this is an economically viable method to support healthy forest management and protect against wildfire. Opponents of the bill argue that there is little evidence that biomass fuels reduction across California forests alters wildfire trends, and therefore this is a waste of taxpayer funds.

3) *Related Legislation.*

   AB 70 (Aguiar-Curry) defines pyrolysis in the Public Resources Code and requires the Department of Resources Recycling and Recovery (CalRecycle), by January 1, 2027, to amend its organic waste procurement regulations to include pipeline biomethane converted exclusively from organic waste as eligible for procurement credit by local jurisdictions. This bill is on the Assembly Appropriations suspense file. Status: Held in suspense in the Assembly Committee on Appropriations

4) *Prior Legislation.*

   AB 2514 (Aguiar-Curry, 2024) defines pyrolysis, requires CalRecycle to include pipeline biomethane converted from organic waste as eligible for procurement credit by local jurisdictions, and makes biosolids handing projects by the Town of Windsor and the Windsor Water District eligible for an existing CalRecycle grant program to promote organic waste diversion among other actions. Status: Held on the Senate Inactive file

[4] Tree Mortality, October 30 , 2015

AB 998 (Connolly, 2023) would require the CEC to issue a report on the utility-scale biomass combustion facilities still in operation and recommendations for strategies to upgrade biomass combustion facilities, and an evaluation of the feasibility of upgrading utility-scale biomass combustion facilities that have recently ceased operation. Status: Held in suspense in the Assembly Committee on Appropriations

AB 625 (Aguiar-Curry, 2023) establishes the Forest Biomass Waste Utilization Program to increase the use of forest biomass waste, including requiring the CEC to report to the Legislature on innovative bioenergy technologies, and to indefinitely extend the date of the Bioenergy Market Adjusting Tariff at the CPUC. Status: Held in suspense in the Assembly Committee on Appropriations

AB 2878 (Aguiar-Curry, 2022) would establish the Forest Waste Biomass Utilization Program to develop an implementation plan to meet the goals and recommendations of specified statewide forest management plans, require the CEC to report on bioenergy technologies that utilize forest biomass waste and to include an assessment of the potential for forest biomass waste energy to provide firm renewable power in the 2023 edition of the integrated policy report. Required CARB to report on a methodology to quantify the greenhouse gas and short-lived climate pollutant emissions from forest management activities as well as consider the results of that report in the next update of its scoping plan. Status: Held in suspense in the Assembly Committee on Appropriations

SB 1109 (Caballero) extended the electrical corporations' obligation to collectively procure their proportionate share of 125 megawatts of cumulative rated generating capacity from existing bioenergy projects, require those entities with a contract to procure electricity generated from biomass that expires before December 31, 2028, to seek 5 year extensions on those contracts, and require any new contracts for incremental procurement of electricity from bioenergy resources to be from a resource that meets emission limits equivalent to the best available retrofit control technology. Status: Chapter 364, Statutes of 2022

AB 843 (Aguiar-Curry) authorized a CCA to execute contracts for eligible bioenergy projects and submit those contracts for cost recovery pursuant to the BioMAT program, if open capacity exists within the 250-megawatt BioMAT program limit. Status: Chapter 234, Statutes of 2021

AB 322 (Salas) required the CEC to consider, in the investment planning process for electric ratepayer-funded Electric Program Investment Charge program, funding for eligible biomass conversion to energy projects. Status: Chapter 229, Statutes of 2021

AB 3163 (Salas) expanded the definition of "biomethane" to include methane that is produced from the non-combustion thermal conversion of eligible biomass feedstock, for CPUC's biomethane procurement targets. Status: Chapter 358, Statutes of 2020

AB 257 (Mathis, 2019) proposed a pilot program for rural counties to offer collection days for the removal of localized excess woody biomass material for use in a biomass plant. Status: Held in suspense in the Assembly Committee on Appropriations

AB 343 (Patterson, 2019) required the Natural Resources Agency to develop a fuel transportation program to offset the costs of transporting fuel to biomass energy facilities. Status: Held in suspense in the Assembly Committee on Appropriations

SB 515 (Caballero) expanded the eligible fuels for biomass plants to include feedstock diverted from very high fire threat zones designated on the most recent version of the Department of Forestry and Fire Protection's (CAL FIRE) Fire Hazard Severity Zone Map, and biomass diverted from Tier 3 High Fire-Threat District, as identified by the California Public Utilities Commission (CPUC), all of which shall count toward the mandatory fuel requirement. Status: Held in suspense in the Assembly Committee on Appropriations

SB 901 (Dodd), among its many provisions, required an extension by 5 years of the existing biomass procurement contracts authorized under an executive order from Governor J. Brown. Status: Chapter 626, Statutes of 2018

SB 859 (Committee on Budget and Fiscal Review), among its many provisions, directed 125 MW of bioenergy procurement. Status: Chapter 368, Statutes of 2016

SB 1122 (Rubio) established a statewide procurement of up to 250 MW of renewable energy from small biomass or biogas technologies that utilize low emission technologies, and requires 50 MW be from small-scale bioenergy from the byproducts of sustainable forestry. This established the BioMAT program. Status: Chapter 612, Statutes of 2012

REGISTERED SUPPORT / OPPOSITION:

Support

Associated California Loggers
Bbw & Associates (BBWA)
Bhyo
Bioenergy Association of California
Brad Thompson Company
Burney Forest Power
Calaveras County Water District
California Biomass Energy Alliance
California Farm Bureau Federation
California Forestry Association
California Licensed Foresters Association
California Rangeland Trust
California State Association of Counties
Camptonville Camptonville Community Partnership, INC
Caribou Biofuels

Cascade Resource Consultants, LLC
Coalition of California Utility Employees
Darling H2o Consulting
Earth Foundries, INC.
Ecoengineers
El Dorado County Biomass Ad Hoc Committee
Fall River Resource Conservation District
Fire Aside
Forest Landowners of California
Forest Products Industry National Labor Management Committee; the
Humboldt Redwood Company LLC
Jamestown Energy
Jefferson Resource Company, INC.
Loamist
Marin Sanitary Services
Momentum
Mountain Counties Water Resources Association
New California Coalition
Omni Bioenergy
Phoenix Energy
Pioneer Community Energy
Pit Resource Conservation District
Placer County Air Pollution Control District
Rain Industries
Resource Conservation District of Tehama County
Rural County Representatives of California (RCRC)
Scotts Valley Band of Pomo Indians
Sierra Business Council
Sierra Energy
Stellar J
Syntech Bioenergy
Tahoe Fund; the
The Buckeye Conservancy
The Round Valley Indian Reservation Tribal Timber Enterprise
The Watershed Research and Training Center
Tss Consultants
USA Water and Power
Vespene Energy
Viridian Ecosystems LLC
Yosemite Clean Energy, LLC
Yuba Water Agency

Opposition

Biofuelwatch
Center for Biological Diversity
Epic - Environmental Protection Information Center
Forests Forever
Green America

Little Manila Rising
Mount Shasta Bioregional Ecology Center
Northcoast Environmental Center
Nrdc
Partnership for Policy Integrity
Safe Alternatives for Our Forest Environment
Sierra Club California
Sonoma County Climate Activist Network (SOCOCAN!)

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