California State Assembly

NATURAL RESOURCES

ISAAC G BRYAN
CHAIR

AGENDA

Thursday, August 29, 2024
Upon Call of the Chair -- State Capitol, Room 447

PURSUANT TO ASSEMBLY RULE 77.2

BILLS HEARD IN SIGN-IN ORDER

1.	SB 219	Wiener	Greenhouse gases: climate corporate accountability: climate-related financial risk.

CONCUR IN SENATE AMENDMENTS

2.	AB 457	Aguiar-Curry	Beverage containers: recycling: redemption payment and refund value: annual redemption and processing fee payments.(Urgency)
3.	AB 1359	Papan	California Environmental Quality Act: geothermal exploratory projects: lead agency.(Urgency)

Date of Hearing: August 29, 2024

ASSEMBLY COMMITTEE ON NATURAL RESOURCES
Isaac G. Bryan, Chair
SB 219 (Wiener and Stern) – As Amended August 13, 2024

SENATE VOTE: 29-8

SUBJECT: Greenhouse gases: climate corporate accountability: climate-related financial risk.

SUMMARY: Delays the requirement that the State Air Resources Board (ARB) adopt regulations until July 1, 2025; requires that the regulations adopted by ARB to require, among other things, a reporting entity to make the annual disclosure to either the greenhouse gas emissions (GHG) reporting organization or ARB; and, requires that the reporting entity publicly disclose its Scope 3 emissions on a schedule specified by ARB, rather than no later than 180 days after its Scope 1 emissions and Scope 2 emissions are publicly disclosed.

EXISTING LAW:

1) Pursuant to California Global Warming Solutions Act of 2006 [AB 32 (Núñez), Chapter 488, Statutes of 2006] (Health & Safety (HSC) Code 38500 *et seq.*):

    a) Requires ARB to adopt a statewide GHG emissions limit equivalent to 1990 levels by 2020, and requires the reduction of GHGs to 40% below 1990 levels by 2030 and to 85% below 1990 levels by 2045.

    b) Authorizes ARB to adopt a regulation that establishes a system of market-based declining annual aggregate emission limits for sources or categories of sources that emit GHG emissions, applicable until December 31, 2030. Under this authority, ARB adopted a cap and trade regulation that applies to large industrial facilities and electricity generators emitting more than 25,000 metric tons of carbon dioxide equivalent per year, as well as distributors of fuels, including gasoline, diesel, and natural gas.

    c) Requires the monitoring and annual reporting of GHG emissions from GHG emission sources beginning with the sources or categories of sources that contribute the most to statewide emissions, and dictates that for the cap-and-trade program established pursuant to AB 32, entities that voluntarily participated in the California Climate Action Registry prior to December 31, 2006, and had developed a GHG emission reporting program, would not be required to significantly alter their reporting or verification program except as necessary for compliance.

2) Pursuant to the Climate Corporate Data Accountability Act (HSC 38532):

    a) Requires ARB, on or before January 1, 2025, to develop and adopt regulations requiring specified partnerships, corporations, limited liability companies, and other business entities with total annual revenues in excess of $1 billion and that do business in California, defined as "reporting entities," to publicly disclose to the emissions reporting organization, as defined, and obtain an assurance engagement on, starting in 2026 on a date to be determined by ARB, and annually thereafter, their Scope 1 and Scope 2 greenhouse gas emissions, as defined, and, starting in 2027 and annually thereafter, their

Scope 3 GHG emissions, as defined, from the reporting entity's prior fiscal year, as provided.

b) Requires ARB to review during 2029, and update as necessary on or before January 1, 2030, these deadlines to evaluate trends in Scope 3 emissions reporting and to consider changes to the deadlines, as provided.

c) Authorizes ARB, starting in 2033 and every five years thereafter, to assess the global GHG accounting and reporting standards and to adopt an alternative standard if it determines that using the alternative standard would more effectively further the goals of the law.

THIS BILL:

1) Extends the deadline by six months, from January 1, 2025, to July 1, 2025, for ARB to develop and adopt regulations to require a reporting entity to annually disclose all of the reporting entity's Scope 1 emissions, Scope 2 emissions, and Scope 3 emissions, and obtain an assurance engagement performed by an independent third-party assurance provider.

2) Requires those regulations to require the reporting entity to make the annual disclosure to either the emissions reporting organization, if contracted for services, or ARB.

3) Revise the reporting schedule for a reporting entity, starting in 2027 and annually thereafter, to publicly disclose its Scope 3 emissions on a schedule specified by ARB as part of the regulations developed for the prior fiscal year.

4) Allows reports to be consolidated at the parent company level. Provides that if a subsidiary of a parent company qualifies as a reporting entity, the subsidiary is not required to prepare a separate report

5) Deletes the suggestion for ARB to assess currently available GHG accounting and reporting standards every five years.

6) Requires ARB to ensure the report done with an academic institution on the public disclosures made by reporting entities to the emissions reporting is posted publicly by either the emissions reporting organization, if contracted for services, to be made publicly available on the digital platform required to be created by the emissions reporting organization, or ARB on its public internet website.

7) Extends by 60-days, from 30-days to 90-days, when ARB or the emissions reporting organization is required to make the reporting entities' disclosures and ARB's report available on the digital platform.

8) Deletes the requirement for ARB to contract with a climate reporting organization to prepare a biennial public report on the climate-related financial risk disclosures.

9) Makes other technical changes.

FISCAL EFFECT: Unknown

COMMENTS:

1) **Author's statement**:

> California, like the rest of the world, is already deeply impacted by climate change, with worsening droughts, floods, and the unforgettable devastation brought on by an influx of massive wildfires – the top five largest wildfires in the state's history have all occurred in 2018 or later. We no longer have the time to rely on massive corporations to voluntarily report their emissions, and cannot afford any possibility that the emissions we are being told about have been altered or manipulated to ensure a positive public-facing appearance for a particular company. Material and financial risks associated with climate change additionally have the potential to destabilize capital markets and lead to serious negative consequences for financial institutions and the broader economy. To address these challenges, the Legislature passed SB 253 and 261 in 2023.
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> Senate Bill 219, joint authored by Senators Wiener and Stern, makes a number of technical amendments to SB 253—the Climate Corporate Data Accountability Act (Wiener, 2023) and SB 261— The Climate-Related Financial Risk Act (Stern, 2023). It also extends The California Air Resources Board (CARB)'s window to complete a rule-making process by six months, while leaving intact the requirement for disclosures to begin in 2026.

2) **Corporate emission reporting**. SB 261 (Stern), Chapter 383, Statutes of 2023, requires more than 10,000 companies with annual revenues exceeding $500 million to detail how climate change poses financial risks to their operations, not just in California, but around the world. Under that law, a company is required to annually report on its climate-related financial risk, in accordance with the recommended framework and disclosures contained in the Final Report of Recommendations of the Task Force on Climate-related Financial Disclosure, and post the disclosure report on its website and pay a fee to ARB. Then ARB, through a contracted climate reporting organization, would generate an annual public report of climate related financial risk based on a subset of companies' reports.

   SB 253 (Wiener), Chapter 382, Statutes of 2023, requires any partnership, corporation, limited liability company, or other U.S. business entity with total annual revenues greater than $1 billion and that does business in California to publicly report their annual GHG emissions, as specified by the ARB.

   On a global scale, the "Scope" framework was introduced in 2001 by the WRI and World Business Council for Sustainable Development as part of their Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The goal was to create a universal method for companies to measure and report the emissions associated with their business. The three Scopes allow companies to differentiate between the emissions they emit directly into the air, which they have the most control over, and the emissions they contribute to indirectly.

   Scope 1 covers all direct GHGs that stem from sources that a reporting entity owns or directly controls, regardless of location, including, but not limited to, fuel combustion activities. Scope 2 covers indirect GHGs from consumed electricity, steam, heating, or cooling purchased or acquired by a reporting entity, regardless of location. Scope 3 includes all other indirect emissions that occur in a company's value chain, such as purchased goods

and services, business travel, employee commuting, waste disposal, use of sold products, transportation and distribution (up- and downstream), investments, and leased assets and franchises.

SB 253 requires specified companies to use the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Greenhouse Gas Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard to detail its Scope 3 emissions calculations. The emissions disclosures are required to be independently verified by an outside auditor, and requires businesses to pay an annual fee of up to $1,000 to cover state administrative costs.

SB 219, among other changes, allows companies to consolidate their GHG emissions reporting at the parent company level.

3) **Deadlines.** SB 219 proposes a six month deadline extension for ARB to promulgate regulations to require a reporting entity to annually disclose its GHG emissions.

With an appropriation from the Legislature last year, ARB is positioned to hire staff in fall/winter 2024 and plans to begin informal workshops with stakeholders on the draft regulations as soon as feasible thereafter, likely early to mid-2025. ARB feels a more realistic timeline for implementation would include a two-year delay due to the public comment timelines in the Administrative Procedures Act, under which regulations are adopted, and the Bagley-Keene Open Meeting Act, to which ARB is subject.

Supporters of SB 219 argue that a two-year delay would cause both uncertainty and increased burden for businesses. Further, advocates of the bill point to other state agencies promulgating more complex regulations in less time than ARB is suggesting is needed for the SB 253 regulations.

4) **Technical changes**. SB 219 makes further technical changes to the climate disclosure laws, including allowing ARB to contract with a third party entity when implementing SB 261 in order to prepare a biennial report and other analysis as it deems necessary, and allows ARB to contract with a third party entity to receive emissions reports and create a public website to provide access to SB 253 emissions data.

REGISTERED SUPPORT / OPPOSITION:

Support

350 Bay Area Action
350 Conejo / San Fernando Valley
350 Sacramento
Active San Gabriel Valley
Amalgamated Bank
Americans for Financial Reform
Audubon California
Ban Sup (single Use Plastic)
California Environmental Voters
Californians Against Waste
Calpirg, California Public Interest Research Group
Center for Biological Diversity
Center for Community Action & Environmental Justice
Central Valley Air Quality Coalition
Ceres
Cleanearth4kids.org
Climate Action California
Climate Equity Policy Center
Climate Hawks Vote
Climate Reality Project San Fernando

Valley Chapter
Coalition for Clean Air
Community Water Center
Courage California
Dayenu: a Jewish Call to Climate Action
Earthjustice
Environment California
Environmental Defense Fund
Fossil Free California
Friends Committee on Legislation of California
Friends of The Earth U.S.
Greenlining Institute
Habitat Recovery Project
Hammond Climate Solutions Foundation
Hang Out Do Good
Indivisible Ca: Statestrong
Institute for Agriculture and Trade Policy
Jobs to Move America
Lutheran Office of Public Policy - California
Natural Resources Defense Council
Nextgen California
Ocean Conservancy
Pacific Environment
Planning and Conservation League
Public Citizen
Rise Economy
Rising Sun Center for Opportunity
Sacramento Area Congregations Together
San Francisco Bay Physicians for Social Responsibility
Sierra Club California
Sunflower Alliance
The Climate Center
Third ACT
Third ACT Bay Area
Third ACT Sacramento
Third ACT Socal
Transformative Wealth Management LLC
Union of Concerned Scientists
Voices for Progress
Vote Solar

Opposition

None on file

Analysis Prepared by: Paige Brokaw / NAT. RES. /

Date of Hearing: August 29, 2024

ASSEMBLY COMMITTEE ON NATURAL RESOURCES
Isaac G. Bryan, Chair
AB 457 (Aguiar-Curry) – As Amended August 23, 2024

SUBJECT: Beverage containers: recycling: redemption payment and refund value: annual redemption and processing fee payments

SUMMARY: Reduces the California Redemption Value (CRV) for small box, bladder, or pouched wine or distilled spirits in the Beverage Container Recycling Program (Bottle Bill), and authorizes small beverage container distributors to make a single annual payment of redemption payments.

EXISTING LAW:

1) Establishes the Bottle Bill, which is administered by the Department of Resources Recycling and Recovery (CalRecycle). The Bottle Bill requires beverage containers to have a CRV of 5 cents for most beverage containers that hold fewer than 24 ounces and 10 cents for most containers that hold 24 ounces or more. The Bottle Bill additionally sets a CRV of 25 cents for boxes, bladders, or pouches containing wine, distilled spirits, wine coolers, or distilled spirit coolers. (PRC 14500 *et seq*.)

2) Establishes the California Beverage Container Recycling Fund (BCRF) and continuously appropriates moneys in the BCRF to CalRecycle for specified purposes for the Bottle Bill, including paying operation costs, paying grants, and paying handling fees. (PRC 14580)

3) Defines "beverage" to include beer and malt beverages, wine and distilled spirit coolers, carbonated and noncarbonated water, soft drinks, sport drinks, fruit drinks, coffee and tea drinks, vegetable juice, distilled spirits, and wine. (PRC 14504)

4) Defines "beverage container" as the individual, separate bottle, can, jar, carton, or other receptacle in which a beverage is sold, and that is constructed of metal, glass, plastic, or any other material, or any combination of these materials. (PRC 14505)

THIS BILL:

1) Lowers the CRV on beverage containers that are a box, bladder, pouch, or similar container with a capacity less than 24 fluid ounces that is filled with wine or distilled spirits from 25 cents to 10 cents.

2) Authorizes a distributor who sells or transfers up to 375,000 beverage containers annually to make a single annual payment of redemption payments.

FISCAL EFFECT: According to the Senate Appropriations Committee:

1) Unknown, potentially significant forgone revenue from the BCRF due to collection of lower CRV deposits on box, bladder, or pouched wine or distilled spirit containers. This forgone revenue could be partially offset by cost savings for reduced CRV payouts on these containers if they are redeemed at a lower rate by consumers. Staff note AB 457 would make

a change to the CRV on beverage containers that have only been included in the BCRP since January 1, 2024, and therefore the respective redemption rates, recycling costs, and CRV payments for these containers are all unknown. Staff also note that statewide beverage sales and recycling rates are quite volatile. Therefore, the associated CRV revenue and expenditures would likely vary significantly from year to year.

2) CalRecycle anticipates any costs to implement and administer the provisions of this bill would be minor and absorbable.

COMMENTS:

1) **Bottle Bill.** The Bottle Bill was established in 1986 to be a self-funded program that encourages consumers to recycle beverage containers and to prevent littering. The program accomplishes this goal by requiring consumers to pay a deposit for each eligible container purchased. Then the program guarantees consumers repayment of that deposit, the CRV, for each eligible container returned to a certified recycler. Statute includes two main goals for the program: (1) reducing litter; and, (2) achieving a recycling rate of 80% for eligible containers. Containers recycled through the Bottle Bill's certified recycling centers also provides a consistent, clean, uncontaminated stream of recycled materials with minimal processing.

2) **Funding**. The CRV is paid up-front by distributors to CalRecycle for every beverage container sold in the state. Next, distributors are paid by retailers for the CRV collected on beverages sold, and retailers collect the CRV from consumers at the time of retail sale. CRV is paid into the BCRF, which is used to fund CRV redemption when consumers return beverage containers for recycling. Unredeemed CRV funds are used to fund the administration of the Bottle Bill, grants that advance recycling, and various payments that keep the program running.

   When the recycling rate increases, less funding is available to make all the budgeted payments prescribed in statute, including funding CRV redemptions, administration, local grants, and other payments. A structural deficit occurs when funding needs exceed revenue for a given timeline. When recycling rates are high, the BCRF operates in a structural deficit.

3) **Recent expansions**. The Bottle Bill historically included most glass, aluminum, and plastic containers for water, beer, soda, sports drinks, and smaller containers of fruit and vegetable juices. In 2022, it was expanded to include wine and distilled spirits, including wine sold in boxes, pouches, and bladders. In 2024, it was expanded to include all vegetable and fruit juice containers. As new containers are added to the program, there tends to be an initial increase in unredeemed CRV due to lower recycling rates for the new containers. As consumers begin returning the containers for recycling, that initial increase in unredeemed CRV slows or potentially even results in a structural deficit, depending on the recycling rate.

4) **Boxes, bladders, and pouches**. The legislation that added wine and distilled spirits, SB 1013 (Atkins), Chapter 610, Statutes of 2022, set the CRV for wine in boxes, bladders, and pouches at 25 cents. The higher CRV was intended to reflect the challenges associated with these container types. These containers have little to no scrap value, and the state does not currently have the infrastructure necessary to collect and recycle them.

5) **Timing**. This bill revises the CRV on containers that were only included in the Bottle Bill at the beginning of this year. There is very little information available yet regarding redemption rates, recycling costs, and their impact to the BCRF.

6) **This bill**. This bill lowers the CRV on small bladders, pouches, and boxes that contain wine and distilled spirit containers from 25 cents to 10 cents. The author argues that the 25 cent deposit has had a negative effect the wine industry for sales of "bargain products" sold in small wine boxes or containers. This is still higher than most other small containers in the program, which is intended to preserve the incentive to return these containers. This bill also reduces the frequency with which smaller beverage manufacturers are required to report and submit payments to CalRecycle.

7) **Prior legislation**:

   SB 353 (Dodd) Chapter 868, Statutes of 2023, added fruit juice containers of 46 ounces or more and vegetable juice containers 16 ounces or more to the Bottle Bill beginning January 1, 2024. Increased processing payments by changing the method for determining scrap value and provides an additional payment to rural recycling centers for handling glass containers.

   SB 1013 (Atkins) Chapter 610, Statutes of 2022) brings wine and distilled spirits into the California Beverage Container Recycling Program, introduces new grant programs, expands the convenience zones, and creates dealer cooperatives to serve unserved areas.

REGISTERED SUPPORT / OPPOSITION:

Support

BeatBox Beverages
Wine Institute

Opposition

None on file

Analysis Prepared by: Elizabeth MacMillan / NAT. RES. /

Date of Hearing: August 29, 2024

ASSEMBLY COMMITTEE ON NATURAL RESOURCES
Isaac G. Bryan, Chair
AB 1359 (Papan) – As Amended August 23, 2024

SUBJECT: California Environmental Quality Act: geothermal exploratory projects: lead agency.

SUMMARY: Authorizes the Geologic Energy Management Division (CalGEM) in the Department of Conservation (DOC) to delegate lead agency authority under the California Environmental Quality Act (CEQA) for geothermal exploratory projects, as provided.

EXISTING LAW:

1) Pursuant to CEQA (Public Resources Code (PRC) 21000-21189.70.10):

    a) Requires a lead agency, as defined, to prepare, or cause to be prepared, and certify the completion of an environmental impact report (EIR) on a project that it proposes to carry out or approve that may have a significant effect on the environment or to adopt a negative declaration if it finds that the project will not have that effect.

    b) Requires a lead agency to consult with responsible and trustee agencies prior to determining whether or not a negative declaration or EIR is required for a proposed project (PRC 21080.3)

2) Establishes CalGEM in DOC, under the direction of the State Oil and Gas Supervisor (supervisor), who is required to supervise the drilling, operation, maintenance, and abandonment of oil and gas wells, as provided. (PRC 3000 *et seq.)*

3) Requires CalGEM to be the lead agency for geothermal exploratory projects for purposes of CEQA. Requires CalGEM to complete its CEQA responsibilities within 135 days of receipt of the project application, as provided. Authorizes CalGEM to delegate its lead agency responsibility to a county that has adopted a geothermal element as part of its general plan, as provided. (PRC 3715.5)

4) Defines a geothermal exploratory project to be not more than six wells and for the purpose of evaluating the presence and characteristics of geothermal resources prior to starting a geothermal field development project. For purposes of preparing an environmental document, the environmental impacts shall be limited to the proposed drill sites, the proposed wells, and any roads or other facilities that may be required before the exploratory wells can be drilled. Application requirements include a narrative description including the probable short-term and long-term impacts of the project and acceptable mitigation measures. (Title 14, California Code of Regulations, 1680 *et seq*.)

THIS BILL:

1) Strikes requirement that CalGEM complete all its responsibilities pursuant to CEQA within 135 days of the receipt of the application for a geothermal exploratory project.

2) Requires, upon the request of an applicant, a county in which a geothermal exploratory project is located, regardless of whether the county has adopted a geothermal element for its general plan, to assume lead agency responsibility for the project.

3) Requires the applicant to make the request to the county and CalGEM. Where the county has assumed lead agency responsibility pursuant to the bill, requires the county and CalGEM to confer regarding any necessary information should be included in the environmental review for the project to facilitate CalGEM's exercise of its authority as a responsible agency.

4) Strikes requirement that a county complete its lead agency responsibility under CEQA within 135 days of the receipt of the application for such project.

5) Provides that no reimbursement is required by this bill pursuant to the California Constitution.

6) Establishes the bill as an urgency statute necessary in order to accelerate progress toward meeting the state's ambitious climate goals in a timely manner through the deployment of next-generation geothermal energy, it is necessary for this act to take effect immediately.

FISCAL EFFECT: Unknown

COMMENTS:

1) **Geothermal power.** Geothermal energy is a source of renewable energy; it comes from heat stored in rocks and fluid in the Earth's crust. With more than 650 active, high-temperature wells that tap into geothermal fields, California is the largest generator of electricity from geothermal energy in the United States. Geothermal energy is part of the answer as California aims toward carbon-neutrality by 2045. In 2018, the state received nearly 6% of its electrical energy from geothermal resources.

   The Geysers, the world's largest geothermal field, is in Sonoma, Lake, and Mendocino Counties. Other major geothermal locations in California include the Salton Sea in Imperial County, the Coso Hot Springs area in Inyo County, and Mammoth Lakes area in Mono County.

   A geothermal exploratory project is for the purpose of evaluating the presence and characteristics of geothermal resources prior to starting a geothermal field development project. An exploratory project is limited to six wells that must be located at least one-half mile from the surface location of any existing geothermal wells that are capable of producing geothermal resources in commercial quantities.

2) **California Environmental Quality Act**. CEQA generally requires state and local government agencies to inform decision makers and the public about the potential environmental impacts of proposed projects, and to reduce those environmental impacts to the extent feasible.

   Under current law, a geothermal project is divided into two discrete components for purposes of CEQA. The "exploration" phase involves drilling one or more exploration wells at a

given site to map out the subsurface environment and assess exactly where a new geothermal power plant should be located. The subsequent "geothermal field development" phase involves drilling the necessary injector and producer wells, building the power plant, etc. This phase is much more complicated and expansive. Typically, a geothermal developer cannot move forward with geothermal field development until some level of exploration has taken place as they need to site the wells in precisely the right location to make sure they are getting enough heat to support power generation, and that information can only be ascertained through exploration.

3) **CEQA at CalGEM**. CalGEM regulates the operation, maintenance, and permanent closure of production and injection wells used for the discovery and extraction of geothermal resources on state and private land. Under current law, CalGEM is the lead agency under CEQA for geothermal exploratory projects (except for Imperial County, which is the only county that is lead agency for CEQA review for geothermal exploratory projects in its jurisdiction).

   Over the past five years, the committee is only aware of one geothermal exploratory project that has applied for a notice of intention – the "Deep Rose" project in the Coso geothermal field in Inyo County in 2021. The project has not yet been approved. Before that, the last time CalGEM approved a geothermal exploratory project was 2012, and it met the timeliness requirements as CEQA lead agency.

   While CalGEM was able to meet its CEQA obligations for geothermal exploratory projects in 2012, the amount of CalGEM's oil and gas-related CEQA work in the intervening years has likely increased considerably.

   Delegating CEQA review to a county that ostensibly can turn around environmental review requirements faster than CalGEM could facilitate advancing geothermal technologies faster than under current law. According to the author, "CalGEM is so backlogged with oil and gas litigation that any geothermal proposal simply languishes in their process for years, and, as a result, new advanced geothermal power will likely be unable to move forward in California until this issue is resolved."

4) **This bill**. Requiring CalGEM to be the CEQA lead on geothermal exploration projects (PRC 3715.5) was intended to streamline geothermal exploration where there were concerns about the local government's ability to serve as lead agency and facilitate the acceleration of the development of geothermal resources. According to DOC, at the time this provision of law was enacted [AB 2644 (Goggin) Chapter 1271, Statutes of 1978], DOC expressed concern about the requirement that it complete the environmental review under CEQA within 135 days, and argued that this CEQA review "is a local government-type function that should remain at the local level." DOC further argued that CEQA review and any challenges would be managed in a more efficient timeframe at the local level.

   AB 1359 requires a county to be the lead agency under CEQA for a geothermal exploratory project upon request of an applicant. In such cases of lead agency delegation, the county would confer with CalGEM regarding any necessary information should be included in the environmental review for the project.

5) **Author's statement**:

Advanced geothermal power offers significant potential to help California meet our ambitious climate goals, by providing renewable energy at times (like night and winter) when there is no sun or wind and batteries are empty. Right now, most power providers in the state rely on fossil natural gas power to meet electricity demand at those times. Advanced geothermal power – which can operate in more places and provide a more flexible output than conventional geothermal resources – has the ability to meet that demand while using less land and water than many other renewable technologies, and do so in a cost-effective manner. In fact, a recent U.S. Department of Energy report highlighted research that found widespread deployment of advanced geothermal power could lower the cost of decarbonizing the western grid by as much as 25%!

Unfortunately, an obsolete CEQA streamlining provision in current law has functionally banned advanced geothermal power in California. PRC 3715.5 specifies that CalGEM must serve as the CEQA lead agency for all geothermal exploration in the state. This provision was originally enacted to speed up geothermal power but is now having the exact opposite effect, as CalGEM is too backlogged with other issues to take action on geothermal applications. This adds essentially indefinite delays to any new geothermal project in California, meaning that advanced geothermal power is highly unlikely to take off here unless this situation is fixed.

AB 1359 will resolve this situation by allowing applicants to opt in to having a county be the lead agency, which will allow geothermal exploration projects to go through the same, normal CEQA process as any other project in the state. This will not weaken CEQA or lower environmental standards. Allowing advanced geothermal power to take root in California will help us meet our climate goals faster and more cost-effectively.

REGISTERED SUPPORT / OPPOSITION:

Support

Sonoma Clean Power

Opposition

None on file

Analysis Prepared by: Paige Brokaw / NAT. RES. /