Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Buffy Wicks, Chair
AB 1666 (Rogers) – As Amended April 27, 2026

Policy Committee: Natural Resources Vote: 13 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill directs the California Natural Resources Agency (CNRA) to identify biomass innovation parks (BIP) to convert California-sourced wood waste into carbon-beneficial products or end uses, requires numerous state entities to undertake actions related to biomass and wood products, and appropriates funding from the Proposition 4 climate bond to support a new BIP Grants and Financing Program.

Specifically, this bill, among other things:

1) Requires CNRA, in coordination with the California Department of Food and Agriculture (CDFA) and the California Department of Forestry and Fire Protection (CAL FIRE), to identify one or more BIPs; requires these entities to develop guidelines and facilitate a planning process to identify BIPs and guidelines for the solicitation of proposals from eligible applicants to develop, operate, and manage a BIP; and specifies various requirements related to these guidelines.

2) Requires CNRA, in coordination with the Office of Land Use and Climate Innovation (LCI) and CAL FIRE, to (a) develop regional wood waste availability assessments; (b) develop new, or support existing, public agencies to facilitate long-term forest biomass residues feedstock supply from federal government and nonindustrial private lands; and (c) adopt a tracking system to trace and authenticate forest biomass origins.

3) Requires the Air Resources Board (ARB) to (a) publish on its website an assessment of life-cycle emissions from alternative uses of California-sourced wood waste and (b) ensure that wood products are included in the embodied carbon trading system pursuant to existing law, if such a system is adopted.

4) Requires the Strategic Growth Council (SGC) and the Department of Housing and Community Development (HCD) to consider incorporating the use of wood products produced in California in housing grant programs and, if wood products produced in California are incorporated in housing grant programs, to give preference to wood products produced in California by a California-based company.

5) Requires the California Building Standards Commission (BSC) to identify and adopt new measures that incentivize wood products produced in California.

6) Establishes the BIP Grants and Financing Program (BIPGFP) to be administered by CNRA for purposes of this bill and requires CNRA to deliver a report to the Legislature by December 31, 2027, containing information pertaining to BIPs.

7) Appropriates an unspecified amount from the $50 million allocated in Proposition 4 to the Department of Conservation (DOC) or the California Energy Commission (CEC) – for projects that provide long-term capital infrastructure to use forest and vegetative waste removed for wildfire mitigation for noncombustible uses – to CNRA to support the BIP Grants and Financing Program, to the extent consistent with the intent of Proposition 4, as approved by voters.

FISCAL EFFECT:

1) Redirection of an unspecified amount of funding (up to $40 million) from the climate bond to CNRA for the BIP Grants and Financing Program. While the bill specifies that the allocation of funds to CNRA must be consistent with the "intent" of Proposition 4, it is not clear to the committee if a voter-approved bond may be amended in this way to reassign administration of funds to a different entity.

   According to DOC, of the $50 million allocated to it in Prop 4 for forest and vegetative waste removal for wildfire mitigation (building on DOC's existing Biomass Utilization Program), $10 million was allocated in the fiscal year (FY) 2025-26 budget and $15 million has been proposed in the Governor's budget for FY 2026-27. The department plans on providing a single round of implementation funding for the large, non-combustion energy infrastructure component of the allocation. The department also plans on launching two other smaller programs with this suballocation for (a) mass timber buildings and (b) funding for research supporting wood utilization infrastructure.

2) CNRA estimates General Fund costs of approximately $365,000 annually for the first three years (for one senior environmental scientist specialist and IT system support) followed by ongoing annual costs of $240,000 (for the one position) to identify BIPs, establish and administer a new BIP Grants and Financing Program, develop guidelines and evaluation criteria, and coordinate with various state entities on numerous activities, including the development of regional feedstock assessments and the establishment of a forest biomass tracking system.

3) ARB estimates ongoing annual costs of $1.2 million (Cost of Implementation Account) for about five positions to (a) publish on its website an assessment of life-cycle emissions from alternative uses of California-sourced wood waste (which will involve stakeholder and industry outreach, data collection and preparation, technology monitoring and research, and modeling and assessment) and (b) ensure wood products are included in the embodied carbon trading system pursuant to existing law, if such a system is adopted (which will involve product monitoring and research and community and industry outreach). The committee notes that AB 1704 (Mark González) of the current legislative session, among other things, effectively delays implementation of the embodied carbon trading system up to 10 years if ARB makes a certain determination. Should AB 1704 be enacted and if ARB pauses implementation of the trading system, ARB's costs associated with this bill may be reduced by an indeterminate amount for several years.

4) LCI and SGC collectively estimate ongoing annual General Fund costs of approximately $115,000 to coordinate and consult on activities outlined in the bill. While LCI staff have expertise in issues related to forestry and biomass supply, data science, land use planning, and program management, LCI notes its existing staff capacity is insufficient to absorb the level of engagement required by the bill. LCI further notes its costs would be much higher if it is expected to take on a larger grant management and implementation role (beyond coordination and consultation).

5) BSC anticipates its increased workload to research, develop, and propose for adoption new measures that incentivize engineered wood products pursuant to this bill may range from minor and absorbable to up to approximately $66,000 annually (for 25% of an associate architect's time). However, BSC notes that if multiple bills affecting the commission are enacted this session, it may need to hire a limited-term or permanent position, which would necessitate an increase to the Department of General Services' Service Revolving Fund and a corresponding increase to the total amount state agencies may pay for their proportionate share, beginning in FY 2027-28.

6) HCD estimates increased costs of an unknown amount to incorporate the use of and give preference to California-sourced wood products in its housing grant programs (General Fund or special fund).

7) CAL FIRE did not have a cost estimate available at the time of the writing of this analysis. However, the committee anticipates the department will incur ongoing General Fund costs to consult and coordinate with partner agencies on numerous deliverables.

8) CDFA, DOC, and CEC anticipate minor and absorbable costs (various funds).

The Legislative Analyst's Office recently warned of General Fund structural deficits of around $35 billion per year in the 2027-28 FY and ongoing.

COMMENTS:

1) **Purpose.** According to the author:

> This bill addresses a growing need to manage this wood waste biomass in a sustainable and economically beneficial manner. It centers California in the developing industries of utilizing wood waste for engineered wood products, green hydrogen production, and encourages consolidation of currently disparate efforts. We know there is too much biomass in our natural landscapes and this bill starts us on a path to finally do something about it.

2) **Background.** According to the California Forest Foundation, California covers about 100 million acres, about 33% of which is classified as forestland. State, federal, and private forest operations such as logging, thinning, fuels reduction programs, and ecosystem restoration create a huge amount of woody biomass. Some of this biomass is brought out of the forest for use, but as much as half is left in the forest, often acting as additional dry surface fuel that can increase the intensity and severity of a wildfire if it burns through the area. Often woody biomass materials are piled and burned, creating air pollution, or left to decay, creating methane, which has a global warming potential 28 times more powerful than carbon dioxide.

One key obstacle to effectively using woody biomass is the cost of loading and transportation, since forested areas tend to be rural, mountainous, and remote. The main use of biomass today is as fuel for California's existing biomass power plants. Currently, there are fewer than 30 direct-combustion biomass facilities in operation with a collective capacity of 640 megawatts. These biomass plants use about five million bone dry tones (BDT) of biomass per year – or about 10% of the state's total BDT biomass resource potential. Implementing innovative and recommended strategies for forest fuel load reduction and creating end-use markets for biomass may encourage and accelerate healthy forest management to prevent wildfire spread while ideally reducing greenhouse gas emissions.

Writing in support, a coalition of organizations argues the state is facing a wood waste crisis, "whereby tens of millions of tons of forest biomass from wildfire prevention and agricultural biomass from crops, orchards, and vineyards are being piled and burned or left to decay in place every year, causing significant carbon and air pollution." The coalition notes that ARB's 2022 Scoping Plan identifies a number of non-combustion technologies to manage the state's wood waste problem going forward, including durable wood products such as mass timber; zero-carbon fuels such as hydrogen, biomethane, and sustainable aviation fuel; and carbon dioxide removal, such as biochar, biomass burial, or geologic sequestration of carbon dioxide. In support of existing state plans, the coalition contends this bill establishes "a number of targeted policies to incubate and scale a sustainable, non-combustion, wood waste bioeconomy in California."

Writing in opposition, a coalition of environmental organizations argues BIPs would "convert trees and other forest vegetation into expensive, polluting hydrogen and methane. This would be a bad use of taxpayer money and would fail to meet Prop 4 requirements." The organizations argue that even if the bill specifies that projects will not use combustion, alternative processes (like pyrolysis and gasification) to make hydrogen, methane, and engineered wood products from woody biomass still release large amounts of carbon dioxide and health-harming pollutants. Instead, the coalition argues, California should invest in "proven solutions like community-focused home hardening, defensible space, mulching/chipping of woody residues, and true renewables-led solutions involving wind and solar."

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