
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2234 (Papan) - California Environmental Quality Act: geothermal exploratory projects

Version: July 6, 2026

Urgency: No

Hearing Date: August 13, 2026

Policy Vote: E.Q. 6 - 0, N.R. & W. 7 - 0

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would revise the definition of a geothermal exploratory project in the California Environmental Quality Act (CEQA) to include certain aboveground equipment and activities, and would specify that exploratory project wells can be located within one-half mile from a commercial scale geothermal development well so long as the owner and operator of the commercial scale geothermal development well provide written consent, as provided.

******* ANALYSIS ADDENDUM – SUSPENSE FILE *******

**The following information is revised to reflect amendments
adopted by the committee on August 13, 2026**

Fiscal Impact:

- Ongoing costs likely in the hundreds of thousands of dollars annually (Oil, Gas, and Geothermal Administrative Fund) for the Geologic Energy Management Division (CalGEM) to receive notices of intention (NOIs) for pilot-project wells, review consent agreements as part of NOI completeness, serve as CEQA lead agency for geothermal technology pilot projects, among other things.

Committee Amendments: Committee amendments would remove enhanced-permeability wells and the written-consent setback exception from the CEQA "geothermal exploratory project" definition, and would instead define those wells as a new CEQA category, "geothermal technology pilot project," with CalGEM as lead agency.

Wells connecting to reservoirs whose permeability or capacity has been enhanced through stimulation, horizontal drilling, or closed-loop configurations would stop being a special case inside the CEQA definition of "geothermal exploratory project" and become their own CEQA project category, termed "geothermal technology pilot project" — up to six wells and associated drilling and testing equipment whose chief and original purpose is confirming the viability of those techniques within that resource. CalGEM would be the CEQA lead agency for the new category, the same role it holds for exploratory projects.

These amendments would also relocate the proximity written-consent requirement into CalGEM's notice-of-intention permitting process. Before drilling, deepening, or re-drilling a pilot-project well, the operator would be required to file an NOI, and if the well sits within one-half mile of an existing well capable of producing in commercial quantities, the NOI must include a written consent agreement executed by the existing well's owner or operator (both, if separate). The existing well's owner or operator could condition

consent on the same three categories as before — monitoring, protection of CEC-licensed plants, and cost protection.

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