

THIRD READING

Bill No: AB 2234
Author: Papan (D)
Amended: 8/27/26 in Senate
Vote: 21

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 6-0, 6/24/26
AYES: Blakespear, Valladares, Allen, Dahle, Gonzalez, Menjivar
NO VOTE RECORDED: Hurtado

SENATE NATURAL RES. & WATER COMMITTEE: 7-0, 7/1/26
AYES: Becker, Seyarto, Allen, Cabaldon, Grove, Laird, Stern

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 79-0, 5/27/26 - See last page for vote

SUBJECT: California Environmental Quality Act: geothermal exploratory
projects: geothermal technology pilot projects: Geologic Energy
Management Division

SOURCE: Sonoma Clean Energy

DIGEST: This bill modifies the definition of “geothermal exploratory project” to include equipment and activities necessary to establish interconnectivity between wells and reservoir and to specify the features the one-half mile distance between a geothermal exploratory project well and a geothermal development well is measured from.

Senate floor amendments of 8/27/26 delete geothermal technology pilot projects.

ANALYSIS:

Existing law:

- 1) Establishes the Geologic Energy Management Division (CalGEM) within the Department of Conservation as the state's geothermal well regulator. The State Oil and Gas Supervisor (supervisor) leads CalGEM.
- 2) Proclaims that Californians have a direct and primary interest in the development of geothermal resources, and the state should exercise its power and jurisdiction to require that wells for the discovery and production of geothermal resources be drilled, operated, maintained and abandoned in such manner as to safeguard life, health, property, and the public welfare, and to encourage maximum economic recovery. (Public Resources Code (PRC) §3700)
- 3) Requires the supervisor to so supervise the drilling, operation, maintenance and abandonment of geothermal resources wells as to encourage the greatest economic recovery of geothermal resources, to prevent damage to life, health, property, and natural resources, and to prevent damage to, and waste from, the underground geothermal deposits, and to prevent damage to underground and surface waters suitable for irrigation or domestic purposes by reason of the drilling, operation, maintenance, and abandonment of geothermal resources wells. (PRC §3714)
- 4) Requires the supervisor to also supervise the drilling, operation, maintenance, and abandonment of wells so as to permit the owners or operators of such wells to utilize all methods and practices known to the industry for the purpose of increasing the ultimate recovery of geothermal resources, and to allow the operator to do what a prudent operator using reasonable diligence would do, as provided. (PRC §3715)
- 5) Requires an owner or operator before drilling or re-drilling, abandoning or deepening or altering the casing of a well to file with the supervisor or CalGEM district deputy a written notice of intention (NOI) to drill the well containing certain information and pay a fee. (PRC §3724)
- 6) Defines geothermal resources to mean the natural heat of the earth, the energy, in whatever form, below the surface of the earth present in, resulting, from, or created by, or which may be extracted from, such natural heat, and all minerals in solution or other products obtained from naturally heated fluids, brines, associated gases, and steam, in whatever form, below the surface of the earth, but excluding oil, hydrocarbon gas, or other hydrocarbon substances. (PRC §6903)

- 7) 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. Wells included within a geothermal exploratory project must be located at least one-half mile from geothermal development wells which are capable of producing geothermal resources in commercial quantities. Application requirements include a narrative description including the probable short-term and long-term impacts of the project, and acceptable mitigation measures. (see PRC §21065.6; Title 14, California Code of Regulations, §§1680 *et seq.*)
- 8) CEQA requires a lead agency to spearhead an environmental impact report (EIR) for a project that may have a significant effect on the environment. CEQA also requires a lead agency to prepare a negative declaration (ND) for a project that will have no significant effects on the environment, or a mitigated negative declaration (MND) for projects that have no significant effects after mitigation. (PRC §§21000 *et seq.*)
- 9) Specifies that CalGEM is the default lead agency for geothermal exploratory projects, but that CalGEM can delegate its lead agency responsibility to a county that has adopted a geothermal element in its general plan. In addition, at the request of an applicant, the county in which a geothermal exploratory project is located shall assume responsibilities of the lead agency, regardless of whether or not the county has a geothermal element. In this case, the county and CalGEM confer regarding necessary information that should be included in the environmental review for the project to facilitate CalGEM's exercise of its authority as a responsible agency. (PRC §3715.5)
- 10) Defines "geothermal field development project" as a development project composed of geothermal wells, resource transportation lines, production equipment, roads, and other facilities which are necessary to supply geothermal energy to any particular heat utilization equipment for its productive life, all within an area delineated by the applicant. (Government Code §65928.5)

This bill:

- 2) Modifies the definition of "geothermal exploratory project" to include equipment and activities necessary to establish interconnectivity between wells and reservoir and to specify the features the one-half mile distance between a

geothermal exploratory project well and a geothermal development well is measured from.

[NOTE: For additional information regarding this bill, see the Senate Environmental Quality, and Natural Resources and Water Committees' analyses.]

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: Yes

According to the Senate Appropriations Committee for a previous version of the bill:

- 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.

SUPPORT: (Verified 8/14/26)

Sonoma Clean Energy (source)
California Resources Corporation
San Jose Clean Energy
The Nature Conservancy

OPPOSITION: (Verified 8/14/26)

California Department of Finance

ARGUMENTS IN SUPPORT: According to the author, “California has a massive underground network of untapped geothermal energy. Innovations like closed-loop and enhanced geothermal systems (EGS) have the potential to generate many gigawatts more energy than previous technologies, as conventional geothermal developers are limited by their need for naturally occurring groundwater.”

“However, the outdated statutory definition of geothermal exploratory projects restricts the deployment of these new technologies. AB 2234 will modernize the definition of geothermal projects by updating the application of the half-mile restriction and recognizing that all equipment and infrastructure necessary for modern development should be considered part of a project, not separate. By revising the geothermal exploratory project definition, AB 2234 can expand access to firm, clean energy and signal that California is open for exploration.”

ARGUMENTS IN OPPOSITION: The California Department of Finance, writing in opposition to a previous version of the bill notes: “Finance is opposed to this bill because it results in General Fund impacts not included in the 2026 Budget Act.”

ASSEMBLY FLOOR: 79-0, 5/27/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: Celeste Rodriguez

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8/28/26 11:28:47

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