
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 531 (Rogers) - Geothermal powerplants and projects: certification and environmental review

Version: July 7, 2025

Urgency: No

Hearing Date: August 18, 2025

Policy Vote: E., U. & C. 16 - 0, E.Q. 6 - 1

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would authorize small (less than 50 megawatt) geothermal power plants to be eligible for the “AB 205 opt-in” process which provides streamlined environmental review for clean energy projects at the California Energy Commission (CEC) in lieu of permitting by local agencies.

Fiscal Impact:

- Unknown, potentially significant ongoing cost pressures, potentially in the hundreds of thousands or low millions of dollars annually, (Energy Resources Program Account [ERPA]) to the CEC due to an expansion of the type of projects that may opt-in to CEC streamlined permitting process.

Background: State law requires 100 percent of retail electricity sales and state agency electricity use to come from renewable and zero-carbon resources by the year 2045. Electricity produced from geothermal energy is such a resource—both renewable, according to the definition in state law, and zero carbon. In addition, geothermal energy can be a “firm” resource, generally meaning it can be called upon to produce electricity when needed, 24 hours a day.

The state agencies planning for achievement of the state’s clean energy goals have called for the procurement of considerable amounts of electricity generated from geothermal energy resources. And technological developments might make development of geothermal resources much more widely feasible and economic.

Existing law allows a developer of certain energy projects, until June 30, 2029, to petition the CEC to act as the sole permitting authority for the project. (See AB 205 (Budget Committee), Chapter 61, Statutes of 2022.) If the CEC accepts the developer’s petition, then it will act as the lead agency for the project, in place of any other lead agency, such as a local government, and the CEC has 270 days to determine whether to issue a certificate for the site of the facility. This is commonly known as the “Opt-in Certification Program.”

Statute lists the types of projects eligible for the Opt-in Certification Program, as follows:

- Solar photovoltaic or terrestrial wind electrical generating power plants generating 50 megawatts (MW) or greater.
- Energy storage systems capable of storing 200 megawatt-hours (MWh) or more

- Stationary power plants 50 MW or greater using any source of thermal energy, excluding fossil or nuclear fuels.
- Transmission lines associated with these generating and storage facilities.
- Specified facilities that manufacture or assemble clean energy or storage technologies or related components.
- Hydrogen production facility (not derived from fossil fuel feedstock) and associated onsite storage and processing facilities.

To date, CEC has agreed to act as the Opt-in Certification Program lead agency for eight energy projects. The CEC has yet to issue a decision on any of these projects.

This bill would add to the list of eligible projects both a geothermal powerplant or and a geothermal field development project.

Proposed Law: This bill would:

1. Expand the types of facilities eligible to be certified as environmental leadership development projects and eligible for the CEC's "AB 205 opt-in process" to include geothermal powerplants, of any size, and geothermal field development projects.
2. Make additional minor clean-up of the code section to remove outdated references to legislation.

Related Legislation:

SB 254 (Becker, 2025) would, among its many provisions, made changes to further streamline the administration of the AB 205 "Opt-in" permitting program.

SB 1420 (Caballero, Chapter 608, Statutes of 2024) added hydrogen production facilities and onsite storage and processing facilities, as specified, to the types of facilities that existing law makes eligible for the CEC's AB 205 permitting process and expedited review under CEQA.

AB 205 (Committee on Budget, Chapter 61, Statutes of 2022) among its many provisions, establishes a new certification process at the CEC, known as the "AB 205 Opt-in Permitting," for 50 MW or more solar photovoltaic, terrestrial wind electrical generation powerplant, or thermal powerplant that does not use fossil or nuclear fuels, or energy storage system of 200 MW hours or more.

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