
THIRD READING

Bill No: AB 531
Author: Rogers (D), et al.
Amended: 7/7/25 in Senate
Vote: 21

SENATE ENERGY, U. & C. COMMITTEE: 16-0, 7/1/25

AYES: Becker, Ochoa Bogh, Allen, Archuleta, Arreguín, Ashby, Caballero,
Gonzalez, Grove, Hurtado, Limón, McNerney, Rubio, Stern, Strickland, Wahab
NO VOTE RECORDED: Dahle

SENATE ENVIRONMENTAL QUALITY COMMITTEE: 6-1, 7/16/25

AYES: Blakespear, Gonzalez, Hurtado, Menjivar, Padilla, Pérez
NOES: Dahle
NO VOTE RECORDED: Valladares

SENATE APPROPRIATIONS COMMITTEE: 6-1, 8/29/25

AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson, Wahab
NOES: Dahle

ASSEMBLY FLOOR: 79-0, 6/2/25 - See last page for vote

SUBJECT: Geothermal powerplants and projects: certification and
environmental review

SOURCE: California-Nevada Conference of Operating Engineers
Fervo Energy Company
Sonoma Clean Power

DIGEST: This bill expands eligibility for an existing voluntary state permitting program at the California Energy Commission (CEC) to include geothermal power plants of any size and multiple geothermal power plants on a single site, in lieu of permitting by local agencies.

ANALYSIS:

Existing law:

- 1) Establishes and vests in the State Energy Resources Conservation and Development Commission (known as the California Energy Commission (CEC)) various responsibilities with respect to developing and implementing the state's energy policies. (Public Resources Code §25000 *et seq.*)
- 2) Authorizes persons proposing specified electrical generation, electrical transmission, hydrogen production, and energy storage projects to apply, on or before June 30, 2029, to the CEC to certify sites and related facilities as environmental leadership development projects, known as the AB 205 "Opt-in Permitting or Certification" program. (Public Resources Code §25545 *et seq.*)
- 3) Makes a site and related facility certified by the CEC subject to streamlining benefits related to California Environmental Quality Act (CEQA) with no further action by the applicant or the Governor. (Public Resources Code §25545.13)
- 4) Provides the CEC's certification is in lieu of any permit, certificate, or similar document required by any governmental agency and supersedes any applicable statute, ordinance, or regulation, except as specified. (Public Resources Code §25545.1)
- 5) Excludes from the definition of a "thermal powerplant," and its appurtenant facilities subject to the permitting of the CEC, exploratory, development, and production wells, resource transmission lines, and other related facilities used in a connection with a geothermal exploratory project or a geothermal field development project. (Public Resources Code §25120)
- 6) Requires, pursuant to CEQA, lead agencies with the principal responsibility for carrying out or approving a proposed project to prepare a negative declaration, mitigated negative declaration, or environmental impact report (EIR) for this action, unless the project is exempt from CEQA. (Public Resources Code §21000 *et seq.*)
- 7) Establishes a framework for providing certain infrastructure projects with expedited judicial review of appeals and litigation related to the CEQA, subject to specified conditions. Limits eligibility for these streamlining provisions to

certain energy, transportation, water, and semiconductor projects. (Public Resources Code §21189.80)

This bill:

- 1) Expands the types of facilities eligible to be certified as environmental leadership development projects and eligible for the AB 205 “Opt-in Permitting” program by the CEC to include geothermal powerplants, of any size, and multiple geothermal power plants on a single site.
- 2) Makes additional minor clean-up of the code section to remove outdated references to legislation, SB 867 (Allen, Chapter 83, Statutes of 2024) enacted the Safe Drinking Water, Wildfire Prevention, Drought Preparedness, and Clean Air Bond Act of 2024, which authorized a \$10 billion bond to be placed before the state’s voters for approval, and which has been subsequently passed by the voters at the November 5, 2024, statewide general election.

Background

Geothermal energy in California. Geothermal resources are reservoirs of hot water that are naturally occurring or are manufactured to operate at varying temperatures and depths below the earth’s surface. To develop electricity from geothermal resources, wells are drilled into a geothermal reservoir. Geothermal energy is considered a renewable resource because the heat emanating from the interior of the Earth is essentially limitless. California contains one of the largest amounts of geothermal electric generation capacity in the United States due to its location on the Pacific’s “ring of fire,” where the state encompasses some of the edges of the tectonic plates. Currently, there are roughly 40 operating geothermal power plants in California with an installed capacity of 2,700 megawatts (MW). In 2023, geothermal energy produced 11,000 gigawatt-hours (GWh) of the state’s electricity, which has remained relatively steady for over a decade, and represents roughly five percent of the state’s total system power. The largest concentration of geothermal plants are located in the Geysers Geothermal Resources Area in Lake and Sonoma Counties. There are active efforts to expand development of additional geothermal energy resources in the Salton Sea area and active areas in Inyo County. As noted by the CEC in the SB 423 Emerging Renewable Energy and Firm-Zero Carbon Resources Report, “...geothermal energy has room for growth, especially given its ability to provide clean, baseload power without relying on large land areas or fuel imports.” Geothermal energy’s potential has

been further bolstered by the California Public Utilities Commission procurement decisions.

CEC's Application for Certification (AFC). The Warren-Alquist Act, enacted in 1974, established the CEC as the state's primary energy policy and planning agency. One of its key provisions is to grant the CEC the authority to license and certify thermal power plants with a generating capacity between 50 and 100 MW. This approval process, known as the AFC, ensures that proposed power plants meet environmental, public health, and safety standards while aligning with California's broader energy and environmental policies. The AFC process involves rigorous evaluation, including environmental impact assessments, public participation, and coordination with local, state, and federal agencies to ensure responsible energy development. The thermal plants covered by the act include geothermal, natural gas, solar thermal and biomass power plants.

AB 205 "Opt-in" Certification/permitting program. AB 205 (Committee on Budget, Chapter 61, Statutes of 2022) expanded the CEC's authority to oversee the streamlined permitting of certain clean and renewable energy facilities through an opt-in certification program until June 30, 2029. This program allows the following eligible projects to undergo a consolidated, one-stop shop, of state-level review:

- Solar photovoltaic or terrestrial wind power plants with a generating capacity of 50 MW or more.
- Energy storage systems capable of storing 200 MW hours or more of electrical energy.
- Any stationary power plant using any source of thermal energy, excluding fossil or nuclear fuels, 50 MW or greater (includes geothermal energy).
- Specified facilities that cost at least \$250 million and are for the manufacturing, production, or assembly of an energy storage system.
- Electric transmission lines carrying electric power from a facility described the above generating and storage facilities.
- Hydrogen production facilities (not derived from fossil fuel feedstock) and associated onsite storage and processing facilities.

Streamlined Review Process: Under the AB 205 "Opt-in" permitting program, the CEC serves as the lead agency for the CEQA review, conducting a comprehensive environmental assessment equivalent to an EIR. This consolidated process aims to complete the environmental review and reach a certification decision within 270 days of accepting a complete application, with certain exceptions. Additionally, the program mandates the CEC to carry out ongoing public participation and tribal consultation through engagement with local communities and California Native

American tribes. Within five days of deeming an application complete, the CEC invites tribal consultations. A public scoping meeting is held within 30 days, and a draft EIR is released by day 150, followed by a public meeting and a 60-day comment period. To obtain certification, applicants must demonstrate that the project will provide a net positive economic benefit to the local community. This includes entering into a community benefits agreement, ensuring payment of prevailing wages, and using a skilled and trained workforce for construction. As such, if a developer submits an application, a certification from the CEC under AB 205 serves in lieu of most other state, local, or regional permits, streamlining the approval process. The CEC's website notes nine projects with submitted applications to participate in the AB 205 "Opt-in" permitting program, of which one (the first) was recently approved by the CEC for a solar and battery storage project in Fresno County.

Comments

Need for this bill. Proponents of this bill express enthusiasm for further development of geothermal energy resources in the state. They acknowledge the various state efforts to increase demand for geothermal energy. However, they raise concerns that "the perceived regulatory challenges nonetheless mean that many geothermal developers are choosing to site their projects in places like Nevada and Utah and sell into the California market." As noted by the author:

Encouraging more geothermal development in California could have several benefits, including reinvesting customer money and creating well-paid, highly skilled jobs locally; building reliability and energy independence in our communities, not elsewhere; and avoiding transmission costs associated with shipping power across the West. More broadly, California should also be the tip of the spear in terms of incubating the next generation of clean energy technologies and where possible should avoid relying on local governments in other states to approve projects in order for our climate ambitions to become reality.

Concerns about usurping local authority. As noted above, the AB 205 "Opt-in" permitting process is relatively new, the CEC approved the very first project to receive certification through that process earlier this summer. The CEC seems to be working carefully and diligently to certify and permit eligible energy projects through the Opt-in process. However, project applicants seeking an expedited process compared to local permitting have been frustrated by the pace of the CEC Opt-in process. Nonetheless, the opposition to this bill expresses concerns about the expansion of the AB 205 program to encompass smaller geothermal energy

projects which would otherwise be permitted and certified by local jurisdictions. They contend that local jurisdictions are generally better suited to address local needs and concerns. Both Inyo County and the Rural County Representatives of California recommend language in this bill to require the local jurisdiction where the proposed project would otherwise be sited to have their governing body adopt a letter supporting the AB 205 process for the proposed project for the project to be eligible for the CEC process.

Related/Prior Legislation

SB 254 (Becker) of 2025, among its many provisions, made changes to further streamline the administration of the AB 205 “Opt-in” permitting program. The bill is pending in the Assembly.

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.

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

According to the Senate Appropriations Committee: 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.

SUPPORT: (Verified 8/29/25)

California-Nevada Conference of Operating Engineers (Co-source)
Fervo Energy Company (Co-source)
Sonoma Clean Power (Co-source)
Advanced Energy United
California Chamber of Commerce
California Community Choice Association

California State Association of Electrical Workers
California State Pipe Trades Council
City of San Jose
Geothermal Rising
Imperial Irrigation District
Independent Energy Producers Association
Invenergy LLC
State Building & Construction Trades Council of California
The Climate Center
Western States Council of Sheet Metal Workers

OPPOSITION: (Verified 8/29/25)

County of Inyo
County of Modoc
County of Siskiyou
Rural County Representatives of California

ARGUMENTS IN SUPPORT: The sponsor of this bill, Sonoma Clean Power, a community choice aggregator run by participating counties of Sonoma and Mendocino and various cities of those counties, states:

...Developers of new geothermal power plants can technically use the opt-in process today. ...Unfortunately, however, because only projects 50 MW in size or greater can use this process, most geothermal power plants (which are typically more in the range of 20, 30 or 40 MW in size) are functionally excluded. This is even though a geothermal power plant running around the clock can produce as much energy as a far larger solar or wind project that is intermittent. AB 531 will simply clarify that a geothermal power plant of any size can be approved through the opt-in process, allowing faster deployment of this urgently needed renewable energy resource.

ARGUMENTS IN OPPOSITION: The Rural County Representatives of California states:

Local governments are invested with authority over local land use decisions and permitting. Unfortunately, the AB 205 process usurps that authority by allowing the CEC to issue permits even over local objections. Local governments are best suited to make these decisions because they know the communities impacted; are tasked with balancing competing land use, and are situated closest to those residents and communities that will be impacted by the projects.

In the local permitting process, local decision makers can identify and compel mitigation of the project's impacts on the affected community. AB 531 takes these crucial responsibilities away from local governments and hands them to the CEC, which is far removed from being held accountable by impacted residents.

ASSEMBLY FLOOR: 79-0, 6/2/25

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Fariás, 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, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

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