
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 706 (Aguiar-Curry) - Forest Organic Residue, Energy, and Safety Transformation (FOREST) and Wildfire Prevention Fund Act

Version: July 2, 2026

Urgency: No

Hearing Date: August 3, 2026

Policy Vote: N.R. &W. 7-0, E.,U.& C. 17-0

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would, upon appropriation, authorize establishment of the Forest Organic Residue Energy and Safety Transformation (FOREST) program to maintain and expand biomass power generation in the state.

Fiscal Impact:

- Ongoing cost pressure of an unknown but potentially significant amount, possibly in the low millions to tens of millions of dollars annually, to provide funding for the FOREST and Wildfire Prevention Fund to support increased procurement, transport, and beneficial use of forest biomass waste (Timber Regulation and Forest Restoration Fund [TRFRF] or the Greenhouse Gas Reduction Fund [GGRF]).
- The Department of Forestry and Fire Protection (CalFire) estimates ongoing costs of approximately \$209,000 in the first year and \$372,000 annually thereafter (General Fund) for the Board of Forestry and Fire Protection to implement the provisions of this bill.

Background: California's biomass power sector — plants that burn organic material such as wood waste — generated 4,754 GWh in 2024, about two percent of in-state electricity, from just over 30 direct combustion facilities with roughly 640 MW of installed capacity, less than half the 66 plants operating at the industry's peak; because biomass is costlier than other renewables despite qualifying under the Renewable Portfolio Standard, state procurement mandates and subsidies have been used to keep facilities running. That support framework grew out of Governor Brown's 2015 emergency proclamation on tree mortality (over 100 million trees killed by drought and insects), which designated high hazard zones (HHZ) for tree removal and directed the CPUC to extend bioenergy contracts using HHZ feedstock.

The CPUC's Resolution E-4770 (March 2016) created BioRAM 1, requiring investor-owned utilities to contract for at least 50 MW collectively from facilities using HHZ material rising from 40% of feedstock in 2016 to 80% by 2018, under five-year contracts extendable annually up to ten years. SB 859 (2016) then required IOUs and publicly owned utilities to procure 125 MW (96 MW assigned to IOUs) from existing facilities using feedstock that is at least 80% a byproduct of sustainable forest management and at least 60% from HHZs, with costs recovered on a nonbypassable basis; Resolution E-4805 (October 2016) implemented this by allowing IOUs to combine BioRAM 1, a new BioRAM 2 auction, and bilateral procurement, with BioRAM 2 contracts limited to five years and to projects operating before June 1, 2013. SB 901 (2018) loosened several requirements — revising HHZ fuel definitions, adding a monthly compliance option, and revising default terms — while barring BioRAM facilities from areas with severe or

extreme federal air quality designations, changes the CPUC implemented in Resolution E-4977 (January 2019), which noted a 146 MW program requirement against 153 MW then under contract (119 MW BioRAM 1, 34 MW BioRAM 2).

More recently, the 2022 state budget allocated \$10 million for a biomass transportation subsidy aimed at post-fire cleanup and new processing capacity, and SB 1109 (2022) extended IOU and community choice aggregator procurement obligations and existing contracts by five years; per the CPUC, six facilities are currently under BioRAM contract totaling 154 MW at an average price of 12¢/kWh.

Proposed Law: This bill would:

1. Upon appropriation by the Legislature, make moneys from TRFRF or GGRF available to the State Board of Forestry and Fire Protection in order to establish the FOREST program in order to maintain and expand biomass power generation in the state, to revitalize idle facilities for biomass power generation, and to support biomass power generation facilities by creating additional capacity for power generation or feedstock utilization in strategically located regions of the state.
2. Make a facility's solid fuel biomass electrical generation eligible for reimbursement at an incentive rate determined by the board if, among other things, the facility uses solid fuel biomass or forest biomass waste, as defined, to generate electricity and the electricity is sold to specified retail sellers.
 - a. Require, among other things, that no less than 60% of the feedstock used by a facility originate from Tier 1 and Tier 2 high hazard zones, as defined.
 - b. Create an application process for an operator of a facility to seek this reimbursement that also requires the operator to demonstrate the facility is certified by the Energy Commission as an eligible renewable energy resource for purposes of the California Renewable Portfolio Standards Program, as provided.
 - c. Require the board to adopt regulations to implement the FOREST program, as provided.
3. Establish the FOREST and Wildfire Prevention Fund in the State Treasury, and would make moneys in the fund available, upon appropriation, to the Natural Resources Agency for the FOREST program, as specified.

Related Legislation:

SB 1062 (Dahle, 2024) contained two related proposals that would have: (1) required the Department of Conservation to develop the Biomass Technology Transition Program to support the conversion of energy generation facilities using biomass and traditional combustion technologies to newer advanced bioenergy technology facilities and proposes related requirements and additional future grant program; and (2) required electrical corporations with 100,000 or more connections and local POU's with 100,000 or more connections to collectively procure, through financial commitments of

15 years, 125 MW of cumulative rated generation capacity from those facilities. The bill died in the Assembly Appropriations Committee.

AB 843 (Aguiar-Curry, Chapter 234, Statutes of 2022) would have authorized CCAs to submit eligible bioenergy projects for cost recovery from electric utility ratepayers, pursuant to the BioMAT program, if open capacity exists within the 250 MW program limit, as specified. The bill died in the Assembly Appropriations Committee.

SB 1109 (Caballero, Chapter 364, Statutes of 2022) extended requirements on electric IOUs and CCAs to procure energy from biomass generating electric facilities by five years and required extension of existing contracts by five years.

SB 515 (Caballero, 2019) would have expanded the fuels and feedstocks that are eligible to satisfy requirements related to specified contracts for mandated electricity generation from biomass facilities. The bill was further amended to require a report on available fuel feedstocks. The bill died in the Assembly Committee on Appropriations.

SB 901 (Dodd, Chapter 626, Statutes of 2018) addressed numerous issues concerning wildfire prevention, response and recovery, including provisions related to biomass operations and electricity procurement.

SB 840 (Committee on Budget and Fiscal Review, Chapter 341, Statutes of 2016) expedited transmission interconnections for specified bioenergy or biomass projects in order to give them first priority to commence operations over other renewable energy resources.

SB 859 (Senate Budget and Fiscal Review, Chapter 368, Statutes of 2016) required retail sellers of electricity to purchase a total of 125 MW of power from biomass facilities that generate electricity from forest materials removed from specific high fire hazard zones, as designated by CAL FIRE in the Governor's Proclamation of a State of Emergency issued October 30, 2015.

SB 1122 (Rubio, Chapter 612, Statutes of 2012) required the development of 250 MW of small-scale bioenergy projects using organic waste, including at least 50 MW from forest waste removed for wildfire mitigation or restoration, creating the BioMAT program.

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