
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 13, 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.

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

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

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]).
- Ongoing costs in the hundreds of thousands of dollars annually (TRFRF) for the State Board of Forestry and Fire Protection to implement the provisions of this bill.
- Potential costs of an unknown but likely minor amount for the California Air Resources Board (CARB) to track any GGRF expenditures should GGRF be allocated for these purposes, as well as for local air districts to determine whether a facility's emission limits are equivalent to, or more stringent than, the applicable best available retrofit control technology, for facilities outside the listed counties seeking eligibility under the FOREST program.

Author Amendments: Author amendments would repeal TRFRF's inoperative marijuana-cultivation loan authorization and instead authorize TRFRF monies, in that same funding priority, to be expended for the administration, staffing, and creation of the FOREST Fund and FOREST program, "not to exceed the fee revenue allocated for those purposes."

Author amendments would also:

1. Add a facility eligibility condition that the facility either:
 - a. Be located within the County of Alpine, Amador, Butte, Calaveras, Del Norte, El Dorado, Humboldt, Lake, Lassen, Mendocino, Modoc, Nevada, Placer, Plumas, Shasta, Sierra, Siskiyou, Sutter, Tehama, Trinity, Tuolumne, Yolo, or Yuba, or

- b. Meet emission limits equivalent to, or more stringent than, the applicable best available retrofit control technology, as determined by the local air pollution control district or air quality management district.
2. Codify strict priority ordering in PRC 4629.8(b) for TRFRF monies, providing that a purpose identified in a lower priority paragraph shall not receive an appropriation, allocation, transfer, encumbrance, or expenditure from TRFRF unless each purpose listed as a higher priority has first been funded for that same fiscal year.
3. Add a legislative finding that bioenergy is a renewable energy resource that provides baseload energy that enhances grid reliability while meeting the clean firm energy requirement of Public Utilities Commission Decision 21-06-035 (June 30, 2021).
4. Define "FOREST program" as the Forest Organic Residue Energy and Safety Transformation program implemented by the board, and require the board to establish and implement the program.
5. Strike "solid fuel biomass" from the program's eligibility, application, and operating provisions, so that reimbursement eligibility keys to a facility's electrical generation using forest biomass waste, the operator's application demonstrates the facility processes forest biomass waste, and the short-lived climate pollutant condition applies to the facility without the solid-fuel-biomass qualifier.
6. Replace the prohibition on using forest biomass waste from lands that "have been clear cut" with a prohibition on forest biomass waste from lands that are subject to the clearcut silvicultural prescription, as defined by the board.

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