

THIRD READING

Bill No: AB 706
Author: Aguiar-Curry (D), et al.
Amended: 8/21/26 in Senate
Vote: 21

SENATE NATURAL RES. & WATER COMMITTEE: 7-0, 6/23/26

AYES: Becker, Seyarto, Allen, Cabaldon, Grove, Laird, Stern

SENATE ENERGY, U. & C. COMMITTEE: 17-0, 6/30/26

AYES: Allen, Ochoa Bogh, Archuleta, Arreguín, Ashby, Becker, Caballero,
Dahle, Gonzalez, Grove, Hurtado, McNerney, Reyes, Richardson, Stern,
Strickland, Wahab

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26

AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 75-0, 6/2/25 - See last page for vote

SUBJECT: Forest Organic Residue, Energy, and Safety Transformation and
Wildfire Prevention Fund Act

SOURCE: Author

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

Senate Floor Amendments of 8/21/26 prevent conflicts in code if AB 2494 (Rogers) and this bill are both signed by the Governor.

ANALYSIS:

Existing law:

- 1) Under the California Global Warming Solutions Act of 2006 (Health and Safety Code (HSC) §38500 *et seq.*):
 - a) Establishes the California Air Resources Board (CARB) as the state agency responsible for monitoring and regulating sources emitting greenhouse gases (GHGs).
 - b) Requires CARB to approve a statewide GHG emissions limit equivalent to the statewide GHG emissions level in 1990 to be achieved by 2020 (AB 32, Chapter 488, Statutes of 2006) and to ensure that statewide GHG emissions are reduced to at least 40% below the 1990 level by 2030.
 - c) Prepare and approve a scoping plan to achieve the maximum technologically feasible and cost-effective reductions in GHG emissions and to update the scoping plan at least once every 5 years.
- 2) States it is the policy of the state that the protection and management of natural and working lands (NWL) is an important strategy in meeting the state's GHG emissions reduction goals, and the protection and management of those lands can result in the removal of carbon from the atmosphere and the sequestration of carbon in, above, and below the ground. (Public Resources Code (PRC) §§9001 *et seq.*)
- 3) Requires the California Public Utilities Commission (CPUC) to establish a renewable portfolio standard (RPS) requiring all retail sellers, as defined, to procure a minimum quantity of electricity products from eligible renewable energy resources, as defined, so that the total kilowatt hours of those products sold to their retail end-use customers achieves 44% of retail sales by December 31, 2024, 52% by December 31, 2027, and 60% by December 31, 2030. (PUC §399.11)
- 4) Requires at least 80% of the feedstock of an eligible facility, on an annual basis, to be a byproduct of sustainable forestry management, which includes removal of dead and dying trees from Tier 1 and Tier 2 high hazard zones (HHZ) and is not that from lands that have been clear cut. At least 60% of this feedstock shall be from Tier 1 and Tier 2 HHZs. (PUC §399.20.3 (b)(1))
- 5) States it is the policy of the state to encourage electrical generation from eligible renewable energy sources. (Public Utilities Code (PUC) §399.20)
 - a) Establishes a feed-in tariff program and market adjusting tariff program for small bioenergy renewable generators less than 5 megawatts (MW) in size (BioMAT; Article 16, Chapter 2.3, Part 1, Division 1 of the PUC).

- 6) Establishes the Renewable Auction Mechanism (BioRAM) procurement process for facilities that can use biofuel from vegetation management projects in areas designated as high hazard zones by the Tree Mortality Task Force (now known as the Wildfire and Forest Resilience Task Force) (Public Utilities Commission Resolution E-4770 (March 18, 2016)).

This bill:

- 1) Names these provisions the Forest Organic Residue, Energy, and Safety Transformation and Wildfire Prevention Fund Act, or the FOREST and Wildfire Prevention Fund Act.
- 2) Makes a statutory finding regarding the relevance of existing biomass power generation resources and revitalizing idle facilities to meeting the state's goals to reduce greenhouse gas emissions, provide clean power, improve electrical grid resiliency, protect jobs, reduce the risk of wildfire, support forest recovery efforts, improve forest resiliency, and provide waste disposal benefits.
- 3) Defines the term "biomass" to include the materials described in PRC §40106(a): agricultural crop residues; bark, lawn, yard, and garden clippings; leaves, silvicultural residue, and tree and brush pruning; wood, wood chips, and wood waste; and nonrecyclable pulp or nonrecyclable paper materials.
- 4) Defines the term "forest biomass waste" as the byproducts of forest management for wildfire mitigation, wildfire prevention, forest resiliency, forest restoration, or the protection of public safety or infrastructure. Exclude purpose-grown crops.
- 5) Defines the terms "FOREST fund" and "FOREST program" as the FOREST and Wildfire Prevention Fund and Forest Organic Residue Energy and Safety Transformation program, respectively.
- 6) Authorizes the Legislature to appropriate funding from the Timber Regulation and Forest Restoration Fund (TRFRF) or the Greenhouse Gas Reduction Fund (GGRF) to the Board to fund the administration, staffing, and creation of the FOREST fund and program.
- 7) Repeals a provision in the TRFRF funding statutes related to a loan to the Department of Fish and Wildlife that sunset in 2017.

- 8) Establishes a hierarchy of funding from TRFRF to the programs identified as eligible for TRFRF funding.
- 9) Establishes the purpose of the FOREST program to:
 - a) maintain and expand biomass power generation in the state,
 - b) revitalize idle facilities for biomass power generation, and
 - c) support biomass power generation facilities by creating additional capacity for power generation.
- 10) Establishes that a facility's solid fuel biomass electrical generation is eligible for reimbursement under the FOREST program at an incentive rate determined by the Board if:
 - a) The facility uses feedstock that is solid fuel biomass or forest biomass waste to generate electricity.
 - i. The forest biomass waste is a byproduct of sustainable forestry management and is not from lands that are subject to the clearcut silvicultural prescription.
 - ii. No less than 60% of the feedstock shall originate from Tier 1 and Tier 2 high hazard zones.
 - b) The electricity is generated on or after January 1, 2027.
 - c) The electricity is generated within the state and sold to a retail seller within the state, including community choice aggregators, local publicly owned electric utilities, electrical corporations, or electrical rural cooperatives.
 - d) The facility is located in 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, the facility meets 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.
- 11) Authorizes an operator of a biomass facility to seek reimbursement by submitting an application to the Board.
 - a) The application must demonstrate that the facility processes solid fuel biomass to generate electricity.
 - b) The application must include supporting documentation that demonstrates the facility is certified by the California Energy Commission as an eligible renewable energy resource.

- 12) Requires an application to include monthly invoices that document eligible electricity generation.
- 13) Requires the Board to review the submitted invoices and make monthly incentive payments to each applicant that is eligible for reimbursement at the incentive rate.
- 14) Requires the Board determine, maintain, and make publicly available the incentive rate for eligible electricity generation.
- 15) Requires the Board, when prioritizing reimbursement for eligible applications, maximize the disposition of forest biomass waste.
- 16) Requires the Board, in consultation with the Department, ensure that an applicant receiving reimbursement operates a solid fuel biomass facility that achieves a net reduction in short-lived climate pollutants.
- 17) Authorizes the Board to adopt emergency regulations to implement the FOREST program.
- 18) Establishes the FOREST and Wildfire Prevention Fund in the State Treasury and continuously appropriate the money to the California Natural Resources Agency.
- 19) Establishes the purpose of the FOREST fund is to reduce organic fuel sources that increase fire risk by providing funding for the fire fuel reduction procurement program.
- 20) Requires that ratepayer funds not be used to fund the FOREST fund.
- 21) Includes chaptering out amendments to avoid conflict between this bill and AB 2494 (Rogers).

Background

Incentivizing public safety projects and reducing reliance on fossil fuels. This bill would incentivize the removal of forest resources for wildfire mitigation, wildfire prevention, forest resiliency, forest restoration, or the protection of public safety or infrastructure by providing funding to procure, transport, and beneficially use the biomass waste generated from those projects. Timber and other forest materials removed for wildfire mitigation, forest health, and the protection of public safety

and infrastructure can generate electricity through the pyrolysis of this material. This electricity can help reduce the state's reliance on fossil fuels for energy.

Mixed reviews on biomass. A coalition of organizations writing in opposition to the Assembly Natural Resources Committee notes, "While biomass energy is categorized on paper as a renewable energy source, the reality is that biomass power plants in California are much more climate-polluting than other electricity sources in California. The average greenhouse gas emission rate for CA's current electricity portfolio is about 485 pounds carbon dioxide equivalent per megawatt hour and in 2018, biomass power plants emitted more than 7x that amount.¹ California's treatment of forest feedstocks as carbon neutral is contrary to scientific opinion at the Intergovernmental Panel on Climate Change (IPCC), Environmental Protection Agency, and elsewhere who have been clear that the simplistic carbon neutrality categorization is flawed."²

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

- 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 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.

¹ https://www.biologicaldiversity.org/campaigns/debunking_the_biomass_myth/pdfs/Forest-Bioenergy-Briefing-Book-March-2021.pdf

² IPCC Task Force on National Greenhouse Gas Inventories, Frequently Asked Questions, available at <https://www.ipcc-nggip.iges.or.jp/faq/faq.html>, at Q2-10 (IPCC Guidelines do not automatically consider biomass used for energy as 'carbon neutral,' even if the biomass is thought to be produced sustainably); EPA Science Advisory Board, SAB Review of Framework for Assessing Biogenic CO₂ Emissions from Stationary Sources (2019), at 2 (not all biogenic emissions are carbon neutral nor net additional to the atmosphere, and assuming so is inconsistent with the underlying science); Booth, Mary S, Not carbon neutral: Assessing the net emissions impact of residues burned for bioenergy, 13 Env't Rsch. Letters 035001 (2018), <https://doi.org/10.1088/1748-9326/aaac88>; Sterman, John et al., Does wood bioenergy help or harm the climate?, 78 Bulletin of the Atomic Scientists 128 (2022), <https://doi.org/10.1080/00963402.2022.2062933>.

SUPPORT: (Verified 8/21/26)

California Association of Resource Conservation Districts
California Biomass Energy Alliance
California Community Choice Association
California Forestry Association
California State Association of Counties
Coalition of California Utility Employees
County of Fresno
Forest Products Industry National Labor Management Committee; the
National Association of Mutual Insurance Companies
Natural Resources Defense Council
New California Coalition
Personal Insurance Federation of California
Pioneer Community Energy
Rural County Representatives of California
The Nature Conservancy
The Tahoe Fund

OPPOSITION: (Verified 8/21/26)

Biofuelwatch
Center for Biological Diversity
Forests Forever
Green America
Little Manila Rising
Mount Shasta Bioregional Ecology Center
Northcoast Environmental Center
NRDC
Partnership for Policy Integrity
Safe Alternatives for Our Forest Environment
Sequoia Forestkeeper
Sierra Club California
Sonoma County Climate Activist Network
The Environmental Protection Information Center
Valley Improvement Projects
We Advocate Thorough Environmental Review

ARGUMENTS IN SUPPORT: According to the author's office, "California's forests, covering nearly one-third of the state, provide critical environmental, economic, and climate benefits but are increasingly threatened by wildfires,

drought, and invasive species. To mitigate these risks, the state has committed to removing forest biomass waste from one million acres annually, generating millions of tons of waste each year. However, without sufficient infrastructure to process this material, much of it is either openly burned or left to decay. Both of these options produce harmful emissions, including methane, a potent greenhouse gas. AB 706 addresses this challenge by establishing the FOREST and Wildfire Prevention Fund, which will promote the sustainable utilization of biomass waste for bioenergy. This initiative will reduce wildfire risks, cut climate and air pollution, and enhance economic opportunities in some of California's most vulnerable regions—all without increasing costs for energy ratepayers.”

ARGUMENTS IN OPPOSITION: A coalition of environmental organizations writes, “AB 706 will not save the state money on community wildfire protection costs. Home hardening and defensible space work immediately around homes is the most effective way to keep homes safe during wildfire—not thinning/logging forests. California studies show that vegetation removal beyond 100 feet from homes provides no additional benefit for preventing them from burning. Forest thinning can even make fires burn hotter and faster by creating open, hotter, drier, more wind-prone conditions—increasing risks to communities.”

ASSEMBLY FLOOR: 75-0, 6/2/25

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, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, 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, Rivas

NO VOTE RECORDED: Lee, Muratsuchi, Celeste Rodriguez, Zbur

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**** END ****