AMENDED IN ASSEMBLY APRIL 17, 2023

AMENDED IN ASSEMBLY MARCH 15, 2023

CALIFORNIA LEGISLATURE—2023–24 REGULAR SESSION

ASSEMBLY BILL No. 998

Introduced by Assembly Member Connolly

February 15, 2023

An act to add Section 25544 to the Public Resources Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 998, as amended, Connolly. Biomass energy facilities: State Energy Resources Conservation and Development Commission: report.

Existing law vests the State Energy Resources Conservation and Development Commission with the exclusive power to certify sites and related facilities for thermal powerplants. Existing law requires an electrical corporation, local publicly owned electric utility, or community choice aggregator with a contract to procure electricity generated from biomass that expires or expired on or before December 31, 2028, to seek to amend the contract to include, or seek approval for a new contract that includes, an expiration date 5 years later than the expiration date in the contract that was operative in 2022, except as specified.

This bill would require the commission, on or before December 31, 2024, to issue a report on the utility-scale biomass combustion facilities still in operation as of January 1, 2024. The bill would require the report to include various assessments of biomass combustion facilities still in operation as of January 1, 2024, and options to maximize the environmental benefits of these facilities. The bill would also require the report to include a recommended strategy to upgrade biomass

combustion facilities, where appropriate, that considers impacts on disadvantaged, ~~rural~~ *rural,* forested, and agricultural communities, impacts on the ability to maintain existing capacity for managing forest or other excess biomass, the cost of upgrading facilities and financing opportunities, *impacts of upgrading biomass combustion facilities on the procurement costs of the energy produced and the associated impacts to ratepayer costs*, and job creation or job loss that may result from the strategy. The bill would require the report to include recommendations related to baseload ~~power~~ *energy* generation and managing excess biomass if biomass combustion facilities cease operation and strategies related to processing waste and job training in areas where biomass combustion facilities cease operation. The bill would require the commission to include in the report an evaluation of the ~~feasibility~~ *practicality and cost-effectiveness* of upgrading utility-scale biomass combustion facilities that ceased operation before January 1, 2024, to determine whether such facilities could help California increase its capacity to manage forest and other excess biomass.

The bill would require the commission, in preparing the report, to coordinate with the State Air Resources Board and local air districts on assessments of environmental benefits and available technologies to maximize those benefits. By imposing new duties on local air districts, the bill would impose a state-mandated local program. The bill would also require the commission, in preparing the report, to coordinate with specified state entities for feedstock assessments for forest, agricultural, urban, and postfire waste, engage with and solicit feedback from the communities in which biomass combustion facilities are located and the applicable local governments, and provide opportunities for stakeholder and public input.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) Communities throughout California, particularly in regions such as the North Bay area, are experiencing an escalation in catastrophic wildfire events that have become more frequent and severe due to the impacts of climate change.

(b) Research by the United States Forest Service shows that an estimated 129 million trees have died in California's forests due to conditions caused by climate change, prolonged drought, bark beetle infestation, and high tree densities, which have created an unprecedented buildup of dry, combustible woody forest waste material.

(c) The Sierra Nevada Conservancy's report "State of the Sierra Nevada's Forests" demonstrates the direct environmental, social, and economic impacts of widespread tree mortality, such as increased fire danger linked to the accumulation of dead and dry fuel after a widespread mortality event.

(d) According to research by the Sierra Nevada Conservancy, the explosive growth of the 2020 Creek Fire was driven by mass fire behavior made possible by the high amount of dead forest waste alongside overly dense live trees within the fire's interior.

(e) California relies on forest biomass facilities and their capacity to process residual forest waste from vegetation management operations on a large scale. While these facilities play an important role in mitigating wildfire risk, many facilities are decades old. With the state facing an annual forest waste inventory of approximately 54 million tons, the remaining biomass facilities should be examined to identify opportunities for upgrading, maximizing environmental benefit, technological improvements, and forest and other excess biomass processing capabilities.

SEC. 2. Section 25544 is added to the Public Resources Code, to read:

25544. (a) The commission shall, on or before December 31, 2024, issue a report on the utility-scale biomass combustion facilities still in operation as of January 1, 2024, that includes all of the following:

(1) An assessment of the capacity of biomass combustion facilities still in operation as of January 1, 2024, to process forest biomass and material resulting from vegetation management and forest treatment projects.

(2) An assessment of the role each of the biomass combustion facilities still in operation as of January 1, 2024, play in achieving the state's forest health improvement and wildfire risk reduction objectives.

(3) Options to maximize the environmental benefit of biomass combustion facilities still in operation as of January 1, 2024, and an analysis of the ~~feasibility~~ *practicality and cost-effectiveness* of upgrading these facilities with new technologies or alterations in operations.

(4) A recommended strategy to upgrade biomass combustion facilities, where appropriate, that considers all of the following:

(A) ~~Impacts~~ *Impacts, including, but not limited to, health, economic, and cultural impacts,* on disadvantaged communities located near the biomass combustion facilities.

(B) ~~Impacts~~ *Impacts, including, but not limited to, health, economic, and cultural impacts,* on ~~rural forested~~ *rural, forested,* or agricultural communities.

(C) Impacts on the ability to maintain existing state, regional, and local capacity for managing forest or other excess biomass.

(D) Cost of upgrading biomass combustion facilities and financing opportunities that may exist for those efforts.

(E) Impacts of upgrading biomass combustion facilities on the procurement costs of the energy produced and the associated impacts to ratepayer costs.

~~(E)~~

(F) Job creation or job loss that may result from the strategy.

(5) Recommendations for how baseload ~~power~~ *energy* and the capacity for managing excess biomass would be made up if biomass combustion facilities still in operation as of January 1, 2024, subsequently cease operation.

(6) Strategies for processing forest, agricultural, urban, or postfire waste in areas where biomass combustion facilities still in operation as of January 1, 2024, may cease operation temporarily or permanently.

(7) Strategies for job training in any areas where job loss would occur due to a biomass combustion facility shutting down or being repowered.

(8) An assessment of the type and duration of contract that would be necessary to encourage biomass combustion facilities still in operation as of January 1, 2024, to upgrade.

(b) The commission shall include in the report required by subdivision (a) an evaluation of the ~~feasibility~~ *practicality and cost-effectiveness* of upgrading utility-scale biomass combustion facilities that ceased operation before January 1, 2024, to determine whether such facilities could help California increase its capacity to manage forest and other excess biomass.

(c) In preparing the report described in subdivision (a), the commission shall do all of the following:

(1) Coordinate with the State Air Resources Board and local air districts on assessments of environmental benefits and available technologies to maximize those benefits.

(2) Coordinate with the Department of Forestry and Fire Protection, the Department of Food and Agriculture, and the Department of Resources Recycling and Recovery on feedstock assessments for forest, agricultural, urban, and postfire waste.

(3) Engage with and solicit feedback from the communities in which biomass combustion facilities are located and the applicable local governments.

(4) Provide opportunities for stakeholder and public input.

SEC. 3. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.

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