



October 1, 2026

The Honorable Xavier Becerra
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Mr. Steve Hilton
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RE: Geothermal: A Platform for Affordable Power and Economic Growth in California

Dear Candidates for Governor of California,

Californians pay too much for electricity. Bringing geothermal power online in California is a powerful tool for the next Governor to bring bills down while keeping the grid clean and reliable. According to Clean Air Task Force's May 2026 report, new geothermal on the grid could save the state more than \$10 billion a year by 2045. On behalf of the undersigned coalition of clean energy providers, labor organizations, local governments, business leaders, and climate advocates, **we write to ask the next Governor to make geothermal a priority from day one.**

Clean firm power, which is always available, keeps the lights on when solar, wind, and batteries cannot. The California Public Utilities Commission (CPUC) has already ordered roughly 1 gigawatt (GW) of clean firm power since 2021, with the option for up to 2.5 GW more if cost-effective. The CPUC's latest resource plan calls for 7 to 10 GW more by 2045. Demand is only rising, driven by electrification and data centers. **Geothermal is the most cost-effective new clean firm resource California can build today.**

Yet California is at risk of falling behind. Developers are planning as much as 10 GW of next-generation geothermal across the West this decade. Only about 100 megawatts is slated for California. The state has the potential for tens of gigawatts, and 2.9 GW of shovel-ready expansion at the Salton Sea sits idle today. What the next Governor does in the first year will shape whether this industry will be attracted to building in California or elsewhere.

Earlier this year, the undersigned organizations worked together to secure \$20 million in state funding for cost-shared geothermal exploration, an approach that has accelerated development in other states.

The attached memorandum lays out a plan the Governor can begin on day one. It asks for four things.

1. Issue an executive order in the first week that convenes the state's energy and resource agencies as an Interagency Geothermal Task Force, with a recommended plan due by the end of April.
2. Direct the Task Force to identify Geothermal Energy Zones, starting with the state's known fields and guided by modeling from national labs and universities, where the state does the environmental, community, and transmission groundwork so projects can move.
3. Propose \$49 million in the January 10 budget for field-test sites, subsurface data, permitting staff, environmental review, and community capacity building — tiny compared to the more than \$10 billion a year geothermal has the potential to save California by 2045.
4. Two statutory fixes: First, exempt non-invasive exploratory drilling from CEQA following the Biden administration's example — so a project faces full environmental review just once, when the plant is built — while ensuring robust tribal consultation, strong safety and environmental standards, and high labor standards remain intact. This brings California in line with many other Western states. Second, restructure the lithium tax so Imperial County communities actually receive its benefits.

With strong leadership from the next administration, **geothermal can become a cornerstone of a more affordable, reliable, and clean energy future.** We stand ready to work with you to make it happen.

Sincerely,

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Chief Executive Officer
Sonoma Clean Power

DaVina Flemings
Director, State Government
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Geothermal: A Platform for Affordable Power and Economic Growth in California

October 2026

California has committed to 100% clean electricity by 2045, and demand is surging. Solar and wind will carry most of the load, but the grid also needs power that runs at night, in winter, and through heat waves. Geothermal is the best new “clean firm” resource we can build. California should advance several geothermal initiatives to attract developers to the state.

California has exceptional geothermal assets

We have the geology. California holds some of the strongest geothermal resources in the nation. Tapping just 1% of our hottest, already-reachable heat could generate as much electricity as the whole state consumed in 2023.¹

We have the workforce. More than 60% of California’s oil and gas workers already hold skills that transfer directly to geothermal; a rig worker can retrain in a matter of days.²

We have the demand. California load-serving entities and community energy providers are already signing contracts for next-generation geothermal power in order to meet reliability and GHG reduction needs.

We have a head start. California has led the nation in geothermal since the first turbine spun at the Geysers field in 1960, and it still does, with 2.87 gigawatts statewide today — 72% of the U.S. total.³ The Salton Sea holds the largest proven field in the country, with 2.9 gigawatts of expansion ready to build and the world’s largest lithium reservoir in its brine.

The technology has arrived. Engineered reservoirs and AI-guided exploration can now reach heat far beyond traditional geothermal targets, unlocking tens of gigawatts more. New commercial next-generation geothermal plants are being developed across the West and California should act quickly to capitalize on the expanding industry.

The economic and reliability benefits are enormous

Lower bills for every Californian. Geothermal on the grid would cut the state’s electricity supply costs by over \$10 billion a year by 2045.¹ Without it, California will need to build enormous battery storage assets, which will cost significantly more than bringing on clean firm power. California is already procuring geothermal power from Utah and Nevada and capturing significant system benefits this decade. However, developers are not finding projects in California to be economically feasible at this point. It is essential for California’s workforce and economic advancement to create an environment where geothermal energy projects can come online and be economically competitive.

A multi-billion dollar economic boon with high-road careers. At scale, geothermal could bring tens of billions in investment to some of the state’s poorest counties — Imperial, Lake, Inyo, Kern — inland places the last two decades of growth passed by. It also activates the world’s largest lithium reservoir and creates co-location opportunities for other industries. Geothermal power plants create two to three times more permanent high-road careers per megawatt-hour than wind or solar,⁴ and are uniquely suited to employ individuals with skills from the oil and gas industry.

A more resilient and secure electrical grid. California's regulators have already concluded the grid cannot run on solar, wind, and batteries alone: since 2021 the Public Utilities Commission has ordered roughly 1 GW of clean firm capacity, with the option for up to 2.5 GW more if cost-effective,⁵ and its latest resource plan calls for 7 to 10 GW more by 2045.⁶ Most of that need is still unfilled: only about half a gigawatt has been procured so far. Geothermal is the clean firm resource California should build at home — once the state de-risks the investment, on a domestic supply chain that does not depend on imported panels and cells.⁷ It runs through the winter months when solar is weakest and the nights when wind is largely unavailable, and if geothermal is run flexibly, it shifts its output to the hours and seasons when the grid needs it most.⁸ It is also the power that restarted Southern California's grid after the 2011 blackout.

Key Challenges

1. **Regulatory uncertainty.** California requires full environmental review twice — once for a temporary exploration well, and again for the plant. Permit applications are arduous and can run into the thousands of pages, but the length of the process may not correlate with environmental, health, or safety benefits. Uncertainty pervades every step of the process: even approved projects can face lawsuits, which scare away investors to other regions where one agency leads the permitting and developers get answers in months. This uncertainty also reduces the competitiveness of California projects for federal funding, which prioritizes speed and nimble permitting.
2. **Exploration risk.** Every geothermal field starts with a handful of test wells. Once they prove the resource, the cost of capital falls — and with it the price of every kilowatt-hour the plant sells. First wells cost tens of millions of dollars, and in California they also take years to permit, so developers cannot reach project appraisal on a timeline private capital will finance. The state can shorten that path: by taking on part of the exploration risk and by making the subsurface data it already holds usable.
3. **Transmission and interconnection timelines.** Our best geothermal resources sit far from load centers, and the lines to reach them take a decade to build. The geothermal California buys this decade will come mostly from Utah and Nevada. Whether the next wave is built here depends on two signals the state can send now: transmission planned to our best geothermal zones before projects arrive, and interconnection rules that value plants running around the clock, not just at peak. Without them, the in-state industry never gets its start.
4. **Inconsistent community benefit and labor standards.** Every geothermal project needs a county and a community to say yes, and a workforce ready to build it. Geothermal is safe and has a small footprint at the surface, but it raises real questions — seismicity, water, drilling techniques, how it differs from oil and gas practices. Community trust is essential, yet not every community has the knowledge or resources to evaluate new proposals on its own. Meanwhile, developers lack direction on how to support communities and create high-road jobs. As a result, community benefit and labor negotiations can take years and hold back much-needed economic growth.

The state has acknowledged these challenges and has taken more concrete steps on geothermal in the past eighteen months than in the previous twenty years (see Appendix 1). None of them are finished, but together they give a new administration a foundation to build on.

A Plan for the Next Governor

Our next Governor can tackle these challenges head on and signal to industry that California is open for business — and to ratepayers that the state is choosing the least-cost path to a clean grid. You as governor could oversee the buildout of gigawatts of geothermal energy in your term if you prioritize the industry. Two actions are the Governor's alone: an executive order in the first week, and a budget on January 10. Together they put someone in charge, put money behind the first moves, and hand the agencies a clear agenda, set out in the accompanying Task Force Agenda. Meanwhile, the Governor should propose legislation to fix known barriers to geothermal investment in the state.

FIRST WEEK

Executive Order to Coordinate the Agencies and Establish Geothermal Energy Zones

Interagency Task Force

Recruit the Natural Resources Agency, the Energy Commission, the Department of Conservation and CalGEM, the State Lands Commission, the Public Utilities Commission, GO-Biz, and CAISO to deliver a recommended geothermal plan to the Governor by the end of April, in time for the May Revise. The plan should settle what the budget must fund now — zone designations, permitting staff, and demonstration sites — and set a firm schedule for the rest. The starting agenda for this group is the accompanying Task Force Agenda. For each item, the group will identify the administrative action or budget adjustment required, and which agency owns it. An advisory committee of tribal leaders, industry, construction trades union leaders, environmental & environmental justice leaders, and community members should advise the group; its input informs the April plan but does not gate it.

Geothermal Energy Zones

Identify regions with the best heat resources and potential for next-gen development, and direct the Task Force to identify Geothermal Energy Zones that accelerate the arrival of industry. Texas did this for wind in 2005 and now leads the nation; California did it for renewables through the Renewable Energy Transmission Initiative and for geothermal and lithium through the Lithium Valley Specific Plan. Known fields can be identified now; candidate regions are added as exploration, the geophysical campaign, and the field sites confirm new opportunities. For each zone, work with county governments, utilities and community choice aggregators, tribes, construction trades union leaders, and other local leaders to develop a locally appropriate plan that will provide the best chance of ultimate success. Within each zone:

- **Zone-wide environmental groundwork that projects can build on.** The state funds shared baseline environmental studies, county planning support, and permitting staff for each zone, so individual projects add only what is specific to their site. The zone-wide review should happen in parallel with the permitting of near-term exploration and development, to maintain momentum.
- **Communities engaged early and meaningfully.** Extend the Strategic Growth Council's Imperial Valley Civic Ecosystem Initiative — which trains local governments, community

groups, tribal leaders, and construction trades union leaders to shape development on their own terms — to every zone, with capacity-building grants that offer sustained technical assistance, grant-writing support, and governance training to local communities and California Native American tribes.

- **A standard community benefits framework.** Every developer enters a zone knowing the baseline for community benefit agreements and labor standards, agreed up front rather than negotiated project by project. Agreements appropriately reflect a balance between community needs and the project economics needed to enable scale-up.
- **Transmission planned to the zone** to assure developers and investors that interconnection will be available.
- **Active economic development support.** Recruit geothermal developers as well as co-located industry such as lithium in Imperial Valley, or repurposing oil and gas wells in Kern County for energy storage. Help developers navigate siting, permitting, and community engagement.

JANUARY 10

Budget: \$49 million for geothermal

Propose a comprehensive, first-of-its-kind state budget approach to putting California at the forefront of geothermal innovation and development. This \$49 million is a fraction of one percent of the annual savings geothermal is projected to deliver by 2045.

Amount	What it funds	Where the work is described
\$20 million	Complete the geothermal field-test program. The 2026 budget appropriated \$20 million for two field sites based on the highly successful Utah FORGE model that generate public subsurface data and de-risk future development in that geologic region. State dollars are matched by the developers who drill the wells and share the data. This brings the total to \$40 million, enough for field sites in multiple geological hot spots.	Task Force Agenda, De-Risk Development.
\$2 million	Fund the Geothermal Data Collaborative. Support the Department of Conservation's effort to digitize the state's existing subsurface records into machine-readable form. Create a data structure accessible for developers and ready for AI analysis.	Task Force Agenda, De-Risk Development.
\$10 million	Regulatory certainty. Staffing, modern tools, and updated internal processes so state agencies can permit at the pace the state's goals require and finish CalGEM's next-generation well rules, plus an	Task Force Agenda, Regulatory Certainty.

	independent review of California’s geothermal permitting processes and a guidebook for developers and county planning staff that maps the full regulatory route for conventional and next-generation projects.	
\$4 million	Geophysical data acquisition campaign. Provide dedicated funding for the California Geological Survey to partner with industry in collecting geophysical data, such as magnetotelluric and gravity data, that can be used to identify additional field-site opportunities and included in the Geothermal Data Collaborative.	Task Force Agenda, De-Risk Development.
\$5 million	Environmental baseline data, county planning support, and permitting capacity in the Geothermal Energy Zones.	Executive order, above.
\$5 million	GO-Biz economic development support in the Geothermal Energy Zones.	Executive order, above.
\$3 million	Community and tribal capacity building in the Geothermal Energy Zones: extend the Strategic Growth Council’s Civic Ecosystem Initiative and fund capacity-building grants to local communities and tribes.	Executive order, above.

EARLY LEGISLATIVE SESSION

Propose Two Statutory Fixes

Exempt exploratory drilling from CEQA modeled on the Biden administration categorical exclusion, while ensuring robust tribal consultation, strong safety and environmental standards, and high labor standards remain intact, to reduce upfront costs and timelines. This will align California policy with that of most other states, where geothermal projects only have to go through environmental review once and light-touch exploration activities are exempt from review. The Legislature has already demonstrated strong interest in supporting this opportunity: a CEQA exemption for geothermal exploration was passed with near-unanimous support.

Fix the lithium tax so Imperial County communities actually receive its benefits. Most lithium-tax revenue is dedicated to local communities and Salton Sea restoration — but the tax is a flat per-ton charge that has grown from about one percent of the lithium price to roughly ten percent — and because no plant has started, the communities have received nothing. Tie the tax rate to the lithium price so the first plants pencil, and revenue grows with the industry.

Appendix 1: Recent State Actions to Advance Geothermal

- The 2026–27 budget appropriated \$20 million for geothermal exploration, mapping, and resource characterization.
- CAISO reserved over 500 MW of interconnection capacity for geothermal projects applying in Cluster 16, which opens in October 2026, and has been responsive to industry needs in aligning reservations with active project development. The Public Utilities Commission has worked with CAISO on expanding reservations further going into 2027 and Cluster 17.
- The Department of Conservation launched the California Geothermal Data Collaborative to inventory and digitize the state’s subsurface data into a usable format for new development.
- The Energy Commission offers state cost-share through its Geothermal Grant and Loan Program and the EPIC program so California projects can compete for federal geothermal funding.
- California joined the Geothermal Power Accelerator, a 15-state initiative launched by the Department of Energy and led by the National Association of State Energy Officials.
- The Strategic Growth Council’s Imperial Valley Civic Ecosystem Initiative is building the capacity of local governments and community organizations to prepare for geothermal and lithium development.
- The 2026 Integrated Energy Policy Report will include, for the first time, a dedicated chapter on geothermal, drawing on a year of Energy Commission workshops with developers, labor, communities, and other states. A public draft is expected in late fall 2026, with final adoption in early 2027.

Sources

¹ Clean Air Task Force, Build Here, 2026; ² Fervo Energy testimony to the California Energy Commission, 2025; ³ National Laboratory of the Rockies, U.S. Geothermal Market Report, 2026; ⁴ U.S. Department of Energy, via CEC IEPR workshop summary, 2026; ⁵ CPUC Decisions D.21-06-035 and D.24-08-064, and March 2026 procurement order; ⁶ CPUC 2026 Integrated Resource Plan; ⁷ RMI, The Geothermal Supply Chain Is America’s to Gain or Lose, 2026; ⁸ Ricks et al. (Princeton ZERO Lab), Nature Energy, 2024

Starting Agenda for the Interagency Geothermal Task Force

Companion to “Geothermal: A Platform for Affordable Power and Economic Growth in California”
October 2026

California's agencies have done more for geothermal in the past eighteen months than in the previous twenty years: the Energy Commission is writing the first geothermal chapter of the Integrated Energy Policy Report, due in draft this fall; the Department of Conservation launched the Geothermal Data Collaborative; and CAISO, on CPUC guidance, reserved more than 500 MW of interconnection capacity for geothermal in Cluster 16. An executive order from the next Governor would build on that momentum, bringing these agencies together as a Task Force with \$49 million in the January 10 budget and a plan due by the end of April.

This agenda is a starting point, drawn from a year of conversations with developers, load-serving entities, labor, and communities. It will overlap with the IEPR chapter, and where the Commission's recommendations are more specific, they should lead. The Task Force is best placed to decide what to carry forward, what to reshape, and what we have missed.

Geothermal Energy Zones	
Identify the first zones and set the criteria for the next. Known fields can be identified in the April plan. The Task Force should also define what a candidate region must show to join them, so new zones follow as the field sites and geophysical campaign confirm new heat, without a fresh process each time.	
Build each zone's plan with the people who live there. For each zone, work with county governments, utilities and community choice aggregators, tribes, and construction trades union leaders on a locally appropriate, time-bound plan — within the statewide standards below — covering environmental review, community benefits, transmission, and industry recruitment. The workstreams below are the toolkit; the zones are where they get used first.	In January 10 Budget: zone environmental groundwork, GO-Biz, and capacity building line items
Regulatory Certainty	
Publish the permitting pathway and expedite application acceptance. Commission an independent review of California's geothermal permitting processes and a guidebook for developers and county planning staff that maps the full regulatory route for conventional and next-generation projects. For projects under Energy Commission “opt-in” review, publish a requirements checklist and guarantee swift feedback on application completeness. The 270-day decision clock that follows already works.	In January 10 Budget: regulatory certainty line item
Keep regulations and guidance current with next-generation technology. Ensure agencies have the staffing and technical expertise to permit geothermal and lithium development at the pace the state's goals require.	In January 10 Budget: regulatory certainty line item

Direct CalGEM to cover next-generation systems and induced-seismicity protections in its current well-regulation update, without delaying the first projects, so industry knows the rules before it invests.	
Display geothermal projects on a public dashboard: permitting progress and status, health and safety monitoring data, and high-road jobs and local revenue generated.	In January 10 Budget: regulatory certainty line item
De-Risk Development	
Expand the field-test program to multiple sites. Designate an agency to administer it, likely the Energy Commission. Set dollar-for-dollar developer match and public data-sharing as conditions of award, and route the well data that would not undermine the developers' competitive position into the Geothermal Data Collaborative.	In January 10 Budget: field-test program line item
Set the Geothermal Data Collaborative's scope and strategy. Define what data the Collaborative will hold, in what format, and who can use it, and interoperability with other states; sequence the digitization of existing state records; and plan how field-site and future well data flow in.	In January 10 Budget: Data Collaborative line item
Kick off a statewide geophysical data acquisition campaign. Identify gaps in the geophysical datasets needed to find prospective geothermal opportunities, and leverage private investment to build a comprehensive dataset available through the Geothermal Data Collaborative.	In January 10 Budget: geophysical data acquisition line item
Evaluate financing instruments that cut the cost of capital for early-stage projects. The cost of capital is the single biggest driver of geothermal's price, and it is highest in early years of development. The Task Force should assess the following options and recommend which the state should adopt: – Exploration risk-sharing. A program that works like insurance: the developer pays to drill, and if the wells fail to find a commercially viable resource, the state covers a share of the loss. The state pays nothing up front and nothing when a well succeeds. With the downside capped, investors who would not touch an unproven field today will finance it, and the data from every well, successful or not, becomes public. – Loan guarantees or credit support. With the state standing behind a loan, lenders charge less during early development. – A standing fund for R&D and federal cost-share. Federal geothermal awards favor projects that bring state matching dollars, and California's neighbors offer them. A durable fund covering geothermal, critical-mineral recovery, and geologic hydrogen keeps California projects competitive year after year, instead of depending on one-time budget wins.	

Expedite Transmission & Interconnection	
Update the state’s planning assumptions for geothermal as the technology improves. The state’s planning models reflect outdated inputs and assumptions for geothermal technologies, which distort system planning. Update those inputs as field data arrives, not just on the planning cycle, so the plan reflects what next-generation geothermal actually costs. Fund modeling and planning tools that reflect next-generation geothermal. Stress-test the state’s plan against the key risks that in-state geothermal mitigates, including supply-chain risk and the availability of out-of-state capacity.	
Align transmission planning with actual geothermal development activity, and plan for the Geothermal Energy Zones as resources the state intends to develop.	
Value round-the-clock power in the state’s reliability rules. Create a pathway for energy-only geothermal interconnection to receive compliance value.	
Fix the import constraints that limit Salton Sea geothermal from reaching the CAISO grid.	
Community, Tribal & Labor Standards	
Consider the need for clear, consistent guidance for projects seeking expeditious permitting timelines, and align with federal processes to the greatest extent possible: – Environmental protection, with rigorous standards for water use, induced-seismicity monitoring and mitigation, and air quality. – Early and meaningful consultation with California Native American tribes, with guidance for developers building on or near tribal lands, including best practices for early engagement and avenues for direct-hire initiatives for impacted tribal communities. – Direct community benefit, through community benefit agreements with minimum expectations and public reporting. – High-road labor standards — prevailing wage, registered apprenticeship, local and targeted hire, and a skilled and trained workforce.	
Train the workforce through programs the state already runs. Upskill oil and gas workers for next-generation geothermal, build a bridge from California’s geoscience and engineering programs at universities and community colleges into the industry, and support direct-hire and intern-to-hire pathways for tribal members and science and technology education for tribal youth.	

Run a public information program on safety and local benefits. Accurate answers from trusted sources on the questions communities actually ask, including induced seismicity and public health, alongside the jobs, tax revenue, and infrastructure investment geothermal brings.

In January 10 Budget:
capacity building line item