

Date of Hearing: April 21, 2026

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 2606 (Ellis) – As Amended March 23, 2026

SUBJECT: Oil and gas: subsurface energy transition research and demonstration projects: California State University, Bakersfield.

SUMMARY: Authorizes the Department of Conservation (DOC) to establish various programs in partnership with the California State University (CSU) and CSU Bakersfield (CSUB), including the Regional Subsurface Energy Transition and Applied Research Program and a subsurface energy research field station for applied research, field testing, monitoring, and demonstration of subsurface technologies. Authorizes DOC to collaborate with the California Energy Research Center at CSUB, and recognizes the center as a state-affiliated applied research, technical assistance, and policy support partner, as provided, and designates and supports the California Core Repository at CSUB, as an official state-affiliated repository. Specifically, **this bill:**

- 1) Authorizes DOC, acting through Division of Geologic Energy Management (CalGEM), to establish the Subsurface Low-Carbon Demonstration Project Program (SLCDP Program) to facilitate partnerships among the state, the CSU system, private industry, and public entities to study and demonstrate innovative subsurface technologies using existing and idle wells.
- 2) Authorizes DOC to establish the Regional Subsurface Energy Transition and Applied Research Program (Applied Research Program) within the CSU system for the purpose of expanding interdisciplinary academic research capacity in coordination with state conservation programs in regions experiencing workforce transition from oil and gas production. Authorizes the Applied Research Program to support research and applied initiatives related to low-carbon energy, carbon management, emissions-reducing technologies, and related subsurface resource applications.
- 3) Authorizes DOC to collaborate with the California Energy Research Center at CSUB, as a pilot partner within the CSU system. Authorizes the pilot program to serve as a model for implementation at other campuses within the CSU system that demonstrate relevant expertise and institutional capacity in disciplines aligned with DOC's statutory mission.
- 4) Authorizes DOC to establish and administer an official department office at CSUB.
- 5) Authorizes CSU to support and collaborate on activities across the full scope of the department's statutory responsibilities, including, but not limited to, all of the following:
 - a) Subsurface energy systems, carbon management, critical mineral extraction, geothermal resources, mining, land resource management, reclamation, and geologic hazard assessment;
 - b) Public health, biological, ecological, and environmental science studies related to resource development and environmental protection;

- c) Engineering and related technical disciplines supporting safe and environmentally responsible operations and remediation;
 - d) Policy research, economic analysis, data management, modeling, and regulatory support and,
 - e) Workforce development initiatives and grant administration.
- 6) Authorizes the DOC office to receive and administer state, federal, and private funds consistent with state law.
- 7) States that this collaboration with the CSU does not delegate regulatory authority from DOC to CSU.
- 8) Authorizes DOC, in partnership with CSU, to establish a subsurface energy research field station for applied research, field testing, monitoring, and demonstration of subsurface technologies.
- 9) Authorizes the field station to conduct carbon dioxide injection research, monitoring, and verification testing, critical mineral extraction research, hybrid geothermal evaluation, testing applicable to idle or orphan wells, and workforce training.
- 10) Requires the activities of the field station to be subject to all applicable requirements related to environmental review, permitting, and financial assurances.
- 11) Authorizes DOC to collaborate with the California Energy Research Center at CSUB and recognize the center as a state-affiliated applied research, technical assistance, and policy support partner.
- 12) Requires the California Energy Research Center to provide interdisciplinary research, analytical capacity, and technical expertise consistent with DOC's mission, including, but not limited to, all of the following:
- a) Operation and coordination of research laboratories and field research facilities supporting subsurface science, engineering, environmental testing, materials analysis, water quality assessment, emissions monitoring, and related technical disciplines;
 - b) Public health research, including exposure assessment, air and water quality impacts, community health analysis, and risk assessment associated with resource development, well remediation, and reclamation activities;
 - c) Environmental science and biological research related to ecosystem protection, land stewardship, habitat restoration, groundwater protection, and reclamation effectiveness;
 - d) Engineering research and technical evaluation, including petroleum engineering, environmental engineering, civil engineering, infrastructure integrity assessment, wellbore analysis, monitoring systems development, and site remediation technologies;

- e) Economic, fiscal, and workforce analysis related to resource development, regional economic transition, long-term liability reduction, cost-benefit evaluation, and regulatory impact assessment;
 - f) Data science, reservoir modeling, geographic information systems, laboratory analysis, monitoring technology development, and quantitative risk modeling to inform evidence-based regulatory decisionmaking;
 - g) Participation in advisory panels, research committees, and technical working groups in an advisory capacity to provide scientific expertise supporting interagency coordination and regulatory development;
 - h) Federal grant development, administration, and collaboration with the United States Department of Energy, national laboratories, and other federal or state agencies; and,
 - i) Public education, stakeholder engagement, workforce training, and dissemination of research findings to promote transparency and informed public participation.
- 13) Authorizes the California Energy Research Center to leverage existing university infrastructure, including laboratory space, research equipment, field research assets, and facilities associated with the center and related academic programs.
- 14) Provides that this does not delegate regulatory authority, permitting authority, enforcement authority, or statutory decisionmaking responsibilities to the California Energy Research Center or to CSU.
- 15) Authorizes DOC to designate and support the California Core Repository at CSUB, as an official state-affiliated repository.
- 16) Requires the California Core Repository to preserve geological samples and subsurface data, provide access for research and to the public, and support activities conducted pursuant to this bill.
- 17) Authorizes DOC to enter into agreements related to the operation and modernization of the California Core Repository, and the repository may receive state, federal, and private funds consistent with state law.
- 18) Authorizes university-based researchers associated with any of the programs established pursuant to this bill to serve on advisory panels, technical working groups, and research committees in an advisory capacity, and provide scientific expertise to inform regulatory development, interagency coordination, and public communication. These university-based researchers shall not exercise regulatory authority.

EXISTING LAW:

- 1) Establishes the CSU administered by the Board of Trustees, and provides that the Trustees shall have the full power over the construction and development of any CSU campus and any buildings or other facilities or improvements (Education Code (EC) Section 89030, et seq.).

- 2) Requires the Department of General Services (DGS), acting for the state, to negotiate and establish a model contract with standard contract provisions with the Regents of the University of California (UC) and a model contract with standard contract provisions with the CSU Trustees. Requires the trustees to, and the regents are urged to, negotiate and establish with the DGS the model contract applicable to their university by July 1, 2010 (Education Code Section 67327).
- 3) Stipulates that “state agency” includes every state office, officer, department, division, bureau, board, and commission. As used in any section of this title that is added or amended effective on or after January 1, 1997, “state agency” does not include the CSU unless the section explicitly provides that it applies to the CSU (Government Code Section 11000).

FISCAL EFFECT: Unknown

COMMENTS: *Double referral.* This measure was heard by the Assembly Committee on Natural Resources (NRC) on April 20, 2026. The disposition of this measure in NRC was not available before this analysis went to print. However, a review of the issues germane to the natural resources policy implications of this measure are addressed in that Committee’s analysis.

Need for the measure. According to the author, “California’s oil and gas sector supports thousands of jobs and contributes significantly to our state’s economy, particularly in the Central Valley. However, many marginal and low-producing wells face serious challenges from high operational costs and stringent financial assurance requirements. Current bonding levels are often insufficient to fully cover plugging and restoration costs, creating risks of orphaned wells that could lead to unnecessary environmental and taxpayer liabilities. Furthermore, overly burdensome requirements can also strain responsible operators and accelerate premature well shutdowns.”

The author states that, “AB 2606 authorizes the Department of Conservation to prioritize approvals for low-carbon technologies, establish voluntary demonstration projects using existing and idle wells, and partner our world-class California State University institutions on applied research, a field station, and technical collaboration. This measure promotes responsible stewardship of existing infrastructure, encourages innovation in carbon management and resource recovery, reduces the risk of orphan wells, and supports workforce opportunities in oil-producing regions — all while maintaining full environmental protections and regulatory oversight.”

California Energy Research Center (Center) at CSUB. The Center at CSUB was created in May 2014 to bring California energy experts together to study the needs and opportunities of the energy industries. The Center at CSUB has a core mission to facilitate the engage of CSUB faculty and students in collaborative research with local energy-related industry and agencies. The Center at CSUB seeks to expand the capabilities of faculty and students to conduct research in the area of sustainable and affordable energy production.

According to the Center at CSUB, “the Center is well positioned to contribute to these efforts [contained in the provisions of this measure] through interdisciplinary capabilities in subsurface geoscience, reservoir engineering, environmental monitoring, public health assessment, and data analytics. The bill’s recognition of CSU Bakersfield as a pilot partner and its authorization of a field research station and state-affiliated research collaboration framework will enable rigorous,

site-specific testing using existing and idle wells while maintaining all applicable environmental review and regulatory requirements.”

Committee comments and amendments. This measure raises several policy questions, including the balance between supporting carbon-reducing technologies and continued use of enhanced oil recovery, the role of public universities in energy development partnerships, and the long-term implications of investing in subsurface energy infrastructure as part of the State’s climate strategy.

It should be noted that while CSUB is named in this measure, the CSU has not taken a formal position on this measure.

Additionally, due to Legislative deadlines, *this Committee will process the NRC amendments that the author agreed to accept. The amendments are as follows:*

- 1) *To avoid permitting conflicts, Strike Public Resources Code (PRC) 3191 from the bill prioritizing permitting at CalGEM.*
- 2) *Require contracts be completed consistent with EC 67327.*
- 3) *Amend PRC 3191.1 (b) and 3191.4 (a) to require all projects be done within DOC’s existing statutory authorities.*
- 4) *Strike reference to testing applicable to idle or orphan wells in PRC 3191.4 (b).*
- 5) *Require the California Energy Research Center to leverage existing university infrastructure upon written permission of the university sharing the requested resource.*
- 6) *Requires DOC to implement the provisions of the bill to the extent that funds are appropriated by the California State Legislature or otherwise available.*

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file as submitted to this Committee and satisfying the Committee rules of inclusion in the analysis.

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