



**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

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*Order Instituting Rulemaking to Continue
Implementation and Administration, and Consider
Further Development, of California Renewables
Portfolio Standard Program*

Rulemaking 24-01-017
(Filed January 25, 2024)

**REPLY COMMENTS OF RURAL COUNTY REPRESENTATIVES OF CALIFORNIA
ON THE ORDER INSTITUTING RULEMAKING TO CONTINUE
IMPLEMENTATION AND ADMINISTRATION, AND CONSIDER FURTHER
DEVELOPMENT, OF CALIFORNIA RENEWABLES PORTFOLIO STANDARD
PROGRAM**

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Dated: March 13, 2024

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I. Introduction

Pursuant to Rule 6.2 of the California Public Utilities Commission (“Commission” or “CPUC”) Rules of Practice and Procedure, the Rural County Representatives of California (“RCRC”) submits comments to the *Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program* (“Rulemaking” or “OIR”) issued on February 1, 2024. RCRC is an association of forty rural California counties¹ and our Board of Directors is comprised of an elected Supervisor from each of our member counties.

II. Background

RCRC member counties contain much of California’s forested lands and high fire hazard severity zones. Our communities have borne the lion’s share of destruction caused by wildfires and endure frequent power outages intended to reduce the risk and liability of utility-caused wildfires. As such, we

¹ RCRC members include Alpine, Amador, Butte, Calaveras, Colusa, Del Norte, El Dorado, Glenn, Humboldt, Imperial, Inyo, Kings, Lake, Lassen, Madera, Mariposa, Mendocino, Merced, Modoc, Mono, Monterey, Napa, Nevada, Placer, Plumas, San Benito, San Luis Obispo, Santa Barbara, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Tulare, Tuolumne, Yolo and Yuba counties.

strongly support a holistic suite of wildfire risk reduction efforts, including critical forest health and restoration projects.

Biomass facilities operating under the Bioenergy Market Adjustment Tariff (BioMAT) program can play an integral role in forest health improvement, wildfire protection, and organic waste diversion programs – all of which are intended to facilitate achievement of the state’s greenhouse gas (GHG) emissions reductions goals. Biomass facilities, including those operating under the BioMAT program, may also help provide local energy reliability and resiliency benefits.

Rural counties are host to many biomass facilities, which often play crucial roles in local economies. As such, RCRC continues to support incentives for biomass energy, extending current long-term contracts for existing biomass facilities (including exploring opportunities to reduce emissions at those facilities over the long term), and developing new, smaller facilities to meet local power and vegetation management needs.

Finally, many of our counties are served by community choice aggregators (CCAs) and several of those are interested in participating in the BioMAT program. For this reason, RCRC strongly supported AB 843’s (Aguiar-Curry of 2021) inclusion of CCAs in the BioMAT program and we were pleased the Commission issued D.23-11-084 last year establishing rules for CCA participation in the program.

III. Comments

RCRC is pleased the Commission opened this rulemaking and we appreciate that the Scoping Memo contemplates it will involve the “ongoing monitoring, reviewing, and revising, as needed, [of] all RPS procurement methods and tariffs, such as IOU solicitations, renewable auction mechanism, the Renewable Market Adjusting Tariff (ReMAT), and the Bioenergy Market Adjustment Tariff (BioMAT).”² The BioMAT program is an essential component of the RPS program and RCRC agrees with the Joint BioMAT CCAs³ and Bioenergy Association of California (BAC)⁴ that the review of such in this proceeding is warranted and appropriate.

RCRC also agrees with the Joint BioMAT CCAs that the Commission should consider extending the BioMAT program sunset date on an expedited basis in this proceeding. We also agree with BAC’s

² R. 24-01-017, *Order Instituting Rulemaking to Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program*, February 1, 2024, page 7.

³ R. 24-01-017, *Opening Comments of the Joint BioMAT Community Choice Aggregators on the Order Instituting Rulemaking*, March 1, 2024, page 4.

⁴ R. 24-01-017, *Bioenergy Association of California Comments on the Order Instituting Rulemaking 24-01-017*, March 4, 2024, page 3.

suggestion that this matter be addressed in Phase 1 of this rulemaking.⁵ The program's current December 31, 2025 sunset date is rapidly approaching, especially considering the extended timeframes involved in project planning and construction. Project developers, utilities, and CCAs need certainty to bring these projects online so local governments, the state, and residents/customers may enjoy the diverse benefits BioMAT projects can provide.

CCAs were only recently added to the program and their joint advice letter for program implementation was finalized in late January 2024.⁶ This leaves CCAs and developers less than two years to navigate the complex design, permitting, and interconnection processes to bring new projects online. As BAC points out, there are multiple new BioMAT projects in development by both public and private agencies and it is unclear whether those will be able to complete permitting, interconnection, and power purchase agreements before the current sunset.⁷ RCRC fears that failure to expeditiously consider extending the BioMAT program's sunset date could foreclose the ability for CCAs to enter into contracts and receive energy from new BioMAT facilities that are not already in the planning or construction process, thereby frustrating the Legislature's intent in passing AB 843 and missing opportunities to address calls from multiple state agencies and reports to increase bioenergy generation.⁸

RCRC agrees with both BAC and the Joint BioMAT CCAs that the Commission should also use this proceeding to consider other program revisions that will help increase procurement under the program.⁹ While these changes would ideally be considered and acted upon in the proposed Phase 1 part of this proceeding, we recognize that these changes may take more time to review. In the event the Commission requires more time to conduct a robust review of program changes, RCRC suggests first extending the program's sunset date to provide the certainty that CCAs and others need to continue pursuing smaller bioenergy projects.

Finally, RCRC agrees that CCAs should be afforded at least five years to secure BioMAT projects before the program sunsets¹⁰; however, we hope this suggestion does not preclude the Commission from considering either a longer sunset date or whether the sunset should be extended for just CCAs or for CCAs and investor-owned utilities alike.

⁵ Joint BioMAT CCAs, page 5; BAC, page 2.

⁶ Joint BioMAT CCAs, page 6.

⁷ BAC, pages 4-5.

⁸ BAC, page 5.

⁹ BAC, pages 6-7; Joint BioMAT CCAs, pages 5-6 and 9-10.

¹⁰ Joint BioMAT CCAs, page 5.

IV. Categorization and Proposed Schedule

RCRC does not object to the preliminary determination in the OIR to categorize this proceeding as rate-setting. RCRC agrees with the Joint BioMAT CCAs¹¹ and BAC¹² that the proceeding schedule should be revised to prioritize the extension of the BioMAT program end date.

V. Conclusion

RCRC appreciates your consideration of our comments and the recommendations contained herein and looks forward to participating as a formal party in this proceeding.

Respectfully submitted,

/s/ John Kennedy

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Dated: March 13, 2024

¹¹ Joint BioMAT CCAs, page 6.

¹² BAC, pages 2-3.