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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking To Continue Implementation and Administration, and Consider Further Development, of California Renewables Portfolio Standard Program.	)	Rulemaking 18-07-003 (Filed July 12, 2018)

BIOENERGY ASSOCIATION OF CALIFORNIA PETITION TO MODIFY DECISION 20-08-043

DATED: March 6, 2025

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The Bioenergy Association of California (BAC) submits this Petition for Modification of Decision 20-08-043 in accordance with Rule 16.4 of the Commission's Rules of Practice and Procedure. BAC urges the Commission to modify D. 20-08-043 to ensure that the BioMAT program meets the statutory requirements of Public Utilities Code section 399.20(f)(2), which requires 250 MW of distributed generation bioenergy and has no end date or other offramps.[1] The BioMAT program provides important ratepayer benefits, including the reduction of wildfire, generation of firm renewable power, and the reduction of climate and air pollution. As the Commission has repeatedly recognized,

[1] Public Utilities Code section 399.20(f)(2), adopted in SB 1122 (Rubio, 2012).

the BioMAT program also provides important public health and safety benefits. The Commission's recent report on affordability also makes clear that eliminating the BioMAT program would provide insignificant savings for ratepayers[2] and that is even more true in light of the direct ratepayer benefits that bioenergy provides by mitigating wildfire impacts, the single biggest cause of recent rate increases.[3]

BAC files this Petition for Modification, therefore, to urge the Commission to make the following changes to D.20-08-043:

- Remove the program end date until the required megawatts have been procured or extend the program end date to 2035;
- Adjust program prices to reflect inflation, at least in BioMAT Feedstock Category 1 where contract prices have not increased since 2014;
- Remove the utility specific allocations within each feedstock category; and
- Consider ways to facilitate use of BioMAT projects for microgrids, resource adequacy, and power for vehicle charging under the state's Low Carbon Fuel Standard program.

BAC represents more than 100 local governments, Tribes, public agencies, private companies, research institutions, utilities, and non-profit organizations. BAC's public sector members include cities and counties working to meet the landfill diversion requirements of SB 1383, air quality and environmental agencies, public research institutions, community and environmental groups. BAC's private sector members include project developers, energy technology firms, waste haulers, agriculture and food processing companies, investors, and more.

BAC submits this Petition for Modification to ensure that the BioMAT program meets the requirements of state law and other important state policies, including wildfire mitigation,

[2] "CPUC Response to Executive Order N-5-24," Issued February 18, 2025, Table A-2, Page 32.
[3] Id. at page 4.

protection of air quality, reduction of Short-Lived Climate Pollutant emissions, and energy reliability.

I. REASON FOR FILING PETITION MORE THAN ONE YEAR AFTER ISSUANCE OF DECISION 20-08-043.

Rule 16.4(d) of the Commission's Rules of Practice and Procedure requires parties to justify filing a Petition for Modification more than one year after a Decision is adopted. The reasons BAC is seeking modifications to Decision 20-08-043 more than a year after its adoption are below.

A. Covid-19, Supply Chain Disruptions, and Other Events Not Anticipated in D.20-08-043 Have Slowed Procurement.

Decision 20-08-043 extended the original BioMAT program end date to December 31, 2025. Decision 20-08-043 did not foresee the lasting impacts of the Covid-19 pandemic on BioMAT procurement. Those impacts included extended supply chain disruptions that delayed acquisition of equipment, the availability and composition of feedstock, and delays in project development, interconnection, and execution of Power Purchase Agreements. The supply chain disruptions, workforce availability, and resulting inflation all delayed project development significantly.

B. Decision 20-08-043 Was Adopted before the Passage of AB 843.

Since the Commission issued D. 20-08-043, the Legislature enacted AB 843 (Aguiar-Curry, 2021), which allows Community Choice Aggregators to participate in BioMAT. The Commission did not finalize the program rules for CCAs until December 2023,[4] which did not leave CCAs enough time to develop many BioMAT projects. Since

[4] Decision 23-11-084, adopted in R. 22-10-010, and issued December 5, 2023.

BioMAT projects are long lead-time projects, extending or removing the program end date is essential to implement AB 843.

C. Since Decision 20-08-043 Was Adopted, the Commission Has Recognized the Need for Long Lead Time Resources that Require More than Two Years to Develop.

Since Decision 20-08-043 was issued, the need for firm, renewable power has become much more apparent. The Commission recognized this in Decision 21-06-035 on Mid-Term Reliability when it called for procurement of 1,000 MW of firm power from renewable resources.[5] The Commission has also recognized that these are long lead time resources that require much more than two years to develop.

D. The Air Board Has Adopted a Plan to Phase Out Open Burning of Agricultural Waste that Recommends Increased Bioenergy.

In February, 2021, the California Air Resources Board adopted a plan to phase out the open burning of agricultural waste that calls for increased bioenergy production as a preferred alternative to open burning.[6]

E. CalRecycle Adopted Its Landfill Waste Diversion Regulations After Decision 20-08-043 Was Issued.

The BioMAT program is an important tool for implementing SB 1383, the State's Short-Lived Climate Pollutant (SLCP) reduction law, which requires diverting 75 percent of organic waste away from landfills.[7] CalRecycle's regulations to implement the landfill diversion requirement of SB 1383 allow biomass conversion to electricity as an allowable alternative to landfilling that waste, but CalRecycle's regulations did not

[5] Decision 21-06-035, issued in Rulemaking 20-05-003 on June 30, 2021, at pages 35-38.
[6] https://ww2.arb.ca.gov/sites/default/files/2021-02/Staff_Recommendations_SJV_Ag_Burn.pdf.
[7] Health and Safety Code section 39730.6.

become effective until January 2022, more than a year after Decision 20-08-043 was issued.

For all these reasons, BAC submits this Petition for Modification more than one year after Decision 20-08-043 was issued.

II. FAILURE TO EXTEND THE BIOMAT PROGRAM WOULD VIOLATE STATE LAW.

SB 1122, the legislation that created the BioMAT program, did not include a program end date, nor did any of the subsequent bills enacted to modify the BioMAT. Those include SB 840 (Budget, 2016), AB1979 (Bigelow, 2016), AB 1923 (Wood, 2016) and AB 843 (Aguiar-Curry, 2021). All of these bills were intended to facilitate BioMAT compliance and none of them included a program end date or other offramps.

Public Utilities Code section 399.20(f)(2) requires 250 megawatts from new, small-scale bioenergy projects and fewer than 60 megawatts have been procured to date. If the Commission does not remove or extend the program end date, it will violate this clear statutory requirement. The Commission should, therefore, remove the program end date or, alternatively, extend the program until at least 2035. This is required by existing law and will also further important state policies described below.

III. THE BIOMAT PROGRAM HELPS MEET IMPORTANT STATE POLICIES

The Commission has recognized repeatedly that the BioMAT program provides important public health and safety benefits, including wildfire mitigation, reduction of landfill waste, reduction in air and water pollution. In 2018, the Commission's staff review of the BioMAT found that each feedstock category advances important state

policies. As the Staff Report found, the BioMAT advances "statewide climate, waste diversion, and public safety goals:

> Category 1 (Municipal Biogas): Maximize municipal organic waste diversion and methane reductions.
> Category 2 (Dairy and Agricultural Bioenergy): Maximize methane reductions from livestock and dairy manure management operations and reduce the use of open burning as an agricultural waste management tool.
> Category 3 (Sustainable Forestry): Promote sustainable and resilient forests, reduce the risk of high-intensity wildfires, reduce the use of open pile burning as a forest management tool, and protect public safety and infrastructure."[8]

The Commission has also found in numerous Decisions that BioMAT projects protect public health and safety as well as infrastructure. For example, the Commission's Resolution E-4922 recognized that BioMAT projects protect public health and safety by reducing the risks of wildfire, hazardous trees falling on electricity or other infrastructure, and the need for pile burning.[9]

In addition, several of the State's wildfire, forest health, climate change, and air quality plans call for increased bioenergy development generally and/or full implementation of the BioMAT program specifically.

A. California's Climate Plans Call for Increased BioEnergy/BioMAT

Climate scientists agree that the most urgent climate measure is the reduction of Short-Lived Climate Pollutants, including methane and black carbon, since that is the only measure that benefits the climate in the next few decades. As the California Air Resources Board says, "the science unequivocally underscores the need to **immediately** reduce emissions of short-lived climate pollutants" and that doing so will

[8] CPUC, "Bioenergy Market Adjusting Tariff (BioMAT) Program Review and Staff Proposal," October 2018, at page 6.
[9] CPUC's Resolution E-4922, at page 5.

"provide immediate benefits – both to human health locally and to reduce warming globally."[10] As a result, California's climate plans all call for increased bioenergy production and/or full implementation of the BioMAT program, including:

- CARB's *2022 Climate Change Scoping Plan*
- CARB's *Short-Lived Climate Pollutant Reduction Strategy*
- The *California Forest Carbon Plan*, adopted by CalEPA, the California Natural Resources Agency, and CalFire

B. California's Air Quality Plans Call for Increased Bioenergy

In 2021, CARB also adopted recommendations to phase out open burning of agricultural waste in the San Joaquin Valley that call specifically for increased bioenergy as a preferred alternative for air quality.[11] The statewide association of local air districts, CAPCOA, has also issued a statement on biomass energy that highlights its benefits for air quality, including a 98 to 99 percent reduction in particulate matter and black carbon, a 95 to 99 percent reduction in methane (which causes smog as well as climate pollution) and other volatile organic compounds, and a 70 percent reduction in NOx.[12] The California Department of Food and Agriculture has also found repeatedly that dairy digesters reduce air and water pollution from dairies.

C. Wildfire Reduction and Forest Health Plans

In addition to the *California Forest Carbon Plan,* several other state plans and orders to reduce wildfire risks and restore healthy forests have called for increased bioenergy and/or full implementation of the BioMAT. That includes Governor Brown's Emergency Order on Tree Mortality, which requires the Commission to take specific measures to

[10] *Short-Lived Climate Pollutant Reduction Strategy*, adopted by the California Air Resources Board, March 2017, at page 1.
[11] California Air Resources Board, *Staff Recommendations San Joaquin Valley Agricultural Burning Assessment*, adopted by CARB Board February 25, 2021, at pages 9-10.
[12] CAPCOA Biomass Policy Statement, issued October 2016, at page 1.

expedite BioMAT projects,[13] and the *Woody Biomass Utilization Plan* adopted by the California Board of Forestry.[14]

The Commission itself has recognized that BioMAT projects can help mitigate wildfire risks and impacts. The Association of California Water Agencies (ACWA) has also submitted the attached letter urging the Commission to extend the BioMAT program because BioMAT projects help mitigate wildfires and increase energy reliability for water and wastewater agencies that provide essential public health and safety services.[15] As ACWA's letter states, forest BioMAT projects also energy reliability so that water agencies can continue to provide water for fighting wildfires.

The attached letter from Resource Conservation Districts, conservation and community groups also makes clear that BioMAT projects using forest and agricultural waste can help to mitigate wildfires, reduce air pollution from pile burning of forest and agricultural residues, and help to create jobs and a circular bioeconomy.[16]

D. Jobs and Economic Develoment

Governor Newsom's *California Jobs First* plan, issued in January 2025, also calls for increased bioenergy as part of the growing circular bioeconomy.[17] The Governor's *California Jobs First* plan states that three forest BioMAT projects will provide energy improvements in rural areas, increase energy reliability, and provide good jobs in these communities.[18]

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[13] Proclamation of a State of Emergency and Emergency Order, Issued by Governor Jerry Brown in October 2016, Ordering paragraphs 9-11.

[14] California Board of Forestry, *Joint Institute Recommendations to Expand Wood and Biomass Utilization in California, at pages 14-19.*

[15] See letter from ACWA to the CPUC, dated February 4, 2025, included in Attachment 1 to this Petition.

[16] Letter from Resource Conservation Districts, community and environmental groups to the CPUC, dated March 3, 2025, included in Attachment 1 of this Petition.

[17] See, https://jobsfirst.ca.gov/governor-newsom-continues-delivering-a-new-bold-economic-vision-for-california/.

[18] *California Jobs First – State Economic Blueprint*, released by Governor Gavin Newsom, February 2025, at page 92.

According to recent reports by the Clean Air Task Force, bioenergy provides more jobs and a higher percentage of permanent, skilled, and high paying jobs than solar, wind, or geothermal power.[19] This means that the economic benefits of bioenergy projects are much greater than other RPS resources.

The jobs and economic benefits of BioMAT projects are particularly important for Tribes and rural communities that have few economic development opportunities. As the attached letter from the Scotts Valley Band of Pomo Indians describes, the Tribe is planning to develop several small-scale BioMAT projects to provide jobs and economic development for the Tribe, which is a Federally recognized Tribe that was landless until this year and lacks many economic development opportunities.[20] If the BioMAT program is not extended, the Tribe will not be able to secure its economic benefits or the benefits of wildfire mitigation and clean, firm power for its community.

For all these reasons, the Commission should remove the BioMAT program end date or extend it to 2035.

IV. FAILURE TO EXTEND THE PROGRAM WILL SACRIFICE TENS OF MILLIONS OF DOLLARS OF FEDERAL FUNDING.

Several BAC members have received multi-million dollar grants from the U.S. Forest Service and/or the U.S. Department of Energy for BioMAT projects. The Governor's "California Jobs First – State Economic Blueprint" released last month highlights one of the companies, West Biofuels, that received a $30 million grant from the U.S. Department of Energy to develop several new BioMAT projects.

[19] Clean Air Task Force: *An Exploration of Options and Opportunities for the San Joaquin Valley Clean Energy Future,* issued in November 2024; see also, Kalra, et al, *Informing Clean Energy Planning in California's San Joaquin Valley*, November 2024.

[20] Letter from Thomas Jordan, Scotts Valley Energy Corportation, to the CPUC, dated February 11, 2025.

Unfortunately, the long lead times needed for BioMAT projects means that most of these BioMAT projects will not be ready to sign Power Purchase Agreements before the program's end date of December 31. That means that much of the federal funding received for these projects will have to be returned to the Federal Government if the BioMAT program end date is not extended. This would be a tragic loss given the urgent need to accelerate forest fuel treatments and in light of the uncertainty around federal funding going forward. It would also be ironic for the Commission to allow the BioMAT program to end, effectively killing the very projects that the Governor is highlighting in his jobs plan.

V. CPUC'S AFFORDABILITY REPORT SHOWS THAT THE BIOMAT PROGRAM ADDS NEGLIGIBLE COSTS.

The Commission's report on electricity rates, released in February in response to the Governor's Executive Order, found that the biggest cause of increasing electricity rates is wildfire. Eliminating BioMAT does not make sense then since the Commission itself has found that BioMAT projects can help to mitigate wildfires.[21] The Commission's report also shows that eliminating the BioMAT program would not produce meaningful savings for ratepayers. According to the report, eliminating both BioMAT and BioRAM together would save ratepayers only .3 percent on their bills.[22] Since there are 153 MW in BioRAM and only about 15 MW of BioMAT power in operation, that means that eliminating BioMAT would save ratepayers about .03 percent on their electricity bills. In other words, eliminating the BioMAT program would save California households about 7 cents per month – less than one dollar per year.[23] And that doesn't include the direct ratepayer savings that the program can provide by mitigating wildfires, protecting water

[21] CPUC Resolution E-4922, adopted March 22, 2018, at page 5.
[22] CPUC Response to Executive Order N-5-24," Table A-2, page 32.
[23] Based on average electricity bills of $250 per month per household.

supply and quality, providing firm renewable power, and reducing climate and air pollution.

VI. COST ARGUMENTS AGAINST BIOMAT ARE BASED ON FALSE ARGUMENTS.

In the past, BioMAT opponents raised the costs of distributed generation bioenergy as an argument against extending the BioMAT program. They often make false comparisons between the cost of BioMAT projects that provide distributed scale, firm power to the costs of utility-scale, intermittent resources. Opponents also ignore the ratepayer and societal costs of wildfires, air and climate pollution, and other impacts of burning or decomposing organic waste.

The cost arguments against BioMAT do not have merit for several reasons.

A. SB 1122 and Subsequent Legislation Did Not Include Cost Caps.

The requirement to procure 250 MW of new, small-scale bioenergy is a legal requirement that was established by SB 1122. Neither that law, nor any of the subsequent laws to revise the BioMAT have established cost caps or cost limitations.

B. More than Half of the Remaining Megawatts Are in the Least Expensive Feedstock Category.

Only 200 megawatts of the program remain, of which more than half are in feedstock Category 1, which is the least expensive feedstock category and less expensive than other types of new, firm renewable power, including new geothermal. The Commission itself noted in the original BioMAT Decision that BioMAT costs will not have a significant impact on the utilities' RPS portfolios, much less their overall portfolios.[24] That is even

[24] Decision 14-12-081, issued December 26, 2014 in R.11-05-005, at page 63.

more true now, with fewer megawatts remaining and the majority of those in the lowest cost category.

C. BioMAT Costs, Especially in Category 1, Compare Favorably to Other Sources of New, Firm Power.

Third, BioMAT projects provide firm, renewable power and the costs of BioMAT projects – especially in Category 1 where most of the remaining megawatts are - are similar to other new firm power and long lead time resources. BioMAT opponents choose to compare BioMAT costs to intermittent renewables that require backup generation or storage, even though BioMAT projects are distributed scale and do not require backup generation or storage. If the price comparison were based on energy costs throughout the year – for 8760 hours of power – then BioMAT prices would be comparable to other resources, and that does not include all the added benefits for the climate, wildfire mitigation, landfill reductions, etc. that only BioMAT projects provide.

D. Many BioMAT Projects Produce Renewable Gas That Can Provide Long-Duration Energy Storage in Addition to Firm, Renewable Power.

In addition, most BioMAT projects use non-combustion conversion technologies that produce biogas, biomethane, or hydrogen, which can also provide long-duration energy storage that is essential for energy reliability. Intermittent renewables require long duration storage or backup generation to provide similar reliability benefits and, when adding long duration storage or backup generation, are not any less expensive than bioenergy. When the backup generation is from fossil fuels, then the combination of intermittent renewables and backup generation is also higher carbon than BioMAT projects.

E. Bioenergy Provides the Most Urgent, Largest, and Most Cost-Effective Carbon Reductions.

Bioenergy is unique among RPS resources as it is the only one that reduces Short-Lived Climate Pollutant (methane and black carbon) emissions and can provide carbon

negative emissions, both of which are necessary to meet the state's climate goals and are required by law.

1. Bioenergy is Unique Among RPS Resources Since it Provides the Most Urgent Carbon Reductions.

As noted above, reducing SLCP emissions is the most urgent climate measure because it is one of very few that benefits the climate right away. Fossil fuel reductions, which is what other renewables enable, doesn't begin to benefit the climate for several decades or longer.[25] In California, 86 percent of the state's methane emissions and more than 90 percent of black carbon emissions come from organic waste that is decomposing (landfills and dairies), open burned (agricultural and forest waste biomass) or burned in wildfires.[26] Bioenergy reduces or eliminates SLCP emissions from organic waste that would otherwise go to a landfill, be piled and left to decay, or pile burned.

2. Bioenergy is the Only RPS Eligible Resource that Can Provide Carbon Negative Emissions Needed to Achieve Carbon Neutrality.

Bioenergy can provide carbon negative emissions needed to reach carbon neutrality by reducing the emissions from organic waste, displacing fossil fuel use, and using the co-products of bioenergy production (compost or biochar) for carbon sequestration and to displace fossil fuel based fertilizers. According to Lawrence Livermore National Laboratory, bioenergy with carbon capture and sequestration can provide more than two-thirds of all the carbon negative emissions needed to reach carbon neutrality by mid-century,[27] which is the goal of state law.[28]

[25] *Short-Lived Climate Pollutant Reduction Strategy*, adopted by the California Air Resources Board, March 2017, at page 22.
[26] *2022 Climate Change Scoping Plan for Achieving Carbon Neutrality*, issued by the California Air Resources Board on November 15, 2022.
[27] Lawrence Livermore National Lab, *Getting to Neutral – Options for Negative Carbon Emissions in California,* January 2020. LLNL-PRES-795982, at page 2.
[28] AB 1979 (Muratsuchi, 2022).

3. Bioenergy Provides the Most Cost-Effective Carbon Reductions.

Because bioenergy cuts SLCP emisisons, displaces fossil fuels, and produces low-carbon co-products, it provides a triple carbon reduction bang for the buck that no other RPS resource can provide. Other renewable power sources displace fossil fuels, but do not reduce SLCP emissions or produce biochar or compost than can be used to displace fossil fuel based fertilizers and increase water efficiency on natural and working lands. These are addition carbon reduction benefits that are unique to bioenergy. This triple carbon reduction benefit is why the California Air Resources Board and the Legislative Analyst's Office have found that investments in bioenergy are the most cost-effective of all the state's climate investments.[29]

F. Forest BioMAT Projects Help to Mitigate Wildfires, Which Saves Ratepayer Money.

The Commission's recent report on electricity rates found that the biggest cause of electricity rate increases is wildfire.[30] Eliminating BioMAT makes no sense in that context when forest BioMAT projects can help mitigate wildfire risks and impacts. The Commission, along with many of its sister agencies, has long recognized that bioenergy projects using forest waste or other vegetation removed for wildfire mitigation protect public health and safety.[31] BioMAT projects will also save ratepayers money because they help to reduce the risk and severity of wildfires, which represent a rapidly growing portion of utility bills. A recent PG&E tariff makes clear that wildfire costs are a

[29] See, eg, California Air Resources Board, *California Climate Investments 2022 Mid-Year Data Update,* September 2022, showing that investments in dairy digesters and diverted organic waste cut carbon emissions for $9 and $10 per ton, respectively. ARB's 2021 Annual Report to the Legislature on California's Climate Investments also showed that investments in organic waste to energy were the most cost-effective of all the state's climate investments. See Table 2, pages 17-18. See, also, Legislative Analyst's Office, *Administration's Cap-and-Trade Report Provides New Information, Raises Issues for Consideration,* submitted to Assembly Budget Subcommittee 3, April 2016.

[30] "CPUC's Response to Executive Order N-5-24," issued February 18, 2025, at page 4.

[31] See, eg, CPUC's Resolution E-4922, adopted March 22, 2018, at page 5.

significant and growing share of utility bills[32] and forest BioMAT projects can help to mitigate those costs.

G. BioMAT Projects Do Not Cost Ratepayers Anything Until The Projects Begin Producing And Selling Power.

To date, the utilities have only contracted for 50 or so megawatts of BioMAT power. Of those contracts, only 15 or 16 megawatts are currently being generated (the exact number of operating BioMAT projects is impossible to determine from the utilities' websites). If the BioMAT program is extended, at best the utilities and CCAs will procure another 100 to 200 MW and not all of those projects will be developed (as is true with other renewable resources as well). In other words, it's highly unlikely that all 200 remaining MW will be procured and of the megawatts that are procured (should the program be extended), not all MW will be built and sell power to the grid. That means that the actual costs to ratepayers will not be close to the theoretical maximum program cost.

As the Commission noted in D.14-12-081, even if BioMAT were to be fully subscribed at the highest cost, given that it's only 250 MW, that simply isn't a significant cost in terms of the utilities' overall portfolios.[33] That is consistent with the finding in the CPUC's recent report on affordability that eliminating both BioMAT and BioRAM together would save only .3 percent on utility bills and BioMAT projects represent only a tiny fraction of that .3 percent

For all these reasons, the arguments about BioMAT program costs are overblown and largely incorrect.

[32] See, PG&E Advice 7382-E, dated September 30, 2018.
[33] Decision 14-12-081, adopted in R. 11-05-005, at page 63.

VII. THE COMMISSION SHOULD ADJUST BIOMAT PRICES, AT LEAST IN FEEDSTOCK CATEGORY ONE, FOR INFLATION

There are many reasons why BioMAT implementation has been slow, including legal challenges to the ReMAT program, PG&E's bankruptcy, Covid-19 and resulting supply chain issues, wildfires, and more. A big barrier now is that prices have not adjusted in many years while inflation has been very high. The offering price in Category 1 has not adjusted since the starting price was established in 2014. The price in Category 2 has not adjusted since 2019, and the price in Category 3 has not adjusted since 2017.

The chart below shows the rate of inflation since the price was established or last adjusted in each of the four BioMAT price categories.[34]

Feedstock Category	BioMAT Price Established	Cumulative Inflation Since Then[35]
Category 1 (Diverted organic waste, wastewater, food processing waste)	2014	36%
Category 2 - Agricultural waste	2019	26%
Category 2 – Dairy	2017	31%
Category 3 – Byproducts of Sustainable Forestry	2017	31%

The Commission should adjust the offering price to reflect inflation since the last price adjustments. Doing so would spur much greater participation in BioMAT, especially in Category 1, which has not had a price adjustment more than a decade and which is very important to help meet the landfill diversion requirements of SB 1383 (Lara, 2016),

[34] Inflation rates are from the U.S. Department of Labor, Bureau of Labor Statistics. Cumulative inflation rates are available here: https://www.bls.gov/data/inflation_calculator.htm.

[35] Per the U.S. Department of Labor, Bureau of Labor Statistics, CPI Inflation Calculator, available at: https://www.bls.gov/data/inflation_calculator.htm.

the State's Short-Lived Climate Pollutant reduction law. At a minimum, the Commission should adopt a one-time inflation adjustment in Category 1, which would bring the offering price to $173 per megawatt hour. That would be comparable to other new sources of firm, renewable power.

VIII. THE COMMISSION SHOULD REMOVE UTILITY ALLOCATIONS WITHIN EACH FEEDSTOCK CATEGORY

In addition to removing or extending the program end date, BAC urges the Commission to remove the utility-specific allocations within each feedstock category. SB 1122 requires a specific amount of procurement from each of three feedstock categories, as shown in the bottom row of the Table below.[36] SB 1122 did not, however, require that each feedstock category be divided among the utilities.

Table 4

IOU	**Category 1:** Biogas from various sources	**Category 2:** Dairy & other agricultural bioenergy	**Category 3:** Byproducts of sustainable forest management	
PG&E	30.5	33.5	47	**111** (110.78)
SCE	55.5	56.5	2.5	**114.5** (114.53)
SDG&E	24	0	0.5	**24.5** (24.68)
SB 1122 mandated total	110	90	50	**250**

The Commission divided the feedstock categories between the three IOUs for two main reasons: feedstock availability and to balance costs between the utilities. Neither of these reasons is still applicable and the utility specific allocations is slowing BioMAT procurement.

[36] Decision 14-12-081, Table 4, page 41.

A. Feedstock Availability Has Changed

Since Decision 20-08-043 was adopted, California has entered into a Forest Stewardship Agreement with the U.S. Forest Service to conduct forest thinning on one million acres per year.[37] The Board of Forestry has also adopted a Biomass Utilization Plan that calls for increased bioenergy production to avoid pile and burn of forest biomass waste that is removed in accordance with the Forest Stewardship Agreement. More recently, the California Air Resources Board in its *2022 Climate Change Scoping* Plan has called for forest thinning on 2.3 million acres per year, which will generate tens of millions of bone dry tons of forest waste.[38] These policies, along with utility requirements for vegetation removal around power lines, will dramatically increase the availability of Category 3 feedstocks.

In addition, the California Air Resources Board recently adopted a plan to phase out the open burning of agricultural waste in the San Joaquin Valley and the plan calls for increased bioenergy as one of the preferred alternatives to open burning.[39] That plan will increase the availability of Category 2 feedstocks (agricultural waste) in both PG&E and SCE service territories.

B. The IOU Allocations by Feedstock Category No Longer Make Sense When the CCAs Can Also Procure BioMAT Power.

AB 843 expands BioMAT to allow Community Choice Aggregators (CCAs) to participate in the program.[40] With this change, the utility-specific feedstock allocations no longer make sense since some of those megawatts will now be procured by CCAs.

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[37] *Agreement for Shared Stewardship of California's forest and Rangelands Between the State of California and the USDA,* Forest Service Pacific Southwest Region, August 12, 2020. Available at: https://www.gov.ca.gov/wp-content/uploads/2020/08/8.12.20-CA-Shared-Stewardship-MOU.pdf.

[38] *2022 Scoping Plan for Achieving Carbon Neutrality*, adopted by the California Air Resources Board November 16, 2022, at page 81.

[39] https://ww2.arb.ca.gov/sites/default/files/2021-02/Staff_Recommendations_SJV_Ag_Burn.pdf, at page 9.

[40] AB 843 (Aguiar-Curry), Statutes of 2021, Chapter 234.

C. PG&E's Category 2 Allocation is Nearly Used Up While SCE's Category 2 Allocation is Barely Used.

The Commission should also remove the utility specific allocations within each feedstock category since the Category 2 megawatts assigned to PG&E are nearly all procured and most of the Category 2 megawatts assigned to SCE are unlikely ever to be used. As noted above, the Commission began the feedstock allocations by assigning 47 megawatts of Category 3 to PG&E since most available forestry waste at the time was located in PG&E's service territory. The Commission then allocated the majority of Category 2 megawatts – 55.5 megawatts out of the 90 total required by SB 1122 – to SCE. This made sense to balance out the costs between the two utilities, but did not make sense based on the location of most of California's agricultural waste, three-quarters of which is generated in PG&E service territory.[41]

Since the adoption of Decision 14-12-081, PG&E has procured almost all of the Category 2 megawatts assigned to it. Only 7.5 megawatts remain of the 33.5 megawatts in Category 2 that were assigned to PG&E.[42] At the same time, SCE has only procured 3.5 megawatts of the 55.5 megawatts in Category 2 that were originally assigned to SCE.[43]

Unless the Commission removes or revises the feedstock category allocations, 52 megawatts under Category 2 that were allocated to SCE are likely to go unused while there is considerable remaining demand for Category 2 projects in PG&E service territory due to the Air Board's decision to phase out open burning of agricultural waste in the San Joaquin Valley. The Commission should remove or revise the feedstock allocations by utility to ensure that the Category 2 megawatts can be used where they

[41] See Decision 14-12-081, Table 2, page 37.
[42] See, https://pgebiomat.accionpower.com/biomat/home.asp.
[43] See, https://scebiomat.accionpower.com/biomat/doccheck.asp?doc_link=biomat/docs/FIT/2015/documents/10%20Day%20Report/SCE%20BioMAT%2010%20Day%20Reporting%20Requirement%20Table%20[9-29-2021].pdf.

are needed most and to meet the requirement of SB 1122 to procure 90 megawatts from agricultural and dairy waste.

For the reasons above, BAC urges the Commission to remove the utility allocations by feedstock category.

IX. LCFS, MICROGRID, AND RELIABILITY ISSUES

BAC also urges the Commission to consider adjustments to the BioMAT program to enable BioMAT projects to participate in the Low Carbon Fuel Standard program and future microgrid tariffs, as well as counting BioMAT power toward the utilities' requirements for Mid-Term Reliability. Exploring ways to broaden the end uses and applications of BioMAT power would allow projects to provide power for the highest and best use and will also accelerate procurement of the remaining megawatts.

DATED: March 6, 2025

Respectfully submitted,

/s/ Julia A. Levin

JULIA A. LEVIN, Executive Director
Bioenergy Association of California
PO Box 6184, Albany, CA 94706
510-610-1733
jlevin@bioenergyca.org

VERIFICATION

I am a representative of the non-profit organization herein, and am authorized to make this verification on its behalf. The statements in the foregoing document are true of my own knowledge, except as to matters which are therein stated on information or belief, and, as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 6th day of March, 2025, in Kensington, California.

/s/ Julia A. Levin

_____

JULIA A. LEVIN
Executive Director
Bioenergy Association of California
PO Box 6184
Albany, CA 94706
510-610-1733
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ATTACHMENT ONE

LETTERS FROM THE ASSOCIATION OF CALIFORNIA WATER AGENCIES, SCOTTS VALLEY BAND OF POMO INDIANS, AND VARIOUS CONSERVATION GROUPS AND AGENCIES IN SUPPORT OF EXTENDING THE BIOMAT PROGRAM

ACWA
Association of California Water Agencies

Bringing Water Together

February 4, 2025

The Honorable Alice Reynolds, President
The Honorable John Reynolds, Commissioner
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: ACWA Comment Letter regarding need to extend the Bioenergy Feed-in Tarriff Program

Dear President Reynolds and Commissioner Reynolds:

The Association of California Water Agencies (ACWA) requests that the California Public Utilities Commission (CPUC) extend the Bioenergy Feed-in Tarriff Program (BioMAT), beyond the end of 2025. ACWA represents approximately 470 local public water agencies that supply water for domestic, agricultural, and industrial uses to over 90 percent of California's population. Several of our agencies are partnering with BioMAT project developers and other water and wastewater agencies will consider developing additional BioMAT projects if the program is extended. BioMAT projects provide many important benefits to water and wastewater facilities, and particularly those in forested areas. These include providing: a source of reliable baseload electricity and heat, catastrophic wildfire mitigation which not only helps protect the expensive infrastructure we have in place but enables us to continue to provide services in the face of wildfire, a rationale for improved forest stewardship which increases the supply of ground water.

Extending BioMAT will help water and wastewater agencies to achieve numerous important objectives, including:

- BioMAT projects will increase energy reliability for water and wastewater agencies, which provide essential public health and safety functions, by providing clean firm power;
- Converting forest waste to electricity helps to mitigate wildfire risks and impacts, which in turn protects water supplies, water quality, hydropower production, and electricity and water infrastructure in forested regions;
- BioMAT projects will help water agencies maintain service during wildfire and other extreme events; and

- Biochar produced from BioMAT gasification projects can also be used for water filtration and purification at wastewater treatment plants, further protecting public health;
- Increasingly conversion technologies offer solutions for destruction of PFAS while biosolids are converted into energy that address new concerns about land application of potentially contaminated biosolids; and
- Provide alternatives to the increasingly expensive trucking of biosolids great distances for proper disposal.

Several of our agencies are currently developing BioMAT projects and many more agencies would consider developing BioMAT projects if the program is extended. We believe that these projects will provide significant benefits, including direct benefits from wildfire mitigation and more reliable power and water supplies, that far outweigh the costs. We urge the CPUC, therefore, to extend the BioMAT program and consider additional changes to accelerate participation in the program.

We submit these comments in coalition with similar comments that you may receive from the Bioenergy Association of California.

Thank you for your consideration of these important issues. If you have any questions regarding these comments, please contact us at NickB@acwa.com or (916) 669-2377.

Sincerely,

Nick Blair

Nick Blair
Senior Policy Advocate
Association of California Water Agencies

Scotts Valley Energy Corporation

February 11, 2025

The Honorable Alice Reynolds, President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

Re: Tribal Support for BioMAT Program Extension

President Reynolds:

I am writing on behalf of the Scotts Valley Energy Corporation (SVEC), which is owned by the Scotts Valley Band of Pomo Indians, to urge the CPUC to extend the BioMAT Program for distributed scale bioenergy projects. SVEC is developing a forest BioMAT project in Lake County and hopes to develop 7 to 10 additional BioMAT projects over the next several years to provide renewable energy, jobs, and wildfire mitigation, all of which are aligned with the corporation's economic development plan. Extending the BioMAT program is essential to this ongoing work. Extending BioMAT is also consistent with the Governor's *California Jobs First* plan for the North State and other rural regions by promoting the circular bioeconomy, Tribal economic development, and the state's clean energy policies.

The Scotts Valley Band of Pomo Indians is a federally recognized Tribe with no trust land or rancheria in Lake County. Thus, the Tribe faces numerous challenges including lack of economic opportunities, wildfire threats and impacts, and more. The BioMAT project that we are currently developing – and the ones that we hope to develop in the future if the program is extended – will provide many benefits to the Tribe and the greater community, including:

- Producing local clean energy and biochar that will also be used locally to restore forest lands, sequester carbon, and improve water quality and retention,
- Helping to reduce wildfire risks on Mendocino National Forest and surrounding areas,
- Providing jobs and economic development in an economically disadvantaged region, and
- Partnering with other Pomo nations to ensure that benefits accrue to them.

As I'm sure you know, Tribes in rural regions of the State have few job and economic opportunities. BioMAT is an important opportunity, because it allows the corporation to collaborate with other landowning partners to produce sustainable, reliable clean energy; however, if the program is allowed to expire next year, we will not be able to develop additional BioMAT projects as planned.

1005 Parallel Drive, Lakeport, California 95453
707-263-4220 (office) 707-533-2879 (fax)

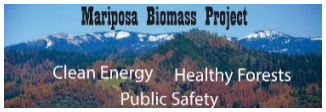
For all these reasons, SVEC's Board of Directors urges the CPUC to extend the BioMAT program at least five years and preferably for ten years.

Respectfully submitted,

Thomas Jordan
CEO, SVEC
Scotts Valley Band of Pomo Indians

cc: The Honorable Christina Snider-Ashtari, Tribal Affairs Secretary for Governor Newsom
The Honorable Rhys Williams, Cabinet Secretary and Senior Advisor for Emergency Management
The Honorable Wade Crowfoot, Secretary, California Natural Resources Agency
The Honorable Patrick Wright, Director, Governor's Wildfire and Forest Health Task Force

Fall River Resource Conservation District



MARIPOSA COUNTY
RESOURCE
CONSERVATION DISTRICT

Sierra Institute
for Community and Environment

March 3, 2025

The Honorable Alice Busching Reynolds, President
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102

RE: Request to Extend the BioMAT Program

Dear President Reynolds:

We are writing on behalf of conservation organizations, Resource Conservation Districts, and community groups to urge the Commission to extend the BioMAT program. Although progress in meeting the program requirements has been slow, several projects using forest and agricultural waste are in development now that will not be able to execute contracts before the current deadline of December 31, 2025. We urge you, therefore, to extend the program so that the State can capture the many benefits of these projects.

BioMAT projects in the forest and agricultural sectors help to meet many important state goals, including:

- Increased production of renewable, firm power that boosts energy reliability,
- Wildfire mitigation,
- Job creation in rural regions of the state, as called for in the Governor's *California Jobs First* plan,
- Reduction in air and climate pollution from open burning of forest and agricultural residues,
- Protection of water quality and supply, and

- Helping to build a circular bioeconomy.

Many of the state's forest, wildfire, climate change, and air quality plans also call for more bioenergy projects, including the *2022 Climate Change Scoping Plan, California Short-Lived Climate Pollutant Reduction Strategy, California Forest Carbon Plan,* and the plan to phase out open burning of agricultural waste in the San Joaquin Valley. And many of our organizations and agencies are working with BioMAT project developers because of the benefits these projects will provide to our communities and the broader environment.

The Governor's *California Jobs First* plans also call for increased bioenergy to create good, permanent and skilled jobs, especially in our rural regions where there are fewer opportunities for economic development. Bioenergy not only puts organic waste to beneficial use, helping meet the Jobs First plans' call to develop a circular economy, but it also provides more jobs and more permanent jobs than solar or wind power.

The benefits of extending the BioMAT program far outweigh the costs, especially when compared to the costs of wildfires to utility ratepayers as well as the pollution and public safety impacts of fire, both wildfires and pile burning.

For all these reasons, our organizations and agencies urge the Commission to extend the BioMAT program.

Sincerely,

Sharmie Stevenson
Fall River Resource Conservation District

Jonathan Kusel
Sierra Institute for Community and Environment

Jay Johnson
Mariposa Biomass Project

David Mecchi
Mariposa Resource Conservation District

Sharmie Stevenson
Pit Resource Conservation District