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BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Central Coast Community Energy for Compliance Review of its Administration of the Bioenergy Market Adjusting Tariff Program for the Period September 1, 2025 through August 31, 2026	A.26-09-XXX (Filed September 1, 2026)

APPLICATION OF CENTRAL COAST COMMUNITY ENERGY FOR COMPLIANCE REVIEW OF ITS ADMINISTRATION OF THE BIOENERGY MARKET ADJUSTING TARIFF PROGRAM FOR THE PERIOD SEPTEMBER 1, 2025 THROUGH AUGUST 31, 2026

September 1, 2026

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Application of Central Coast Community Energy for Compliance Review of its Administration of the Bioenergy Market Adjusting Tariff Program for the Period September 1, 2025 through August 31, 2026	A.26-09-XXX (Filed September 1, 2026)

APPLICATION OF CENTRAL COAST COMMUNITY ENERGY FOR COMPLIANCE REVIEW OF ITS ADMINISTRATION OF THE BIOENERGY MARKET ADJUSTING TARIFF PROGRAM FOR THE PERIOD SEPTEMBER 1, 2025 THROUGH AUGUST 31, 2026

I. DESCRIPTION OF APPLICATION AND SUMMARY OF REQUEST

In compliance with Decision ("D.") 23-11-084, and pursuant to Rule 2.1 of the Rules of Practice and Procedure of the California Public Utilities Commission ("CPUC" or "Commission"), Central Coast Community Energy[1] ("3CE") submits this application for compliance review of 3CE's administration of the Bioenergy Market Adjusting Tariff ("BioMAT") program. This application sets forth 3CE's BioMAT-related operations for September 1, 2025, through August 31, 2026 ("Record Period").[2] Concurrent with the filing of this application, 3CE is serving supporting prepared testimony on Commission staff members and interested parties, preliminarily designated as Exhibit 3CE-01. 3CE requests that the Commission find that, during the Record Period, 3CE's administration of the BioMAT program, including the implementation of policies,

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[1] 3CE is a joint powers authority serving as the Community Choice Aggregator ("CCA") for Monterey, San Benito and Santa Cruz Counties, and parts of San Luis Obispo and Santa Barbara Counties. 3CE serves more than 430,000 customer accounts throughout the Central Coast, including residential, commercial, and agricultural customers.

[2] All subsequent references to rules are to the Commission's Rules of Practice and Procedure.

practices, and procedures described herein, complied with the Commission's prudent manager standard and is otherwise in compliance with Commission decisions.

II. BACKGROUND

The BioMAT program is a feed-in tariff program for small bioenergy renewable generators, originally created by Senate Bill ("SB") 1122 and implemented by the Commission in 2014 by the issuance of D.14-12-081.[3] The BioMAT program, as defined in Public Utilities Code Section 399.20, offers up to 250 megawatts ("MW") to eligible projects through a fixed-price standard Power Purchase Agreement ("PPA").[4] The 250 MW program capacity is allocated among the Investor-Owned Utilities ("IOUs") and is further distributed among three fuel resource categories:

- 110 MW of Category 1 Projects, sourced from biogas wastewater treatment, municipal organic waste diversion, food processing, and codigestion;
- 90 MW of Category 2 Projects, sourced from dairy and other agricultural bioenergy; and
- 50 MW of Category 3 Projects, sourced from byproducts of sustainable forest management.

Since the issuance of D.14-12-081, the BioMAT program has undergone several modifications. For example, in D.20-08-043, the Commission amended BioMAT tariff and contract rules and prescribed BioMAT cost allocation and recovery requirements. The Commission authorized IOU BioMAT procurement cost allocation through a non-bypassable charge ("NBC") applicable to all customers in each IOU's service territory, including CCA customers, through the Public Purpose Program ("PPP") rate.[5] The decision also extended the BioMAT program end date to December 31, 2025.[6]

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3 *See* SB 1122 (Rubio), Stats. 2012, Ch. 612 (Sept. 27, 2012) (amending Pub. Util Code § 399.20).

4 All subsequent statutory references are to the Public Utilities Code, unless otherwise noted.

5 *See* D.20-08-043 at 15.

6 *See* D.20-08-043 at 60; Conclusion of Law ("COL") 1.

While the BioMAT program was originally limited to the IOUs, Assembly Bill ("AB") 843 (2021) authorized CCAs to submit eligible bioenergy projects for cost recovery pursuant to the BioMAT program if open capacity exists within the 250 MW limit.[7] Per AB 843, the electricity purchased from a bioenergy facility is to count toward both the CCA's Renewables Portfolio Standards ("RPS") procurement requirements, and the bioenergy procurements requirements of the IOU whose service territory encompasses the CCA. The physical generating capacity of the facility will also count towards the CCA's resource adequacy ("RA") requirements.

The Commission implemented AB 843 in D.23-11-084. Among other things, the Commission revised the BioMAT program to integrate the IOUs and CCAs into a common web-based procurement platform, incorporating a Third-Party Administrator to assist with independent management of the program queue, and allowing each participating Load Serving Entity ("LSE") access to NBCs to offset certain BioMAT procurement charges. On January 29, 2024, 3CE, together with Orange County Power Authority, Pioneer Community Energy and Redwood Coast Energy Authority (collectively, "Participating CCAs"), opted to participate in the BioMAT program by submitting a joint Tier 2 advice letter ("AL") in accordance with D.23-11-084 seeking approval of standard BioMAT CCA program documentation. The Participating CCAs received approval of their Tier 2 ALs and standard program documentation from the CPUC's Energy Division on April 29, 2024.

Since approval of the standard CCA program documentation, each Participating CCA has worked with the BioMAT program third-party administrator, Accion, to develop CCA BioMAT websites similar to the IOU BioMAT websites where applicants can submit Program Participation Requests ("PPRs") pursuant to Ordering Paragraph ("OP") 3 of D.23-11-084. D.23-11-084 also

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7 AB 843 (Aguiar), Stats. 2021, Ch. 234 (Sept. 21, 2021) (amending Pub. Util Code § 399.20).

set various compliance filings for CCAs participating in the BioMAT program, including the annual filing of Tier 3 ALs to seek Commission approval of eligible BioMAT-forecasted revenue requirements and the filing of annual applications to establish CCA compliance with the Commission's prudent manager standard. The purpose of 3CE's application and supporting testimony is to meet the latter of these requirements.

Specifically, OP 17 of D.23-11-084 orders each CCA that elects to participate in the BioMAT program to file an application to establish CCA compliance with the Commission's prudent manager standard for each calendar year by September 1, 2024, and annually by September 1st thereafter. On August 29, 2025, 3CE filed its first compliance application (A.25-08-015). Among other things, the application outlined 3CE's evaluation and acceptance of a PPR that led to the signing of a BioMAT PPA for an agricultural bioenergy project within Pacific Gas and Electric Company's ("PG&E") service territory. The application detailed 3CE's prudent management for the BioMAT program, in particular 3CE's administration of the BioMAT program's requirements related to reviewing and processing PPRs.

In D.26-07-043, the Commission concluded that "3CE's administration of the BioMAT program during the record period complied with the Commission's prudent manager standard."[8] Notably, since the principal focus of 3CE's first compliance application was on the first BioMAT PPA awarded under 3CE's BioMAT program, most of the discussion contained in D.26-07-043 is on 3CE's compliance with the BioMAT program tariff,[9] including 3CE's review of the PPR to ensure that it met the BioMAT program's detailed requirements. Because the detailed requirements associated with the PPR were evaluated and satisfied in 3CE's first compliance

[8] D.26-07-043 at 44; COL 2.

[9] *See* D.26-07-043 at 14-30 (Section 5.3).

application, this application will not address these matters but instead will principally focus on how 3CE's administered the PPA to ensure compliance with the Commission's prudent manager standard during the Record Period.[10]

III. STANDARD OF REVIEW AND BIOMAT PROGRAM REQUIREMENTS

As part of AB 843, the Legislature stated that "[t]he commission has ongoing review authority over any contracts of community choice aggregators submitted pursuant to this section consistent with its review of the contracts of electrical corporations entered into pursuant to this section."[11] In furtherance of this code section, the Commission directed that each CCA that "elects to participate in Bioenergy Market Adjusting Tariff program shall file an application to establish CCA compliance with the California Public Utilities Commission's prudent manager standard."[12]

The Commission's "prudent management standard" is most commonly applied and reviewed in connection with the IOUs' Energy Resource Recovery Account ("ERRA") compliance applications. This review process has been described as follows:

> As part of the ERRA compliance reviews, the Commission also considers whether the utility has prudently administered its contracts and generation resources and dispatched energy in a least cost manner in accordance with [Standard of Conduct ("SOC")]. SOC 4 provides: "The utilities shall prudently administer all contracts and generation resources and dispatch the energy in a least-cost manner."[13]

The Commission recently restated this standard as follows: "The Commission reviews ERRA applications under a reasonable manager standard, whereby it evaluates [the IOUs'] actions

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[10] *See* D.26-07-043 at 36-38 (Section 6) (describing 3CE's administration of the BioMAT PPA in the previous Record Period).

[11] Section 399.20 (f)(5)(K).

[12] D.23-11-084 at 69; OP 17.

[13] D.21-07-013 at 9 (citing D.02-10-062 at 4 (COL 11) and referencing D.15-05-006 at 16-17 (OPs 1 and 3).)

based on whether they ‘comport with what a reasonable manager of sufficient education, training, experience, and skills using the tools and knowledge at his or her disposal would do when faced with a need to make a decision and act.’”[14] Importantly, the Commission has repeatedly stated that the prudent manager standard does not require the “optimum” practice, “but rather encompasses a spectrum of possible practices, methods, or acts consistent with the utility system needs, the interest of the ratepayers and the requirements of governmental agencies of competent jurisdiction.”[15] In this regard, the Commission has adopted the view that “the prudent manager standard is not a standard of perfection.”[16] Rather, as the Commission has stated, “a decision may be found to be reasonable and prudent if the utility shows that its decision making process was sound, that its managers considered a range of possible options in light of information that was or should have been available to them, and that its managers decided on a course of action that fell within the bounds of reasonableness, even if it turns out not to have led to the best possible outcome.”[17] As particularly relevant to matters involving BioMAT PPAs, “[t]he greater the level of money, risk and uncertainty involved in a decision, the greater the care the utility must take in reaching that decision.”[18] Finally, in proving the prudent manager standard, the applicant has the burden of proof, and the applicant satisfies its burden based on a preponderance of the evidence.[19]

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[14] D.25-06-007 at 8-9 (citing D.11-10-002 at 11). *See also* D.16-04-006 at 12 (“‘prudent’ management is the same as the ‘reasonable’ manager standard”).

[15] D.24-12-075 at 19-20 (citing D.02-08-064 at 6 [referencing D.87-06-021] and also D.24-05-037 at 10-11).

[16] D.24-12-075 at 19 (referencing D.02-08-064 at 6 and D.14-06-007 at 31, 36).

[17] D.05-08-037 at 10-11 (citing D.89-02-074).

[18] D.02-08-064 at 7 (citing D.90-09-088).

[19] *See* D.25-06-007 at 9 (citing D.16-04-006 at 11).

In addition to satisfying the prudent manager standard, each CCA filing a compliance application under the BioMAT program is required "to demonstrate compliance with BioMAT requirements...".[20] To accomplish this, the CCA is expected to present an evidentiary record that allows the Commission to "evaluate CCA compliance with a variety of BioMAT program elements, including but not limited to satisfaction of BioMAT tariff requirements, adherence to [California Independent System Operator ("CAISO")] market dispatch rules per SOC 4, operation of balancing accounts, and administration of BioMAT rate schedules…".[21]

IV. SUMMARY OF ACTIVITY

During the Record Period, 3CE's major activities for the BioMAT program include: (1) the sunset of the BioMAT PPR, (2) continued management of its one executed BioMAT PPA, and (3) continued compliance with the BioMAT Tariff and requirements of D.23-11-084. [22] As described further within the supporting testimony accompanying this application, this process resulted in 3CE continuing to monitor its first and only BioMAT PPA, which became effective on July 2, 2025. During the Record Period, Tracy Renewable Energy ("TRE") submitted periodic progress reports to 3CE. This included progress reports in October 2025, December 2025, March 2026, May 2026, June 2026, July 2026 and August 2026. 3CE staff also met to discuss progress with TRE representatives on April 24, 2026 and August 4, 2026.

In the August 4, 2026 meeting, TRE confirmed with 3CE the need to adjust the Commercial Operation Date ("COD") for the facility from February 26, 2027, to February 15, 2028. TRE provided 3CE with formal notice requesting the COD change on August 13, 2026. D.20-08-043

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[20] D.23-11-084 at 62; COL 11.

[21] D.23-11-084 at 52.

[22] 3CE also denied one PPR due to having an incomplete submission.

says the COD must be 36 months from the Contract Execution Date with the possibility of an additional six-month extension.[23] The Contract Execution Date was July 2, 2025, so the projected COD is still within the 42-month window.

3CE also applied a high standard of prudence in its oversight of TRE by requiring TRE to confirm that it continued to meet the Federal Energy Regulatory Commission requirements for certification as a qualifying facility and maintained pre-certification from the California Energy Commission. Consistent with D.26-07-043, in which the Commission directed 3CE to report on these matters as part of the next Reporting Period,[24] 3CE confirmed the status of these requirements and obtained supporting documentation from TRE. TRE provided documentation demonstrating that these milestones had been satisfied, which is included in 3CE's testimony.

V. REQUESTED RELIEF

In this application and supporting testimony, 3CE explains why the Commission should find that: (1) 3CE complied with the requirements set by the Commission in D.23-11-084 in implementing the BioMAT program during the Record Period; (2) 3CE complied with the CCA BioMAT tariff during the Record Period; and (3) 3CE's administration of its BioMAT PPA during the Record Period complies with the Commission's prudent manager standard. Since the resource underlying the BioMAT PPA has yet to generate and delivery energy, 3CE has limited information to report. However, 3CE will continue to report on the status of these issues in next year's compliance application.

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23 D.20-08-043 at 61; COL 9.

24 *See* D.26-07-043 at 45-46; COLs 12-14.

VI. SUMMARY OF TESTIMONY

Per D.23-11-084, compliance applications and supporting testimony should describe CCA compliance with the prudent manager standard, in addition to compliance with BioMAT tariffs, CAISO market dispatch rules per SOC 4, operation of balancing accounts, and administration of BioMAT rate schedules. 3CE's supporting testimony consists of six sections addressing these components:

- Section I provides an introduction to the testimony and an overview of its purpose.
- Section II provides a discussion of 3CE's implementation of the BioMAT program and compliance with the requirements set by D.23-11-084 implementing AB 843.
- Section III describes 3CE's compliance with the CCA BioMAT tariff.
- Section IV discusses 3CE's prudent management and administration of its BioMAT PPA during the Record Period.
- Section V describes 3CE's plans for its BioMAT balancing account operation and addresses IOU BioMAT NBC schedules.
- Section VI provides a conclusion and request for the relief sought herein.

VII. STATUTORY AND PROCEDURAL REQUIREMENTS

A. Authority

3CE makes this application pursuant to D.23-11-084. Rule 2.1 requires that all applications: (1) clearly and concisely state the authorization or relief sought; (2) cite the statutory or other authority under which that relief is sought; and (3) be verified by the applicant. The relief being sought is summarized in Section V above, and is further described in 3CE's supporting testimony served concurrently with this application. This application has been verified by a 3CE officer as provided in Rules 1.11 and 2.1. The remainder of Rule 2.1, and Rules 2.2, set forth further requirements addressed separately below.

B. Legal Name and Correspondence

Rule 2.1(a) requires all applications to state the exact legal name of each applicant and the location of principal place of business, and if an applicant is a corporation, trust, association, or other organized group, the State under the laws of which such applicant was created or organized.

The full legal name of the applicant herein is Central Coast Community Energy. 3CE's principal place of business is Monterey, California. 3CE's address is20 Ryan Ranch Road, Suite 214, Monterey, CA 93940. 3CE is organized as a joint powers authority ("JPA") formed under the laws of California.

Rule 2.1(b) requires all applications to state the name, title, address, telephone number, facsimile transmission number, and e-mail address of the person to whom correspondence or communications regarding the application are to be addressed. 3CE consents to email service of all notices, orders, and other correspondence and communications relating to this application. Correspondence or communications regarding this application should be addressed to:

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C. Proposed Category of Proceeding

Rule 2.1(c) requires that all applications shall state "the proposed category for the proceeding, the need for hearing, the issues to be considered, and a proposed schedule." The Commission should categorize this application as a "ratesetting" proceeding under Rule 7.1(e)(2) because it does not clearly fit into any of the categories as defined by Rules 1.3(a), 1.3(b), 1.3(f), and 1.3(g). While 3CE's application does not ask the Commission to set or investigate rates and therefore does not meet the definition of a "ratesetting proceeding" in Rule 1.3(g), the Commission should nevertheless categorize this application as a "ratesetting proceeding" and conduct the proceeding under the rules applicable to the ratesetting category because, per Rule 7.1(e)(2), the Commission has the authority to do so where a proceeding does not clearly fit into any of the categories as defined in Rules 1.3(a), (b), (f) and (g).

D. Need for Hearings

3CE does not believe the approval of this application will require hearings. Similar to A.25-08-015, 3CE's BioMAT resource has yet to come online within the Record Period. 3CE has provided supporting testimony to provide the Commission with a sufficient evidentiary record upon which to grant the relief requested on an ex parte basis.

E. Issues to be Considered

The primary consideration of this application is whether 3CE's administration of the BioMAT program during the Record Period, including the implementation of policies, practices, and procedures described herein, complied with the Commission's BioMAT program requirements and the Commission's prudent contract manager standard.

F. Proposed Schedule

3CE proposes the following schedule for the consideration of its application.

Application filed	September 1, 2026
Protests/Responses due	October 5, 2026
Reply to Protests	October 15, 2026
Pre-Hearing Conference	November 24, 2026
Opening Intervenor Testimony (if any)	January 12, 2027
Concurrent Rebuttal Testimony (if any)	March 5, 2027
Evidentiary Hearings (if needed)	April 15, 2027

Opening Briefs (if needed)	June 1, 2027
Reply Briefs (if needed)	June 15, 2027
Proposed Decision	July 2027
Final Decision	August 2027

This schedule would satisfy the Commission's requirement that ratesetting proceedings be resolved within 18 months or less and is responsive to feedback provided by staff in the Renewables Procurement Energy Division at the Commission that it would be ideal for this proceeding to conclude before the next annual September 1 filing deadline to avoid overlap. 3CE's prior annual compliance proceeding, A.25-08-015, resolved in less than eleven months, with an application filing date of August 30, 2025 and the final decision (D.26-07-043) was issued on July 20, 2026. 3CE anticipates that a similar procedural schedule is appropriate for the instant proceeding given its similarity in scope. This schedule allows time for evidentiary hearings, though such hearings were not necessary for the previous application and 3CE does not anticipate needing them for this application.

G. Articles of Incorporation

3CE is a CCA operating as a JPA established and operating under Government Code Section 6500 *et. Seq* and Section 331.b. 3CE submitted its initial Implementation Plan to the Commission on August 16, 2017. That initial Implementation Plan was certified by the Commission on November 15, 2017, and 3CE successfully launched the program on March 1, 2018, to its initial member agencies. 3CE has subsequently expanded service to other member agencies, most recently initiating service to include the County of San Luis Obispo pursuant to Addendum No. 5 to the Implementation Plan, certified by the Commission on August 11, 2023. 3CE is engaged in the provision of electric generation service under the authority granted in Section 366.2 and offers the BioMAT program under the authority granted by AB 823 and D.23-

11-084. A copy of 3CE's current Amended JPA, amended on May 15, 2023, is available on 3CE's website.[25]

VIII. SERVICE

Pursuant to D.23-11-084, 3CE has served this application and supporting testimony on the service list of the most current Renewables Portfolio Standard proceeding, R.24-11-017.[26]

IX. CONCLUSION

3CE has included herein all of the information required to support its application, and will provide orally or in writing any other information the Commission finds necessary to act on the application. 3CE respectfully requests that the Commission review and approve this application in its totality according to the schedule proposed above.

Dated: September 1, 2026

Respectfully submitted,

/s/ Jerri Gilles

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25 Central Coast Community Energy Joint Powers Agreement, effective January 20, 2017, as further amended by Amendment No. 6 dated May 15, 2023, available at 6th-Amended-JPA.pdf

26 *See* D.23-11-084 at 53.

ATTACHMENT A

3CE VERIFICATION

Verification

Pursuant to Rules 1.11 and 2.1 of the California Public Utilities Commission's Rules of Practice and Procedure, Central Coast Community Energy provides this Verification. I am an authorized employee of the reporting organization herein and am authorized to make this verification on its behalf. The statements in the forgoing 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 the penalty of perjury that the foregoing is true and correct.

Executed on September 1, 2026, at Monterey, California.

Respectfully submitted,

/s/ Jerri Gilles

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