#### **DRAFT**

### PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

**ENERGY DIVISION** 

Agenda ID# 23520 RESOLUTION E-5392 June 26, 2025

## RESOLUTION

Resolution E-5392. Annual update to administratively set fixed avoided-cost rates for the Renewable Market Adjusting Tariff (ReMAT) program pursuant to Commission Decision 20-10-005.

#### PROPOSED OUTCOME:

- Adopts updated fixed prices by Product Category to the feed-in tariff program known as ReMAT.
- Directs Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) to amend their ReMAT tariffs to reflect updated fixed prices by Product Category.

### SAFETY CONSIDERATIONS:

 ReMAT standard contracts contain Commission-approved safety provisions. There are no expected incremental safety implications associated with the approval of this Resolution.

#### **ESTIMATED COST:**

• This Resolution will lead to increased ratepayer costs as additional ReMAT contracts are procured.

By Energy Division's Own Motion.	

### **SUMMARY**

This Resolution adopts updated contract prices by Product Category for the feed-in tariff program, known as the Renewable Market Adjusting Tariff (ReMAT), using price data from Renewables Portfolio Standard (RPS) contracts executed between 2020 and 2024. In addition, it orders Pacific Gas and Electric Company (PG&E), Southern

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California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) to amend their ReMAT tariff to reflect the adopted fixed prices by Product Category.

### **BACKGROUND**

### Overview of the Renewables Portfolio Standard (RPS) Program

The California RPS program was established by Senate Bill (SB) 1078 and subsequently modified by SB 107, SB 1036, SB 2 (1X), SB 350, and SB 100.¹ Under SB 100, the RPS program administered by the California Public Utilities Commission (Commission or CPUC) requires each retail seller to procure eligible renewable energy resources so that the amount of electricity generated from eligible renewable resources is an amount that equals 60% by 2030 and sets the goal that all the state's retail electricity is to come from renewable and carbon-free resources by 2045².

## Overview of the Renewable Market Adjusting Tariff (ReMAT) Program

The ReMAT program is a feed-in tariff program for small renewable energy generators less than or equal to three (3) megawatts (MW) in size and was established by AB 1969<sup>3</sup> and amended by SB 380<sup>4</sup>, SB 32<sup>5</sup>, and SB 2 (1X). The program, as defined in Public Utilities Code § 399.20, commenced in 2008 offering a fixed price standard contract to eligible renewable resources to export electricity to California's three large investor-owned utilities (IOUs).<sup>6</sup> Section 399.20(d)(2)(C) requires the Commission to set prices for three product categories: baseload, peaking as-available, and non-peaking

<sup>&</sup>lt;sup>1</sup> SB 1078 (Sher, Chapter 516, Statutes 2002); SB 107 (Simitian, Chapter 464, Statutes 2006); SB 1036 (Perata, Chapter 685, Statutes 2007); SB 2 (1X) (Simitian, Chapter 1, Statutes 2011, First Extraordinary Session); SB 350 (de León, Chapter 547, Statues 2015); SB 100 (de León, Chapter 312, Statues 2018).

<sup>&</sup>lt;sup>2</sup> Additional information about the CPUC's RPS program is available at <a href="https://www.cpuc.ca.gov/rps/">https://www.cpuc.ca.gov/rps/</a> and <a href="https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-program-overview/rps-decisions-and-proceedings">https://www.cpuc.ca.gov/rps/</a> and <a href="https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-program-overview/rps-decisions-and-proceedings">https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-program-overview/rps-decisions-and-proceedings</a>.

<sup>&</sup>lt;sup>3</sup> AB 1969 (Yee, Chapter 731, Statutes 2006).

<sup>&</sup>lt;sup>4</sup> SB 380 (Kehoe, Chapter 544, Statutes 2008).

<sup>&</sup>lt;sup>5</sup> SB 32 (McLeod, Chapter 328, Statues 2009).

<sup>&</sup>lt;sup>6</sup> All further statutory references are to the Public Utilities Code unless otherwise specified.

as-ailable.<sup>7</sup> Electricity generated as part of the ReMAT program counts towards the IOUs' RPS requirements.<sup>8</sup>

The ReMAT program must be consistent with the Public Utility Regulatory Policies Act of 1978 (PURPA) and requires that Federal Energy Regulatory Commission (FERC) jurisdictional generators participating in the program register with FERC as Qualifying Facilities (QFs).<sup>9,10</sup>

# Overview of the Public Utility Regulatory Policies Act of 1978 (PURPA)

The Federal Power Act grants exclusive jurisdiction to FERC to regulate wholesale electricity sales in interstate commerce. The exception to FERC's authority over wholesale electricity rates is established by PURPA which authorizes state public utilities commissions to set or approve wholesale prices for purchases from QFs at utilities' avoided cost in accordance with PURPA.<sup>11</sup>

### **Current Status of ReMAT**

Section 399.20 requires the Commission to establish a pricing methodology that determines the market price of electricity. Decision (D.) 20-10-005, issued October 16, 2020, adopted a methodology for an administrative determination of prices by ReMAT Product Category based on the market price for recently executed long-term contracts for RPS energy, and directed the Energy Division to issue an annual draft Resolution beginning May 2021 to update the administratively set fixed avoided-cost market price for each ReMAT Product Category using the most recently executed RPS contract price data.<sup>12</sup>

<sup>&</sup>lt;sup>7</sup> See D. 12-05-035 at 42-43 ("Baseload projects provide firm energy deliveries (e.g., bioenergy and geothermal); peaking projects provide non-firm energy deliveries during peak hours (e.g., solar); and non-peaking as-available projects provide non-firm energy deliveries during non-peak hours (e.g., wind and hydro).").

<sup>&</sup>lt;sup>8</sup> Additional information on ReMAT is available at <a href="https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-procurement-programs/renewable-market-adjusting-tariff">https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-procurement-programs/renewable-market-adjusting-tariff</a>.

<sup>&</sup>lt;sup>9</sup> Qualifying Facilities are small renewable resources, such as solar and wind energy, or alternative technologies that are defined under PURPA. See: <a href="https://www.ferc.gov/qf">https://www.ferc.gov/qf</a>.

<sup>&</sup>lt;sup>10</sup> See D.13-05-034 clarifying that participation in the ReMAT program is only available to QF sellers.

<sup>&</sup>lt;sup>11</sup> 16 U.S.C. § 824a-3(f), CPUC, 133 FERC ¶ 61,059 at P 5 (2010) (affirming Cal. Pub. Utils. Comm'n), 132 FERC ¶ 61,047 at PP 65, 67 (2010) that "state commission may, pursuant to PURPA, determine avoided cost rates for qualifying facilities (QF)".

<sup>&</sup>lt;sup>12</sup> See Ordering Paragraph (OP) 3 of D.20-10-005.

In D.21-12-032, issued December 17, 2021, SDG&E was directed to reopen its ReMAT program.<sup>13</sup> Additionally, IOUs were required to modify aspects of their ReMAT programs including permitting program eligibility for eligible resources enhanced with storage and establishing a *de minimis* threshold for each Product Category.

As of February 2025, the IOUs have procured 63 contracts through ReMAT since the program's inception, for approximately 107 MW of capacity. See Table 1 below for a breakdown of ReMAT contract procurements per year by technology type.

Table 1: Executed ReMAT Contracts Per Year by Technology Type<sup>14</sup>

Technology									
Type	2013	2014	2015	2016	2017	2021	2023	2024	TOTAL
Biogas					1				1
Landfill Gas	1	1							2
Small Hydro	9	6	4	4	5	4			32
Solar PV	3	7	5	4	3	1	3	1	27
Wind			1						1
TOTAL	13	14	10	8	9	5	3	1	63

#### **DISCUSSION**

This Resolution adopts the Energy Division's 2025 annual update to administratively set fixed avoided cost rates for each ReMAT Product Category pursuant to D.20-10-005. As a result, PG&E, SCE, and SDG&E are directed to modify their ReMAT program tariffs to reflect the fixed prices by Product Category presented in Part 2 below.

## Part 1: Methodology of Administratively Set ReMAT Prices

D.20-10-005 adopted a methodology to set ReMAT's Product Category prices using the weighted average of IOUs', and if available, Community Choice Aggregators' (CCAs) and Electric Service Providers' (ESPs) recent wholesale RPS contracts with RPS facilities

<sup>13</sup> SDG&E's ReMAT program closed in 2016, pursuant to D.13-05-034, which authorized the IOUs to close their ReMAT programs 24 months after one of the three Product Categories' capacity reached a de minimis threshold.

<sup>&</sup>lt;sup>14</sup> New ReMAT contracts were suspended by the CPUC from December 2017 to October 2020 as the CPUC modified the program to make it PURPA compliant. As such, no new contracts were procured in 2018, 2019, and 2020.

with a capacity of 20 MW or less, with a lookback period sufficient to preserve the confidentiality of market-sensitive pricing information of individual contracts. However, Ordering Paragraph (OP) 3 of D.20-10-005 allows the Energy Division to propose modifications to the adopted methodology of administratively set ReMAT prices by Product Category to ensure that confidentiality is maintained and that a complete data set of RPS contracts is used in setting prices.

In February 2025, the Energy Division received data responses to its Semi-Annual RPS- Power Charge Indifference Adjustment (PCIA) Data Report for Load Serving Entities (LSEs), where all CPUC-jurisdictional LSEs provided contract information on sales and purchases for RPS energy. Pursuant to OP 3 of D.20-10-005, the methodology of administratively set 2025 ReMAT prices by Product Category is proposed to incorporate RPS contract prices by all LSE types executed between 2020 and 2024, a lookback period that preserves the confidentiality of market-sensitive pricing information of individual contracts while best determining the market price for the next increment of RPS procurement. ReMAT Product Category prices continue to be based on RPS contracts with facilities 20 MW or less in size, which best represents the avoided cost to the utility of purchasing energy from a ReMAT generator for the Product Category.

# Part 2: May 2025 Pricing Update for ReMAT Product Categories

Energy Division Staff has calculated the average contract price weighted by generator capacity for RPS resources to establish updated ReMAT Product Category prices (Table 2). The average RPS contract data originates from renewable energy contracts for projects 20 MW or less in size executed by IOUs, CCAs, and ESPs between 2020 and

<sup>&</sup>lt;sup>15</sup> Data requests associated with the Power Charge Indifference Adjustment (PCIA) rulemaking and the legislatively mandated RPS Padilla Report (Public Utilities Code § 913.3(a)–(d)) were consolidated to streamline the data collection process, provide greater certainty on what data will be requested in the future, and provide more transparency into the RPS data that Energy Division is requesting from all LSEs. For the February 2025 reports, information was required for both index-plus Renewable Energy Credit (REC) and fixed price contracts for RPS products 1) executed since 2020, 2) and executed contracts that are in development or online with deliveries in 2020-2027.

<sup>&</sup>lt;sup>16</sup> D.20-10-005 authorizes the lookback period to be reduced or increased as necessary to protect market-sensitive price information, consistent with the Commission's confidentiality rules, to reflect the most recent RPS contracts for each ReMAT Product Category.

<sup>&</sup>lt;sup>17</sup> See Conclusion of Law 11 and 39 in D.20-10-005.

<sup>&</sup>lt;sup>18</sup> The attached Appendix lists the data set of RPS contracts used to update the ReMAT Product Category prices presented in Table 2.

2024,<sup>19</sup> and have been categorized by representative Product Category. The RPS contract data set, in the Appendix to this Resolution, preserves the confidentiality of market-sensitive contract prices and conforms with the Commission's confidentiality rules.<sup>20</sup>

Table 2: Weighted Average RPS Contract Prices Executed 2020-2024<sup>21</sup>

ReMAT Product Category	Weighted Average Price (\$/MWh)
As-Available Non-Peaking	\$52.85
As-Available Peaking	\$67.99
Baseload	\$75.96

Within 30 days of the effective date of this Resolution, the IOUs shall file Tier 1 advice letters amending their ReMAT tariffs to reflect the fixed prices offered by Product Category exhibited in Table 2 above.<sup>22</sup> This Resolution does not affect any currently executed ReMAT contracts.

Table 3 below shows calculated ReMAT Product Category prices for 2024 vs. 2025. The table reflects that only the prices for the "As-Available Peaking" category changed for 2025 and the prices for "As-Available Non-Peaking" and "Baseload" remain unchanged. This is because no RPS contracts applicable to the weighted average calculations for "As-Available Non-Peaking" and "Baseload" were procured in 2024. <sup>23</sup> However, contracts applicable to the weighted average calculation for the "As-Available Peaking" category were procured in 2024. Thus, the lookback period used for calculating the prices for the three product categories was adjusted from 2020 to 2023 (4 years) for 2024's calculations to 2020 to 2024 (5 years) for 2025's calculations.

<sup>&</sup>lt;sup>19</sup> See Order Paragraph 3 in D.20-10-005.

<sup>&</sup>lt;sup>20</sup> See D.06-06-066, as modified.

<sup>&</sup>lt;sup>21</sup> The average RPS contract prices weighted by nameplate capacity in Table 2 were generated through LSEs' responses to the February 2025 Semi Annual RPS-PCIA Data Report for LSEs. All contracts included in the weighted average contract price by Product Category were executed between 2020 and 2024 and are for projects that are 20 MW or less in nameplate capacity. This average excludes mandated RPS procurement contracts.

<sup>&</sup>lt;sup>22</sup> See Ordering Paragraph 4 in D.20-10-005.

<sup>&</sup>lt;sup>23</sup> The weighted averages for ReMAT product categories consider RPS contracts of 20 MW or less, with terms of 10 years or more, and with delivery profiles that are comparable to one of the three ReMAT product categories. State-mandated contracts, including ReMAT contracts themselves, are excluded from the calculations.

Table 3: 2024 vs. 2025 ReMAT Prices

ReMAT Product Category	2024	2025		
	ReMAT Prices (\$/MWh)	ReMAT Prices (\$/MWh)		
As-Available Non-Peaking	\$52.85	\$52.85		
As-Available Peaking	\$71.94	\$67.99		
Baseload	\$75.96	\$75.96		

#### **COMMENTS**

Public Utilities Code section 311(g)(1) provides that this Resolution must be served on all parties and subject to at least 30 days of public review. Any comments are due within 20 days of the date of its mailing and publication on the Commission's website and in accordance with any instructions accompanying the notice. Section 311(g)(2) provides that this 30-day review period and 20-day comment period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day review and 20-day comment period for the draft of this resolution was neither waived nor reduced. Accordingly, this draft resolution was mailed to parties for comments and will be placed on the Commission's agenda no earlier than 30 days from today.

### FINDINGS AND CONCLUSIONS

- 1. The Commission ordered the Energy Division to propose annual price updates by draft Resolution to ReMAT Product Categories based on recently executed RPS contract prices.
- 2. The Commission authorized the Energy Division to update the administratively set fixed avoided-cost rate for each ReMAT Product Category with RPS contracts executed by IOUs, CCAs, and ESPs if the Energy Division possesses complete data sets of the RPS contracts.
- The Energy Division possesses complete RPS contract price data from all IOUs, CCAs, and ESPs through their February 2025 responses to the Semi-Annual RPS-PCIA Data Report.

- 4. The Commission authorized the Energy Division to adjust the lookback period to protect market-sensitive price information consistent with the California Public Utilities Commission's confidentiality rules to reflect the most recent RPS contract prices for each ReMAT Product Category.
- 5. The use of RPS contracts between 2020 and 2024, inclusive, preserves the confidentiality of market-sensitive contract prices.
- 6. RPS contracts with facilities 20 MW and less, over a 5-year lookback period best represent the cost to the utility of purchasing energy from a ReMAT generator for the Product Category.

## **THEREFORE IT IS ORDERED THAT:**

1. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall file Tier 1 advice letters within 30 days of the effective date of this Resolution with amended ReMAT tariffs that include the revised 2025 contract pricing by ReMAT Product Category described in Part 2 of this Resolution.

This Resolution is effective today.

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on June 12, 2025; the following Commissioners voting favorably thereon:

Commissioner Signature blocks to be added upon adoption of the resolution

Dated June 26th, 2025 at San Francisco, California

APPENDIX: RPS Contracts Used to Inform Fixed Prices by ReMAT Product Category

Table A: Recent RPS Contracts Used to Inform ReMAT Prices<sup>24</sup>

LSE Type	Project Name	County	Year of Contract Executio n	Technolo gy Type	Contrac t Capacit y (MW)	Contrac t Length (Years)	Facility Status	Product Category
CCA	Paulsell	Stanislau s	2020	Solar PV + Storage	20.00	20	Online	AA Non- Peaking
IOU	BCE Los Alamitos	Orange	2020	Solar PV + Storage	20.00	10	Online	AA Non- Peaking
CCA	Kern and Tule Hydro LLC	Kern	2020	Small Hydro	11.50	15	Online	AA Non- Peaking
CCA	Gibson Solar	Yolo	2020	Solar PV	20.00	20	In Developme nt	AA Peaking
CCA	Lake Herman	Solano	2020	Solar PV	5.00	20	Online	AA Peaking
IOU	Visalia CSG LLC	Tulare	2020	Solar PV	3.00	10	Online	AA Peaking
CCA	Open Mountain Energy	Esmerald a, NV	2022	Geotherm al	2.42	20	In Developme nt	Baseload
CCA	Prologis Wilmingt on 1, Vintage 2023-2028 PCC1	Los Angeles	2022	Solar PV	0.60	15	In Developme nt	AA Peaking
CCA	Prologis Domingu ez,	Los Angeles	2022	Solar PV	0.64	15	In Developme nt	AA Peaking

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<sup>&</sup>lt;sup>24</sup> Projects may appear more than once as multiple entities can report contracts with the same project. Where the total capacity of the project is 20 MW or less, those contracts are eligible for inclusion in the analysis of this Resolution.

LSE Type	Project Name	County	Year of Contract Executio n	Technolo gy Type	Contrac t Capacit y (MW)	Contrac t Length (Years)	Facility Status	Product Category
	Vintage 2023-2028 PCC1							
CCA	Prologis El Segundo, Vintage 2023-2028 PCC1	Los Angeles	2022	Solar PV	1.92	15	In Developme nt	AA Peaking
CCA	Prologis Wilmingt on 2, Vintage 2023-2028 PCC1	Los Angeles	2022	Solar PV	1.80	15	In Developme nt	AA Peaking
CCA	Pivot - Beverly, Vintage 2023-2038 PCC1	Los Angeles	2022	Solar PV	0.40	15	In Developme nt	AA Peaking
CCA	Pivot - San Gabriel, Vintage 2023-2038 PCC1	Los Angeles	2022	Solar PV	0.27	15	In Developme nt	AA Peaking
CCA	Humboldt House Geotherm al LLC	Pershing, NV	2022	Geotherm al	20.00	21	In Developme nt	Baseload
CCA	CES Electron Farm One	Fresno	2022	Solar PV	0.24	20	In Developme nt	AA Peaking

LSE Type	Project Name	County	Year of Contract Executio n	Technolo gy Type	Contrac t Capacit y (MW)	Contrac t Length (Years)	Facility Status	Product Category
CCA	Ranch Sereno Clean Power LLC	Contra Costa	2022	Solar PV	4.40	20	In Developme nt	AA Peaking
CCA	Whitegras s No. 2	Lyon, NV	2022	Geotherm al	6.00	20	In Developme nt	Baseload
CCA	Dos Palos Clean Power	Merced	2022	Solar PV	3.00	20	In Developme nt	AA Peaking
CCA	Fish Lake Geotherm al Project	Esmerald a, NV	2022	Geotherm al	2.30	20	In Developme nt	Baseload
CCA	CC Power Fish Lake Geotherm al	Esmerald a, NV	2022	Geotherm al	0.36	20	In Developme nt	Baseload
CCA	OME	Esmerald a, NV	2022	Geotherm al	2.26	20	In Developme nt	Baseload
CCA	West Tambo Clean Power II	Merced	2022	Solar PV	1.74	15	Online	AA Peaking
CCA	Fish Lake (OME) Geotherm al	Esmerald a, NV	2022	Geotherm al	1.82	20	In Developme nt	Baseload
CCA	Fish Lake Geotherm al	Esmerald a, NV	2022	Geotherm al	1.15	20	In Developme nt	Baseload
CCA	Fish Lake Geotherm al	Esmerald a, NV	2022	Geotherm al	0.42	20	In Developme nt	Baseload

LSE Type	Project Name	County	Year of Contract Executio n	Technolo gy Type	Contrac t Capacit y (MW)	Contrac t Length (Years)	Facility Status	Product Category
CCA	Prologis Carson 1, Vintage 2025-2040 PCC1	Los Angeles	2023	Solar PV	0.68	20	In Developme nt	AA Peaking
CCA	Prologis Commerc e 4, Vintage 2025-2040 PCC1	Los Angeles	2023	Solar PV	1.24	20	In Developme nt	AA Peaking
CCA	Prologis Eaves 1, Vintage 2025-2040 PCC1	Los Angeles	2023	Solar PV	0.68	20	In Developme nt	AA Peaking
CCA	Prologis Eaves 3, Vintage 2025-2040 PCC1	Los Angeles	2023	Solar PV	0.67	20	In Developme nt	AA Peaking
CCA	Prologis South Bay 6, Vintage 2025-2040 PCC1	Los Angeles	2023	Solar PV	1.38	20	In Developme nt	AA Peaking
CCA	Prologis South Bay 20, Vintage 2025-2040 PCC1	Los Angeles	2023	Solar PV	1.32	20	In Developme nt	AA Peaking
CCA	Lockhart Solar, LLC	San Bernardi no	2023	Solar PV	4.00	20	In Developme nt	AA Peaking

LSE	Project	County	Year of	Technolo	Contrac	Contrac	Facility	Product
Type	Name		Contract	gy Type	t	t	Status	Category
			Executio		Capacit	Length		
			n		y (MW)	(Years)		
CCA	Harper	San	2023	Solar PV	4.00	20	In	AA Peaking
	Solar,	Bernardi					Developme	
	LLC	no					nt	
CCA	BCE Seal	Los	2023	Solar PV +	20.00	10	In	AA Non-
	Beach,	Angeles		Storage			Developme	Peaking
	LLC						nt	
CCA	Twin	Mendoci	2023	Solar PV	4.99	20	In	AA Peaking
	Pines	no					Developme	
							nt	
CCA	Redemeye	Mendoci	2023	Solar PV	4.00	20	In	AA Peaking
	r	no					Developme	
							nt	
CCA	Foster	Humbold	2024	Solar PV	4.00	20	In	AA Peaking
	Clean	t					Developme	
	Power B						nt	
IOU	Windhub	Kern	2024	Solar PV	20.00	15	In	AA Peaking
	Solar B,						Developme	
	LLC						nt	

**Table B: Summary of Table A by Product Category** 

Representative ReMAT	Range of RPS Contract	Number of
<b>Product Category</b>	Capacity (MW)	Contracts
As-Available Non-Peaking	11.5-20	4
As-Available Peaking	0.24-20	25
Baseload	0.36-20	9
	TOTAL	38

Table C: Summary of Table A by Technology Type

Technology Type	2020	2022	2023	2024	TOTAL
Geothermal		9			9
Small Hydro	1				1
Solar PV	3	10	10	2	25
Solar PV + Storage	2		1		3
TOTAL	6	19	11	2	38

Table D: Summary of Table A by Contract Capacity (MW)

Technology Type/					
LSE Type	2020	2022	2023	2024	TOTAL
Geothermal		36.73			36.73
CCA		36.73			36.73
Small Hydro	11.50				11.50
CCA	11.50				11.50
Solar PV	28.00	15.01	22.96	24.00	89.97
CCA	25.00	15.01	22.96	4.00	66.97
IOU	3.00			20.00	23.00
Solar PV + Storage	40.00		20.00		60.00
CCA	20.00		20.00		40.00
IOU	20.00				20.00
TOTAL	79.50	51.74	42.96	24.00	198.20