

Decision **PROPOSED DECISION OF ALJ ATAMTURK (Mailed 9/18/25)**

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

DECISION DENYING PETITION TO MODIFY DECISION 20-08-043

TABLE OF CONTENTS

Title	Page
DECISION DENYING PETITION TO MODIFY DECISION 20-08-043	1
Summary	2
1. Background	2
1.1. BioMAT Program Overview	2
1.2. Procedural Background	4
2. Relief Requested and Party Positions.....	4
3. Discussion	6
3.1. Timeliness of the Petition	6
3.2. The Request to Extend or Remove the Program End Date is Denied.....	8
3.2.1. BAC's Request and Party Positions.....	8
3.2.2. Conclusion	13
3.3. BAC's Requests for Programmatic Changes are Summarily Denied	20
4. Summary of Public Comment	20
5. Comments on Proposed Decision.....	20
6. Assignment of Proceeding	21
Findings of Fact.....	21
Conclusions of Law	22
ORDER	22

DECISION DENYING PETITION TO MODIFY DECISION 20-08-043**Summary**

This decision denies the March 6, 2025, petition to modify Decision (D.) 20-08-043, filed by the Bioenergy Association of California, seeking to extend or remove the end date of the Bioenergy Market Adjusting Tariff (BioMAT) and proposing other programmatic changes, primarily due to underutilization of this high-cost program and availability of other procurement options for bioenergy resources. Maintaining the BioMAT end date, December 31, 2025, as directed by the Commission in D.20-08-043, is in alignment with October 30, 2024, Governor's Executive Order N-5-24 on affordability, and will allow Commission resources to be directed toward more effective clean energy programs.

This proceeding is closed.

1. Background

Section 1.1 provides an overview of the Bioenergy Market Adjusting Tariff (BioMAT) program and Section 1.2 provides the procedural background.

1.1. BioMAT Program Overview

The Feed-in Tariff (FiT) program is a policy mechanism designed to accelerate investment in small, distributed renewable energy technologies via contracts with terms of 10 years or longer and price certainty. The investor-owned utilities (IOUs) are required to procure renewable energy through mandated feed-in tariff programs to meet additional policy goals.

The BioMAT is a FiT program for small bioenergy renewable generators established by Senate Bill (SB) 1122 (Rubio, Chapter 612, Statutes of 2012) and launched by the IOUs in 2016. SB 1122 required 250 megawatts (MW) of small-scale bioenergy procurement by the IOUs. In 2021, Assembly Bill (AB) 843

(Aguiar-Curry, Chapter 234, Statutes of 2021) authorized Community Choice Aggregators (CCAs) to participate in the program.

The intent of the program is to encourage growth in electrical generation from eligible small, bioenergy resources. The program offers eligible projects a fixed-price standard contract to export electricity to California's IOUs. Procured projects must be 3 MW or less in size but can be up to 5 MW in nameplate capacity. These small-scale projects can be procured in three categories: Category 1 (Biogas from wastewater treatment, municipal organic waste diversion, food processing, and co-digestion - 110 MW); Category 2 (Dairy and other agricultural bioenergy - 90 MW); and, Category 3 (Bioenergy using byproducts of sustainable forest management, including fuels from high hazard zones effective February 1, 2017 - 50 MW). Electricity generated from the BioMAT program counts towards the Renewables Portfolio Standard (RPS) targets.¹

The Commission set an end date for the BioMAT Program five years from the program's start to provide developers a fair opportunity "to learn the rules and propose viable projects, while not allowing the price adjustments (leading to price uncertainty) to go on indefinitely."² In D.20-08-043, the Commission extended the end date an additional five years to allow more time for additional project development and provide long-term programmatic certainty "while

¹ More information on BioMAT can be found here:

<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-procurement-programs/rps-sb-1122-biomat>

² D.14-12-081 at 70-71.

maintaining the Commission's direction to establish a clear program end date."³

In addition to the program end date, the Commission made several other modifications since the program's inception, and these modifications are listed in Section 3.2.2. Most recently, D.23-11-084 established rules to enable CCAs to participate in BioMAT.

1.2. Procedural Background

On March 6, 2025, the Bioenergy Association of California (BAC) filed a petition to modify D.20-08-043 (Petition). The following parties filed responses to the Petition on April 7, 2025: Public Advocates Office (Cal Advocates); California Association of Sanitation Agencies (CASA); California Biomass Energy Alliance (CBEA); Center for Biological Diversity/Partnership for Public Integrity (CBD/PFPI); California Forestry Association (CFA); Dairy Cares/Agricultural Energy Consumers Association (AECA); Green Power Institute (GPI); Pioneer Community Energy/Redwood Coast Energy Authority (Joint CCAs); Pacific Gas and Electric Company (PG&E); and Southern California Edison Company (SCE). BAC filed a reply to the responses on April 17, 2025.

2. Relief Requested and Party Positions

In its Petition, BAC requests several changes to the BioMAT program "to ensure that the BioMAT program meets the requirements of state law and other important state policies, including wildfire mitigation, protection of air quality, reduction of Short-Lived Climate Pollutant emissions, and energy reliability."⁴

These requested changes are as follows:

³ D.20-08-043 at 10-11.

⁴ Petition at 3-4.

- Removing the program end date until the megawatts required by the statute have been procured or extending the program end date to 2035;
- Adjusting program prices to reflect inflation, at least in BioMAT Feedstock Category 1;
- Removing the utility specific allocations within each feedstock category; and,
- Facilitating the use of BioMAT projects for microgrids, resource adequacy, and power for vehicle charging under the Low Carbon Fuel Standard Program.⁵

All parties responding to the Petition, except for Cal Advocates, PG&E, and SCE, substantively support BAC's Petition. The party arguments on substance will be discussed in Section 3.2.1.

Several parties oppose the Petition on procedural grounds. Cal Advocates and PG&E argue that the Petition is redundant as potential BioMAT program adjustments are within the scope of the Commission's current RPS proceeding, R.24-01-017, and for that reason, they recommend that the Petition be rejected on procedural grounds.

CBD/PFPI also request that the Commission reject the Petition on procedural grounds for violating Rule 16.4 of the Commission's Rules of Practice and Procedure (Rules), requiring citations for factual allegations, which CBD/PFPI assert the Petition lacks. CBD/PFPI also argue that the Petition's policy arguments support bioenergy in general and that many of the Petition's claims are neither factual nor specific to BioMAT.⁶

⁵ Petition at 3.

⁶ CBD/PFPI Response at 2-3.

3. Discussion

Upon reviewing the Petition, party responses, and the Petitioner's reply to responses, primarily due to high costs and underutilization of the program and availability of other procurement options for bioenergy resources, the Commission denies BAC's request to extend or eliminate the BioMAT program's end date.

3.1. Timeliness of the Petition

Rule 16.4 requires petitions for modification to be filed and served within one year of the effective date of the decision proposed to be modified. If more than one year has elapsed, the petition must explain why the petition could not have been presented within one year of the effective date of the decision. BAC's explanation for filing the Petition more than one year after the issuance of D.20.08-043 is reasonable.

BAC cited the following reasons for filing the Petition more than one year after the issuance of D.20-08-043:⁷

- Lasting impacts of the Covid-19 pandemic on BioMAT procurement including extended supply chain disruptions, workforce availability, and inflation, leading to delays in project development;
- The passage of AB 843 allowing CCAs to participate in BioMAT;
- The California Air Resources Board's February 2021 plan to phase out the open burning of agricultural waste that calls for increased bioenergy production as a preferred alternative to open burning;

⁷ Petition at 4-6.

- The CalRecycle’s regulations to implement the landfill diversion requirement of SB 1383 allowing biomass conversion to electricity as an alternative to landfilling that waste becoming effective in January 2022.

Supporting BAC’s Petition, Dairy Cares/BAC state that the business disruption due to the pandemic, subsequent impacts on the economy, and interconnection delays have negatively affected BioMAT project development.⁸

In contrast, opposing BAC’s Petition, Cal Advocates recommends that the Commission deny the PFM as untimely because BAC cites previously rejected reasons to explain why its Petition could not have been presented within one year of the effective date of D.20-08-043, and that the Commission considered these arguments and denied BAC’s 2021 petition where it found that BAC “[did] not sufficiently justify the delayed filing” of its 2021 PFM.⁹

The Commission finds the Petition was filed more than one year after D.20-08-043 was effective. Among the reasons BAC provided to explain the Petition’s late filing date, the Commission finds that the passage of AB 843 in 2021 is the most relevant one. AB 843 allowed CCAs to participate in the BioMAT program. BAC points out that the Commission did not finalize program rules for CCAs until late 2023. Upon reviewing BAC’s reasoning, the Commission agrees that CCA participation in the BioMAT program could not have been anticipated within one year of the issuance of D.20-08-043, notes that

⁸ Dairy Care/BAC Response at 2.

⁹ Cal Advocates Response at 2 referring to D.24-03-003, *Decision Denying the Petition to Modify Decision (D.) 14-12-081 and D.20-08-043* at 6, issued in R.11-05-005.

D.23-11-084¹⁰ did not address an extension of the BioMAT program deadline, and concludes that BAC's Petition satisfies the timeliness requirement of Rule 16.4.

3.2. The Request to Extend or Remove the Program End Date is Denied

Upon considering the BioMAT program's history and current state, the Petition, responses, and BAC's reply to responses, the Commission denies BAC's request to extend or remove the end date of the BioMAT program. The BioMAT program will end on December 31, 2025, as directed by the Commission in D.20-08-043.¹¹

3.2.1. BAC's Request and Party Positions

The threshold issue raised by BAC in its Petition is whether the Commission should remove or extend the BioMAT program's end date. BAC points out that neither SB 1122, the legislation that established and amended the BioMAT program, nor the subsequent legislation including SB 840 (Budget, 2016), AB 1979 (Bigelow, 2016), AB 1923 (Wood, 2016), and AB 843 (Aguilar-Curry, 2021), that amended the program set a program end date. BAC contends that not removing or extending the sunset date will violate Public Utilities (Pub.

¹⁰ The Commission addressed CCA participation in the BioMAT program pursuant to AB 843 in Rulemaking 22-10-010. Scoping Memo (Rulemaking 22-10-010) at 2 ("This rulemaking is also not considering amendments to the sunset date. As noted in Decision (D.) 20-08-043, the Commission will monitor, review, and revise the BioMAT program in [R. 18-07-003] or its successor proceeding. Thus, that rulemaking is the appropriate place to consider programmatic changes to BioMAT not explicitly required by AB 843.")

¹¹ As stated in D.14-12-081, the end date means that the BioMAT tariff will no longer be required to be offered. Program end date does not affect the executed BioMAT contracts which will continue according to their terms and conditions.

Util.) Code Section 399.20 (f)(2).¹² BAC also argues that removing the program end date or, alternatively, extending the program until at least 2035, will advance state policies including, wildfire mitigation, reduction of landfill waste, reduction in air and water pollution.¹³ In addition, BAC asserts that failure to extend the program will sacrifice millions of dollars of federal funding, as several BAC members have received grants from the U.S. Forest Service and/or U.S. Department of Energy for BioMAT projects.¹⁴

CASA, CBEA, Dairy Cares/AECA, Forestry Association, GPI, and Joint CCAs support BAC's request. The supporting parties agree with BAC with respect to the absence of a statutory end date for the BioMAT program, and that the statute calls for at least 250 MW of procurement. In support of BAC's request, CASA states that while few projects have yet utilized the program, there are projects in planning or design that will take advantage of the program.¹⁵ Similarly, Joint CCAs argue that CCAs were not given sufficient time to develop projects after the passage of AB 843 and recommend that the end date be

¹² Pub. Util. Code Section 399.20 (f)(2) provides:

By June 1, 2013, the commission shall, in addition to the 750 megawatts identified in paragraph (1), direct the electrical corporations to collectively procure at least 250 megawatts of cumulative rated generating capacity from developers of bioenergy projects that commence operation on or after June 1, 2013. The commission shall, for each electrical corporation, allocate shares of the additional 250 megawatts based on the ratio of each electrical corporation's peak demand compared to the total statewide peak demand...

¹³ Petition 6-7.

¹⁴ Petition at 10.

¹⁵ CASA Response at 3.

extended for at least five years, which is, in CCA's view, comparable to the IOUs' time to implement their BioMAT programs.¹⁶ Supporting BAC's request, CBEA asserts that the achievement of the program's target goals will provide benefits to the state that far exceed its costs.¹⁷

CBD/PFPI, SCE, and PG&E oppose the Petition and do not agree with BAC's reasoning to eliminate or extend the program end date. CBD/PFPI argues that the PFM offers no evidence that BioMAT projects are useful at all to reduce the risks of catastrophic wildfires, or relatedly, to benefit ratepayers. CBD/PFPI further argues that the Petition misinterprets the "program end date" which is not a date when the program ends. CBD/PFPI notes that the "program end date" refers to the deadline after which participants can no longer accept the offered contract price.¹⁸ CBD/PFPI also adds that, the Petition's unsupported and often misleading policy arguments in this section cannot support a decision by the Commission to extend or remove the BioMAT end date or make any of the other program changes put forth in the Petition.¹⁹

SCE and PG&E also oppose extending or removing the 2025 program end date, stating that the program is administratively complex, costly, and largely unused. They point out that the participation levels remain low despite multiple program extensions and have achieved modest procurement to date. Rather than prolonging the current BioMAT framework, SCE recommends allowing the

¹⁶ Joint CCAs Response at 6.

¹⁷ CBEA Response at 2.

¹⁸ CBD/PFPI Response at 5-6.

¹⁹ CBD/PFPI Response at 8.

program to sunset as scheduled in 2025 and points out that developers will have a viable standard offer option in SCE's New Standard Offer Contract, adopted in D.20-05-005.²⁰ Noting BioMAT's structure with multiple feedstock categories and a complex pricing mechanism, SCE comments that the program design deters participation, limits transparency, and increases administrative costs. SCE states that it has contracted for only a small fraction of its 114 MW allocation to date, reflecting the program's low participation. According to SCE, these structural challenges undermine the program's ability to achieve its intended goals. While SCE acknowledges the potential wildfire mitigation benefits of bioenergy, it is SCE's anticipation that extending the program is likely to only continue the status quo.²¹

PG&E also supports ending the program to promote customer affordability and align with California's zero-carbon energy goals. While PG&E's BioMAT allocation of 111 MW out of the total 250 MW is small relative to PG&E's overall portfolio, the utility argues that its per megawatt-hour (MWh) costs are high – ranging from \$127.72 to \$199.72 – compared to other RPS-eligible resources.²²

In response to the high program cost arguments, BAC highlights that SB 1122 contains no cost caps, arguing that cost arguments do not justify ending a program before the required megawatts are procured. BAC also argues that the

²⁰ SCE Response at 1.

²¹ SCE Response at 1-2.

²² PG&E Response at 3.

proper cost comparison should be between BioMAT resources and new firm renewables, not utility-scale, intermittent renewables, as BioMAT resources are considered firm resources.²³

In the Petition, BAC cites the Commission's February 18, 2025 Response to Governor's Executive Order N-5-24 (Affordability Executive Order), which estimates a 0.3 percent reduction in average rates if BioMAT/BioRAM²⁴ were funded by non-ratepayer funds.²⁵ BAC argues that eliminating the BioMAT program would result in insignificant savings for ratepayers, especially when weighed against the direct ratepayer benefits that bioenergy provides in mitigating wildfire impacts.²⁶

In its response to the Petition, PG&E refers to the Affordability Executive Order and supports applying the affordability review directed by it and the Commission's February 2025 response, to the BioMAT program. PG&E recommends that "the Commission take every opportunity to review programs for affordability, including modifying or terminating those that add undue incremental cost to customers' bills, even if those costs are a relatively small portion of the total bill."²⁷ PG&E disagrees with the reasoning that high-cost programs are acceptable as long as their incremental costs are minimal. In

²³ BAC Reply at 19-20.

²⁴ Bioenergy Renewable Auction Mechanism, BioRAM, is a procurement program specifically aimed at utilizing forest biomass from high-risk areas for wildfire prevention.

²⁵ CPUC Response to Executive Order N-5-24 at 31.

²⁶ Petition at 3.

²⁷ PG&E Response at 3.

PG&E's view, this logic is flawed, as it would justify many small but costly programs that, in aggregate, result in substantial and unjust increases in energy costs.²⁸

3.2.2. Conclusion

Upon review of the Petition and responses, the Commission concludes that while the BioMAT program does not have a statutory end date, the Commission retains the discretion to end the program to ensure alignment with public interest and current regulatory objectives such as affordability. Based on the reasons discussed below, the Commission concludes that it is in the public interest to allow the BioMAT program to end by December 31, 2025, as set in D.20-08-043.

First, Pub. Util. Code Section 399.20(f)(2) authorizes the Commission to direct the IOUs to procure at least 250 MW of bioenergy capacity collectively but does not expressly prohibit the Commission to set an end date for the BioMAT Program for poor performance. Despite the statutory mandate set forth in Pub. Util. Code Section 399.20, the BioMAT program has not operated at a functional capacity. The program has failed to generate sufficient participation and yield material procurement results since its inception and despite numerous modifications. Since the program launched, it has been modified over the years with the anticipation that the modifications would increase BioMAT project uptake. These modifications include:

²⁸ PG&E Response at 3.

- extending the BioMAT program end date by five years to December 31, 2025;²⁹
- accelerating the Category 3 program periods from bimonthly to monthly to allow projects to bid into BioMAT sooner than later;³⁰
- adding fuel stocks from High Hazard Zones (HHZ) to Category 3 projects;³¹
- implementing SB 840, which provides increased interconnection queue and BioMAT program queue flexibility for Category 3 projects;³²
- increasing BioMAT project sizes from 3 MW to 5 MW;³³
- modifying BioMAT standard contract terms to remove perceived legal impediments so that pending BioMAT power purchase agreements (PPA) could continue being executed;³⁴
- implementing AB 1923, which allows interconnection of BioMAT projects at the transmission level (instead of only at the distribution level);³⁵
- eliminating the requirement that Category 2 other agriculture projects be located on “other agricultural premises” to provide increased project development flexibility and lower development costs;³⁶

²⁹ D.20-08-043 at 10-11, 60 (CoL 1).

³⁰ D.16-10-025 at 13, 121 (CoL 3).

³¹ D.16-10-025 at 9-10, 120 (CoL 1 and 2).

³² D.16-10-025 at 16-18.

³³ D.17-08-021 at 9 (CoL 2).

³⁴ *See* D.18-05-032.

³⁵ *See* D.18-11-004.

³⁶ *See* D.19-12-004.

- clarifying eligible fuel sources for Category 2 other agriculture;³⁷
- extending the BioMAT contract's Guaranteed Commercial Online Date by one year to allow BioMAT projects in development more time to come online;³⁸
- reducing Guaranteed Contract Quantity terms to allow more operational flexibility for BioMAT projects and ease project financing;³⁹
- waiving the Performance Tolerance Band Forecasting Penalty for the first year of a BioMAT project's operation to allow more operational flexibility and ease project financing;⁴⁰
- modifying BioMAT PPA Metering Requirements to reduce interconnection costs and provide greater flexibility in project design;⁴¹ and
- establishing deadlines for the IOUs to review BioMAT applications and execute contracts to decrease delays and increase program accountability.⁴²

Despite the modifications implemented over the years, the BioMAT program remains undersubscribed. As of February 2025, approximately 21 percent (51.4 MW/28 projects) of the program's 250 MW capacity target has

³⁷ D.20-08-043 at 18-20, 60 (CoL 6).

³⁸ D.20-08-043 at 23-24, 61 (CoL 9).

³⁹ D.20-08-043 at 24-28, 61 (CoL 10).

⁴⁰ D.20-08-043 at 28-30, 61 (CoL 11).

⁴¹ D.20-08-043 at 35-37.

⁴² D.20-08-043 at 40-43, 62 (CoL 16).

been subscribed (online and in development projects) since its launch in 2016.⁴³ Additionally, 16 projects totaling 33.8 MW were contracted but terminated before delivery, suggesting structural inefficiencies.⁴⁴ Over the past 10 years, program participation has been persistently low. The limited uptake, even after multiple modifications, including rules to enable CCAs to participate in BioMAT in late 2023, indicates that the program is not effectively designed to attract viable projects.

Second, there are currently other procurement programs for bioenergy resources that may better support state goals. Both CCAs and IOUs have access to procurement tools such as bilateral contracts or solicitations through the procurement programs, including:

- Renewables Portfolio Standard (RPS);⁴⁵
- Renewable Market Adjusting Tariff (ReMAT);⁴⁶
- Standard Offer Contract for Qualifying Facilities;⁴⁷
- Integrated Resource Plan (IRP);⁴⁸ and
- Bioenergy Renewable Auction Mechanism (BioRAM).⁴⁹

⁴³ BioMAT procurements are reported to the Commission via the RPS Database and regularly required RPS filings. The number of BioMAT projects and total capacity is based on the data provided by the IOUs within a required February 2025 filing.

⁴⁴ BioMAT procurements are reported to the Commission via the RPS Database and regularly required RPS filings. The number of terminated BioMAT projects is based on the data provided by the IOUs within a required February 2025 filing.

⁴⁵ See Pub. Util. Code Sections 399.11-399.33.

⁴⁶ See D.12-05-035.

⁴⁷ See D.20-05-006.

⁴⁸ See D.21-06-035.

⁴⁹ See Resolution E-4770.

Third, as PG&E pointed out, bioenergy projects procured under the program have higher costs compared to other renewables, contributing to the high-energy costs burdening ratepayers. Since the program's launch, the BioMAT Category 1 price has remained at \$127.72 per MWh. In Category 2, which consists of two prices, both prices rose to \$187.72 per MWh in 2016. Category 2 price for the dairy feedstock has stayed at that price, while Category 2 price for the Other Agriculture feedstock dipped in 2019 to \$183.72 per MWh and has remained at that price. In 2017, after Category 3 Forest program periods were modified from bimonthly to monthly, the Category 3 price increased from \$127.72 per MWh to \$199.72 per MWh and has remained at that amount.⁵⁰ For comparison, the average levelized cost of energy resources (2020-2050) used in RESOLVE was \$75 per MWh for biomass resources, \$47 per MWh for solar categories, and \$18 per MWh for all battery categories.⁵¹ In comparison to RPS resources, in 2024, the average RPS contract price for all retail sellers was approximately 8.1 cents per kilowatt-hour (kWh), while BioMAT prices ranged from 12.77 to 19.97 cents per kWh.⁵²

⁵⁰ PG&E's BioMAT Online Platform, "Pricing History_BioMAT.pdf":
<https://pgebiomat.accionpower.com/pgebiomat/documents.asp?Col=DateDown>.

⁵¹ The RESOLVE model is used during in the Integrated Resource Planning (IRP) process and identifies least-cost portfolios to meet long-term policy and reliability goals. The model inputs can be found here:

<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/long-term-procurement-planning/2022-irp-cycle-events-and-materials/portfolios-and-modeling-assumptions-for-the-2023-2024-transmission-planning-process>.

⁵² 2025 Padilla Report at 22-23.

The Commission disagrees with BAC's argument that comparing BioMAT to RPS costs is not a valid comparison since BioMAT projects provide firm power and do not require backup generation or energy storage.⁵³ From an RPS-compliance standpoint, the distinction between intermittent and firm resources is not relevant; therefore, it is appropriate to compare BioMAT resource prices to overall RPS procurement costs. The RPS program requires procurement of eligible resources that meet both the specified percentage targets for the compliance period and portfolio content category constraints. There are no program compliance rules that consider eligible technology types or deliverability profiles (intermittent vs. firm) when counting renewable energy credits (RECS).⁵⁴

Finally, we agree with PG&E, that the Affordability Executive Order demands the Commission's heightened focus on affordability. The Affordability Executive Order also requests that the Commission "take immediate action under existing authorities to modify or sunset any underperforming or underutilized programs or orders whose costs exceed the value and benefits to electric ratepayers."

This decision is consistent with the Commission Response, which provided a variety of recommended actions, including: "Identify ... Programs that require ratepayers to purchase energy from specific generation types that are

⁵³ BAC Reply at 18.

⁵⁴ For RPS compliance rules:

<https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/electric-power-procurement/rps/rps-compliance-rules-and-process>.

not competitive with alternative RPS-eligible resources. Removal of costs from rates may require legislative action.”⁵⁵ Accordingly, the Commission finds it appropriate to apply the affordability directive to the small but high-cost BioMAT program.

By sunseting the BioMAT program per D.20-08-043, ratepayers will not only see savings from the IOUs not having to procure high-cost resources, but also cost savings from administrative efficiencies gained by the IOUs and Commission staff. BioMAT is a complicated program with a lengthy legislative and programmatic history. The Commission will preserve staff resources previously spent administering, analyzing, and modifying the BioMAT program. Ratepayers will also see savings from the IOUs no longer having BioMAT-related program administrative costs. Finally, there will be additional administrative cost savings from elimination of the third-party platform to administer the adjusting price mechanism and ongoing application queue, which were incurred on an ongoing basis even when there are no pending BioMAT projects to consider.

In conclusion, the Commission finds that it is in the public interest to allow the BioMAT program to end by December 31, 2025, due to: under-utilization of the program; high energy costs for ratepayers; and the availability of other more viable procurement options for bioenergy resources. The Commission also finds that allowing the BioMAT program to end is in alignment with the Affordability Executive Order and will achieve savings due to administrative cost reductions.

⁵⁵ CPUC Response at 18.

3.3. BAC's Requests for Programmatic Changes are Summarily Denied

As Cal Advocates and PG&E point out, potential major BioMAT program adjustments are within the scope of the Commission's current RPS proceeding, R.24-01-017. Generally, to ensure due process and have a complete record, it is best to address major program changes in open rulemakings. However, given the Commission's determination to allow the BioMAT program to sunset on December 31, 2025, as discussed in Section 3.2, considering further changes to the BioMAT program for the duration of the program is unnecessary. Therefore, BAC's requests regarding pricing, feed category, and facilitating the use of BioMAT projects in microgrids and other platforms are summarily denied.

4. Summary of Public Comment

Rule 1.18 allows any member of the public to submit written comment in any Commission proceeding using the "Public Comment" tab of the online Docket Card for that proceeding on the Commission's website. Rule 1.18(b) requires that relevant written comment submitted in a proceeding be summarized in the final decision issued in that proceeding. There are no relevant comments on the Docket Card pertaining to this subject matter.

5. Comments on Proposed Decision

The proposed decision of ALJ Nilgun Atamturk in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on October 8, 2025, by the following parties: BAC/CASA; Cal Advocates; Dairy Cares/AECA; Joint CCAs; PG&E, San Diego Gas & Electric Company, and SCE (collectively, the Joint IOUs); Phoenix

Energy; and West Biofuels, LLC (West Biofuels). Reply comments were filed on October 13, 2025, by BAC/CASA, Cal Advocates, Dairy Cares/AECA, and the Joint IOUs. In their comments, BAC/CASA, Dairy Cares/AECA, Joint CCAs, Phoenix Energy, and West Biofuels expressed their opposition to the proposed decision, whereas Cal Advocates and the Joint IOUs expressed their support.

The comments and reply comments were carefully considered, but no changes have been made to the proposed decision. The comments and reply comments which merely reargue the points raised in earlier filings are not addressed further in this decision.

Because BAC's Petition is denied, BAC/CASA's motion for a stay of the proposed decision and Conclusion of Law 1 in D.20-08-043 that established the end date for the BioMAT program, as included in their opening and reply comments, is also denied.

6. Assignment of Proceeding

John Reynolds is the assigned Commissioner and Nilgun Atamturk and Rajan Mutialu are the assigned Administrative Law Judges in this proceeding.

Findings of Fact

1. BAC filed its petition for modification more than one year after D.20-08-043 became effective.
2. AB 843, which authorized CCAs to participate in the program, was implemented in 2024.
3. The BioMAT program is not currently operating at a functional capacity.
4. The program has failed to generate sufficient participation and yield material procurement results since its inception.

5. There are multiple procurement mechanisms other than BioMAT for bioenergy resource sellers to take advantage of.

6. Bioenergy products procured under the program come at higher costs compared to other renewables.

7. Ending the BioMAT program will create cost savings due to reduced administrative costs.

Conclusions of Law

1. BAC's PFM meets the timeliness requirement of Rule 16.4.

2. Pub. Util. Code Section 399.20(f)(2) does not prohibit the inclusion of a performance based sunset clause for the BioMAT program.

3. Allowing the BioMAT program to sunset on December 31, 2025 is consistent with Affordability Executive Order's mandate because the program is not cost-effective.

4. BAC's Petition should be denied.

5. Rulemaking 18-07-003 should be closed.

O R D E R

IT IS ORDERED that:

1. The March 6, 2025, petition to modify Decision (D.) 20-08-043, filed by the Bioenergy Association of California Petition is denied.

2. Rulemaking 18-07-003 is closed.

This order is effective today.

Dated _____, at Sacramento, California