PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Agenda ID# 24463

ENERGY DIVISION **RESOLUTION E-5471**
September 3, 2026

R E D A C T E D
R E S O L U T I O N

Resolution E-5471. Bioenergy Market Adjusting Tariff (BioMAT) Program Year 2027 Forecasted Revenue Requirement for Central Coast Community Energy, Pursuant to D.23-11-084.

PROPOSED OUTCOME:

- Approves Central Coast Community Energy's Bioenergy Market Adjusting Tariff (BioMAT) revenue requirement for Program Year 2027.

SAFETY CONSIDERATIONS:

- There are no safety concerns.

ESTIMATED COST:

- Contract costs are confidential at this time.

By Advice Letter 51-E and 51-E-A, filed on February 2, 2026 and 5/29/2026 by Central Coast Community Energy.

SUMMARY

Central Coast Community Energy (3CE) executed a Power Purchase Agreement (PPA) with a project that is eligible for the Bioenergy Market Adjusting Tariff (BioMAT) Program and scheduled to come online in 2027. Pursuant to Decision (D.) 23-11-084, 3CE requested via Advice Letter (AL) 51-E approval of its forecasted revenue requirement associated with its BioMAT PPA. This Resolution approves 3CE's forecasted revenue requirement for calendar year 2027, which are subject to true-up the following year.

BACKGROUND

Overview of the BioMAT Program

The Bioenergy Feed-in Tariff Program or the Bioenergy Market Adjusting Tariff (BioMAT) is a feed-in tariff program for small bioenergy renewable generators 3 MW and less in size. The BioMAT program, as defined in Public Utilities Code § 399.20, offers up to 250 MW to eligible projects through a fixed-price standard power purchase agreement to export electricity to California's three large investor-owned utilities (IOUs) and participating community choice aggregators (CCAs).

In D.14-12-081, the Commission implemented Senate Bill (SB) 1122 (Rubio), Stats. 2012, Chapter 612,[1] setting the quantities of each type of generation to be procured by each of the IOUs and establishing the pricing mechanism and other rules for the BioMAT program. In D.20-08-043, the Commission revised the BioMAT Program and adopted changes to program rules, contract terms, and processes.

Assembly Bill (AB) 843 (Aguiar), Stats. 2021, Chapter 234 authorized CCAs to submit eligible bioenergy projects for cost recovery pursuant to the BioMAT program. AB 843 permitted CCAs to submit projects if unsubscribed capacity existed within the 250 MW BioMAT program capacity target. In addition, AB 843 required that every kilowatt-hour (kWh) of electricity purchased from a CCA bioenergy project count towards the RPS procurement requirements for the CCA and the electrical corporation where the CCA provides service. Likewise, the physical generating capacity of a CCA BioMAT project would count towards the CCA's resource adequacy (RA) requirements, if applicable.

The Commission implemented AB 843 in D. 23-11-084, which revised the BioMAT program to integrate the IOUs and CCAs into a common web-based procurement platform that uses a Third-Party Administrator to assist with independent management of the program queue. The platform allows each participating Load Serving Entity (LSE) access to Non-Bypassable Charges to offset certain BioMAT procurement charges.

NOTICE

Notice of 3CE AL 51-E was distributed to the Service List in accordance with Section 4 of General Order 96-B.

PROTESTS

[1] Senate Bill (SB) 1122 (Rubio), Stats. 2012, ch. 612, created a new bioenergy feed-in tariff within the procurement programs of the Renewables Portfolio Standard (RPS).

No protests were received for 3CE AL 51-E.

DISCUSSION

Consistency with D.23-11-084

Four CCAs – Orange County Power Authority (OCPA), Pioneer Community Energy (PCE), Redwood Coast Community Energy (RCEA), and Central Coast Community Energy (3CE) known as the Participating CCAs were approved to join the BioMAT program in 2024. D.23-11-084 requires each Participating CCA to annually file a Tier 3 Advice Letter on February 1st for Commission approval of "eligible BioMAT forecasted revenue requirements recorded in CCA balancing accounts that reflect BioMAT program net costs, including Power Purchase Agreement (PPA) costs, Accion BioMAT platform integration costs, and independent third-party vendor costs required for joint CCA/investor-owned utility (IOU) program administration."[2, 3] The annual February 1st Advice Letter must include, if applicable, true-up costs for the current year that reflect the difference between prior forecasted costs and actual costs.[4] Participating CCAs are separately required to annually file an application to establish compliance with the Commission's prudent manager standard.[5]

Pursuant to D.23-11-084, the net costs eligible for cost recovery fall into three categories: (1) Accion Group, LLC (Accion) website costs; (2) independent third-party administrator (TPA) costs; and (3) BioMAT PPA costs, which include net generation costs (BioMAT net costs). The CCA must record eligible costs in its BioMAT CCA Balancing Account (BMCCABA) and report the recorded balance to the Commission in its annual February 1st Advice Letter.[6] 3CE submitted AL 51-E, considered herein, to satisfy this reporting requirement.

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[2] D.23-11-084 at OP 12.

[3] Orange County Power Authority, Pioneer Community Energy, and Redwood Coast Community Energy each filed Tier 3 Advice Letters (15-E, 24-E, and 29-E, respectively) requesting approval of their forecasted revenue requirements for 2027, and all three Advice Letters were approved via Resolution E-5459.

[4] D.23-11-084 at 39.

[5] D.23-11-084 Ordering Paragraph 17.

[6] See Joint CCAs' BioMAT Implementation Tier 2 Advice Letter, 3CE AL 36-E, OCPA AL 04-E, Pioneer AL 15-E (originally submitted as Pioneer AL 13-E), and RCEA AL 18-E (submitted by CalCCA on behalf of the Joint CCAs) (Jan. 29, 2024) (CCA Tier 2 BioMAT AL).The Advice Letters included a pro forma CCA BioMAT Tariff, pro forma Power Purchase Agreement (PPA), CCA BioMAT balancing account description, pro forma project application forms, and a pro forma agreement between a CCA and Accion Group, LLC (Accion) for website and third-party administration (TPA) services. The Advice Letters were jointly approved via disposition letter on April 29, 2024.

Accion Website Costs and Independent Third-Party Administrator Costs

The Participating CCAs filed Tier 2 Advice Letters on January 29, 2024, providing a CCA-Accion Agreement which incorporates two Statements of Work (SOWs) negotiated by the Participating CCAs, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Accion regarding both the joint BioMAT program website and TPA services that Accion provided for the BioMAT program.[7] The Statements of Work for the BioMAT program website and TPA services were approved alongside the Participating CCA's Tier 2 Advice Letters on April 29, 2024.

In AL 51-E, 3CE explains that it did not include any costs for website or TPA services in its forecasted revenue requirement because the BioMAT program ended on December 31, 2025 pursuant to D.20-08-043. As such, Accion will no longer provide those services in 2027. [8] The Commission agrees it is reasonable for 3CE to exclude Accion's website and TPA costs from its 2027 forecasted revenue requirement for these reasons.

BioMAT Net Costs

D.23-11-084 requires each participating CCA to include "a report on BioMAT power purchase agreements executed during each quarter of the prior year" in its annual February 1st Advice Letter. [9] To satisfy this requirement, 3CE reports that in Q1 of 2025 it executed a BioMAT PPA with Tracy Renewable Energy LLC for a 3 MW biomass project in San Joaquin County, California with a scheduled commercial online date of February 26, 2027. No other BioMAT PPAs were reported. Because this is 3CE's first advice letter requesting recovery of BioMAT costs, 3CE reports zero true up costs in its forecasted revenue requirement for 2027. Therefore, pursuant to D.23-11-084, 3CE requests approval to recover the costs associated with the Tracy Renewable Energy LLC BioMAT PPA starting in 2027.

Costs associated with an executed BioMAT PPA are eligible for recovery under the BioMAT program and are recorded in the BMCCABA[10]. BioMAT net costs are comprised of the BioMAT PPA cost, less 1) net California Independent System Operator (CAISO) revenues, 2) the value that the BioMAT resource contributes to 3CE's RPS

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[7] See Joint CCA Tier 2 BioMAT AL submitted on January 29, 2024, Appendix G, which was approved on April 29, 2024.

[8] See 3CE AL 51-E at 3.

[9] D.23-11-084 at OP 12.

[10] D.23-11-084 at 57.

compliance requirements (RPS Value), and 3) the value that the BioMAT resource contributes to 3CE's RA requirements (RA Value), if any.[11]

BioMAT PPA Cost

The BioMAT PPA Cost is the contract payment value of the BioMAT PPA, in this case, with Tracy Renewable LLC. To calculate the BioMAT PPA Cost for 2027, 3CE multiplied the Tracy Renewable PPA Price ($183.72) by the expected amount of generation for 2027 (20,468 MWhs). Because the project is not expected to begin delivering energy until February 2027, 3CE modeled the Tracy Renewable project generation amount for the full year and derated it for the days in 2027 that the project is not online in order to calculate this pro-rated contract generation amount for 2027. 3CE calculated the BioMAT PPA Cost based on the Tracy Renewable Energy BioMAT PPA's expected annual generation for the full year, which is 24,178 MWhs. [12]

Net California Independent System Operator (CAISO) Market Revenue

To calculate the Net CAISO Market Revenue associated with 3CE's BioMAT PPA with Tracy Renewable LLC for 2027, 3CE used the methodology approved by the Commission.[13] The Net CAISO Market Revenue is comprised of the CAISO Market Costs, less the CAISO Market Revenue.

<u>CAISO Market Costs</u>

For the BioMAT project to participate in the CAISO market, 3CE must account for any market costs that it will incur when it sells the project's electricity into the CAISO market. The Grid Management Charge is a fee CAISO charges all market participants to recover the costs of operating the bulk electric grid (e.g., transmission scheduling, markets administration, reliability coordination, etc.). In Supplemental AL 51 E-A, 3CE notes that the Grid Management Charge has been used and approved by the Commission to approximate the CAISO Market Costs for an operating project.[14] To calculate the CAISO Market Cost for 2027, 3CE multiplied the CAISO's most updated

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[11] The Joint CCAs Tier 2 BioMAT AL (3CE 36-E, OCPA AL 04-E, Pioneer AL 15-E, and RCEA AL 18-E), established the methodology for calculating the costs used for the forecasted revenue requirement for the BioMAT program, and was approved by the Commission via disposition letter on April 29, 2024.

[12] Joint CCA Tier 2 BioMAT AL submitted on January 29, 2024 included a proposed methodology for the BioMAT PPA Cost as to be recorded in the BMCCABA, which was approved via disposition letter issued on April 29, 2024.

[13] Joint CCA Tier 2 BioMAT AL submitted on January 29, 2024 included a proposed methodology which the Commission approved via disposition letter on April 29, 2024.

[14] See PG&E "2026 Energy Resource Recovery Account and Generation Non-Bypassable Charges Forecast and Greenhouse Gas Forecast Revenue Return and Reconciliation – Errata to Fall Update Testimony," Application 25-05-011 (November 6, 2025), which was approved by the Commission in D.25-12-027.

Grid Management Charge[15] by the BioMAT contract's pro-rated contract generation amount for 2027.

CAISO Revenues

The BioMAT resource may also generate revenue from the energy and ancillary services sold into CAISO. The BMCCABA categorizes these energy and ancillary services as the CAISO Market Revenue for the project.[16] To calculate the revenue from energy and ancillary services, 3CE used the forward price at the pricing node closest to the BioMAT project site, established by the Intercontinental Exchange. 3CE noted in 51-E that consistent with D.23-11-084, any ancillary service revenues will be captured and trued up to actual CAISO revenues after the calendar year 2027 concludes via its annual February 1st Advice Letter filing.[17] In Supplemental AL 51-E-A, 3CE notes that using forward prices to calculate the energy and ancillary services value is a common practice approved by the Commission[18] and closely reflects the expected market conditions and pricing applicable during the project's anticipated operational period. 3CE thus calculated the CAISO Market Revenue for 2027 as that forward price, multiplied by the BioMAT contract's pro-rated generation amount.

RPS Value

In accordance with the BMCCABA methodology approved by the Commission on April 29, 2024, the RPS value attributed to the generation of the BioMAT resource is determined by multiplying the amount of Renewable Energy Credits (RECs) expected from the contract by the Forecast RPS Adder published by the Commission on an annual basis pursuant to D.19-10-001. This RPS Adder is subject to true-up at the end of each year based on the Final RPS Adder published by the Commission.

RA Value

The Commission-approved Pro Forma BMCCABA Statement defines the RA Value as the RA capacity associated with the BioMAT Resource multiplied by the Forecast RA System Adder published by the Commission pursuant to D.19-10-001. This RA System

[15] 3CE referred to the CAISO's presentation on its 2026 Final Grid Management Charge Revenue Requirement, Project Budget, and Rates that was approved on December 18, 2026. See https://www.caiso.com/documents/2026-final-grid-management-charge-revenue-requirement-project-budget-and-rates-dec-18-2025.pdf at slide 46

[16] See Appendix C of the Joint CCA's BioMAT Implementation Tier 2 AL, submitted on January 29, 2024 and approved by the Commission on April 29, 2024.

[17] See Supplemental AL 51-A, at 3.

[18] D.19-10-001approved the use of forward prices for developing a Market Price Benchmark in Rulemaking 17-06-026.

Adder is also subject to a true-up at the end of each year, pursuant to D.19-10-001. However, as described in 3CE AL 51-E, the energy-only BioMAT contract with Tracy Renewable Energy LLC will not provide an RA capacity value and therefore 3CE has forecasted an RA value of $0 for calendar year 2027.

As explained above, the BioMAT net costs recoverable pursuant to the BioMAT program encompass the BioMAT PPA Cost, and the net costs of generation. Together, these BioMAT net costs reflect the overall revenue requirement that 3CE expects to incur[19] because there are no website or TPA costs, and totals to $1,512,646 (see Confidential Appendix A for a breakdown of 3CE's forecasted revenue requirement calculation). In accordance with D.23-11-084, the 3CE's revenue requirement will be recovered from all distribution customers of the IOUs to which 3CE shares a service territory through the Non-Bypassable Charges included in the IOUs' Public Purpose Program (PPP) surcharges. 3CE shall submit invoices to the respective IOUs to request incremental, quarterly payments of the Commission-approved BioMAT revenue requirement.[20]

The Commission has reviewed AL 51-E and finds that the revenue requirement associated with 3CE's BioMAT contract with Tracy Renewable LLC is reasonable to record in the BMCCABA for year 2027, as the methodologies are consistent with CPUC decisions or previously-approved methodologies. Furthermore, upon Commission approval of 3CE's annual February 1st Advice Letter, Ordering Paragraph 12 of D.23-11-084 requires the IOUs to "include the Commission-approved CCA BioMAT costs in their October Updates to their ERRA forecast applications which will be utilized by the Commission to issue final decision(s) in these proceedings."[21]

Identifying and Resolving Issues Prior to Advice Letter Filing

Prior to filing Tier 3 ALs notifying the Commission of any recently procured BioMAT PPAs, D.23-11-084 requires each Participating CCA to convene with the IOU in whose territory the CCA is located "to identify and resolve issues as much as possible with the intent to facilitate timely approval of CCA BioMAT ALs." AL 51-E provides that 3CE

[19] According to the ProForma BMCCABA Statement in Appendix C of 3CE AL 36-E, each of these costs or benefits shall be entered into the BMCCABA as its own line item.

[20] D.23-11-084 requires that upon Commission approval of the net revenue requirement and also upon Commission issuance of final decisions in the IOU Energy Resource Recovery Account (ERRA) forecast applications, 3CE shall send invoice forms to IOUs to request payment of final approved BioMAT net costs recovered from customers in IOU Public Purpose Program Charges (PPPC) and recorded in IOU PPPAMs every quarter.

[21] D.23-11-084 at OP 12.

and its trade association, California Community Choice Association, previously collaborated with the IOUs on issues related to their February 2, 2026 Tier 3 AL filing to facilitate its timely approval. 3CE notes that Pacific Gas & Electric Company (PG&E) did not oppose the forecasted revenue requirement that 3CE provided PG&E prior to the AL filing deadline.

COMMENTS

This is an uncontested matter in which the resolution grants the relief requested. Accordingly, pursuant to PU Code 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

FINDINGS

1. Four Community Choice Aggregators, Orange County Power Authority, Pioneer Community Energy, Redwood Coast Energy Authority, and Central Coast Community Energy, have authorized BioMAT programs.

2. It is reasonable for Central Coast Community Energy to forecast zero 2027 Accion Group, LLC website costs and independent third-party administrator costs because the BioMAT program sunsetted on December 31, 2025, and therefore Accion's services will cease by 2027.
3. Central Coast Community Energy did not report true-up costs in Advice Letter 51-E.

4. Central Coast Community Energy provided a report on its executed BioMAT power purchase agreement.

5. Central Coast Community Energy executed a BioMAT contract with Tracy Renewable Energy LLC, a 3MW BioMAT facility that is expected to begin deliveries in 2027.

6. It is reasonable for Central Coast Community Energy to seek forecasted revenue requirement for 2027 associated with its executed BioMAT contract with Tracy Renewable Energy LLC.

7. Central Coast Community Energy's methodology for calculating its forecasted revenue requirement for 2027 is reasonable because the methodologies are consistent with CPUC decisions or previously-approved methodologies; as such , the revenue requirement amount requested by Central Coast Community Energy in Advice Letter 51-E that is associated with 3CE's contract with Tracy Renewable LLC is reasonable to record in the BMCCABA for year 2027.

8. Central Coast Community Energy communicated with the Pacific Gas and Electric Company to identify and resolve questions and revisions, which were incorporated into the materials presented in Advice Letter 51-E.

THEREFORE IT IS ORDERED THAT:

1. Central Coast Community Energy's request to recover its forecasted revenue requirement for 2027 in Advice Letter 51-E, is approved.

2. Pacific Gas and Electric Company and Southern California Edison Company, the Investor-Owned Utility territories where Central Coast Community Energy provides service, shall include these Commission-approved Central Coast Community Energy's BioMAT costs in their October Update filings for their 2027 Energy Resource Recovery Account forecast applications.

This Resolution is effective today.

Commissioner Signature blocks to be added
upon adoption of the resolution

The foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on September 3, 2026 the following Commissioners voting favorably thereon:

Dated September 3, 2026, at Sacramento, California

Confidential Appendix A

Summary of 3CE's Forecasted BioMAT Revenue Requirement for Calendar Year 2027

REDACTED