

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Order Instituting Rulemaking to Implement
Assembly Bill 843 – the Bioenergy Market
Adjusting Tariff Program.

R.22-10-010

**CALIFORNIA COMMUNITY CHOICE ASSOCIATION’S COMMENTS ON ORDER
INSTITUTING RULEMAKING TO IMPLEMENT ASSEMBLY BILL 843 – THE
BIOENERGY MARKET ADJUSTING TARIFF PROGRAM**

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SUMMARY OF RECOMMENDATIONS

- Expediently consider extending the Bioenergy Market Adjusting Tariff (BioMAT) program end date from December 31, 2025 to December 31, 2030 to provide community choice aggregators (CCAs) ample time to participate in the BioMAT program, as well as providing bioenergy developers certainty as to the continuance of the program;
 - Adopt in the scoping memo the issues set forth in Section 3.1 of the Order Instituting Rulemaking (OIR) which broadly include all issues necessary for inclusion of CCAs in the BioMAT program;
 - Organize the Section 3.1 issues into three categories – (1) investor-owned utility incorporation of CCAs into the BioMAT program; (2) contracts/tariffs; and (3) CCA cost recovery – and establish a collaborative workshop process to allow the parties to work through the issues necessary to incorporate CCAs into the BioMAT program;
 - Adopt the schedule proposed by CalCCA to ensure completion of the proceeding by July 2023; and
 - Adopt the OIR’s classification of the proceeding as ratesetting, and the determination that no hearings will be necessary.
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INSTITUTING RULEMAKING TO IMPLEMENT ASSEMBLY BILL 843 – THE
BIOENERGY MARKET ADJUSTING TARIFF PROGRAM**

The California Community Choice Association¹ (CalCCA) submits these Comments in response to the *Order Instituting Rulemaking To Implement Assembly Bill 843 – The Bioenergy Market Adjusting Tariff Program* (OIR), issued October 26, 2022, pursuant to Rule 6.2 of the California Public Utilities Commission’s (Commission’s) Rules of Practice and Procedure, and the directives provided by the OIR.

I. INTRODUCTION

Assembly Bill (AB) 843’s incorporation of community choice aggregators (CCAs) into the Bioenergy Market Adjusting Tariff (BioMAT) program will further the Commission’s goal of “promoting competition for entrants to the bioenergy market.”² With more contracting parties procuring bioenergy under the program and therefore more transactions, the procurement goals set within the investor-owned utilities’ (IOUs’) territories are more likely to be fulfilled. The

¹ California Community Choice Association represents the interests of 24 community choice electricity providers in California: Apple Valley Choice Energy, Central Coast Community Energy, Clean Energy Alliance, Clean Power Alliance, CleanPowerSF, Desert Community Energy, East Bay Community Energy, Energy For Palmdale’s Independent Choice, Lancaster Choice Energy, Marin Clean Energy, Orange County Power Authority, Peninsula Clean Energy, Pico Rivera Innovative Municipal Energy, Pioneer Community Energy, Pomona Choice Energy, Rancho Mirage Energy Authority, Redwood Coast Energy Authority, San Diego Community Power, San Jacinto Power, San José Clean Energy, Santa Barbara Clean Energy, Silicon Valley Clean Energy, Sonoma Clean Power, and Valley Clean Energy.

OIR broadly incorporates the issues related to establishing the procedures and necessary tariffs and contracts related to CCA participation in BioMAT.

Of particular concern to CalCCA with respect to CCA participation in BioMAT is timing. AB 843 was adopted in September 2021. CalCCA appreciates the ambitious timetable established by the Commission to conclude this rulemaking by the third quarter of 2023. Assuming contracting begins in late 2023, however, CCAs will only be able to participate in BioMAT until its conclusion in December 2025. Therefore, CalCCA recommends that the Commission scope, as a first order of business in this proceeding, the potential extension of the BioMAT program to at least December 2030. Such an extension will not only increase the chances of fulfilling the IOU's procurement goals, but will encourage developers to continue development of bioenergy projects.

The CCAs look forward to a collaborative process, through a workshop schedule proposed herein, to expeditiously incorporate CCAs into the BioMAT program. As directed by Public Utilities Code section 399.20 (as amended by AB 843), CCAs will use the IOUs' existing BioMAT rules and standards set forth in the IOU tariffs and contracts to develop their own BioMAT tariffs and contracts. In addition, the CCAs look forward to working with the IOUs to determine how the IOU BioMAT queues will be managed with both IOU and CCA BioMAT contracts within an IOU's service territory. Substantial input from the Commission and the IOUs will be crucial to determining the most streamlined and efficient processes to incorporate CCAs into the BioMAT program, including Commission processes for tariff and contract approval and how costs will be recovered by CCAs through an IOU's non-bypassable charge (NBC).

Accordingly, CalCCA provides the following preliminary recommendations to the Commission in response to the OIR:

- Expediently consider extending the BioMAT program end date from December 31, 2025 to December 31, 2030 to provide CCAs ample time to participate in the BioMAT program, as well as providing bioenergy developers certainty as to the continuance of the program;
- Adopt the issues set forth in Section 3.1 of the OIR in its scoping memo which broadly include all issues necessary for inclusion of CCAs in the BioMAT program;
- Organize the Section 3.1 issues into three categories – (1) IOU incorporation of CCAs into the BioMAT program; (2) contracts/tariffs; and (3) CCA cost recovery – and establish a collaborative workshop process to allow the parties to work through the issues necessary to incorporate CCAs into the BioMAT program;
- Adopt the schedule proposed by CalCCA to ensure completion of the proceeding by July 2023; and
- Adopt the OIR’s classification of the proceeding as ratesetting, and the determination that no hearings will be necessary.

II. THE COMMISSION SHOULD EXPEDITIOUSLY ISSUE A DECISION EXTENDING THE BIOMAT PROGRAM END DATE TO DECEMBER 31, 2030

As a first order of business in this proceeding, the Commission should consider extending the BioMAT program end date from December 31, 2025 to December 31, 2030. AB 843 incorporating CCAs into the BioMAT program was adopted in September 2021. CalCCA appreciates the ambitious timetable established by the Commission to conclude this rulemaking by the third quarter of 2023. Assuming contracting begins in late 2023, however, CCAs will only be able to participate in BioMAT until its conclusion in December 2025. Therefore, CalCCA recommends that the Commission expediently consider, on the timeline set forth in CalCCA’s proposed schedule set forth in Section IV., below, the extension of the BioMAT program at least until December 2030. Such an extension will not only increase the chances of fulfilling the IOU’s procurement goals, but will encourage developers to continue development of bioenergy projects.

III. THE OIR ISSUES CAN BE CATEGORIZED TO INFORM A COLLABORATIVE WORKSHOP SCHEDULE

The Commission should adopt the issues in OIR Section 3.1, which broadly incorporate all issues to be resolved by the Commission to incorporate CCAs into the BioMAT program.

The Commission should also establish a workshop schedule to allow the IOUs and CCAs to collaboratively address the Section 3.1 issues. The CCAs can sponsor the workshops, and provide workshop reports subsequent to the workshops for party comment. The workshops and party comments can then inform the Commission’s decision implementing AB 843.

In general, the Section 3.1 issues can be placed into three categories for Commission resolution (in addition to the issue of extending the BioMAT program end date): (1) IOU incorporation of CCAs into the BioMAT program through queue management and tracking, interconnection, allocation of MW within categories, and incorporation of CCA executed BioMAT contracts; (2) CCA tariff and contracting terms and pricing, with a focus on streamlined contracting as required by AB 843, Commission procedure for approval of CCA contracts, and CCA contract administration; and (3) processes for CCA cost recovery of procurement and administrative cost through the IOU’s NBC, including Commission oversight and approval processes. These three categories can be organized into three workshops to allow parties to efficiently work through the scoped issues:

<p><u>Workshop #1:</u> IOU Incorporation of CCAs into BioMAT Program</p>	<ul style="list-style-type: none"> • Queue/tracking/Program participation requests • CCA involvement • Process for allocating MW within categories • Contracting • Administration • Programmatic improvement suggestions of IOUs based on their experience running BioMAT
<p><u>Workshop #2:</u> Contracts/Tariffs</p>	<ul style="list-style-type: none"> • Terms • Pricing • Contract Management • Process for Commission approval • Process for Commission determination of prudent contract management
<p><u>Workshop #3:</u> Cost Recovery</p>	<ul style="list-style-type: none"> • Recovery of administrative and procurement costs through NBC (PPPC) • Commission oversight and process for cost recovery

CalCCA incorporates these three workshops into a proposed schedule set forth in Section IV., below.

IV. THE COMMISSION SHOULD ADOPT CALCCA’S PROPOSED PROCEEDING SCHEDULE

Building off the schedule set forth in the OIR, CalCCA proposes the following proceeding and workshop schedule to address the extension of the BioMAT program, and the OIR’s other scoped issues:

EVENT	DATE
Comments on OIR	November 28, 2022
Reply Comments on OIR	December 13, 2022
Prehearing Conference	Week of December 19, 2022
Scoping Memo issued, including seeking comments on extension of BioMAT program through 2030	Week of January 15, 2023
Comments on Scoping Memo	14 days after Scoping Memo issued
Replies on Scoping Memo	5 days after filing and service of Comments on Scoping Memo
Proposed Decision on extending BioMAT program	Within 30 days of Replies on Scoping Memo
Comments on Proposed Decision	14 days after Proposed Decision
Replies on Proposed Decision	5 Days after filing and service of Comments on Proposed Decision
<u>Workshop #1</u> – IOU Incorporation of CCAs into BioMAT program	Week of January 23, 2023
CCA Workshop Report #1 Issued	February 6, 2023
Opening Comments on Workshop #1 Report	February 20, 2023
Reply Comments on Workshop #1 Report	February 27, 2023
<u>Workshop #2</u> – Contracts	Week of March 6, 2023
CCA Workshop Report #2 Issued	March 20, 2023
Opening Comments on Workshop #2 Report	April 3, 2023
Reply Comments on Workshop #2 Report	April 10, 2023
<u>Workshop #3</u> – Costs	April 24, 2023
CCA Workshop Report #3 Issued	May 8, 2023
Opening Comments on Workshop #3 Report	May 22, 2023
Reply Comments on Workshop #3 Report	May 29, 2023
Proposed Decision	Week of July 3, 2023

V. CALCCA SUPPORTS THE OIR'S PROCEEDING CLASSIFICATION AND HEARING RECOMMENDATIONS

CalCCA supports the OIR's classification of the proceeding as ratemaking. In addition, CalCCA agrees with the OIR's preliminary determination that hearings will not likely be necessary.

VI. CONCLUSION

For all the foregoing reasons, CalCCA requests that the Assigned Commissioner and Administrative Law Judge adopt CalCCA's recommendations herein. The CCAs look forward to collaborating with the IOUs and the Commission to expeditiously incorporate CCAs into the BioMAT program.

Respectfully submitted,



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ASSOCIATION

November 28, 2022