

VALLEY CLEAN ENERGY ALLIANCE

Staff Report - Item 12

TO: Board of Directors

FROM: Mitch Sears, Executive Officer
Yvonne Hunter, Legislative and Projects Specialist

SUBJECT: Proposed Legislation to Remove AB 843 Sunset Limit for BioMAT Program

DATE: January 19, 2023

RECOMMENDATION

Staff recommends support for the proposed legislation to delete the sunset date in the pending regulations.

BACKGROUND

Last year, VCE supported AB 843 (Aguiar-Curry; Chapter 234, Statutes of 2021), which authorized CCAs to participate in the existing Bioenergy Market Adjusting Tariff (BioMAT) program. The BioMAT program was created in 2012 by SB 1122 (Rubio; Chapter 612, Statutes of 2012) to support procurement of electricity from small-scale bioenergy projects -- many of which are producers of methane, a vigorous greenhouse gas -- including wastewater treatment, dairies, agricultural bioenergy, and generation from byproducts of sustainable forest management. At the time, only one CCA existed. But, with more CCAs providing service, AB 843 was an important opportunity for interested CCAs to participate. The BioMAT program currently allows up to 250 MW of electricity statewide to be procured by Load Serving Entities like IOUs and CCAs.

Unfortunately, the CPUC has taken longer than anticipated in preparing the regulations, which are not yet finalized, that would allow CCAs to participate in the BioMAT program. As part of the regulations, the CPUC added a sunset date of 2025 for the program. Since the regulations are not expected to be completed until third quarter 2023, that leaves only a short time for CCAs to participate in the program.

The CAC's Legislative/Regulatory Task Group recommended that VCE support the legislation. (Note: One member of the Task Group was able to attend the meeting when this item was discussed.)

Community Advisory Committee (CAC)

The proposed legislation was presented at the CAC's December meeting. Two CAC members spoke after staff's presentation. One indicated a desire to first have a discussion and policy adopted regarding whether and what types of bioenergy projects VCE might consider before participating in the BioMAT program and supporting the proposed legislation, as well as concern that expansion of the program could encourage the siting of large-scale dairy and feedlots operations in the Sacramento Valley. A second member indicated a desire for more information about the program before considering whether to support or oppose the proposed legislation. As a result, the CAC did not adopt a recommendation because no motion was made.

If VCE ever chooses to pursue a BioMAT eligible resource, staff believes that these issues can be included in any analysis of the individual project.

PROPOSED LEGISLATION

The proposed legislation would allow the BioMAT program to continue until the 250 MW from small-scale bioenergy projects have been procured, thus effectively deleting the 2025 sunset date contemplated by the CPUC. Pioneer Community Energy (Placer/El Dorado CCA) is taking the lead on the proposal. To date Pioneer is working to prepare official bill language and is seeking an author. Pioneer and Central Coast Community Energy are co-sponsoring. To date, Redwood Energy Authority and CalCCA support the proposal and Pioneer is seeking support from other CCAs. While VCE has not purchased any electricity through the BioMAT program, staff believes it is prudent to maintain the option to do so in the future. VCE is in touch with Pioneer's staff regarding the proposed legislation.

CONCLUSION

Staff recommends that VCE support the proposed legislation described above.