Question 3:

What policies and procedures should the Commission adopt to track CCA BioMAT program procurement costs for allocation within the IOUs' respective non-bypassable charge accounts?

Guiding Principles

- Modify existing IOU processes to incorporate CCAs into BioMAT cost recovery
- Utilize established processes for guidance
  - Disadvantaged Green Tariff (DAC-GT) - D.18-06-027, Resolution E-4999

DAC-GT CCA Cost Recovery

February 1	CCA files Tier 2 Annual Budget Advice Letter (ABAL), forecasting CCA's expected costs/budget needed for upcoming year and trueing up costs from the prior year.
	Commission approval of ABAL
May/June	IOU ERRA Forecast Application with CCA budget request, carving out money for CCA out of larger PPP request
By end of year	Commission approval of ERRA Forecast Application, • IOU files Annual Electric True-Up Advice Letter to formalize budget request • IOU records CCA's approved budget in DAC-GT sub account of IOU DAC-GT balancing account
January 1	IOU remits program funds to CCA in four quarterly installments (Jan.1, Apr. 1, July 1, and Oct. 1) from the approved budget amount
Process repeats	

BioMAT Cost Recovery

	Current	Proposed
BioMAT NBC recovery	Through Public Purpose Program (PPP) charge (paid by all customers in IOU service territory)	Unchanged
Recording revenues and costs from BioMAT contracts	Forecast costs are offset against forecast revenues in PPP in ERRA forecast proceeding with true up to actual costs and revenues in the following year.	Unchanged
Cost Recovery	Recovery through ERRA process	Unchanged
RPS and RA Attributes	IOU bundled customers pay market value (through MPB established in PCIA) of the RPS/RA attributes used for compliance.	The CCA's customers pay market value (through MPB established in PCIA) of the RPS/RA attributes used for compliance.

Additional Cost Recovery

- CCA administrative and marketing for BioMAT procurement
- IOU administrative costs to incorporate CCAs in BioMAT program