



Fact Sheet

CPUC Activities on Tree Mortality Emergency Orders Feb. 2018

Tree Mortality Task Force

The California Public Utilities Commission (CPUC) is a participant of the Tree Mortality Task Force, and is an active member of the Task Force's Bioenergy Working Group.

CPUC Implementation of the State's Tree Mortality Emergency Orders

In order to address the state's efforts on the wildfire threat in California, the CPUC has taken expedited actions in response to the Governor's Tree Mortality Emergency Proclamation, Senate Bill 859, Senate Bill 840, and Assembly Bill 1923 – as described below.

Governor Brown's October 2015 Tree Mortality State of Emergency Proclamation

The CPUC is specifically responsible for implementing orders 8, 9, and 10 in the Governor's Tree Mortality Emergency Proclamation:

- *Proclamation Order 8: "The California Public Utilities Commission shall utilize its authority to extend contracts on existing forest bioenergy facilities receiving feedstock from high hazard zones."*

Status – Order 8 Completed in 2016: In 2016 the CPUC approved extension of existing contracts to use high hazard zone (HHZ) fuel in order to immediately remove HHZ fuel from high risk areas.

- *Proclamation Order 9: "The California Public Utilities Commission shall take expedited actions to ensure that contracts for new forest bioenergy facilities that receive feedstock from high hazard zones can be executed within six months, including initiation of a targeted renewable auction mechanism and consideration of adjustments to the BioMAT Program defined pursuant to Public Utilities Code Section 399.20 No later than six months after the BioMAT program begins, the California Public Utilities Commission shall evaluate the need for revisions to the program to facilitate contracts for forest bioenergy facilities."*

Status – Order 9 Completed in 2016: The CPUC approved contracts with biomass facilities and also made changes to the BioMAT program (which implements SB 1122, related to small bioenergy procurement), and continues to seek additional program improvements.

The CPUC has issued orders for HHZ procurement through a targeted renewable auction mechanism and expedited approval of six investor-owned utility executed biomass contracts. All six biomass facilities are currently using fuel from HHZ areas to generate electricity.

- ▶ In March 2016, the CPUC adopted [Resolution E-4770](#), which implemented the Governor’s Emergency Order, directing the investor-owned utilities to procure at least 50 MW of biomass capacity. The contracts require the biomass facilities to use HHZ fuel, in increasing amounts with the current HHZ fuel requirement being at least 60 percent in 2016, and 80 percent in 2017 and beyond.
- ▶ In October 2016, the CPUC adopted [Resolution E-4805](#), which implemented **SB 859**, and ordered the investor-owned utilities to procure an additional ~100 MW contracts for biomass facilities that use at least 60 percent HHZ fuel and 80 percent sustainable forest fuel.

**Total HHZ Procurement as Ordered by
Governor’s Emergency Proclamation and SB 859**

CPUC Requirements (MW) with Executed Contracts¹ by IOU				
IOU	Ordered in March 2016	Ordered in October 2016	Total	Executed Contracts
PG&E	20	43	63	65
SCE	20	44	64	67
SDG&E	10	9	19	24
Total	50	96	146	156

In total, the investor-owned utilities entered into 156 MWs of new contracts. The CPUC monitors, on a quarterly basis, whether these contracts are meeting their HHZ goals. Achievement of HHZ goals are required to be verified on an annual basis by the investor-owned utilities.

In addition, the CPUC has continued to take action to improve opportunities for the BioMAT program:

- ▶ In 2016, the CPUC implemented **SB 840** via CPUC [Decision 16-10-025](#) to consider a broad scope of issues related to tree mortality / HHZ fuel for the BioMAT program. The resulting modifications included streamlined interconnection requirements for biomass projects and accelerated price

¹ Six facilities received contracts: Burney (29 MW), Chinese Station (18 MW), Honey Lake (24 MW), Rio Bravo Fresno (24 MW), Rio Bravo Rocklin (24 MW), and Wheelabrator Shasta (34 MW)

adjustments for the BioMAT program. These changes took effect at the start of the subsequent BioMAT program period in February 2017.

- ▶ In August 2017, the CPUC implemented **AB 1923's** direction to improve opportunities for BioMAT and expanded eligibility in the BioMAT program to biomass facilities of up to 5 MW in capacity (if they deliver no more than 3 MW), in order to promote market participation.
- *Proclamation Order 10. "The California Public Utilities Commission shall prioritize facilitation of interconnection agreements for forest bioenergy facilities in high hazard zones, and shall order the use of expedited mediation or other alternative dispute resolution processes when conflicts delay development of projects."*

Status – Order 10 Completed in 2016: The CPUC updated its relevant interconnection requirements within the BioMAT program and uses the CPUC's expedited interconnection approval process, as governed by CPUC Rule 21 (the CPUC regulation related to grid interconnection).

In addition, the CPUC has continued to take action to improve opportunities to streamline the Interconnection process:

- ▶ In August 2017, the CPUC hired a high-level ombudsman dedicated to Interconnection issues. The CPUC has held workshops to moderate dialogue between developers and the utilities, which has aided in improving communications and, in some cases, streamlined interconnection costs. The CPUC continues to hold regular Interconnection forums.
- ▶ The CPUC has ensured that interconnection cost transparency is clearly addressed in the investor-owned utilities' Annual "Unit Cost Guide," option to elect the "Cost Envelope." ([CPUC Decision 16-06-052](#))
- ▶ In October 2017, the CPUC issued a Ruling to implement the remaining portion of AB 1923 that would update BioMAT rules so that biomass facilities can connect to the existing transmission system, in order to increase developer opportunities, increase system efficiencies, and reduce interconnection costs.
- ▶ The CPUC's scope of the latest Interconnection proceeding ([Rulemaking \(R.\) 17-07-007](#)) considers coordination between the Interconnection proceeding and other proceedings that address interconnection issues for forest bioenergy facilities in high hazard zones, pursuant to the Governor's Emergency Order on Tree Mortality.
- ▶ In November 2017, the CPUC announced that it would undertake an investigation of the BioMAT program (as required by CPUC [Decision D.14-12-081](#), which implemented the BioMAT program) – in order to identify program barriers and make recommendations on how to overcome them.

- *Proclamation Order 11 Note: Order 11 of the Proclamation directs the Energy Commission (CEC) to prioritize funding towards forest biomass under the Electric Program Investment Charge (EPIC), which is a research program overseen by the CPUC.*

CPUC staff is actively engaged with the EPIC program and provide guidance to the CEC in its implementation of the program. The CPUC has approved all EPIC plans to date allowing biomass projects to be awarded EPIC funding.

Statewide Coordination of Fire Safety Policy

The CPUC held a statewide stakeholder meeting on Fire Safety on January 31, 2018, reflecting the CPUC's commitment to expand mitigation of wildfire threat related to utility infrastructure. This effort is being led by the CPUC's Safety Enforcement Division. The CPUC has a [Memorandum of Understanding](#) with CAL FIRE to coordinate closely on this initiative. Together, and working with experts, the CPUC and CAL FIRE have developed a [Fire Map](#) that identifies areas of elevated and extreme fire threat related to utility infrastructure.

The CPUC also continues to collaborate with CAL FIRE on a number of other issues, including efforts to better understand, and remove, barriers of getting HHZ fuel to the biomass facilities.