



City of Grass Valley City Council Agenda Action Sheet

Title: Letter of Support - Extension of the BioMAT Program

CEQA: Not a project

Recommendation: That the City Council authorize the Mayor to sign a letter of support urging Governor Gavin Newsom to extend and fully implement the BioMAT (Biomass Market Adjusting Tariff) Program, in alignment with state law and consistent with Grass Valley's wildfire mitigation, environmental, and economic goals.

Prepared by: Tim Kiser, City Manager

Council Meeting Date: 04/22/2025

Date Prepared: 04/18/2025

Agenda: Consent

Background Information: The BioMAT Program, established by Senate Bill 1122 (Rubio, 2012), mandates the procurement of 250 megawatts (MW) of firm, renewable energy from small-scale bioenergy facilities. These facilities play a critical role in wildfire mitigation, waste diversion, air quality improvement, and job creation, particularly in rural and forested communities.

To date, only 20% of the required procurement has occurred, and the California Public Utilities Commission (CPUC) has set a program sunset date of December 31, 2025. This contradicts both legislative intent and multiple state policy documents calling for full program implementation. A coalition of agencies and organizations—including the Bioenergy Association of California, the Association of California Water Agencies, the California Forestry Association, and the Rural County Representatives of California—is urging the Governor to direct the CPUC to comply with the legislative mandate and ensure the continuation of this critical program.

The BioMAT program is especially relevant to Grass Valley and the greater Sierra Nevada region for the following reasons:

- **Wildfire Mitigation:** BioMAT forest sector projects reduce fuel loads by processing excess woody biomass that would otherwise contribute to catastrophic wildfires or be open-burned. This directly supports regional forest health and public safety goals.
- **Environmental Stewardship:** The program reduces air and climate pollutants and contributes to carbon-negative emissions. It also helps protect water quality and supply—an ongoing concern for Grass Valley and its surrounding watershed.
- **Energy Reliability:** BioMAT provides firm, renewable energy, contributing to local and statewide energy resilience without the need for energy storage or

backup generation.

- **Economic Impact:** BioMAT projects create local, high-quality jobs and help build a circular economy, offering long-term economic benefits to rural and forested communities like ours.

Supporting the extension and full implementation of the BioMAT program aligns with Grass Valley's values and strategic objectives around wildfire safety, climate action, energy reliability, and sustainable economic development. Joining other rural and forested jurisdictions in signing this letter of support is an opportunity to advocate for policies that directly benefit our community.

Council Goals/Objectives: The execution of this action attempts to achieve the following Strategic Goals - Community and Sense of Place.

Fiscal Impact: No fiscal impact associated with this action.

Funds Available: N/A

Account #: N/A

Reviewed by: City Manager

Attachments:

- Coalition Letter to Governor Newsom (dated April 30, 2025)



April 30, 2025

The Honorable Gavin Newsom, Governor
California State Capitol
Sacramento, CA 95814

Re: Need to Extend BioMAT Program

Dear Governor Newsom:

We are writing on behalf of the undersigned agencies and organizations to urge you to extend the BioMAT program, a legislatively established program that requires procurement of 250 megawatts from new small-scale bioenergy projects. BioMAT projects provide firm renewable power while helping to mitigate wildfires, reduce landfill waste, cut air and climate pollution, protect water supply and quality, and create good jobs and the circular economy. Your *California Jobs First* plan highlights several BioMAT projects and two BioMAT projects have received Jobs First funding. Several of the state's climate, wildfire mitigation and air quality plans call for full implementation of BioMAT. State law also requires the BioMAT to be fully implemented, yet the CPUC has set a sunset date of December 31, 2025 while only 20 percent of the required megawatts have been procured. We urge you to direct the CPUC to fully implement the BioMAT program in compliance with state law and to provide the many benefits highlighted below.

1. BioMAT is Required by State Law.

The BioMAT program was established by SB 1122 (Rubio, 2012), which contains no end date or other offramps. The Legislature has revised the program several times, but at no time has it weakened the requirements of that law, set a program end date, or given the CPUC any grounds to end the program when only 50 of the 250 required megawatts have been procured to date.

2. BioMAT Provides Firm, Renewable Power Needed for Energy Reliability.

The BioMAT program provides firm, renewable power that is essential for energy reliability. The CEC has determined that California will need up to 15,000 megawatts of firm power for reliability and other studies estimate that the need will be even greater. The CPUC itself has set a procurement mandate of 1,000 megawatts of firm power and the state is far behind in meeting that requirement. If fully implemented, BioMAT could provide one-quarter of those required megawatts, helping to boost energy reliability.

3. BioMAT Projects Mitigate Wildfires that are Driving Rate Increases.

BioMAT projects in the forest sector help mitigate wildfires by providing a beneficial use of forest waste that would otherwise contribute to wildfires or be pile burned. Several of the state's wildfire and forest health plans have called for full implementation of the BioMAT program to help mitigate wildfires, including the *California Forest Carbon Plan* and the Board of Forestry's 2020 Biomass Utilization Plan. Not only do forest BioMAT projects protect public health and safety, but they also help to address the increasing impact of wildfires on electricity rates. According to the CPUC's recent affordability report (*CPUC Response to Executive Order N.5-24.*), wildfires are the single biggest driver of rate increases and forest BioMAT projects can help to mitigate wildfires.

4. BioMAT Projects Help Protect the Climate, Air and Water Quality.

California's resource and environmental agencies have long recognized the benefits of bioenergy for the climate, air quality, and water quality and supply. The *California Short-Lived Climate Pollutant Reduction Strategy* and the *California Forest Carbon Plan* call directly for BioMAT implementation. The *2022 Climate Change Scoping Plan* also calls for increased bioenergy as one of the biggest opportunities to generate carbon negative emissions. The Air Board's plan to phase out open burning of agricultural waste also calls for increased bioenergy. And the attached letter from the Association of California Water Agencies (ACWA) highlights the benefits to water quality and supply that BioMAT projects can provide.

5. BioMAT Projects Provide Good, Permanent Jobs and Build a Circular Economy.

Your recently released *California Jobs First* plan highlights three BioMAT projects that have received \$30 million in federal funding, most of which will have to be returned to the Federal Government if the BioMAT program is not extended. The Sierra Jobs First governing council has also awarded funding to two BioMAT projects. This recognition highlights the jobs and economic value of bioenergy projects. According to a recent report by the Clean Air Task Force, bioenergy provides more jobs than other renewables and a higher proportion of those jobs are permanent, high paying jobs that provide long-term benefits for families and communities and help to build a circular economy.

6. The CPUC's Own Report Shows that BioMAT Costs are Negligible.

The CPUC's recent affordability report makes clear that the BioMAT program – even if fully implemented – would result in less than negligible ratepayer costs. According to the CPUC report, BioMAT costs a few pennies per household per month compared to solar and wind power, even though BioMAT projects do not require backup generation or energy storage. If comparing BioMAT costs to other firm renewables, the added cost to ratepayers is nearly zero and more than offset by the direct ratepayer benefits of wildfire mitigation, generation of carbon negative emissions, reduction in air pollution, protection of hydropower and water supplies, and local job creation.

For all these reasons, the undersigned urge you to require the CPUC to fully implement the BioMAT program as required by state law.

Sincerely,

Nick Blair
Association of California Water Agencies

Sarah Deslauriers
California Association of Sanitation Districts

Matt Dias
California Forestry Association

John Kennedy
Rural County Representatives of California

Julia Levin
Bioenergy Association of California