



# Senate Bill 1122: Bioenergy Renewable Market Adjusting Tariff (ReMAT)

Category 2: Dairy and Agricultural Waste

## **Category 1: Urban Waste**

- Biogas from wastewater treatment plants
- Biogas from municipal organic waste diversion
- Biogas from food manufacturing activities
- Biogas from codigestion

## **Category 2: Dairy and Agricultural Waste**

- Biogas generated primarily from the anaerobic digestion of dairy cattle manure
- Biogas or biomass generated through agricultural or horticultural production

## **Category 3: Byproducts of Sustainable Forest Mgmt.**

- Biomass from forest byproducts derived from fire threat reduction, infrastructure clearance projects or sustainable forest management activities.

### **What is SB 1122?**

Senate Bill 1122 is a bioenergy specific carve out introduced by the California legislature to incubate the development of small-scale distributed generation facilities that address and support waste diversion and emissions reduction goals of the California Energy Commission, CalRecycle, and the State's Bioenergy Action Plan. The SB 1122 ReMAT is modeled after the existing ReMAT for all renewables but is exclusive to small-scale (< 3 MW) bioenergy projects. A total of 250 MW has been allocated to this program: 110 MW to urban sourced bioenergy, 90 MW to dairy and agricultural bioenergy, and 50 MW to forest sourced bioenergy.

### **Category 2: Dairy and Agricultural Waste**

Category 2 is intended to promote the development of dairy digesters and the utilization of energy feedstock generated as a byproduct of agricultural and horticultural operations, including poultry and livestock, as well as feedstock generated by packing houses that pack only whole fruits or whole vegetables, and associated cold storage, cotton gins, and nut hulling and shelling operations. Material from orchard management is eligible under Category 2.

### **Project Participation and Project Development**

Requirements to prepare for the ReMAT auction include:

- System sizing based on sustainable feedstock availability;
- Technology and vendor selection;
- Negotiate Memorandum of Understanding (MOU) for project development roles and responsibilities; and
- IOU System Impact Study for interconnection.

Additional pre-development work includes:

- Feasibility Study (if necessary);
- Review site zoning and apply for a Conditional Use Permit (CUP) if necessary;
- Contract feedstock (if necessary); and
- Detailed financial model and plan to acquire financing.

### **Program Eligibility**

- 1) Located in IOU territory
  - Is your site located in PG&E, SCE, or SDG&E territory?
- 2) Uses an Eligible Renewable Energy Resource
- 3) Is a FERC Qualifying Facility
- 4) Contract size is less than 3.0 MW
- 5) Interconnection Study/Strategically Located
  - Must be performed by the IOU
- 6) Site Control
- 7) Developer Experience
  - Part of the technology selection process
- 8) No Daisy Chaining
- 9) Project has not previously received solar or SGIP incentives

### **Price Adjustments**

Starting Price: \$0.127/kWh  
Adjustment 1: to \$0.131/kWh  
Adjustment 2: to \$0.139/kWh  
Adjustment 3: to \$0.151/kWh  
Adjustment 4: to \$0.163/kWh

Adjustments occur when fewer than 20% of the allocation for an offering is subscribed when sufficient bidders are in the queue. *Dairy prices will move independently of other agricultural projects.*

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