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Submitted electronically to <https://carb.commentinput.com/>

March 9, 2026

Clerk's Office
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: CARB's Proposed 2026 Amendments to the Regulations for the Mandatory Reporting of Greenhouse Gas Emissions

Dear members of the California Air Resources Board,

The Salt River Project Agricultural Improvement and Power District (SRP) appreciates the opportunity to provide comments to the California Air Resources Board's (CARB) Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (GHG Mandatory Reporting Rule). As a participant in the California Independent System Operator (CAISO) Energy Imbalance Market (EIM), these proposed regulatory changes have an impact on SRP reporting requirements.

SRP is a community-based, not-for-profit public power utility and the largest electricity provider in the greater Phoenix metropolitan area, serving approximately 1.1 million residential, commercial, industrial, agricultural and mining customers in Arizona. SRP also provides water to about half of the Valley's residents, delivering more than 244 billion gallons of water (750,000 acre-feet) each year, and manages a 13,000-square-mile watershed that includes an extensive system of reservoirs, wells, canals and irrigation laterals. SRP meets its electric generation needs with a mix of resources, including coal- and natural gas-fired power plants as well as hydrogeneration, solar, wind, geothermal and battery storage.

The Phoenix metropolitan area continues to rank high in population growth nationally. For SRP, this means more customers, rapidly increasing energy demand and higher peak demand. Demand has increased by 1.7% per year during the last decade, and this trend is expected to continue. While the SRP service territory experienced extraordinary residential growth in the early 2000's, SRP is now experiencing unprecedented growth in the commercial and industrial sectors, including high-energy users such as semiconductor manufacturing, data centers and other high-tech industries. Additionally, customers' energy usage and needs continue to evolve and change as the digital economy drives a shift

in how and when customers use power. These new customers not only have around-the-clock power needs but also have specific power quality needs and an increased need for reliable power delivery.

Given these extraordinary growth pressures and highlighting the realities facing rapidly growing utilities like SRP, it is critical for SRP to not only continue to provide reliable, affordable and sustainable power to its existing customers but to support the growing development in Arizona as well. SRP is working to more than double the capacity of its power system in the next 10 years while maintaining reliability and affordability and making continued progress toward our sustainability goals. SRP will accomplish this through an “all of the above” approach that plans to add natural gas, renewable, and storage resources. It is with this in mind that SRP offers three suggestions and clarifications for consideration.

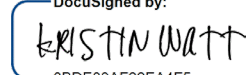
First, SRP has a battery generation portfolio of over 1,000 MW and growing, including both owned and contracted resources. As a participant in the CAISO EIM, we have elected to not provide greenhouse gas offers for our battery resources due to lack of clarity for allowance obligations if these resources receive a greenhouse gas award. SRP would strongly recommend that CARB work with CAISO to provide clarity on how and whether the proposed action would relate to market participant activity, including whether the reported greenhouse gas emissions for energy storage resources are indicative of allowance obligations.

Second, SRP’s experience with utility-scale batteries suggests that many batteries may be more efficient than the 2021 NREL estimated 85% Round Trip Efficiency (RTE), with some technologies capable of reliably meeting 90% RTE. SRP requests that CARB undertake a more robust evaluation of battery efficiency which includes consideration of recent generations of the technology, before finalizing the proposed emission loss factor. SRP appreciates CARB’s inclusion of a process for site-specific RTE calculations but believes that a higher initial assumption to reflect current industry performance would reduce the reporting burden associated with the custom data collection and submission process.

Finally, as SRP and others regularly buy and sell power to provide reliable, efficient power for our region, SRP requests guidance on how CARB anticipates batteries to be incorporated in calculated emissions factors for Asset-Controlling Suppliers with energy storage as a part of their portfolio. SRP requests confirmation that a regionwide increase in battery dispatch will not increase the unspecified emissions factor or any other average-based emissions factors, all else held equal.

SRP appreciates the opportunity to provide comments for consideration on the CARB proposed amendments to the GHG Mandatory Reporting Rule. If you have questions regarding the content of this comment, please feel free to contact me at (602) 236-5448, or Kristin.Watt@srpnet.com.

Sincerely,

DocuSigned by:

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Kristin Watt
Director, Environmental Services



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