

David Weisenberger
Chairman

April 30, 2026

Katarina Campbell
Vice Chairman

Clerk of the Board
California Air Resources Board

Bruce McLaughlin
Secretary

David A. Nixon
Treasurer/Auditor

**Re: COMMENTS OF THE POWER AND WATER RESOURCES
POOLING AUTHORITY ON THE PROPOSED 15-DAY
AMENDMENTS TO THE CALIFORNIA CAP ON GREENHOUSE
GAS EMISSIONS AND MARKET-BASED COMPLIANCE
MECHANISMS**

INTRODUCTION

Member Agencies
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Glenn-Colusa I.D.
James I.D.
Lower Tule River I.D.
Princeton-Codora-Glenn I.D.
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The Power and Water Resources Pooling Authority (“PWRPA”) respectfully submits these comments on the proposed 15-Day Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (“Regulation”), as noticed on April 14, 2026, with public comments due by May 4, 2026.

PWRPA filed detailed comments during the 45-day comment period on March 9, 2026 (“45-day Comments”), demonstrating that the proposed single-year allocation of 7,093 allowances understated PWRPA’s 10-year average compliance burden by nearly four-fold. Those comments were supported by data from eleven years of multi-layer constraint analyses, Power Source Disclosure data filed with the California Energy Commission, and a revised Appendix D-2 spreadsheet.

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PWRPA appreciates the substantial and constructive changes CARB has made in the 15-Day Amendments responsive to those comments, and requests that these comments and the 45-day Comments, together with all supporting attachments, be included in the official rulemaking record.

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I. PWRPA SUPPORTS THE 15-DAY AMENDMENTS TO THE 2027-2030 EDU ALLOCATION

The 15-Day Amendments made the following changes relevant to PWRPA’s allocation:

Multi-year averaging of inputs. Attachment B would apply a three-year average (2022-2024) of PWRPA’s Energy to Serve Load, Retail Sales, and



Large Hydroelectric supply, replacing the single-year 2024 snapshot proposed in the 45-day language. This change acknowledges that any single year is an unreliable basis for PWRPA’s allocation—a central point of PWRPA’s 45-day Comments.

Updated RPS Factor. The RPS Factor Applied to Sales has been revised to reflect the CEC Interim Renewable Portfolio Standard Targets minus 25% to represent allowable non-PCC1 electricity, producing factors of 39/41/43/45% for 2027-2030 instead of 47/50/52/55% under the 45-day proposal.

Updated allocation to more accurately reflect PWRPA’s expected costs of compliance.

PWRPA’s revised 2027–2030 allocation in Table 9-3 is as follows:

Scenario	2027	2028	2029	2030
45-Day Proposal	8,003	7,036	7,116	7,093
15-Day Proposal	39,104	36,036	32,969	29,901

The revised allocation totals approximately 138,010 allowances for the 2027-2030 period, compared to approximately 29,248 under the 45-day proposal. PWRPA appreciates CARB’s responsiveness to the data and analysis submitted in the 45-day Comments and supports these changes. At the same time, while the increase is a positive step, it does not fully restore PWRPA to a position comparable to its prior allocation level and therefore does not make PWRPA whole. Under the revised figures, PWRPA and its member agencies remain exposed to significant incremental carbon compliance costs that could continue to put upward pressure on rates for customers who are served on a cost-of-service basis. PWRPA appreciates CARB’s movement in the right direction, but respectfully urges the Board to adopt a final allocation framework that fully addresses affordability impacts and restores PWRPA’s prior allocation of allowances for the 2027-2030 timeframe.

II. PWRPA SUPPORTS THE DELETION OF TABLE 9-4 AND DEFERRAL OF POST-2030 ALLOCATION

PWRPA supports the deletion of Table 9-4, which would have established post-2030 EDU allocations. Deferring post-2030 allocation to a future rulemaking is appropriate and responsive to comments from PWRPA and other parties. This additional time will allow CARB to develop a methodology that accounts for the distinct operational characteristics of different EDUs and ensures that the allocation fulfills its statutory requirements to minimize impacts on ratepayers.



III. REQUESTS FOR THE POST-2030 RULEMAKING

The methodological improvements CARB adopted for 2027-2030 should serve as a foundation for the post-2030 approach. PWRPA respectfully requests that CARB consider the following principles in developing the post-2030 EDU allocation methodology. PWRPA places these on the record now so that the evidentiary foundation established by the 45-day Comments and supporting attachments is available as the future rulemaking proceeds.

A. A Longer Lookback Period Is Needed for Hydro-Dependent EDUs

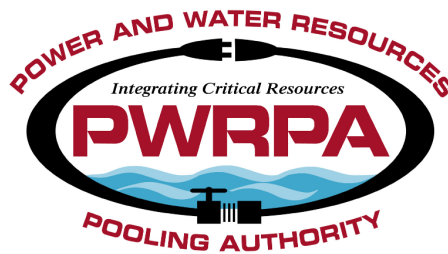
The 15-Day Amendments use a three-year lookback period (2022-2024) for PWRPA's inputs. While this is a meaningful improvement over a single-year snapshot, a longer lookback period is needed to capture the full range of PWRPA's hydrological variability. As demonstrated in the 45-day Comments, even using an overstated 55% RPS Factor for all years, PWRPA's annual allowance need varied by a factor of twelve over the 2015-2024 decade — because its compliance burden is structurally driven by multiple factors outside PWRPA's control, including hydrology, inflows, federal and state regulatory constraints on Central Valley Project ("CVP") operations, Endangered Species Act biological opinions, flood control operations, water temperature management protocols, and Bureau of Reclamation operational decisions.

The three-year lookback period captures only a fraction of this variability. A 10-year lookback period, as PWRPA proposed in its 45-day Comments, would span a full hydrological cycle including critically dry, dry, below normal, above normal, and wet water years. At minimum, a 7-year lookback period would be consistent with the approach the Legislature has already mandated for PWRPA's RPS procurement obligation under Cal. Pub. Util. Code § 399.30(i), which requires averaging load for RPS compliance over the previous seven years precisely because of PWRPA's annual volatility.

CARB already uses a 10-year average of large hydroelectric supply for WAPA, which receives power from the same Central Valley Project system as PWRPA. Consistent treatment requires that a comparable multi-year lookback period be applied to PWRPA in the post-2030 allocation.

B. Hydrological Variability Should Be Expressly Considered in the Methodology

PWRPA's 45-day Comments and eleven supporting constraint analyses demonstrate that PWRPA's compliance burden is fundamentally different from other EDUs. PWRPA's electrical load moves inversely to its hydro supply: in drought years, surface water curtailments force reliance on groundwater pumping, which increases electrical demand precisely when zero-emission hydro supply is at its lowest. This inverse correlation (-0.60 between Large Hydro and Energy to Serve Load; -0.83 between Large Hydro and the Allocation Factor) means that any



methodology using standardized assumptions about supply and load will systematically understate PWRPA’s compliance costs.

PWRPA respectfully requests that the post-2030 methodology include a mechanism—such as multi-year output-level averaging, an alternate data source provision, or a volatility adjustment—that accounts for the structural characteristics of hydro-dependent EDUs whose supply and load are inversely correlated.

C. Climate Change Should Inform Future Allocation Levels

PWRPA’s 45-day Comments documented that DWR modeling projects higher frequency of critical and below-normal water years and greater precipitation volatility under climate change. These projections suggest that PWRPA’s compliance burden will increase over time as drought conditions become more frequent and intense. The post-2030 methodology should account for this trend rather than assume that historical conditions will remain static. The eleven constraint analyses and supporting data submitted with PWRPA’s 45-day Comments provide an empirical foundation for this assessment.

IV. CONCLUSION

PWRPA appreciates the substantial improvements to the 2027-2030 allocation in the 15-Day Amendments. CARB’s decision to adopt multi-year averaging, to revise the RPS factor, and to defer post-2030 allocation to a future rulemaking are all responsive to concerns raised in PWRPA’s 45-day Comments. PWRPA supports these changes.

PWRPA requests that these comments, together with the 45-day Comments and all supporting attachments previously submitted, be included in the official rulemaking record. PWRPA looks forward to engaging constructively with CARB staff in the future rulemaking to develop a post-2030 allocation methodology that incorporates a lookback period spanning a full hydrological cycle, accounts for hydrological variability, and fulfills the statutory objective of protecting ratepayers from Program costs.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be "B. McLaughlin", is written over a horizontal line.

Bruce McLaughlin, General Manager
Power & Water Resources Pooling Authority