



**WATER AND
POWER**



March 5, 2026 | Submitted Electronically

Lauren Sanchez, Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95814

SUBJECT: Comments on the Potential Amendments to the Cap-and-Invest Program

Dear Chair Sanchez:

On behalf of Burbank Water and Power (BWP), I appreciate the opportunity to comment on the Potential Amendments to the Cap-and-Invest Program. BWP is a publicly owned utility (POU) serving the residents and businesses of Burbank with electricity and water. BWP remains committed to working with the state to achieve the greenhouse gas (GHG) reduction goals, as required by Assembly Bill (AB) 32, Senate Bill (SB) 32 and AB 398. We are supportive of the Governor Newsom and the Legislature's decision to extend the Cap-and-Invest program to 2045. We believe that the current Cap-and-Invest program provides a framework to reduce emissions, in an affordable and timely manner. Furthermore, BWP supports the jointly submitted comments by the Southern California Public Power Authority and California Municipal Utilities Association.

The City of Burbank supports sustainability goals and has its own GHG reduction plan that will reduce our GHG emissions through a holistic and citywide approach. Burbank will seek to achieve the City's goals through energy efficiency, building electrification, as well as facilitating the adoption of transportation electrification and access to modern charging infrastructure for Burbank's community. BWP completed its integrated resource plan in December 2023, developing a path to reduce emissions, increase our clean energy portfolio and to comply with various state mandates.

For the electricity sector, it is imperative that CARB make minor modifications to the current Cap-and-Invest Regulation. Many utilities, such as BWP are facing higher load profiles due to increased development and electrification. BWP's load will increase significantly, post 2035. In order to maintain affordability, reliability and sustainability, BWP supports the continuation of allowance allocation for utilities at the current level, established in 2017. Reducing BWP's allowance allocation will have a detrimental impact on the ratepayer. At today's allowance clearing price, the savings from these allowances account for approximately 10% of the power resources budget. Reducing them or taking them away will lead to rate increases.

In 2017, CARB made a deliberate policy decision to establish fixed EDU allowance allocations for the 2021–2030 period (Table 9-4 of the current regulation) to incentivize early, voluntary greenhouse gas reductions. That structure was designed to provide certainty and encourage utilities to make long-term clean energy investments. More recently, the Legislature passed and the Governor signed AB 1207 to extend the Cap-and-Invest program through 2045, with the clear intent of stabilizing the program and protecting ratepayers. Assemblymember Irwin and Assemblymember Petrie-Norris, Chair of the Assembly Committee on Utilities and Energy, underscored this objective during the February 23, 2026, Joint Legislative Committee on Climate Change Policies hearing.

Chair Petrie-Norris also emphasized that electric affordability is foundational to sustaining the clean energy transition. CARB's current proposal to revise allowance allocations would substantially alter the framework utilities relied upon, affecting both past investments and future commitments to zero-carbon resources. As a publicly owned utility, we do not have shareholders to absorb increased compliance costs; any additional financial burden flows directly to our ratepayers.

AB 1207 also contemplated improving affordability by transitioning natural gas supplier (NGS) allowances to Electrical Distribution Utilities (EDUs). During the February 23rd, 2026, hearing, legislators were clear that these natural gas allowances were intended to supplement—rather than replace—existing allocations and to be directed to ratepayers to mitigate costs. We strongly support that legislative intent and urge CARB to treat NGS allowances as separate from, and in addition to, POU allocations to ensure meaningful ratepayer relief.

Burbank has been, and will continue to be, a leader in our region in achieving a zero-carbon grid.

Thank you for the opportunity to play an active role in this process. If you have any questions or require additional information regarding our comments, please contact Mandip Samra, Burbank Water and Power, General Manager at (818) 238-3554 or msamra@burbankca.gov.

Sincerely,



Mandip Kaur Samra
General Manager, Burbank Water and Power