



**BEFORE THE PUBLIC UTILITIES COMMISSION**

**OF THE**

**STATE OF CALIFORNIA**

**FILED**

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R2506019

**Order Instituting Rulemaking to Continue  
Oversight of Electric Integrated Resource  
Planning and Procurement Processes.**

**Rulemaking 25-06-019**

**(Filed June 26, 2025)**

**NOTICE OF EX PARTE COMMUNICATIONS  
OF CALIFORNIA RESOURCES CORPORATION**

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February 19, 2026

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**NOTICE OF EX PARTE COMMUNICATIONS  
OF CALIFORNIA RESOURCES CORPORATION**

California Resources Corporation hereby gives notice pursuant to Rule 8.4(a) of the Rules of Practice and Procedure of the California Public Utilities Commission (“Commission”) of the following communications.

**DATE, TIME, AND LOCATION OF COMMUNICATIONS:**

- February 17, 2026 from 1:30pm to 2:00pm, via webex: Meeting with Commissioner Karen Douglas’s office.
- February 17, 2026 from 2:30pm to 3:00pm, via webex: Meeting with President Alice Busching Reynolds and Commissioner John Reynolds’s offices.
- February 18, 2026 from 1:00pm to 1:30pm,<sup>1</sup> via webex: Meeting with Commissioner Darcie L. Houck’s office.

**WHO INITIATED COMMUNICATIONS:** Nora Sheriff, counsel for CRC.

**NAMES AND TITLES OF NON-CPUC PERSON(S) PRESENT:** Nora Sheriff, counsel for CRC; Chris Gould, Executive Vice President of CRC; Jason Marshall, Vice President of CRC; and, on February 18, Katherine L. Tyler, Assistant General Counsel for CRC.

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<sup>1</sup> Meeting date and time were changed from the previously noticed Feb. 17, 3:30pm date and time due to a scheduling conflict which arose after filing the 3-day notice of ex parte communication.

**NAMES AND TITLES OF CPUC PERSON(S) PRESENT:**

- February 17, 2026, 1:30 pm to 2:10 pm meeting with Commissioner Karen Douglas’s Office: Julian Buchwalter, Advisor to Commissioner Douglas.
- February 17, 2026, 2:31 pm to 3:00 pm meeting with President Alice Busching Reynolds and Commissioner John Reynolds’s Offices: Sarah Goldmuntz, Advisor to President Reynolds; Adam Buchholz, Interim Chief of Staff to Commissioner John Reynolds; Amin Younes, Advisor to Commissioner John Reynolds.
- February 18, 2026, 1:00 pm to 1:31 pm meeting with Commissioner Darcie L. Houck’s Office: Amanda Singh Birmingham, Chief of Staff & Advisor to Commissioner Houck; Victor Smith, Deputy Chief of Staff & Advisor to Commissioner Houck.

**DESCRIPTION OF COMMUNICATIONS:**

Ms. Sheriff thanked the advisors for their time and focus on this proceeding. Ms. Sheriff proceeded to explain the revisions to the Proposed Decision sought by CRC, namely inclusion of Natural Gas + Carbon Capture and Storage (NGCCS) and CCS with Fuel Cells as eligible 2029-2032 interim procurement resources, and natural gas plants that would otherwise retire, if they add CCS, as eligible resources, inclusion of NGCCS as a resource type in the 2026-2027 TPP Base Case, and inclusion of repowers with CCS in the busbar mapping methodology evaluation. Ms. Sheriff emphasized that the Commission should take a least regrets approach when considering these proposed revisions, because CCS is clean, firm, affordable, will reduce emissions, and is ready to scale now. She outlined that these proposed revisions and the benefits of NGCCS are

strongly supported by the record, which includes discussions of studies by Stanford and Oxford and others, and that Mr. Gould and Mr. Marshall would elaborate on these benefits.

Mr. Gould began by explaining that CCS has an important, long-term role to play in decarbonization that can and should start today. Mr. Gould explained that CARB's 2022 Scoping Plan shows roughly 24 GW of combined cycle gas plants in the energy stack through 2045 and beyond, emphasizing that the only question is whether we decarbonize these natural gas plants now or later, and doing so now makes the most sense. NGCCS has lifecycle emissions comparable to renewables combined with storage. CRC's NGCCS targets 95% CO<sub>2</sub> capture rates to achieve these low lifecycle emissions. Further, CCS stands to reduce criteria pollutants by 75-99%.

Mr. Gould continued that NGCCS reduces costs and better follows load compared to a pure renewable plus battery mix. Ms. Sheriff emphasized that this is all on the record through CRC comments and replies, and that other parties have had the opportunity to comment.

Mr. Gould went on to state that CRC has permits from the Environmental Protection Agency for CCS, and that CRC is prepared to begin injecting subsurface CO<sub>2</sub> in California by the end of March 2026. CRC is ready to bring clean and affordable energy to California through NGCCS, and California, with its world class geology, has the storage potential for 5 GW of NGCCS. Mr. Gould explained that California possesses good geologic isolations overlying deep geologic formations with pore space that can accept CO<sub>2</sub> injection more readily than other rock types.

Mr. Gould said that CRC began working with the EPA to receive its permits about four years ago, and that CRC has engaged with the public, performed geologic and injection

compliance studies, and has provided financial assurances through bonding. Mr. Marshall added that Class VI Permits (those required for CCS) have multiple steps, and that CRC has demonstrated sound geology, well construction, well capping, and bonding throughout this multi-step process. Mr. Gould emphasized that CRC's NGCCs plans, as supported by the record, are only for existing natural gas plants, recognizing that natural gas plants will continue to operate through 2045 and beyond. Further, Mr. Gould reiterated that, from a system perspective, studies show that procurement that includes NGCCS would be more affordable than procurement from just 100% renewables.

Mr. Marshall noted that NGCCS is endorsed and relied upon by CARB. CARB considers NGCCS a critical decarbonization lever in its 2022 Scoping Plan, lists CCS as an eligible emissions reduction pathway in its Low Carbon Fuel Standards (LCFS), and is incorporating CCS into its Cap & Invest program regulations that it is developing now.

Mr. Marshall highlighted quotes from CARB's 2022 Scoping Plan that emphasize Natural Gas and NGCCS' real role in California through 2045. To reach emissions reductions targets, CCS must be applied to existing natural gas plants. Further, CARB recognized that the sooner CCS is applied to natural gas (through NGCCS), the sooner California will see additional emissions reductions ahead of 2045. In the process, CCS will reduce criteria air pollutants while providing grid reliability.

Mr. Gould ended by reemphasizing that CRC seeks to apply CCS to existing natural gas plants, rather than seeking to develop new ones. He noted that noncombustible fuel cells, like those Bloom Energy Corporation is developing, could also be paired with CCS going forward. He also explained that action on NGCCS is needed by the Commission now, to send a clear market

signal that NGCCS is viable now. Otherwise, it will be years before this opportunity to decarbonize presents itself again. Mr. Gould also explained that CRC is targeting 95% emissions reductions.

Mr. Gould finished by showing CRC's CTVI site, where CRC is set to begin capturing 100,000 tons of pre-combustion CO<sub>2</sub> per annum. He emphasized that if the Commission adopts CRC's proposed revisions, it will send a signal to the market that California is ready for post-combustion NGCCS, and that carbon sequestration will increase exponentially, thus decreasing emissions.

Ms. Sheriff reemphasized the importance of sending the market signal now, adding that, especially in the midst of an ongoing affordability crisis, it is important to affordably reduce emissions.

Ms. Sheriff concluded by urging a "least-regrets" approach and acting now to include NGCCS rather than waiting, because waiting means lost opportunities to reduce costs, carbon emissions, and criteria pollutants in the short term.

Ms. Sheriff then thanked the advisors for their time.

**WRITTEN MATERIALS PROVIDED:** Attached "Include CCS in Integrated Resource Planning Procurement Now" presentation.

Respectfully submitted,  
BUCHALTER LLP  
By:



Nora Sheriff  
Counsel for California Resources  
Corporation

February 19, 2026



## Include CCS in Integrated Resource Planning Procurement Now

February 17<sup>th</sup>, 2026

## Revise the Proposed Decision to:

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- Include Natural Gas + Carbon Capture and Storage (NGCCS) as an eligible resource for 2029-2032 interim procurement
- Include repowers of resources expected to retire in the 2029-2032 timeframe as an eligible resources for interim procurement
- Include NGCCS as a resource type in the 2026-2027 TPP Base Case, including its impact on natural gas retention and displacement of other resources
- Include potential for repowers with CCS in the busbar mapping methodology evaluation non-retention of natural gas resources



# NGCCS is Clean, Reliable, Affordable & Scalable

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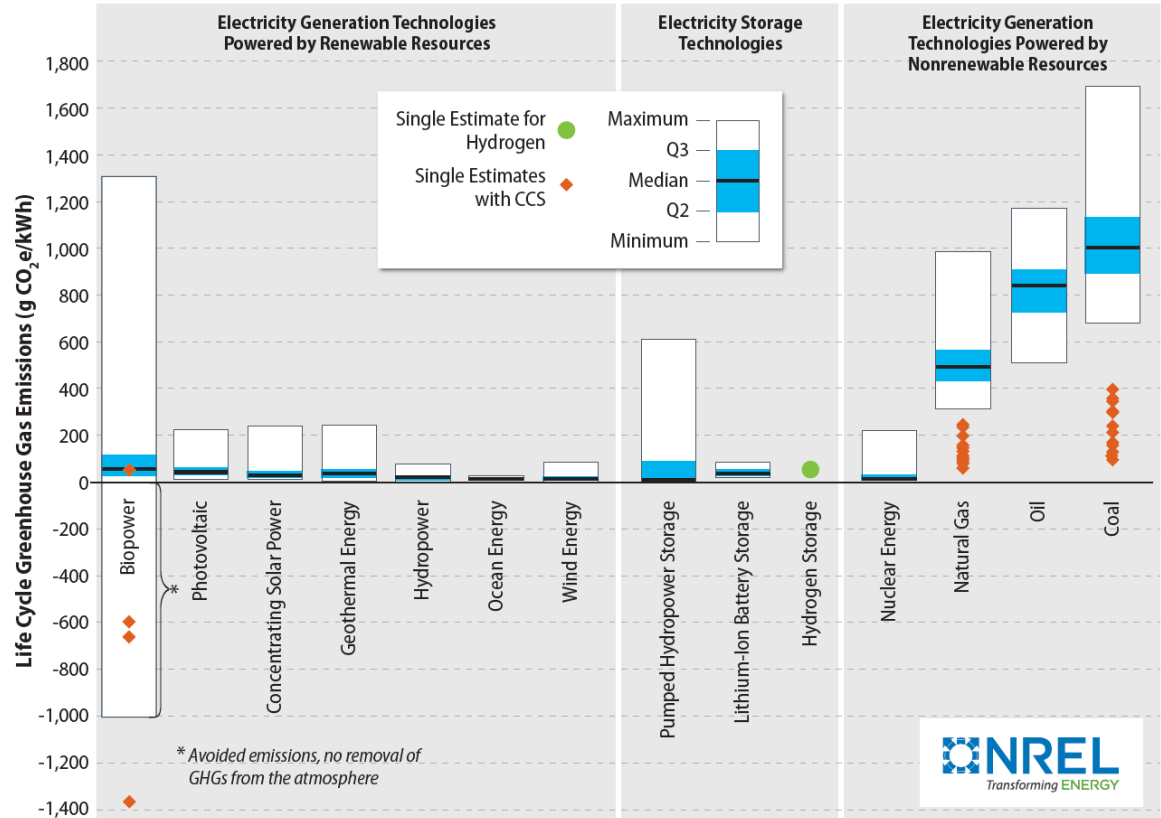
- CCS paired with California-produced low carbon intensity natural gas has a **lifecycle carbon intensity comparable to renewables and storage**
- NGCCS can run as a **baseload or load following resource, ensuring grid reliability** in the face of growing demand
- Multiple studies (Stanford, Oxford) detailed in the record show clean, **firm NGCCS lowers the overall cost of grid decarbonization**
- CEC found that incorporation of **rapid deployment of clean firm resources could avoid significant investments in additional resource buildout and associated transmission** (SB 423 Emerging Renewable and Firm Zero-Carbon Resources Report)
- **1 GW of NGCCS is under development** in California, with CTV permitting **storage for up to 5 GW of NGCCS**, taking advantage of California's "world class geology" to offer **the fastest path to emissions reductions**



# NGCCS Has Low GHG Lifecycle Emissions

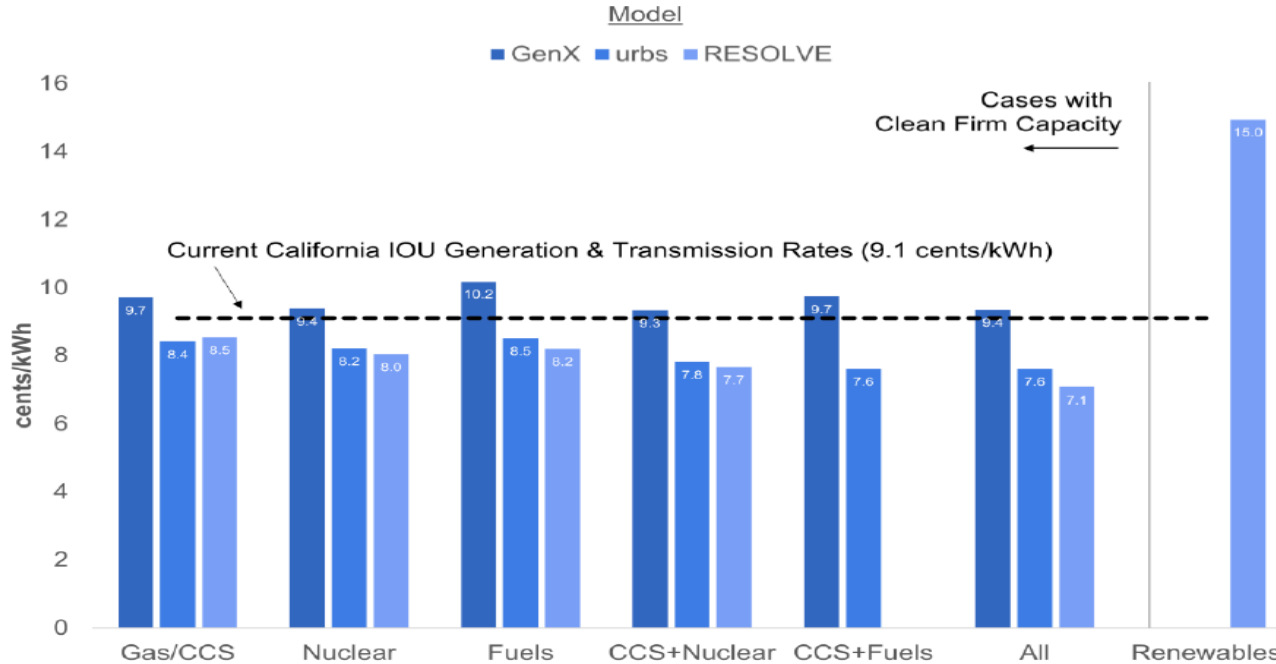
**NGCCS GHG Emissions Are Comparable to Renewables + Batteries on a Life Cycle Basis**

*CCS will also reduce criteria pollutants by 75-99+%, providing material local health benefits*



Source: National Renewable Energy Laboratory (NREL), *Life Cycle Greenhouse Gas Emissions from Electricity Generation: Update*, NREL/FS-6A50-80580, 2021 at 2

# NGCCS Would Reduce Costs



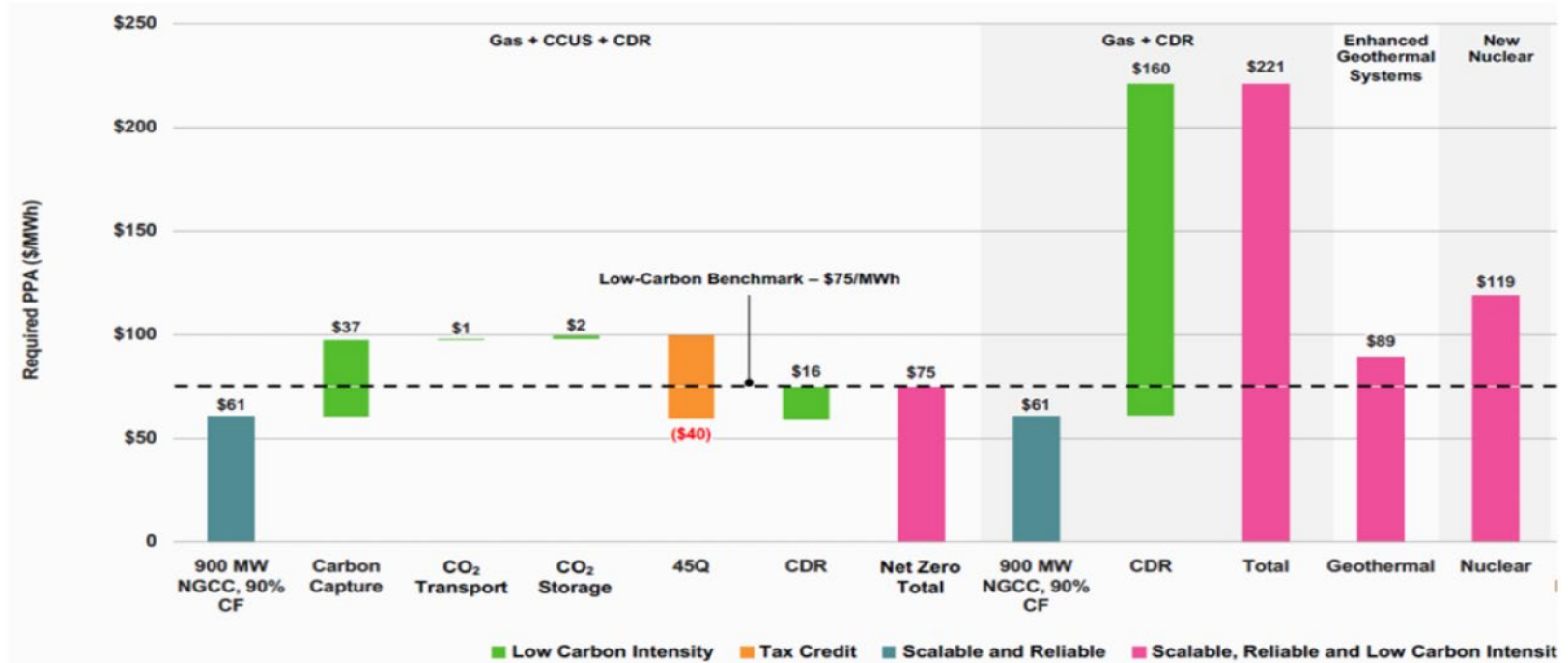
**Figure 2.** The wholesale generation and transmission costs for 100% carbon-free electricity for the year 2045. All cases shown include variable renewable energy and batteries. The case in red labeled “Renewables” did not allow any clean firm power to be built. Other cases allow both renewable energy, batteries and the labeled form of clean firm power. Results shown for mid-range capital cost cases and \$33/MMBtu generic zero-carbon fuel. The renewable and batteries-only case was only solved by E3’s RESOLVE and RECAP models to ensure reliability of this portfolio through all weather-years.

Source: Long et al., *California needs clean firm power, and so does the rest of the world; Three detailed models of the future of California’s power system all show that California needs carbon-free electricity sources that don’t depend on the weather, 2021 at 6.*



# NGCCS is Low-Cost and Low-Carbon Power

## Gas With CCS Offers Low-Cost, Low-Carbon Power



Source: Enverus, CCUS | Gigatonne Dreams, Market Realities, 2025 at 41.

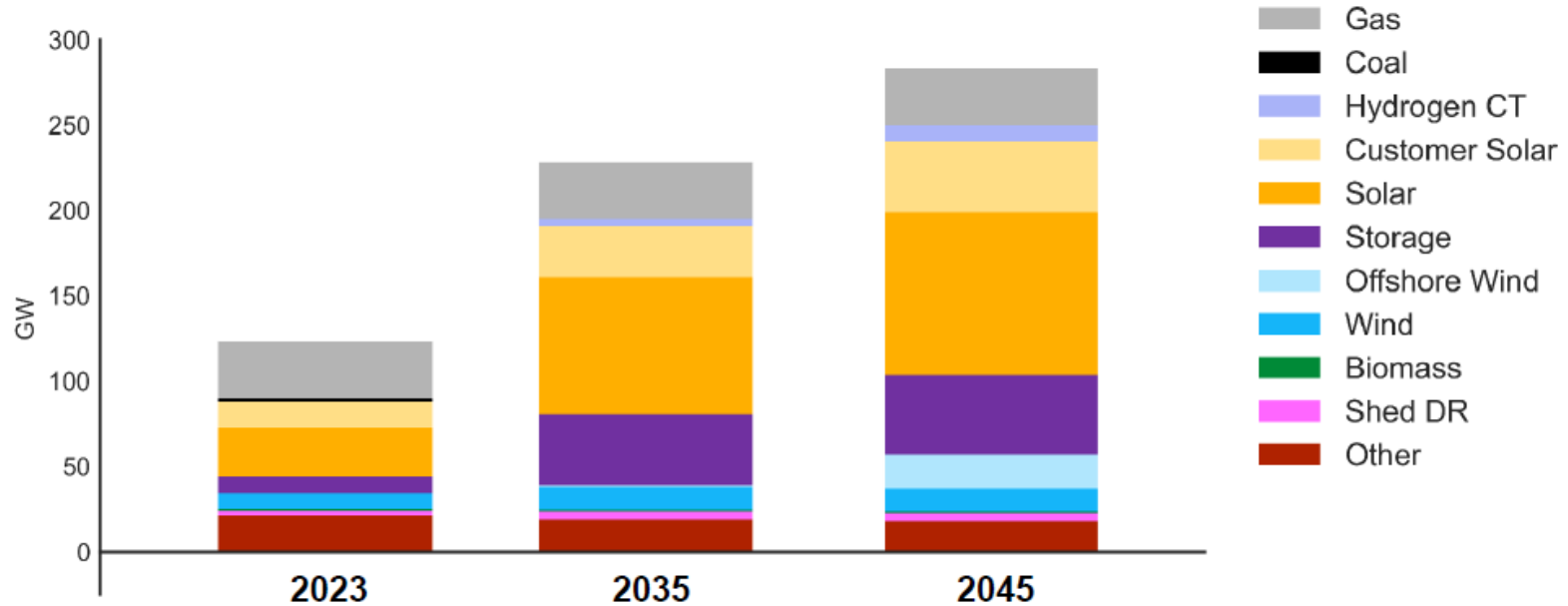
# California Climate Policy Strongly Supports and Relies on CCS

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- CARB has fully endorsed CCS, including for natural gas power plants, as a **critical decarbonization lever** in its 2022 Scoping Plan
- CCS is an **eligible emissions reduction pathway** in CARB's Low Carbon Fuel Standard
- CARB is currently **incorporating CCS into Cap & Invest** in its current rulemaking
- **Legislature endorsed CCS** in passage of SB 905
- Governor Newsom has stated *“achieving carbon neutrality will rely on carbon sequestration”*



# Natural Gas Power Will Remain Critical to Meet Growing Electricity Demand



Source: E3, CARB Scoping Plan: AB32 Source Emissions Final Modeling Results, Oct 2022



# CARB 2022 Scoping Plan Supports CCS on Existing NG Power Plants

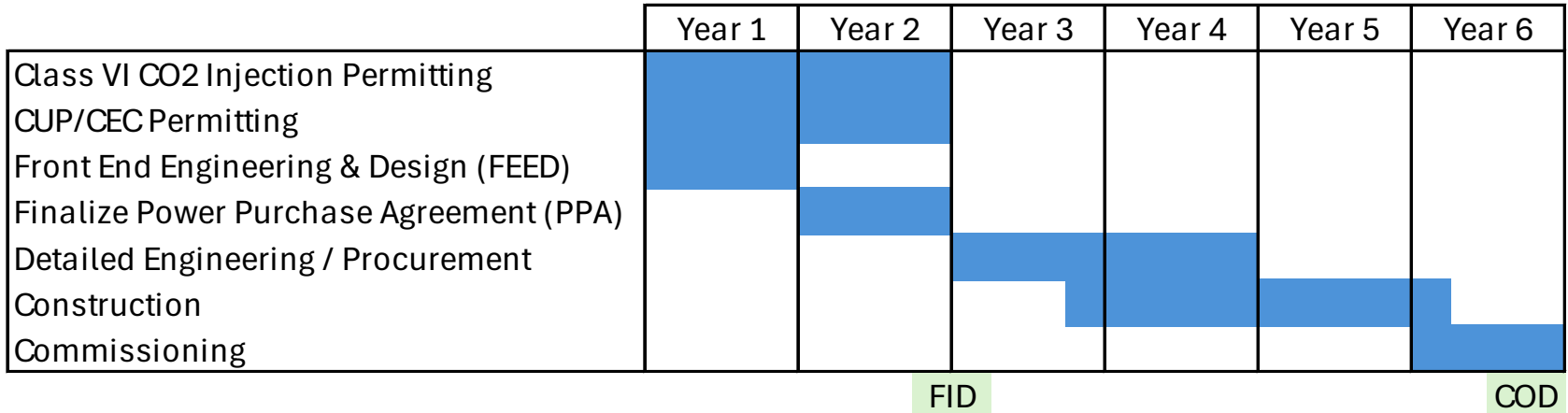
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- *“CCS is applied...[to] 16.7 MMT of CO2 from existing fossil gas electricity generation in 2045, to ensure the state achieves the 85 percent reduction in anthropogenic emissions required by AB 1279.” (2022 Scoping Plan p. 201)*
- *“An earlier application of CCS in the electricity sector would yield additional reductions in years prior to 2045.” (p. 86)*
- *“An October 2020 Stanford Report discussed how the potential post-combustion capture for CO2 could also reduce emissions of criteria air pollutant emissions from certain facilities.” (p. 89)*
- *“Deployment of CCS and CDR could support skilled jobs and workforces, including those in traditional fossil energy communities. Other co-benefits could include criteria air pollutant reductions and water production.” (p. 220)*
- *“...existing fossil gas generation will continue to play a critical role in grid reliability until other clean, dispatchable alternatives can be deployed at scale.” (p. 198)*



# Procurement Signals are Needed NOW

## Development Timeline for Typical CCS Retrofit



Source: California Resources Corporation, Aug 2025, based on experience developing CCS on its 550 MW Elk Hills Power Plant and permitting over 300 MMT of Class VI CO2 storage

Critically, as recognized in the record, existing NGCCs retrofitted with CCS do not require new transmission interconnections



# CTV I CO2 Injection to Begin in March



Photo: CTV I Injection Site at Elk Hills Oilfield, Jan 2026