

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE
STATE OF CALIFORNIA



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

Rulemaking 20-05-003

(Filed May 7, 2020)

**CALIFORNIA RESOURCES CORPORATION COMMENTS ON ADMINISTRATIVE
LAW JUDGE'S RULING SEEKING COMMENTS ON ADDITIONAL PROPOSAL FOR
A RELIABLE AND CLEAN POWER PROCUREMENT PROGRAM**

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Pursuant to the schedule set in the *Email Ruling Partially Granting Joint Investor-Owned Utilities’ Request for an Extension of Time for Comments In Response to Administrative Law Judge’s Ruling Seeking Comments on Additional Proposal for a Reliable and Clean Power Procurement Program*, dated July 10, 2026, California Resources Corporation (“CRC”), through its Carbon TerraVault (“CTV”) business, submits these comments in response to the Administrative Law Judge’s June 23, 2026, ruling seeking comments on an additional proposal for the Reliable and Clean Power Procurement Program (“RCPPP”).¹

I. INTRODUCTION AND SUMMARY

CRC supports the California Public Utilities Commission’s (“Commission”) effort to replace the current order-by-order procurement approach with a predictable, long-term framework that better connects Integrated Resource Planning (“IRP”), Preferred System Plans (“PSPs”), the Transmission Planning Process (“TPP”), and procurement obligations for load-serving entities

¹ Administrative Law Judge’s Ruling Seeking Comments on an Additional Proposal for a Reliable and Clean Power Procurement Program, R.20-05-003, June 23, 2026 (June 2026 Ruling) at 5-8.

(“LSEs”). A durable RCPMP can improve market certainty, facilitate timely investment, and ensure that California develops the balanced portfolio needed to maintain reliability, reduce greenhouse gas (“GHG”) emissions, and protect affordability.

The Commission should adopt a technology-neutral program that expresses procurement needs through resource attributes, explicitly recognizes the value of clean firm resources, and applies transparent and predictable accreditation methods. The program should explicitly allow qualifying Carbon Capture and Storage (“CCS”) retrofits that materially transform existing generating resources, as well as new carbon capture projects, to compete where they satisfy the required performance characteristics. These principles will preserve LSE flexibility and promote affordability while ensuring that statewide planning results in timely procurement of the diverse resources California needs. The following section addresses select questions in the June 2026 Ruling.

II. COMMENTS

1. Does this ruling describe a workable framework for an RCPMP that will achieve the goals of IRP, pursuant to SB 350? Why or why not?

A. CRC Supports Establishment of RCPMP as a Durable Procurement Framework.

Yes. CRC supports establishment of RCPMP as a durable procurement framework to ensure the IRP goals are met pursuant to SB 350. The IRP process is designed to ensure that California maintains electric system reliability, achieves required GHG emissions reductions, and does so

through a cost-effective portfolio of resources. These objectives are mutually reinforcing and should guide the design of the RCPPP.²

SB 350 requires the Commission to set a process for LSEs' procurement; the statute mandates that the process must ensure LSEs first meet the carbon emissions reductions targets set by the California Air Resources Board ("CARB"), purchase at least 50% renewable resources by the end of 2030, serve their customers "at just and reasonable rates," and "minimize impacts on ratepayers' bills."³ SB 350 further requires minimization of "localized air pollutants and other greenhouse gas emissions" and "a diverse portfolio of energy resources."⁴ SB 100 subsequently increased the 2030 renewable procurement requirement to 60%. As the June 2026 Ruling states, "[A]n RCPPP is conceptually designed to ensure that there is enough procurement of electricity resources to provide for the development of long-term electricity resource needs for both reliability and clean energy purposes."⁵

If the RCPPP appropriately focuses on clean, firm attributes, remains technology-neutral, and allows CCS resources to compete where they satisfy the required performance characteristics, the framework can advance each of these statutory objectives. CARB's 2022 Scoping Plan specifically contemplates substantial deployment of CCS on natural gas power generation as part of the pathway to achieve the State's GHG reduction and carbon-neutrality goals.⁶ CCS can also

² CPUC Energy Division, *Reliable and Clean Power Procurement Program Staff Options Paper*, Sept. 2022 at 7-8 (identifying reliability, GHG reduction, and least-cost procurement as the IRP proceeding's central goals).

³ Public Utilities Code Section 454.52(a)(1)(A), (B), (C), (D).

⁴ Public Utilities Code Section 454.52(a)(1)(I), (J).

⁵ June 2026 Ruling at 4.

⁶ California Air Resources Board, *2022 Scoping Plan for Achieving Carbon Neutrality*, Nov. 2022, (CARB 2022 Scoping Plan) at 198-201; see also California Resources Corporation, *Comments on ALJ Ruling Seeking Comments on RCPPP Staff Proposal*, R.20-05-003, July 15, 2025 at 9-10, 21-22.

provide local air-quality benefits because carbon capture systems and associated flue-gas treatment can materially reduce criteria pollutants, including NO_x, SO_x, and particulate matter.⁷ Finally, CCS retrofits can leverage existing generating sites, transmission interconnections, and other infrastructure, reducing the need for duplicative infrastructure investment and supporting a more affordable transition while preserving firm capacity needed for reliability.

3. Is this ruling's proposal preferable to the current ad hoc procurement order process? Why or why not? Compare and contrast benefits and costs as directly as possible.

Yes; the proposed tighter connection between the IRP, transmission planning, and LSE procurement⁸ is preferable, particularly now. California's electricity sector faces significant load growth from electrification and data centers, evolving resource availability, and increasingly ambitious climate goals. At the same time, customers face affordability pressures that require careful consideration of both procurement costs and long-term infrastructure investments. A predictable procurement framework can provide greater certainty to LSEs, developers, and investors, facilitate earlier investment decisions, better accommodate changing load forecasts, and create a clearer relationship between statewide planning and procurement obligations.⁹

⁷ *California Resources Corporation Comments on ALJ Ruling Seeking Comments on RCPPP Staff Proposal*, R.20-05-003, July 15, 2025 at 21-22; *California Resources Corporation Comments on IEPR Commissioner Workshop on Firm Zero-Carbon Resources and Hydrogen*, CEC Docket No. 25-IEPR-04, Aug. 19, 2025 at 7.

⁸ June 2026 Ruling, at 5 (emphasizing the "role of the RCPPP as a bridge to connect the" IRP, "transmission planning, and LSE procurement. In the proposed concept in this ruling, this connection between grid and system-level planning and LSE procurement would be the focus of RCPPP, leading to development of the new long-term resources that represent the future electricity grid that California needs")

⁹ Administrative Law Judge's Ruling Seeking Comments on Reliable and Clean Power Procurement Program Staff Proposal, R.20-05-003, Apr. 29, 2025, Attachment 2, Staff Proposal: Reliable and Clean Power Procurement Program (2025 Staff Proposal) at 1-2, 10-13.

The Commission already undertakes extensive planning through the IRP process and adopts PSP and TPP portfolios designed to satisfy reliability and GHG-reduction objectives. The RCPPP would appropriately serve as the mechanism that translates those planning outcomes into timely, cost-effective procurement by LSEs.¹⁰ This necessary linkage should in turn reduce reliance on recurring procurement orders, and the iterative nature detailed in the schedule in Table 1 should preserve sufficient flexibility to respond to changing system conditions and market realities.

5. If the Commission were to implement the proposal in this ruling, should the need determination be based on specific identified resources or resource attributes? How (in general) and how (specifically) should the procurement need be expressed?

The need determination should be based on resource attributes. More specifically, the Commission should express procurement needs through measurable performance characteristics tied to the system need identified through the PSP or TPP portfolio rather than through prescribed technologies. This approach would preserve LSE flexibility to procure the most cost-effective resources capable of satisfying the identified need while ensuring the procurement produces the balanced portfolio reflected in statewide planning.¹¹

B. Procurement Requirements Should Be Technology Neutral and Explicitly Recognize Clean Firm Resources

CRC supports procurement requirements based on resource attributes rather than prescribed technologies. A technology-neutral framework allows competitive markets to identify

¹⁰ June 2026 Ruling, at 5.

¹¹ *Id.* at 8-10.

the lowest-cost resources capable of providing the reliability, emissions, and operational attributes identified through statewide planning.¹²

At the same time, procurement requirements should explicitly recognize the importance of clean firm resources. State planning efforts and independent studies identify a significant role for dispatchable, year-round resources that complement variable renewables, support reliability during prolonged renewable shortfalls and extreme weather, and reduce the need to overbuild generation, storage, and transmission.¹³ A Stanford, Princeton, and E3 study found that including clean firm power in a resource portfolio could lower modeled 2045 California generation and transmission costs by 33% compared to a renewables-only portfolio.¹⁴ This finding is corroborated by the CEC's 2025 SB 100 Draft Results, which show 15 GW of clean, firm power (natural gas + carbon capture) as the most affordable pathway to meeting the State's clean energy goals. SB 423 (Stern, 2021) recognizes that though the State has done a good job deploying solar and battery storage, "additional [clean, firm] resources are needed to provide for a clean, reliable, and resilient electrical grid."

Accordingly, the Commission should base its need determination and structure procurement categories around performance characteristics such as dispatchability, duration, capacity factor, emissions profile, and ability to provide energy during critical periods. Properly designed categories should allow geothermal, long-duration storage, advanced nuclear, natural gas

¹² *Id.* (proposing that procurement requirements may be expressed through resource types or attribute-based categories to maximize LSE flexibility).

¹³ California Energy Commission, SB 423 Emerging Renewable and Firm Zero-Carbon Resources Report Dec. 2024, at 8; CARB 2022 Scoping Plan at 198-201.

¹⁴ 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 5–6.

combined-cycle facilities (NGCC) paired with carbon capture and sequestration, new natural gas fuel cells paired with carbon capture, and future clean firm technologies to compete on equal footing where they satisfy the required attributes.

10. Comment on the proposed requirement for 100 percent of required resources to be under contract three years out.

CRC generally supports requiring 100 percent of required resources to be under contract three years after the need is identified and allocated. Long-term contracting provides the investment certainty necessary for developers to complete engineering, permitting, financing, procurement, and construction of capital-intensive clean firm resources. The three-year contracting milestone should therefore provide a meaningful demonstration that an LSE has secured the resources necessary to satisfy its future obligation. At the same time, the Commission should preserve reasonable flexibility in contract structures and compliance where project development is affected by permitting, interconnection, or other circumstances outside the reasonable control of the LSE or developer.

11. Comment on the proposed requirement for 100 percent of required resources to be online within five years from the date the need is identified and allocated.

CRC supports the Commission's objective of ensuring that identified resource needs translate into timely development of resources. A five-year online milestone is a reasonable target for resources capable of meeting that development schedule, but it should not operate as a categorical barrier to otherwise qualifying resources that provide needed clean firm attributes. Development timelines can vary materially by technology and may be affected by permitting,

interconnection, equipment procurement, and other factors outside a developer's control. The Commission should therefore provide a limited mechanism for extensions or alternative compliance where an LSE demonstrates that a qualifying resource has achieved substantial development milestones, remains commercially viable, and is expected to come online within a reasonable period after the five-year deadline. This flexibility would preserve accountability without unintentionally narrowing the RCPPP to technologies with the shortest development timelines.

13. Comment on the reasonableness of using marginal ELCC accreditation toward the procurement requirements for the resources identified in this proposal.

C. Resource Accreditation Should Transparently Reflect Reliability Contributions

CRC supports continued refinement of resource accreditation methodologies, including use of marginal Effective Load Carrying Capability ("ELCC") values to reflect how the reliability contribution of each resource changes as the portfolio evolves.¹⁵

Implementation should be guided by three principles. First, accreditation methods and values should be transparent and published far enough in advance to support investment and contracting decisions. Second, accreditation should recognize the long-duration reliability contribution of dispatchable clean resources during seasonal events, extreme weather, and prolonged renewable shortfalls. Third, the methodology should avoid unintentionally discouraging resource diversity or creating instability through abrupt changes in accreditation

¹⁵ June 2026 Ruling at 12-13.

values. The objective should be to implement the balanced portfolio identified through statewide planning, not to favor a particular technology because of short-term modeling assumptions.

21. Please comment on anything else that is not already covered in the list above.

D. The RCPPP Should Recognize Existing Infrastructure and Support Affordable Decarbonization

California possesses significant existing energy infrastructure that can accelerate decarbonization while minimizing costs to ratepayers, including retrofit of existing natural gas generation facilities, use of existing transmission interconnections and pipeline infrastructure, and world-class geologic carbon storage resources.¹⁶ There is over 6 GW of carbon capture retrofits to existing natural gas facilities currently under development in California,¹⁷ with Stanford having identified the potential for up to 14 GW.¹⁸ These retrofits are critical to affordably meeting California's clean energy goals, as identified in the 2022 CARB Scoping Plan and 2025 SB 100 Draft Study results.¹⁹

The Commission should ensure that qualifying CCS retrofits that materially transform the emissions profile of an existing generating resource are eligible to satisfy future procurement requirements where they meet the required performance attributes. Leveraging existing infrastructure can reduce development timelines, preserve local reliability, avoid or defer transmission upgrades, and lower total system costs while materially reducing GHG emissions. A

¹⁶ Energy Futures Initiative & Stanford University, An Action Plan for Carbon Capture and Storage in California, Oct. 2020 at 43, 51; CARB 2022 Scoping Plan at 201.

¹⁷ *California Resources Corporation Comments on Updates to Busbar Mapping Methodology*, July 2, 2026 at 2.

¹⁸ Energy Futures Initiative & Stanford University, An Action Plan for Carbon Capture and Storage in California, Oct. 2020 at 49.

¹⁹ CARB 2022 Scoping Plan at 89, 218; Presentations-Workshop on 2025 SB 100 Joint Agency Report Draft Results, CEC Docket No. 23-SV-100, Feb. 18, 2026 (2025 SB 100 Draft Results) at 28, 33-35, 41.

CCS retrofit can also preserve capacity that might otherwise retire, materially reduce the facility's emissions, and convert it into a clean, firm resource. The Commission should treat such a retrofit as a new resource eligible to satisfy RCPPP procurement requirements.

CRC has previously provided evidence in this proceeding and related planning processes that carbon capture retrofits and new clean firm technologies can provide affordable, dispatchable electricity while using California's existing infrastructure and carbon storage resources.²⁰ Such projects should be allowed to compete alongside other qualifying clean firm resources under a technology-neutral procurement framework.²¹

III. CONCLUSION

CRC appreciates the opportunity to provide these comments and respectfully recommends that the Commission:

1. Adopt a durable RCPPP that creates a direct and recurring link between statewide planning and LSE procurement obligations;
2. Base the need determination and express procurement requirements through technology-neutral resource attributes while explicitly recognizing the need for clean firm resources;

²⁰ See *California Resources Corporation Comments on ALJ Ruling Seeking Comments on RCPPP Staff Proposal*, R.20-05-003, July 15, 2025; *California Resources Corporation Reply Comments on Administrative Law Judge's Ruling Seeking Comments on Reliable and Clean Power Procurement Program Staff Proposal*, R.20-05-003, Aug. 5, 2025; *California Resources corporation Opening Comments on Proposed Decision*, R.25-06-019 Feb. 2, 2026; *California Resources Corporation Reply Comments on Proposed Decision*, R.25-06-019, Feb. 11, 2026.

²¹ *California Resources Corporation Comments on ALJ Ruling Seeking Comments on RCPPP Staff Proposal*, R.20-05-003, July 15, 2025 at 27-33; *California Resources Corporation Comments on Proposed Updates to Busbar Mapping Methodology*, July 2, 2026 at 1-3.

3. Use transparent and predictable accreditation methods that appropriately value long-duration and dispatchable reliability contributions;
4. Allow CCS retrofits of existing NGCC, new natural gas fuel cells with CCS, and other clean firm technologies to compete where they meet required performance characteristics; and
5. Coordinate RCPPP implementation with IRP, Resource Adequacy, RPS, and transmission planning processes to improve certainty and reduce unnecessary administrative burden.

A durable, technology-neutral procurement framework that values reliability, affordability, and emissions reductions together will provide the greatest long-term benefit to California electricity customers and support achievement of the State's clean energy objectives.

Respectfully submitted,



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