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)

COMMENTS OF XGS ENERGY, INC. ON THE ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENTS ON ADDITIONAL PROPOSAL FOR A RELIABLE AND CLEAN POWER PROCUREMENT PROGRAM

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In accordance with the Rules of Practice and Procedure of the California Public Utilities Commission (Commission), XGS Energy, Inc. (XGS Energy) respectfully submits these comments in response to the *Administrative Law Judge's Ruling Seeking Comments On Additional Proposal For A Reliable And Clean Power Procurement Program* (Ruling) issued by Administrative Law Judge (ALJ) Fitch on June 23, 2026, as modified by the *Email Ruling Partially Granting Joint Inventor-Owned Utilities' Request For An Extension Of Time* issued by ALJs Fitch and Rizzo on July 10, 2026.

I. INTRODUCTION.

XGS appreciates the Commission's continued work to develop the Reliable and Clean Power Procurement Program (RCPPP) and support the objective of conducting regular procurement planning in order to help meet California's clean energy and reliability goals. A durable procurement framework can help ensure that Load Serving Entities (LSEs) have sufficient lead time to contract for the resources California will need..

To achieve the two goals of the RCPPP, which are: (1) ensure electric system reliability and (2) reduce electric sector greenhouse gas emissions, California will need clean resources capable of serving load throughout the day, overnight, and during periods of grid stress when fossil fuel resources are currently most heavily dispatched. The additional proposal issued in the Ruling is a meaningful step toward providing greater certainty for resource developers in the state while supporting a clean and reliable electric supply.

XGS offers the following comments on the additional proposal:

- This option presents a more clear and consistent structure than the first two proposals on the RCPPP
- Although XGS appreciates the efforts made to provide a longer timeline for resource development, the current proposal is still not aligned with realistic interconnection timelines in California
- The proposal should clearly the required resource categories based on specific operational characteristics

XGS responds to select questions posed by the Commission in the Staff Proposal below.

II. ABOUT XGS ENERGY.

XGS Energy has developed a proprietary geothermal system to deliver clean, firm geothermal energy anywhere there is hot rock. XGS's advanced geothermal system is a new technology that is distinct from conventional hydrothermal geothermal and other next-generation geothermal systems. The technology has significant development opportunities in the state of California, both by increasing the productivity of existing geothermal fields and by unlocking geothermal potential in new locations that have not historically been suitable for traditional

geothermal development. These new resources can provide clean, firm power to support California's reliability needs and long-term clean energy objectives.

XGS Energy's advanced geothermal technology also offers California distinct benefits:

- **Water independence.** The XGS system continuously recirculates water within a fully contained subsurface and surface system, without producing fluids from or injecting fluids into the surrounding geologic formation, resulting in negligible water consumption during power generation. This is particularly important for the water-stressed communities of California and the US West.
- **Simplified construction and operations.** The XGS system does not require fracking, does not produce nor require management of any geothermal brine, and does not produce any emissions. This simplified design streamlines the development of geothermal projects from zoning, permitting, and community impact perspectives, considering key historical concerns with and barriers to geothermal development.
- **Scalable.** XGS technology is highly scalable, with projects expected to range in size from 5 MW to projects larger than 200 MW. In some regions, phased development with XGS technology is expected to unlock over a gigawatt of new clean firm energy. This range in scale creates more flexibility to locate in load constrained pockets and more flexibility in executing Power Purchase Agreements with LSEs.

These key benefits will help enable additional geothermal deployment in more locations, at a scale aligned with California's energy objectives and in many cases at an accelerated pace.

III. RESPONSES TO SELECT QUESTIONS IN SECTION 4: QUESTIONS FOR PARTIES

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

Yes, XGS views the Ruling as presenting the most workable framework of the three RCPPP proposals. By proposing to calculate Effective Load Carrying Capability (ELCC) values five years in advance of resource deployment, the proposal would provide substantially greater certainty for both LSEs and developers. Whether the Commission ultimately relies on ELCC or another measure of capacity value, the most critical element is that the measure be predictable over a sufficiently long period of time.

By focusing on new resource procurement and accreditation, the proposal would simplify and streamline the process from LSE Integrated Resource Plan (IRP) filings through issuance of the Preferred System Plan (PSP) and to project development.

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 Commission already has experience with resource categories and used them for the Mid-Term Reliability procurement order.[1] These categories are based on identified specific system needs and operational characteristics. XGS recommends that those categories are specifically identified in this staff proposal. This clarity will help resource developers have certainty regarding how much of their product is needed which is especially important for long lead time products as they must make substantial investments long before their online dates.

[1] Decision (D.) 21-06-035, Decision Requiring Procurement To Address Mid-Term Reliability (2023-2026).

Uncertainty in procurement need will prevent developers from making investments needed to move projects along their timelines to deliver energy in the years identified by the CPUC.

XGS further recommends that any attribute-based categories be designed with sufficient specificity and tied to identified grid needs. For example, while XGS appreciates that the Commission previously created a long lead-time resource category, that category included several resources with different operational characteristics and grid value. Defining categories based on operational attributes, such as "clean firm resources" with specific dispatch capability requirements, may support more targeted procurement than categories based primarily on development timelines.

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.

XGS recommends that the Commission allow up to seven years for long lead-time resources to come online after a need is identified and allocated. A five-year requirement may not be sufficient for resources that require extensive site control, permitting, interconnection, financing, procurement, and construction activities. For example, the 2021 Mid-Term Reliability procurement order set out five years for long lead-time resources and only two years later recognized that they would need two additional years to come online.[2] To avoid confusion and delays in following future procurement orders, XGS recommends that this proposal be amended to acknowledge that seven years is a more realistic amount of time to go from need identification to operations. To develop a project, contracting should occur a year prior to Transmission Plan Deliverability allocation. In California, it takes an average of seven years to go from

[2] D.23-02-040, Decision Ordering Supplemental Mid-Term Reliability Procurement (2026-2027) And Transmitting Electric Resource Portfolios To California Independent System Operator For 2023-2024 Transmission Planning Process.

interconnection request to energization. During that time a project must also complete permitting and construction, which can take between two and five years. Thus, a five year timeline between a decision ordering procurement and commercial operations is not realistic and XGS urges the Commission to add two years.

IV. CONCLUSION.

XGS Energy appreciates the opportunity to provide comments on the Ruling, and looks forward to continued engagement with the Commission and parties in this proceeding.

Respectfully submitted,

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