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Joint POUs Comments on Firm Zero-Carbon Resources and Hydrogen Workshop

Additional submitted attachment is included below.

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California Energy Commission
Docket Unit, MS-4
Docket No. 25-IEPR-04
715 P Street
Sacramento, California 95814

RE: Joint POUs Comments on Firm Zero-Carbon Resources and Hydrogen Workshop

The California Municipal Utilities Association[1] (CMUA), Northern California Power Agency[2] (NCPA), and Southern California Public Power Authority[3] (SCPPA) (collectively, "Joint POUs") appreciate the opportunity to provide feedback following the California Energy Commission (CEC) July 29, 2025, IEPR Commissioner Workshop on Firm Zero-Carbon Resources and Hydrogen.

Publicly owned utilities (POUs) are not-for-profit, community owned entities governed by local public officials, which allows them to engage in resource planning that is responsive to local needs, reflective of community values and consistent with state policies. This uniquely positions POUs to manage their resource portfolios to serve their communities in a manner that meets their cost effectiveness, reliability, and sustainability needs. The Joint POUs appreciate the CEC's consideration of the need for firm clean resources. As outlined during the presentations from Burbank Water and Power and the Sacramento Municipal Utility District (SMUD), diverse generation portfolios that include firm, zero-carbon resources will be necessary to achieve the state's 100% clean energy goals. There is a specific need for clean resources that can cost-effectively provide the type of certainty and services that existing thermal power plants do today, including, but not limited to, availability over extended periods of low wind and solar generation, intra-hour balancing support, and resource adequacy.

Key to meeting these objectives is prudent resource planning. And prudent resource planning by POUs requires the ability to make well informed decisions about which resources most cost-effectively meet local and system needs, as well as community values. This type of planning cannot be accomplished via resource-specific procurement mandates, which were recommended by several panelists at the workshop. Procurement mandates have historically bypassed this local planning process, often resulting in electric utilities having to

[1] The California Municipal Utilities Association is a statewide organization of local public agencies in California that provide electricity and water service to California consumers. CMUA membership includes publicly owned electric utilities that operate electric distribution and transmission systems. In total, CMUA members provide approximately 25 percent of the electric load in California.

[2] The Northern California Power Agency (NCPA) is a nonprofit California joint powers agency established in 1968 to construct and operate renewable and low-emitting generating facilities and assist in meeting the wholesale energy needs of its 16 members: the Cities of Alameda, Biggs, Gridley, Healdsburg, Lodi, Lompoc, Palo Alto, Redding, Roseville, Santa Clara, Shasta Lake, and Ukiah, Plumas-Sierra Rural Electric Cooperative, Port of Oakland, San Francisco Bay Area Rapid Transit (BART), and Truckee Donner Public Utility District—collectively serving nearly 700,000 electric consumers in Central and Northern California.

[3] SCPPA is a joint powers authority whose members include the cities of Anaheim, Azusa, Banning, Burbank, Cerritos, Colton, Glendale, Los Angeles, Pasadena, Riverside, and Vernon, and the Imperial Irrigation District. SCPPA Members are local publicly owned electric utilities that serve nearly 2.3 million California homes and businesses over 9,000 square miles.

pay higher costs for a resource that does not deliver the greatest benefit to electricity customers. For example, mandates prevent POUs from optimizing for the lowest-cost feasible solutions to achieve environmental and reliability objectives, based on their specific circumstances. Rather than imposing prescriptive mandates, the Joint POUs encourage the CEC to support POUs and the development of firm clean resources by reinforcing the value of local resource planning and enabling procurement utilizing resources and adaptive strategies that reflect the diverse needs of the POU communities being served.

One specific way the CEC can assist with statewide resource planning efforts is to serve as a central forum for evaluating and disseminating information on emerging energy technologies, including via public workshops and reports. The CEC can transparently review commercial readiness, cost trajectories, permitting challenges, and deployment timelines for these technologies. These insights would not only help the CEC identify where state-level support (e.g., financial, permitting, etc.) is most needed, but also provide POUs and other load serving entities with a trusted, centralized source of information to guide their resource planning.

The Joint POUs also urge the CEC to focus on supporting POU procurement priorities as identified through each utility's local resource planning process. If the CEC's goal is to facilitate progress among POUs, a bottom-up approach is far more effective—one that begins by engaging directly with individual POUs to understand their unique challenges, priorities, and opportunities. Through collaboration, there is an opportunity for the CEC to provide meaningful assistance, based on the needs of individual POUs, to address things such as funding challenges, technical support needs, or specific implementation barriers. This approach not only respects the integrity of local planning and governance but also ensures that state support aligns with utility needs. In contrast, top-down incentive or regulatory programs developed without sufficient input from POUs risk being misaligned with implementation of state policies within a local jurisdiction, potentially disrupting carefully developed utility strategies and reducing the overall effectiveness of state efforts.

The CEC can further support clean resource development and deployment by providing regulatory certainty for some clean firm resources in its policies and regulations and collaborating with sister agencies to do the same. Some POUs have accelerated clean energy goals, positioning them ahead of the state in exploring firm-zero carbon resources, including small modular nuclear reactors (SMRs), carbon capture and sequestration, geothermal resources, and clean hydrogen. Regulatory certainty is needed to allow utilities and their partners to move quickly and make investments in emerging technologies. As part of the broader energy transition, many POUs expect to rely on firm zero-carbon solutions to ensure electricity reliability and resource sustainability. For your awareness, SCPPA recently provided comments that explain how several SCPPA Members are planning for hydrogen in their portfolio via the CEC's tenth edition RPS Eligibility Guidebook, and CARB's SB 1075 hydrogen proceedings[4][5]. Likewise, NCPA submitted comments on the RPS Eligibility Guidebook underscoring the importance of green hydrogen for RPS compliance.[6]

POUs are facing growing uncertainty and challenges in resource procurement that have been exacerbated by shifting federal policies and priorities. These changes can significantly impact the availability, cost, and regulatory landscape of emerging technologies. The state's role in mitigating these dynamics will be increasingly important in ensuring POUs and all load serving entities are able to procure these clean energy resources in the evolving energy markets. As such, the Joint POUs appreciate the CEC's consideration of aligning state-level strategies across agencies that reflect real-world constraints and opportunities to strengthen coordination and improve implementation across California. A whole-of-government approach is necessary to promote policies that contain costs.

The Joint POUs appreciate this opportunity to provide feedback to the CEC regarding the July 29, 2025, IEPR Commissioner Workshop on Firm Zero-Carbon Resources and Hydrogen.

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[4] https://efiling.energy.ca.gov/GetDocument.aspx?tn=264055&DocumentContentId=100749
[5] https://ww2.arb.ca.gov/form/public-comments/submissions/23081
[6] https://efiling.energy.ca.gov/GetDocument.aspx?tn=264058&DocumentContentId=100755

Thank you,

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