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Comments on SB 100 Draft Results

Additional submitted attachment is included below.



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March 5, 2026

California Energy Commission
Docket No. 23-SB-100
715 P Street
Sacramento, CA 95814

Re: 23-SB-100 Draft Results & Implementation Challenges Workshop

Dear Members of the Commission:

California Resources Corporation (CRC) appreciates the opportunity to comment on the 2025 Senate Bill 100: Draft Results & Implementation Challenges Workshop (Draft Results), held on February 19, 2026. CRC supports the interagency effort to model scenarios and identify optimal pathways to achieve a clean, reliable, and affordable electricity grid to meet the goals of SB 100 (2018, De Leon).

As California's leading carbon capture and sequestration (CCS) developer, CRC has significant insights into the costs, timelines, and scalability of CCS in the State, especially as it relates to natural gas power generation with CCS (NGCCS). CRC, through its Carbon Terravault line of business (CTV), received California's first Class VI CO₂ injection permit from the United States Environmental Protection Agency (US EPA) for its CTV I project in 2024. Carbon capture has now started at the Elk Hills gas processing facility with first injection expected in Spring 2026. CTV is also developing carbon capture on the Elk Hills Power Plant, with captured CO₂ to be permanently sequestered at the co-located CTV I site.¹

CRC agrees with the Draft Results' accurate finding that a resource portfolio with significant amounts of NGCCS offers the lowest cost pathway to achieve California electricity sector climate goals.² This finding is supported by multiple academic studies

¹ See, CRC, *CalCapture* (available at <https://www.crc.com/carbon-terravault/projects/calcapture>).

² California Energy Commission, *Presentations – Workshop on 2025 SB 100 Joint Agency Report Draft Results*, Feb 18, 2026 at 45.

from Stanford, Princeton, and others³, and is aligned with the California Air Resources Board (CARB) 2022 Scoping Plan which calls for capture and sequestration of 16.7 million metric tons of CO₂ from natural gas power plants to meet GHG and clean electricity goals.⁴ As the Draft Results show in the 15 GW Carbon Capture Scenario, 15 GW of clean, firm NGCCS would replace 75 GW of solar, storage, and wind⁵, resulting in lower generation costs for the same reduction in GHG emissions. Notably, this reduction in generation costs does not account for significant cost savings from reduced transmission investment⁶, given that natural gas power plants are already interconnected to the grid while additional renewables and storage would need new transmission and grid upgrades.

NGCCS Can be Scaled Quickly, Before the 45Q Tax Credit Deadline

The Draft Results Reference Scenario only calls for 1.6 GW of NGCCS, limited in scale by announced California projects and an apparent misunderstanding of the development timeline to meet the 45Q carbon capture tax credit deadline of January 1, 2033.⁷ This limit greatly underestimates the pace and scale at which NGCCS can be deployed in California.

In California, there are over 6 GW of NGCCS currently under development. In addition to the 3 NGCCS projects identified in the SB 100 Draft Results, Calpine is studying CCS on 2 additional facilities in California⁸, while CRC has signed Memorandum of Understanding with Middle River Power⁹, Capital Power¹⁰, and Hull Street Energy¹¹ to

³ 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.

⁴ California Air Resources Board, *2022 Scoping Plan for Achieving Carbon Neutrality*, Dec 2022, at 201.

⁵ California Energy Commission, *Presentations – Workshop on 2025 SB 100 Joint Agency Report Draft Results*, Feb 18, 2026 at 35.

⁶ California Energy Commission, *Presentations – Workshop on 2025 SB 100 Joint Agency Report Draft Results*, Feb 16, 2026 at 45.

⁷ California Energy Commission, *SB 100 Inputs and Assumptions*, Feb 18, 2026 at 30.

⁸ See Calpine website, *Carbon Sequestration Studies*, which identifies CCS FEED studies on Delta Energy Center and Pastoria Energy Center (available at <https://www.calpine.com/carbon-capture-and-sequestration-ccs/feed-studies/>).

⁹ See CRC press release, *California Resources Corporation and Middle River Power to Advance Decarbonized Power Solutions in California*, which identifies CCS development on High Desert Power Plant and Tracy Combined-Cycle Power Plant (available at <https://www.crc.com/news-releases/news-release-details/california-resources-corporation-and-middle-river-power-advance>).

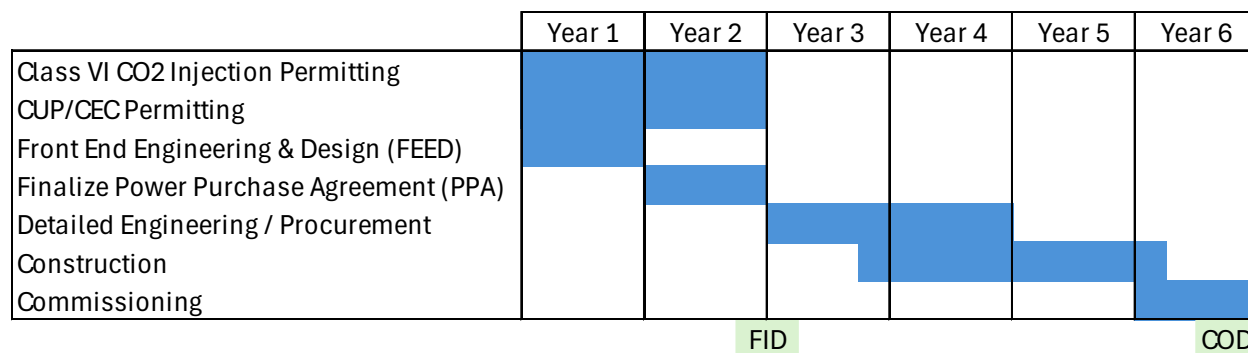
¹⁰ See CRC press release, *California Resources Corporation and Capital Power to Explore Decarbonized Power Solutions in California*, which identifies CCS development on La Paloma Generating Plant (available at <https://www.crc.com/news-releases/news-release-details/california-resources-corporation-and-capital-power-explore>).

¹¹ See CRC press release, *Planning to Decarbonize Hard to Abate Industry with a Leading California Power Partner*, which identifies CCS development with Hull Street Energy which owns Sunrise

develop CCS on their California power plants. To support these decarbonization efforts, CRC has submitted Class VI permit applications to the US EPA for 350 million metric tons of CO2 storage¹², enough to sequester 6 GW of natural gas power emissions for 20 years. With the right policy and market signals, these development efforts could be rapidly expanded given California’s “world class geology for storing CO2 (with estimates of up to 70 gigatons of CO2 storage potential)¹³, and the identification of 14 GW of existing California natural gas generation that could be retrofitted with CCS in the near-term¹⁴.

To be eligible for the Federal 45Q carbon capture tax credit, capture projects must begin construction before January 1, 2033. Based on CRC’s CCS development experience, CRC estimates it would take 2 years from project inception to permit a CCS project and begin procurement necessary to be eligible for 45Q tax credits (see Figure 1 below). This short timeline is in large part due to existing interconnections of natural gas resources, allowing them to bypass the lengthy interconnection queue.

Figure 1: Development Timeline for Typical CCS Retrofit on a California NGCC Plant¹⁵



This means that NGCCS projects under development by January 1, 2031 should be able to qualify for 45Q. This is more than enough time for 3+ GW of NGCCS already under consideration, and potentially enough time for the full 15 GW of NGCCS envisioned in the Draft Results Carbon Capture scenario. Given the clean, firm, affordable, and quickly scalable nature of NGCCS, the amount of NGCCS that modeling can select in the

Power Project (available at

<https://www.facebook.com/CaliforniaResourcesCorporation/posts/last-week-during-crcs-3q-2024-update-our-carbon-terravault-business-announced-th/1295417025185645/>).

¹² California Resources Corporation, Fourth Quarter and Full Year 2025 Results, Mar 2026, at 10 (available at <https://www.crc.com/static-files/b21df0ae-3d4e-49c5-820f-2f3cb8a8e11a>).

¹³ Energy Futures Initiative & Stanford University, *An Action Plan for Carbon Capture and Storage in California: Opportunities, Challenges, and Solutions*, Oct. 2020 at 43.

¹⁴ Energy Futures Initiative & Stanford University, *An Action Plan for Carbon Capture and Storage in California: Opportunities, Challenges, and Solutions*, Oct. 2020 at 51.

¹⁵ California Resources Corporation, Aug 2025, based on current experience developing the CCS on its 550 MW Elk Hills Power Plant and permitting over 300 MMT of Class VI CO₂ storage, including receipt of the first Class VI permits and CCS Conditional Use Permit (CUP) in California for the CTV I CCS project.

Comparison, Offshore Wind, or Higher Hydrogen scenarios should not be limited to 1.6 GW. Removing this artificial, unfounded limit would ensure that these scenarios reflect the least-cost pathways to achieve climate goals, and the final 2025 SB 100 Joint Agency Report correctly informs the Legislature, interested stakeholders, and the electricity sector.

Conclusion

CRC appreciates the opportunity to provide these comments on the 2025 SB 100 Draft Results and urges the Commission to fully scale NGCCS in all of the modeling scenarios as a clean, firm, affordable power solution.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Marshall". The signature is fluid and cursive, with the first letter of the first name being a large, stylized "J".

Jason Marshall
Vice President – Regulatory Affairs
California Resources Corporation