DOCKETED	
Docket Number:	26-IEPR-01
Project Title:	General Scope
TN #:	269320
Document Title:	Direct Energy Business Comments on Draft Scoping Order
Description:	N/A
Filer:	Elysia Vannoy
Organization:	Direct Energy Business
Submitter Role:	Other Interested Person
Submission Date:	3/25/2026 3:57:55 PM
Docketed Date:	3/25/2026

NRG Energy Inc.
1301 McKinney Street
Houston, TX 77010

March 25, 2026

California Energy Commission
Docket Unit
Docket No. 26-IEPR-01
docket@enery.ca.gov

Submitted Electronically

Subject: Comments on 2026 Scoping Order

Direct Energy Business (DEB), an NRG company, values the opportunity to provide comments on the proposed scope for the 2026 Integrated Energy Policy Report (IEPR) update. DEB serves commercial and industrial customers in 24 U.S. markets and eight Canadian provinces, providing electricity, natural gas supply, and energy management services. DEB is a registered electric service provider in California and operates under the state's direct access regulations. DEB respectfully submits the following comments for the Commission's consideration.

DEB commends the California Energy Commission (CEC) for including an assessment of California geothermal resources as part of the IEPR update. Geothermal energy can play a critical role in supporting California's decarbonization goals while providing clean firm capacity that enhances grid reliability. As the CEC develops this assessment, DEB encourages the Commission to recognize key practical considerations regarding geothermal development, availability, and procurement that are directly relevant to California's resource planning framework.

While the CEC appropriately emphasizes in-state resources and development pathways, the Commission should consider whether the geothermal chapter of the 2026 IEPR Update would benefit from a limited assessment of the broader Western geothermal market. In recent years, the California Public Utilities Commission (CPUC) has directed load serving entities to procure significant quantities of firm, zero-emitting resources through both its mid-term reliability procurement order (D.21-06-035) and its most recent integrated resource planning procurement decision (D.26-02-057). These procurement directives have explicitly recognized that firm clean resources may be sourced from outside California, provided they deliver reliability and emissions benefits to the state.

At the same time, new geothermal resources, particularly within California, remain limited in scale and challenging to procure due to long development timelines, siting and permitting complexity, and a relatively thin pipeline of commercially viable projects. As a result, California sited geothermal may not be available in sufficient quantities to meet all the load serving entities' proportional obligations under existing CPUC (and eventually Department of Water Resources) procurement mandates, including mid-term reliability (MTR) and long lead time (LLT) requirements.

An exclusive focus on in-state geothermal resources risks providing an incomplete picture of the supply options available to meet growing demand and California's reliability and decarbonization needs. Significant geothermal potential exists across multiple Western states, and the forthcoming regional extended-day ahead market will economically dispatch resources across the full market footprint to meet system demand. Existing and new out of state geothermal resources, such as the Cape Station (Utah) and Corsac (Nevada) projects, are already under contract to meet a portion of the mid-term reliability procurement obligations. A California only assessment therefore risks understating the practical availability of geothermal resources by excluding supplies located outside the state that could nonetheless contribute to achieving California's policy objectives.

Accordingly, the CEC should consider augmenting the proposed scope to include a high-level assessment of the Western geothermal market, such as:

- The scale and timing of geothermal projects under development in neighboring Western states;
- The potential contribution of out-of-state geothermal resources to California procurement obligations for firm, zero-emitting capacity; and
- Key barriers and opportunities (such as transmission constraints/deliverability and cost/affordability) that could affect California's ability to access these resources.

In addition, while geothermal resources can be higher cost relative to other technologies, they are likely to become increasingly valuable under the evolving resource adequacy and integrated resource planning frameworks. Forthcoming effective load carrying capability analysis will better reflect geothermal's contribution as a firm resource. This dynamic, characterized by relatively high costs but also significant system value, should be acknowledged to ensure procurement expectations are realistic and informed.

Including this broader perspective would not detract from the CEC's important in-state focus. Rather, it would ensure that the 2026 IEPR Update provides decisionmakers with a more complete understanding of how geothermal resources, both within California and across the West, can support statewide reliability and clean energy objectives. Such an

assessment would meaningfully inform coordination between the CEC, CPUC, and other regional entities as California continues to pursue a reliable, zero-carbon electricity system. Providing this context will also help ensure that planning assumptions reflect resource availability constraints and procurement feasibility, particularly as load serving entities work to comply with existing CPUC directed procurement.

DEB looks forward to on-going participation in the IEPR stakeholder process and thanks the CEC for its consideration of the proposal to include a broader assessment of the geothermal market that will undoubtedly be utilized to help California reach its goals of clean, reliable electricity.

_____/S/_____

Cem Turhal
Director, Regulatory Affairs
Direct Energy Business