



**WATER AND
POWER**

November 12, 2025

Rajinder Sahota
Deputy Executive Officer
California Air Resources Board
1001 I Street
Sacramento, California 95814

Dear Ms. Sahota,

Burbank Water and Power (BWP) appreciates the opportunity to provide comments on the Cap-and-Invest Program Workshop hosted by the California Air Resources Board (CARB) on October 29, 2025. During the workshop, CARB staff requested feedback on the transition of allocated Natural Gas Supplier (NGS) allowances to Electrical Distribution Utilities (EDUs).

For BWP, the central consideration is implementation feasibility. Regardless of the final option selected, BWP respectfully requests that EDUs be provided a minimum of two years to implement any decision related to NGS allowance transition. This implementation window is essential to align with planned billing system upgrades, ensure sufficient testing, and minimize cost impacts to ratepayers. Compressing the schedule to less than two years would likely result in additional billing system change costs, eroding the ratepayer affordability benefit these allowances are intended to provide.

During the workshop, CARB referenced potential reductions to allowance allocations based on the use of offsets. BWP strongly recommends that CARB not reduce EDU or POU allowance allocations due to offset usage. Offsets were originally designed to reduce the overall cost of compliance and, in many cases, provide a value advantage, often about two to one, since offsets are typically less expensive than allowances. Their use is a voluntary compliance choice contingent upon market conditions and pricing, not a reflection of surplus or over-allocation.

Additionally, although not addressed during the workshop, BWP urges CARB to maintain the existing Publicly Owned Utility (POU) allowance allocation. During the last legislative session, the POU community spent significant time educating members on the critical importance of maintaining allocated allowances. As a result of this sustained advocacy, the Legislature ultimately chose not to modify POU allowances in the AB 1207 reauthorization. These allowances remain a vital tool for managing affordability and supporting investments necessary to achieve California's zero-carbon targets.

BWP appreciates CARB's continued engagement with public power entities and the opportunity to provide input on the Cap-and-Invest Program design. We look forward to ongoing collaboration to ensure that program implementation supports affordability, equity, and the State's long-term decarbonization objectives.

Burbank Water and Power