



**WATER AND  
POWER**



May 8, 2024 | Submitted Electronically

Liane Randolph, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**SUBJECT:      Comments on the April 23, 2024 Workshop on Potential Amendments to the  
Cap-and-Trade Regulation**

Dear Chair Randolph:

On behalf of Burbank Water and Power (BWP), I appreciate the opportunity to comment on the April 23, 2024 Workshop on Potential Amendments to the Cap-and-Trade Regulation. BWP is a publicly owned utility (POU) serving the residents and businesses of Burbank with electricity and water. BWP remains committed to working with the state to achieve the greenhouse gas (GHG) reduction goals, as required by Assembly Bill (AB) 32, Senate Bill (SB) 32 and AB 398. In addition, we look forward to the request of Governor Gavin Newsom, that California Air Resources Board (CARB) evaluate the potential to achieve carbon neutrality earlier than 2045. We believe that the current Cap-and-Trade Regulation provides a framework to reduce emissions, in an affordable and timely manner. Furthermore, BWP supports the jointly submitted comments by the Southern California Public Power Authority and California Municipal Utilities Association.

The City of Burbank supports sustainability goals and has its own GHG reduction plan that will reduce our GHG emissions through a holistic and citywide approach. Burbank will seek to achieve the City's goals through energy efficiency, building electrification, as well as facilitating the adoption of transportation electrification and access to modern charging infrastructure for Burbank's community. BWP completed its integrated resource plan in December 2023, developing a path to reduce emissions, increase our clean energy portfolio and to comply with various state mandates.

For the electricity sector, it is imperative that the CARB make minor modifications to the current Cap-and-Trade Regulation. In particular, BWP recommends that CARB allocate allowances directly to Operating Agents (OA), rather than the participants in a project, since the OA has the compliance obligation. Additionally, many utilities, such as BWP are facing higher load profiles due to increased development and electrification. BWP's load will increase significantly, post 2035. In order to maintain affordability, reliability and sustainability, BWP supports the continuation of allowance allocation for utilities at the current level. Reducing BWP's allowance allocation will have a detrimental impact on the ratepayer. At today's allowance clearing price, the savings from these allowances account for approximately 10% of the power resources budget. Reducing them or taking them away will lead to rate increases.

BWP is the OA for the Magnolia Power Plant (MPP), which is located in the City of Burbank. The MPP is a combined cycle, efficient natural gas power plant with a turbine nameplate maximum capacity of 310 MW. MPP generates this power on behalf of BWP (with a 31% share) and MPP's five other participants: the municipal utilities of Anaheim (38%), Glendale (17%), Pasadena (6%), Colton (4%), and Cerritos (4%). Each utility has a share in the project through the Southern California Public Power Authority. BWP is the OA and manager of MPP, and BWP reports the GHG emissions from this facility under the mandatory reporting rule (MRR) and retires allowances for this facility under the Cap-and-Trade program.

Under the MRR, section 95112, operators of resources in California are liable for reporting the GHG emissions from electric generating units. Currently, the participants directly receive allowances for MPP. BWP proposes that OAs, who are accountable for emissions, should receive the entire allocation of emissions allowances for the facility, in order to reduce liability and redundancy in the tracking and accounting of these emissions.

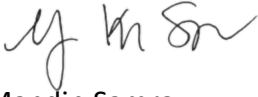
MPP adds important reliability benefits for BWP, it's participants and the state of California. It provides local power to our customers, while freeing up regional transmission rights to bring in renewable resources, which are important for MPP participants to meet their sustainability goals, as well as the state's renewable mandates. BWP is also part of the Intermountain Power Project (IPP) Renewal, which is necessary for BWP to retain rights on the Southern Transmission System (STS), a transmission hub which provides BWP with access to renewable resources from outside California. These renewable resources are vital for BWP to meet the state's renewable portfolio standard, to maintain reliability of the grid and provide access to base load energy.

With respect to the compliance periods (CP), BWP supports Option 1: Change CP6 to four years, ending in 2030, and change subsequent CPs to five years ending in 2035, 2040 and 2045. This will enable small and medium POU's, with limited staffing, to have additional time for reporting and compliance. BWP is a medium size POU with limited staffing. Currently, four staff members dedicate a portion of their time to gathering and submitting data to meet CARB compliance regulations. Decreasing the time for CPs, coupled with the additional costs of auditing, will lead to added administrative work for an already slim staff, taking resources away from obtaining more sustainable power for the community and a greener future for all of California. Moreover, BWP supports the use of carbon offsets to meet compliance requirements, as it provides another avenue for compliance instruments without compromising resources.

Burbank has been, and will continue to be, a leader in our region in sustainability. Furthermore, we are committed to participating in the discussion regarding the Cap-and-Trade Regulation.

Thank you for the opportunity to play an active role in this process. If you have any questions or require additional information regarding our comments, please contact Mandip Samra, Burbank Water and Power, Assistant General Manager at (818) 238-3557 or [msamra@burbankca.gov](mailto:msamra@burbankca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "M. Samra". The signature is fluid and cursive, with the first letter of each name being capitalized and prominent.

Mandip Samra  
Assistant General Manager

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