



# Independent Energy Producers Association

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March 21, 2025  
California Air Resources Board  
Climate Disclosure

**RE: Information Solicitation to Inform Implementation of California Climate-Disclosure Legislation: Senate Bills SB 253 and 261, as amended by SB 219**

The Independent Energy Producers Association (IEP) appreciates the opportunity to submit comments on the California Climate-Disclosure Legislation: Senate Bills SB 253 and 261 ("SB 253/261"). IEP represents the interest of developers and operators of independent energy facilities before the California Air Resources Board (CARB) and other relevant agencies, advocating for fair market competition during the clean energy transition. IEP members collectively own and operate approximately one-third of California installed generating capacity produced from various resources including solar, wind, geothermal, hydropower, biomass, hydrogen, natural gas, and energy storage. IEP members are interested in the implementation of SB 253/261 because the manner of implementation could inadvertently impact interstate wholesale electricity transactions.

IEP members benefit from reliable wholesale electricity transactions within the Western Energy Imbalance Market (WEIM)--a real-time electricity market operated by the California Independent System Operator (CAISO)--in which they participate with other interstate entities. Since its inception in 2014, the WEIM has generated more than \$6.5 billion in cumulative economic benefits for its participants, attracting more entities to join each year. This market allows CAISO to trade with other balancing authorities across the West, accessing least-cost electricity when grids in local balancing authorities are stressed. This means, the CAISO and fellow participants of WEIM can trade excess electricity—solar, wind, and hydropower for example--to other balancing authorities across the West when resources are variable, and grids are stressed.

IEP wishes to respond to question 1a of the questionnaire: “Should CARB adopt the interpretation of “doing business in California” found in the Revenue and Tax Code section 23101?”

CARB should not adopt the interpretation of “doing business in California” found in the Revenue and Tax Code section 23101 because the definition does not align with the legislative intent of SB 253/261. SB 253/261 were not meant to include electric companies that own and/or operate generation, transmission, and/or distribution assets, as well as possible retail sales, existing outside of California who participate in the WEIM. If CARB goes forward with the definition of “doing business in California” in the Revenue and Tax Code section 23101, it would inadvertently tie in electricity companies who participate in the WEIM that may have remote workers who live in the state of California, therefore creating contact with the state of California via payroll as interpreted under Section 23101(d). This contact with California has no bearing on the electric companies’ emissions within the state and should serve as an example as why this definition from the Revenue and Tax code should not be used. As stated in a letter published to the California Senate Journal by bill authors Senator Weiner and Senator Stern on January 30, 2024, “it was not our intent to include such energy transactions within the scope of this reporting obligation, and we are therefore providing clarification to the Senate Daily Journal and to the California Air Resources Board as they proceed with implementation of both laws.”

IEP respectfully requests CARB not incorporate the definition of “doing business in California” as stated in the Revenue and Tax Code section 23101 but draft a definition that aligns with the intent of SB 253/261 as stated by the bills’ authors, Senator Weiner and Senator Stern.

Signed,

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