



City of Needles, California Request for Commission Action

☐ CITY COUNCIL ☒ BOARD OF PUBLIC UTILITIES

☒ Regular ☐ Special

Meeting Date: September 1, 2026

Title: Accept and File the AB32 Greenhouse Gas (GHG) Emissions Verification Report
2025 Emissions prepared by Lincus Incorporated

Background: The California Air Resources Board requires a third-party verifier of the GHG. Lincus Incorporated reported, "The City of Needles' 2025 emission data reports for Electric Power Entity (ARB AD 3047) are found to be **free of material misstatement and in conformance** with the Mandatory Reporting Requirement". The City's annual metric tons of CO₂e reported for 2025 is **25,958.7**

Every year, covered entities turn in allowances and offsets for 30 percent of the previous year's emissions. The City of Needles meets this requirement annually by utilizing the free allocation of allowances provided by CARB. For 2025, the City of Needles has **14,523 free allowances**. The free allowances for 2025 will cover the annual compliance obligation.

At the end of each compliance period, covered entities must turn in the remaining 70 percent of allowances and a limited number of offsets covering the remainder of emissions in that compliance period. To meet the remaining 70 percent requirement, entities may participate in CARB auctions or purchase allowances and offsets from the open market. The current compliance period is a three-year period beginning in 2024 to 2026.

Fiscal Impact: Remaining allowances and offsets for 2025 are **11,436**; market prices for 2025 were \$37.40/allowance. The estimated fiscal impact for 2025 GHG allowances and offsets is **\$428K. This is half of the cost from the prior year due to the increase in free allowances.** The City of Needles will not transact for the required allowances and offsets until the enclosed verification report is accepted by CARB and posted to the City of Needles Compliance and Tracking System to verify quantities needed.

Environmental Impact: Reduction in greenhouse gas emissions

Recommended Action: Accept and File the AB32 Greenhouse Gas (GHG) Emissions Verification Report
2025 Emissions prepared by Lincus Incorporated

Submitted By: Rainie Torrance, Utility Manager

City Manager Approval: Patrick J. Martinez

Date: 8/25/2026

Other Department Approval (when required): _____

Date: _____