



City of Needles

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City Manager Patrick Martinez

April 28, 2026

VIA WEB PUBLIC COMMENT FORM

California Air Resources Board (CARB)

Re: (15-day) Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market- Based Compliance Mechanisms Regulation

To Whom It May Concern:

The City of Needles owns and operates the Needles Public Utility Authority, providing electric services to approximately **3,200 customers**. The City of Needles faces significant economic challenges and critical challenges regarding extreme heat.

- Needles has a **poverty rate of 29.3%**, significantly higher than the statewide average of 12.2%.
- The **median family income in Needles is \$38,368**, far below the California average of \$91,551.
- The **employed population in Needles is 36.7%**, compared to 60% statewide.
- Over **35% of Needles' population have a disability**, compared to 11.7% in the rest of California.
- The City of Needles faces extreme heat waves with **temperatures exceeding 120 degrees** during peak summer months, where access to air conditioning is essential during heat waves.

Given the City of Needles disadvantages, the Board of Public Utilities and City Council are committed to keeping energy rates affordable for our low-income community.

The California Air Resources Board regulation for Greenhouse Gas Emissions requires annual compliance obligations that **negatively** impact Needles.

While the City of Needles receives “free” allowances annually, these allowances have decreased significantly over the years, causing Needles to obtain offsets/allowances in the open market. The City spent **\$1,758,868.14** for the last tri-annual compliance period of 2021-2024.

The fiscal impact caused by purchasing the required offsets/allowances must be factored into Needles' rate structure, which impacts the residents/customers and the statistics stated above.

The City of Needles formally requests to preserve the previously adopted 2021-2030 EDU allocation (table 9-4) to avoid mid-stream cuts that strip \$752 million in allowance value from POUs (2027-2030).

If CARB insists on recalculating, apply the effective RPS (45%) to avoid under-calculating against emission-exposed load, and allow case-by-case load-growth adjustments.

Needles will **not** be able to financially meet the proposed amendments to the regulation for the California Cap on GHG and Market-Based Compliance Mechanisms. **Post 2030**, the City of Needles is requesting;

- 1) Use the effective RPS for 2031-2035 allocations and maintain a fixed five-year schedule to support planning certainty.
- 2) A fixed allocation for 2031-2035 will provide POUs with clear, stable expectations of allowance allocations.

In regard to the **compliance period**, the City of Needles formally requests do **not** shorten the compliance period of three years if CARB must shift to two years; then clarity is needed on calculating the limited exemption. As mentioned, Needles spent over \$1.7M to meet a three-year compliance period (2021-2024), and if this is shortened, there would be significant hardship to the residents of Needles.

Finally for the RPS adjustment, the City is requesting;

- Incorporate effective RPS into 2027-2030 updates in conjunction with the phaseout of PCC 2 RPS adjustment to 2027.
- If CARB does not incorporate effective RPS, the RPS adjustment for PCC2 must be maintained to avoid imposing C&I compliance costs on RPS-compliant firmed and shaped emissions.
- Remove "... and must comply with the excess procurement requirements pursuant to CPUC Section 399.13(a)(5)(B) ..."
- This language introduces confusion—only PCC1 and PCC0 RECs may be banked as excess procurement.

It is also important to note that the City of Needles is **not part** of the CASIO market, and all power purchases are through Western Area Power Administration (WAPA) on the Southwest Power Pole (SWPP) on the Arizona market. No power is being generated in California and Needles must still comply with CARBs regulations on GHG and RPS.

The City of Needles is in support of the new language changes under the Notice of Public Availability of Modified Text and Availability of Additional Documents and/or Information.

If you have any questions regarding this comment letter, please contact Rainie Torrance at rtorrance@cityofneedles.com or by calling (760)326-5700 X140

Thank you for your consideration,


Janet Jernigan, City of Needles Mayor