



May 8, 2024

California Air Resources Board
1001 I Street
Sacramento, California 95814

Submitted Electronically

Comments on April 23, 2024 Cap-and-Trade Program Workshop

Aera Energy LLC (Aera) appreciates the opportunity to provide the comments below regarding the California Air Resources Board's (CARB) cap-and-trade program. Aera is one of California's largest oil producers, with assets across the State. As a California-based company, Aera understands the need to reduce greenhouse gas (GHG) emissions to work towards the State's 2045 carbon neutrality target, which is why we are working to develop low carbon projects, including carbon capture and sequestration (CCS), direct air capture (DAC), and renewable energy.

California's cap-and-trade program is a core element of the state's strategy to cost-effectively cut GHG emissions. As CARB considers cap-and-trade program updates, it should ensure that the program effectively incentivizes and accounts for the significant GHG benefits that CCUS technologies can provide.

CCUS is a Key Decarbonization Technology to Support Achievement of State Climate Goals

California's 2022 Climate Change Scoping Plan – as well as SB 905 (2022, Caballero) and AB 1279 (2022, Muratsuchi) – recognize the key role that CCUS will need to play to support achievement of California's climate goals. Governor Newsom has also highlighted the need to accelerate development of carbon capture technologies across the State.¹

The Cap-and-Trade Program Should be Updated to Fully Account for CCUS as an Emissions Reduction and Compliance Strategy

As CARB staff presented at the April 23, 2024 workshop, achieving the State's 2030 and 2045 climate goals will require increased cap-and-trade programmatic stringency. CARB also previously recognized (June 14, 2023 Joint Cap-and-Trade workshop) the need to evaluate opportunities to account for emission reductions that CCUS can deliver under the program.² The recently published standardized regulatory impact assessment for the cap-and-trade program additionally acknowledges the importance of CCUS "as a

¹ [July 2022 Governor Newsom Letter](#)

² [June 14, 2023 Joint Cap and Trade Workshop](#)

compliance path for large emitters covered by the Cap-and-Trade Program to support the achievement of statewide [climate] targets.”³

The cap-and-trade program should be updated to provide full compliance recognition for emissions eliminated or reduced via the deployment of CCUS. Ensuring that the cap-and-trade program fully and appropriately accounts for the substantial GHG emission reductions that can be achieved through carbon capture will be key in helping to ensure that these projects can be deployed rapidly to deliver near-term, cost-effective and ongoing climate, economic and employment benefits for California.

Sincerely,



Randy Hoyle
Chief Carbon Solutions Officer
Aera Energy LLC

³ [April 9, 2024 SRIA, page 24](#)