CALIFORNIA CARBON SOLUTIONS COALITION

Building Climate Smart Solutions for California

March 28, 2025

California Air Resources Board 1001 | Street Sacramento, California 95814

Submitted Electronically

RE: Comments on February 27, 2025 Carbon Capture, Removal, Utilization and Storage Program (SB 905, Caballero, 2022) Workshop

The California Carbon Solutions Coalition appreciates the opportunity to provide comments in response to the February 27, 2025 Carbon Capture, Removal, Utilization and Storage (CCRUS) workshop.

The California Carbon Solutions Coalition is the state's leading business and labor organization working to support the rapid deployment of carbon capture, removal utilization and sequestration (CCRUS) technologies to reduce greenhouse gas emissions and deliver high-quality jobs for Californians.

As numerous leading experts have concluded, widespread deployment of CCRUS is crucial to enable California to meet state climate targets. Our state is home to some of the best geology in the world for permanently sequestering CO2 and has a robust and skilled workforce that can be deployed to build and operate CCRUS projects across multiple economic sectors, providing tens of thousands of jobs and delivering billions of dollars in energy savings for Californians. California's 2022 Climate Change Scoping Plan identifies CCRUS as a key technology and necessary tool to support achievement of the state's greenhouse gas reduction goals, including carbon neutrality by 2045. Governor Newsom directed the California Air Resources Board (CARB) to establish a carbon capture and removal target of 20MMT in 2030 and 100MMT in 2045 as key elements of the state's suite of strategies to achieve our climate goals. The Biden Administration and the United States Congress worked to make billions of federal incentive dollars

⁴ See Office of the Governor, 2022













¹ See <u>International Energy Agency</u>; <u>Lawrence Livermore National Labs</u>; <u>Intergovernmental Panel on Climate Change</u>; and <u>California Air Resources Board</u>, 2022 Climate Change Scoping Plan.

² See Stanford University/Energy Futures Initiative.

³ See <u>California Air Resources Board, 2022 Climate Change Scoping Plan.</u>

available to a range of CCRUS technology and infrastructure projects that California is uniquely positioned to take advantage of – if we are collectively able to deploy these projects and technologies in the near term.

Full Staffing Resources for CCRUS Program Implementation is Essential

As detailed at the workshop, to date CARB has received limited funding and staffing resources to develop and adopt the CCRUS Program as directed by SB 905. As a result, there are a number of key elements of the program that have yet to be fully developed and finalized. It is essential that CARB has adequate staffing and resources to move expeditiously to complete SB 905 Program implementation as this will ensure that California can maximize the role that critical CCRUS technologies can play to support achievement of our greenhouse gas emissions reductions targets. The Coalition fully supports Governor Newsom's FY 25/26 budget proposal request for full permanent staffing for SB 905 Program positions and will continue working with the Administration and the California State Legislature to ensure that CARB is provided with sufficient resources to complete the CCRUS program implementation as soon as possible, including to develop an optional unified permit application process for the purpose of efficiency to expedite the issue of permits for projects. However, as SB 905 explicitly states, the unified permit application "shall not eliminate, abridge, or reduce the review or issuance of the individual permits..." Additionally, Senator Caballero submitted a letter to the Senate Daily Journal on August 31, 2022 which reads in part "It is not the intent of Senate Bill 905 to alter or suspend existing permitting processes currently being used by state and local regulators, or local jurisdictions to approve or authorize CCRUS projects. State, local and regional agencies can and should proceed to issue any such permit or authorization and satisfy any such obligations under CEQA at an earlier date and to work together to advance carbon dioxide capture, removal or sequestration projects within the state, particularly where earlier action may help secure investment, federal funding or tax incentives for deployment of those projects in California."6

Regulatory Certainty is Needed to Support Ongoing Investment in CCRUS Project and Technology Deployment

As a number of participants at the February 27th workshop indicated, a regulatory framework that fully recognizes and accounts for the emission reductions and removals that can be achieved via CCRUS is essential to support ongoing investments that many California companies are making to deploy these technologies.

⁵ See Senate Bill 905 (Caballero), 2022

⁶ See SB 905 Letter to Journal

California has dozens of industrial, fuel and power generating facilities that can deploy carbon capture to cut millions of tons of greenhouse gas emissions annually, and there are a host of innovative carbon removal technologies poised to scale to eliminate legacy emissions in the atmosphere. The investments companies are making in these technologies and projects are driven significantly by the clear policy direction that California has provided through the Scoping Plan and via legislation such as SB 905. Ongoing, near-term action to build out the regulatory framework for deployment of CCRUS in California is essential to ensure that these investments and projects can proceed. In addition to the completion of the CCRUS program under SB 905, <u>a key step</u> is incorporation of CCRUS into the state's cap-and-trade program.

Responses to "Specific Workshop Questions to Support Regulatory Development"

The Coalition appreciates the opportunity to provide input in response to specific workshop questions.

Permit and Project Portal

As noted above, SB 905 directs CARB to develop an optional unified permit application to support the efficient evaluation and issuance of permits for carbon capture and removal projects. While the development and use of such an application process is expressly not intended to delay or otherwise impede the issuance of permits for projects, an optional unified permit application that could help streamline and expedite project permits would be beneficial. As extensively detailed in the 2021 report by Lawrence Livermore National Labs, "Permitting Carbon Capture & Storage Projects in California," the state has a "thorough and robust regulatory framework for screening and authorizing projects." However, given the existing complexity and timelines of these processes and the need to quickly deploy carbon cutting projects in the near term, a streamlined application process would help California evaluate and safely permit projects that can begin delivering climate benefits in the near term. It will be key to ensure that CARB and associated agencies and permitting authorities are equipped with sufficient staffing and resources to evaluate permit applications in a timely and efficient manner.

Financial Responsibility

Senate Bill 905 directs CARB to adopt regulations for financial responsibility "no less stringent" than those that exist as part of the federal Underground Injection Control program. In addition, California's Carbon Capture and Sequestration Protocol under the

⁷ See LLNL, Permitting Carbon Capture & Storage Projects in California, 2021

Low Carbon Fuel Standard contains extensive provisions regarding financial responsibility requirements. Both of these frameworks can help guide CARB to develop regulations that appropriately balance financial responsibility considerations with project development, deployment and operational priorities as California seeks to scale a critically needed set of technologies to meet state climate goals.

Criteria and Toxics Monitoring

California has among the most extensive environmental, safety and regulatory standards in the world. Existing permitting, environmental review, and regulatory requirements at the federal, state, and local levels require robust public review, stakeholder input, and protections for human health. CCRUS projects should – like all other projects to reduce greenhouse gas emissions in California – be thoroughly analyzed and evaluated pursuant to existing public health, environmental, and economic review processes.

The Coalition appreciates the opportunity to comment and we look forward to ongoing engagement with CARB and all stakeholders as part of this process.

Respectfully,

Virgil Welch Director