

## CARB SB 905 Workshop Questions

### General Comments

We appreciate the opportunity to comment on the workshop CARB held on February 27th, focused on carbon capture, utilization, and storage (CCUS) and carbon dioxide removal (CDR) market trends, technological readiness and potential, and deployment benefits and considerations.

SB 905 requires CARB to create the Carbon Capture, Removal, Utilization, and Storage Program to evaluate, demonstrate, and regulate CCUS and carbon dioxide removal (CDR) projects and technology. This program will underpin efforts to advance CDR deployment in the state, a necessary component for meeting the state's carbon neutrality goals. Governor Newsom has called for major deployment of CDR - 20MMT in 2030 and 100MMT in 2045 of carbon removal. Moving quickly to finalize the guidelines and programs required by SB 905 is essential, but not sufficient, in reaching these targets.

The carbon removal industry is ready to help deliver on California's climate goals.

**Commercial Readiness:** Tons of carbon removal delivered to buyers more than doubled from 2023 to 2024. Importantly, suppliers of these tons leveraged a range of durable pathways.<sup>1</sup> About 5% of booked volume has already been delivered, and the industry continues to scale to meet demand. The regulatory infrastructure put in place today through SB 905 will be highly influential over this period of significant industry growth. Importantly, reaching the state's climate goals will require removals across a range of technologies - reflected in the diversity of tons delivered on voluntary carbon markets today. CARB should consider how SB 905 frameworks will apply to CCUS and direct air capture, but also a broader range of durable methods like bio-oil sequestration, enhanced rock weathering, and marine CDR.

**Project Development and Permitting:** California is home to a wide range of durable carbon removal companies, including several commercial pilots.<sup>2</sup> However, permitting continues to pose a barrier to project development at the scale needed in the state. SB 905 authorized CARB to adopt a unified permit application. A unified permitting platform is a useful resource, but will not replace existing permitting processes at the state and local level. Future efforts should look to simplify the permitting process, for example by appointing a lead agency with significant review expertise to coordinate the process and considering expedited permitting processes for projects with no net local CO2 emissions impacts. In the meantime, we encourage CARB to consider what technical resources it can make available to state and local agencies to help them understand best practices across a range of durable removal technologies.

**Demand Generation:** For projects to scale in California, CARB, along with other state agencies, must also focus on supporting demand signals over the next decade. Historically, the

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<sup>1</sup> <https://www.cdr.fyi/blog/2024-year-in-review>

<sup>2</sup> [https://a-us.storyblok.com/f/1020427/x/761c05fa2f/state-fact-sheet\\_california.pdf](https://a-us.storyblok.com/f/1020427/x/761c05fa2f/state-fact-sheet_california.pdf)

private sector has led demand for removals. However, these investments must dramatically scale to reach the levels required to meet California's goals. In 2024, total global purchases of CDR accounted for 8M tonnes.<sup>3</sup> State programs can help guide the private sector by developing clear guidance for buyers and signaling appropriate protocols for projects. The state can also play a role in generating demand directly, particularly important as broader political efforts seek to enable the extension of fossil fuels. Considering the role of CDR in compliance markets should be a core consideration for CARB. State agencies can also play a role in directly procuring removals, a strategy recently proved out by the federal government.

We appreciate the opportunity to comment on these matters.

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*Heirloom*

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<sup>3</sup> <https://www.cdr.fyi/blog/2024-year-in-review>