Appendix 6: Summary of Comments and Agency Response

U. Economic Analysis

U-1 IOU EDU Allowances

U-1.1 Comment:

CARB Should Reassess the Projected Allowance Valuation Resulting from its Proposed Amendments. Given that the projected value of Cap-and-Invest allowances provides the foundation for allocation strategies, in furtherance of promoting affordability, SCE believes it is important that CARB provide clarifying edits in its statement of the economic benefits of its projected valuation for the net increase in utility revenue arising from the C&I proposed amendments. The amount of allowances CARB proposes to disseminate to IOU EDUs is predicated on a fundamental assumption about allowance prices that historically has not been observed in the market. SCE recommends that CARB adopt the following redline edits to its statement of economic benefits in its ISOR on page 298 to provide transparency about its estimate: $9.7 billion in estimated increased utility allowance auction revenue through 2046, based on assumptions that allowance prices settle at $68/metric ton in each year from 2027-2045.

Over time, the Cap-and-Invest market mechanism reduces the number of allowances available to be allocated and sold. While the impact on each EDU varies, EDUs lose on average 27% of their allowance allocation in the 2027-2030 period under the C&I proposed amendments as compared to current regulation. Under the C&I proposed amendments to the regulation, SCE loses 14% of its EDU allowances for that same period.

The amount of the revenue the electric Climate Credit generates is a function of the number of IOU EDU allowances available and the price of these allowances at auction. In theory, a declining number of allowances in supply should drive up demand, producing higher prices as supply diminishes. Historically, however, that has not proven to be true. The realized carbon price historically has been closer to the market's price floor than either of the containment tiers or the price ceiling. Notably, CARB suggested that its proposed amendments to Cap-and-Invest would lead to a $9.7 billion net increase in utility revenue, premised on an assumption that GHG prices would land at the mid-point between the price floor and the first Advanced Price Containment Reserve, or $68/metric ton.

While Climate Credit is currently returned to customers as a bill credit, and not through a volumetric return on rates, decreasing allocations will have a negative effect on electricity affordability. In fact, the proposed amendments to the EDU allocation would mean SCE customers lose approximately $290 to $440 million dollars in Climate Credit between 2027-2030, which translates to an approximately $7 to $11 reduction in each Climate Credit distribution per customer. (45d-SCEC-320.6)

Agency Response:

No changes were made in response to this comment. The commenter is correct that the utility revenue projection included in the ISOR applies the allowance price assumption in ISOR Table 21. This allowance price assumption is not a prediction of future allowance prices or of impacts on affordability; rather, it is an assumption that reflects the relative increase in Program stringency under the Proposed Amendments relative to the Baseline Scenario and Alternative 1. In the 15-day Amendments, EDU allocation was increased from the 45-day proposal, providing an additional 54 million allowances to EDUs from 2027-2030, which increases auction revenue provided to electric utility ratepayers through the California Climate Credit. See Agency Response to comment H-1.1a on how the Proposed Amendments to EDU allocation support electric affordability. Additionally, electric ratepayers will benefit from the shift of allocation from Natural Gas Suppliers to Electrical Distribution Utilities, providing additional support for electric affordability as directed by AB 1207.

U-2 Other Comments on the Economic Analysis

U-2.1 Comment:

The program has failed to deliver emission reductions commensurate with its economic cost and has instead driven productive capacity out of the state while imposing a regressive burden on working families. California's emissions have declined 21 percent since 2000, but the relevant question is how much of that reduction is attributable to Cap-and-Trade versus the suite of complementary regulations, technology improvements, and economic shifts that would have occurred regardless. (45d-Nemeth-228.6)

Agency Response:

No changes were made in response to this comment. CARB disagrees with the commenter’s assertion that “the program has failed to deliver emission reductions commensurate with its economic cost.” Since 2012, the Cap-and-Invest Program has been central to California’s success in cost-effectively reducing GHG emissions and meeting statewide climate targets. California’s suite of climate policies have reduced GHG emissions throughout economic sectors, including the sectors covered by the Cap-and-Invest Program to meet California’s 2020 climate target early, even as the state's economy has steadily grown. Moreover, the stringency in the annual decline of allowance budgets doubled beginning in 2021 to support achieving the 2030 GHG emissions reduction target. See also Agency Response to comment V-3.8a.

Since Program inception, over $35.4 billion in auction proceeds have been directed to the California Climate Investments (CCI), and the investment of $12.8 billion of those proceeds through November 2024 is estimated to further reduce GHG emissions by an estimated 116 $MMTCO_2e$ over project lifetimes. Over 70% of CCI funds benefit priority populations. Additionally, over $21.9 billion of the proceeds from the sale of utility free allowances at auction have gone to the benefit of utility ratepayers through March 2026.

The Program creates a powerful economic incentive for covered entities to invest in cleaner, more efficient technologies to comply with the program. Overall, the net benefit of the proposed amendments is positive to California, including low-income communities as described in Table 22 in the ISOR.

Please also refer to Agency Response O-1.3a for changes made to the Proposed Amendments to address affordability concerns.

U-2.2 Comment:

The Park District also seeks assurance that any modifications will meaningfully support California's transition to a circular economy. This includes taking a comprehensive approach which accounts for the full lifecycle impacts of materials, as well as the interconnected environmental, economic, and community considerations associated with these policies. Finally, we encourage a holistic evaluation of potential trade-offs, including impacts on greenhouse gas emissions, natural resource conservation, ecosystem health, program revenue, and local economies. Ensuring proposed changes are aligned with the State's broader climate and sustainability goals, and support stable, predictable funding, will be essential to achieving durable and equitable outcomes. (15d-EBRPD-14.2)

Agency Response:

No changes were made in response to this comment. CARB has conducted the required environmental and economic analyses in compliance with the Administrative Procedures Act (APA) and California Environmental Quality Act (CEQA). See response to comment 15-14-1 in the Response to Comments on the Environmental Impact Analysis. See also Agency Response to comments H-4.1a, H-4.3, H-5.7, I-1.2a, I-1.7a, O-1.3a, O-5.1a, O-8.38a, V-1.2b, and V-3.8a.

U-2.3 Comment:

Chevron’s estimation of compliance costs and consumer impacts is premised on allowance prices at the ceiling after 2030, based on UC Davis modeling and the November 16, 2023, Joint Cap-and-Trade Program Workshop. (See Figures 1 and 2 in

Chevron's ISOR comment letter.) The ISOR's projections of expected GGRF revenue, by contrast, are premised on a Price Assumption at the "Midpoint between Floor Price and APCR 1 Price." (See ISOR Tables 15 and 21.) CARB should reconcile the discrepancy between the ISOR's Price Assumption and the UC Davis study upon which Chevron's price expectations are based. Industry cost concerns can be partially addressed by demonstrating the plausibility of the ISOR's Price Assumption. However, "plausibility" is not a guarantee, and CARB should also estimate GGRF revenue, including a potential refinery allocation, under Chevron's allowance price assumption, i.e., at the ceiling after 2030. There appears to be a discrepancy in ISOR Table 15 ("Expected Change in Total GGRF Revenues under the Proposed Amendments"), which should be resolved. The first line of the table shows $4 billion in annual GGRF revenue in 2027, which is premised on a Price Assumption of approximately $50 (based on Table 21). However, the November, 2025, auction brought in $844 million in quarterly revenue at an allowance price of $28.32, implying that a $50 price would be expected to result in $1.5 billion in quarterly revenue ($6 billion annual, not $4 billion) under the premise that revenue is proportional to the allowance price. The ISOR appears to have underestimated GGRF revenue at its Price Assumption, and it provides no revenue estimate under the UC Davis modeling scenario. (15d-CRPSVC-172.5)

Agency Response:

No changes were made in response to this comment. CARB conducted a holistic economic cost-benefit analysis of the Proposed Amendments using reasonable allowance price assumptions that vary by the stringency of each evaluated regulatory scenario as described in CARB's economic analysis. These price assumptions are not a prediction of allowance prices after adopting the Proposed Amendments and do not reflect the results of third-party modeling, including the referenced UC Davis modeling. The UC Davis modeling used different input assumptions regarding future GHG emissions, allowance supply, and market dynamics. The price assumptions used in this rulemaking illustrate relative differences among scenarios and should not be viewed as projections or expectations of market prices. Further, the assertion that previous auction results indicate a discrepancy or underestimation of future GGRF revenues in ISOR Table 15 is incorrect, as the number of state-owned allowances sold at future auctions is expected to be less than at past auctions. GGRF proceeds raised in quarterly auctions in previous years are not indicative of future GGRF proceeds under the Proposed Amendments, as prior year auctions were conducted in the context of larger annual allowance budgets and different levels of allowance allocation than what is estimated for 2027-2030 under the Proposed Amendments. Importantly, any auction can be influenced by external factors such as economic downturns and how many allowances are sold. Since revenues would be equal to price times quantity of allowances sold, there is no certainty in any projection by any party.

U-2.4 Comment:

The proposed amendments to increase the stringency of California's Cap-and-Invest program will damage the economy of California and of other States…

I am deeply concerned that the Regulatory Impact Assessment that CARB has published grievously understates the negative economic impact of this proposed regulation. This is perhaps most egregious in the reliance on the so-called Social Cost of Carbon to find economic benefits ranging from $28 to an astounding $460 billion. That range alone shows how unreliable this metric is. There are three major problems that inflate the Social Cost of Carbon methodology. 1) First, the SCC number is predicated on an unreasonably long projection timeline. This figure is predicated on making assumptions 300 years into the future. Most businesses do not try to model more than 10 years into the future, and often less. To give an idea of how preposterous this timeline is, it would be the functional equivalent of a royal official in colonial America, purporting to predict with economic precision the impact that his decisions would have on the present day. 2) Second, Federal policy makers have a long history of inflating the SCC by using an artificially low discount rate. EPA's central 2 percent rate was lower than the 3 and 7% rates that OMB requires in every other Federal context. 3) Third and finally, the Social Cost of Carbon relies on unempirical, outdated projections of global warming, which have consistently proved greater than any warming actually observed. These problems have been recognized by the U.S. Government. It is especially noteworthy the RIA at multiple points defers to EPA's estimate for the Social Cost of Carbon, given that as of May of last year, EPA no longer uses this measure. (BH-HF-49.1) (BH-HF-161.1)

Agency Response:

No changes were made in response to this comment. The economic analysis presented in the SRIA and the ISOR includes a holistic assessment of the costs and benefits of the regulatory proposal and evaluated alternatives on the State's economy and the health and wellbeing of its residents. This analysis clearly shows that the direct benefits of reduced fossil fuel combustion at covered facilities and the resulting local air quality improvements outweigh the costs of complying with a more stringent Cap-and-Invest Program.

This analysis also estimates avoided future global climate damages associated with GHG emissions reductions as quantified by applying the Social Cost of Carbon (SCC). Table 8 in the ISOR shows the SCC valuation of the regulatory proposal bounded by a range of discount rates considered in a 2021 U.S.

Interagency Working Group (IWG) study and a more recent 2023 U.S. EPA analysis (U.S. EPA 2023a).

CARB uses the U.S. EPA's 2023 SCC estimates in the primary results of this analysis presented in Table 26 of the ISOR, including the range of discount rates for transparency and consideration, since this data includes scientific advancements not considered in the prior IWG study. These peer-reviewed estimates reflect recent advances in the understanding of climate change and its economic impacts and incorporate recommendations made by the National Academies of Science, Engineering, and Medicine. This approach is also consistent with the approach presented in the U.S. EPA's final Regulatory Impact Analysis of the Standards of Performance for New, Reconstructed, and Modified Sources and Emissions Guidelines for Existing Sources: Oil and Natural Gas Sector Climate Review published in December 2023 (U.S. EPA 2023b), and reflects the best available science in the estimation of the socioeconomic impacts of greenhouse gas emissions.

Subsequent action by the current federal administration to roll back U.S. climate regulations and disregard the Social Cost of Carbon is inconsistent with the well-established science on the severe costs and potentially catastrophic risks of unmitigated climate change. Similarly, the commenter provided no further information or data regarding the claim that the Social Cost of Carbon relies on unempirical and outdated projections that have not matched with reality; indeed, all information before CARB in this rulemaking shows the opposite.

U-2.5 Comment:

I am writing to express serious concerns regarding the California Air Resources Board's proposed amendments to the Mandatory Reporting of Greenhouse Gas Emissions. According to CARB's own analysis, the proposal is expected to impose approximately $124 billion in costs, which will ultimately be borne by taxpayers and consumers. At the same time, CARB asserts that these costs will be offset by roughly $123 billion in projected medical savings. This near one-to-one offset raises significant questions about the underlying assumptions and analytical rigor used to justify the rule. Given the scale of the economic burden, it is essential that both the cost estimates and the claimed benefits be supported by transparent, credible, and independently verifiable evidence.

There is reason to approach these projections with caution. California has a well-documented history of large-scale infrastructure cost estimates proving to be significantly understated. For example, the California High-Speed Rail Authority initially presented cost projections for the state's high-speed rail project that have since grown multiple-fold as the project advanced. This precedent underscores the risk that the current $124 billion estimate may likewise be understated, especially given the complexity and long time horizon of the proposed regulatory changes. If costs are underestimated, the financial burden on households and businesses could be substantially greater than currently acknowledged.

Equally concerning is the assertion of $123 billion in medical benefits. CARB's proposal does not appear to cite sufficient peer-reviewed scientific research to substantiate benefits of this magnitude, nor does it clearly establish a direct causal link between the specific reporting amendments and the projected health outcomes. Without rigorous, independently validated evidence, these claimed benefits remain speculative. Public policy decisions of this scale should not rely on optimistic or unverified projections, particularly when they are used to justify imposing significant economic costs on the public.

For these reasons, I urge CARB to revisit its cost-benefit analysis with greater transparency and methodological rigor. At a minimum, the Board should provide detailed documentation of its assumptions, subject its projections to independent peer review, and fully account for the risk of cost overruns. Until such analysis is completed and validated, proceeding with the proposed amendments would place an unjustified and potentially substantial burden on California residents and businesses. (15d-MacLeod-208)

Agency Response:

No changes were made in response to this comment. The commenter appears to be referencing proposed changes to the Cap-and-Invest Regulation, not the Mandatory Reporting Regulation. CARB has conducted the required economic analyses in compliance with the APA for the Proposed Amendments to the Cap-and-Invest Regulation. CARB prepared a Standardized Regulatory Impact Assessment (SRIA), which was also reviewed and approved by the Department of Finance ,along with updated economic analyses in the ISOR,. The methodology used for the economic analysis is fully described in both Chapters IV and VIII of the ISOR and Appendix C to the ISOR. This includes the specific methodology used to estimate the monetized health benefits and the academic literature cited. The ISOR includes a range of estimated monetized health benefits from the Proposed Amendments over the applicable regulatory timeframe ($76.6 -$122.9 billion). The commenter provides no evidence for the conjecture that these estimates are not rigorous or which of the assumptions are may be too optimistic. As such, no changes were made and no further response is required. However, as indicated in the Staff Report, the economic analysis represents a conservative estimate of costs and is inherently uncertain because it involves conducting estimates around what *may* happen in the future. This analysis allows for a comparison of different policy choices that describes relative outcomes for understanding trade-offs under those different scenarios. Similar to other long-term economic projections, it may not capture absolute outcomes in the real world.

V. Rulemaking Process

V-1 Rulemaking Timeline

V-1.1a Multiple Comments: Support for Timely Adoption of Proposed Amendments

Since AB 1207 and SB 840 passed, allowance prices have remained at or near the statutory price floor. The February 2026 auctions settled at the auction reserve price, and even at the reserve price failed to sell all the available supply. These outcomes reflect: Likely continued annual oversupply in 2026, Uncertainty regarding 2027 supply-demand balance, Market hesitancy related to the timing and distribution of proposed allowance removals; and Risks to GGRF revenue predictability. Approving program amendments by the May 28 Board hearing is essential to restoring regulatory certainty and reinforcing market confidence. (45d-Garcia-382.1)

Comment:

Finalizing the updated Cap-and-Invest Program on schedule at the CARB Board Meeting on May 28 will be critical to providing the certainty businesses and investors need to plan and deploy long-term investments in decarbonization.” (45d-CE-383.1)

Comment:

Rulemaking Timeline

As IETA has emphasized before, we encourage CARB to complete the regulatory amendment process in an expedited fashion. We suggest that CARB complete the ongoing rulemaking and adopt the proposed regulatory amendments by the 28 May Board Meeting without delay. This would provide regulatory certainty for Quebec as it completes its own regulatory amendments process by summer 2026. The finalization of regulatory amendments in both California and Quebec would facilitate the subsequent effort necessary for carbon market linkage with Washington State by mid-2027.” (45d-Srinivasan-341.1)

Comment:

CARB must finalize program rules quickly to implement new allowance budgets in September 2026.

EDF appreciates CARB releasing this ISOR along with the proposed timeline to finalize rule updates by the end of May. Maintaining this schedule is necessary to implement reduced emissions allowance budgets without delay, to provide regulatory certainty and clear price signals to market participants, and to allow CARB to move towards formalizing linkage with Washington state.(45d-EDF-424.1)

Agency Response:

No changes were made in response to these comments. Staff appreciates the commenters' support for the timely adoption of the Proposed Amendments and acknowledges the importance of regulatory certainty for market participants.

V-1.1b Multiple Comments: Support for Timely Adoption of Proposed Amendments

This rulemaking process has gone on for almost 3 years now, and the program is in desperate need of clarity. Despite the importance of fully reestablishing the integrity of the program, we acknowledge that some of the refinements above may not be feasible to incorporate into regulatory text in time for adoption on May 28 without an additional 15-day comment period. We support finalizing on schedule, and there is a practical path that allows the Board to do so: In the final rule and accompanying findings: A clear statement — in regulatory findings, the Final Statement of Reasons, or the adopting resolution — reaffirming the Board's intent that the program continue to operate with annual allowance budgets as the binding constraint on overall supply, and committing the agency to ensuring, through subsequent regulatory action, that MDI does not function as a supply channel outside the established annual budgets. By resolution directing a near-term follow-on rulemaking: The design refinements that require operative text changes — an annual issuance limit on MDI, and the mechanism for issuing MDI allowances from within the established annual budgets. CARB has used board resolutions in past rulemakings to direct staff to take up specific issues in subsequent action, consistent with how other elements of this package — post-2030 cap adjustment factors and EDU allocations — have been deferred to future rulemaking. (15d-CCF-50.8)

Comment:

California risks its climate leadership if the state fails to adopt these regulations in a timely manner. When California regulators originally adopted Cap-and-Invest in 2011, they recognized an opportunity to be a global climate leader by leveraging state policy beyond our borders. The program is now linked to Québec, proving that international carbon markets provide the liquidity and price stability necessary for a resilient program. Additionally, adopting these regulations opens the opportunity for California to consider linkage with Washington's Cap-and-Invest program. Expanding this shared market to include Washington would create a more robust, cost-effective trading platform that lowers compliance costs for businesses while accelerating our collective path toward net-zero emissions and further cementing California's role as the anchor of the world's most sophisticated subnational carbon market. (15d-E2-54.2)

Comment:

E2 views the timely adoption of amendments to the program as a critical update to a proven system. We urge staff to move this rulemaking forward without delay for Board consideration on May 28, 2026, to ensure that California remains on a path to a cleaner, more resilient, and more equitable economy. (15d-E2-54.6)

Comment:

The Reserve strongly supports CARB's efforts to strengthen the Cap-and-Invest Program in line with the state's 2045 emissions reduction targets. We appreciate the program's focus on consumer affordability and believe that a robust offset market is essential to maintaining cost-effectiveness. Moreover, we support CARB's efforts to complete the amendments ahead of the May 28th board meeting. Timely finalization is necessary to allow for potential linkage with the State of Washington in 2026, which will enhance market efficiencies and regional collaboration needed to meet collective climate goals. (15d-CAR-63.1)

Comment:

we encourage CARB to complete the ongoing rulemaking and adopt the proposed regulatory amendments at the 28 May Board Meeting without delay. We cannot overstate the importance of adhering to the planned schedule for the rulemaking. (15d-IETA-86.2)

Comment:

The 15-day package defers larger and longer-term questions about the post-2030 specifics of Cap-and-Invest and how regulated entities should plan for future rulemakings and compliance costs. Without longer term certainty, the leakage risk CARB seeks to mitigate with the proposed amendments will persist. However, CCEEB recognizes that it is not practical for CARB to publish additional amendments as part of this rulemaking package given its time constraints and would like to make clear any policy recommendations in this letter are for consideration during subsequent rule proceedings or, as applicable, to be provided through implementation guidance. As such, CCEEB strongly encourages the Board to adopt these amendments at the May 28 Board Meeting and to direct staff to return to the Board in a subsequent rulemaking with further post-2031 cost-containment and leakage protection measures to provide longer-term compliance certainty to regulated entities. (15d-CCEEB-165.2)

Comment:

Completing the current rulemaking on schedule at the May 28 hearing is critical for carbon market stability, long-term business planning, and California's continued climate leadership. The risks of inaction were noticed by companies and investors, who urged the California legislature to take swift action to reauthorize the program and for CARB to resume its rulemaking process last year. Completing the rulemaking on schedule provides the regulatory certainty companies need to make major capital investments in clean energy and industrial decarbonization. Missing the May window would delay the next compliance cycle, disrupting market participants' planning and signaling instability when the program needs to demonstrate not only momentum, but strong performance to deliver community benefits. (15d-CE-181.1)

Comment:

The cap-and-invest rulemaking is the longest duration and most delayed update to California’s program since its inception. Correspondingly, allowance demand has dropped whenever CARB further delays and/or weakens ambition, thereby causing allowance prices to drop from a high of nearly ~41 USD to current prices at or below the floor of ~27 USD. These drops reflect a variety of factors with the driving factor being CARB’s credibility at delivering a timely rulemaking update, including cuts to allowance supply. For this reason, it is critical for the proposed rulemaking to be adopted at the May Board hearing. If the May Board hearing is missed, a careful analysis suggests that CARB probably delays implementation of proposed updates into 2027, with potential negative implications for rollout of the California Climate Credit (CCC) and market linkages with Washington and Quebec. (15d-CPC-196.1)

Comment:

The 15-Day Amendments are a substantive improvement over the January package. The increased Cap Adjustment Factors for 2027 through 2030, the restructured Manufacturing Decarbonization Incentive, the accelerated and rebalanced NGS-to-EDU transition, and the increased EDU allocation each respond to the substantial 45-day record. We support the direction of those changes and recognize the value of finalizing the regulation in May to support 2027 budget-year allocations on the timeline AB 1207 contemplates. (15d-CBC-201.19)

Agency Response:

No changes were made in response to these comments. Staff appreciates the commenters’ support for the timely adoption of the Proposed Amendments and acknowledges the importance of regulatory certainty for market participants and for evaluation of potential future linkage with the Washington Cap-and-Invest Program.

On comments concerning post-2030 allocation, please refer to the Agency Response to comment C-2.1b.

Regarding the impacts of MDI allocation on the emissions integrity of the Program, see Master Response 4 in the Response to Comments on the Environmental Impact Analysis. Board Resolution 26-7 directs the Executive Officer to report to the Board, and to evaluate and propose, as appropriate, future amendments to the MDI incentive program prior to receipt of MDI applications and issuance of any MDI allowances.

V-1.1c Multiple Comments: Support for Timely Adoption of Proposed Amendments

1207 and SB 840 directs CARB to regulate the Cap-and-Invest program to meet the state's near- and long-term climate targets. An important part of the rulemaking process is identifying where the proposal does not fully align with that trajectory and strengthening it through the Board. It is clear that pressure is mounting to weaken the Cap-and-Invest program through delayed implementation, rollbacks, and industry demands. The Legislature's direction, and CARB's direction, should remain focused on strengthening and modernizing the Cap-and-Invest program while maintaining a meaningful focus on affordability. These are not competing priorities; they are part of the same framework enacted through AB 1207 and SB 840. Ignoring this framework would create uncertainty about the program's effectiveness, weaken market confidence, and jeopardize the state's ability to meet its climate goals. For these reasons, we respectfully request that CARB adopt a final rule that is at least as strong as proposed—and where appropriate, stronger—while maintaining meaningful affordability protections. We also want to express that it is critical CARB finalizes these rules on schedule and implements changes this fall. The Legislature did not reauthorize this program to invite further delay– finalizing a strong rule this spring is essential. Recent market conditions reinforce the need for timely and decisive action. The final rule should send a clear and durable message that California remains committed to a strong Cap-and-Invest program that delivers real emissions reductions in the near-term and supports long-term investment. We appreciate your leadership and look forward to continuing to work together to ensure that Cap-and-Invest delivers for California's communities, economy, and climate future. (BH-Connolly-2.1)

Agency Response:

No changes were made in response to these comments. Staff appreciates the commenters' support for the timely adoption of the Proposed Amendments.

V-1.2a Multiple Comments: Request for more time

The East Bay Regional Park District respectfully requests additional time to review and fully evaluate this complex set of proposed changes. Given the scope, technical nature, and potential long-term implications of these revisions, it is important stakeholders have sufficient opportunity to understand how the proposals may affect environmental outcomes and program revenue and implementation. (15d-EBRPD-14.1)

Comment:

The California Habitat Conservation Planning Coalition respectfully requests additional time to review and evaluate the elements of the latest rulemaking proposal, released on April 14th, 2026. (15d-CHCPC-21.1)

Comment:

Given the scale and complexity of the proposed amendments, we respectfully note the limited timeframe for public review during the current 15-day comment period. Additional time for stakeholder engagement would help ensure thoughtful input and support well-informed implementation of these changes. (15d-CALCC-37.2)

> **Agency Response:**
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> Reflective of requests for additional time, including by key legislative members and stakeholders, the 15-day comment period was extended for five additional days. CARB met all requirements of the APA and CEQA for this rulemaking. Staff appreciates the commenters input and urges them to stay engaged and provide input in future rulemakings.

V-1.2b Multiple Comments: Request for more time

In addition, this raises important questions that have not been adequately answered in the short time since the revised regulation was released for public comment. It also clearly demonstrates that the full implications of this rulemaking have not been considered on a holistic basis across the many affected agencies, programs, and state priorities. (BH-Cortese-10.2)

Comment:

El Recurso del Aire no son los expertos para mejorar las emissiones que contaminan. Pues este problema no es de hoy es de muchos anos. NO es justo que se les pague a las industrias para que contaminen mas. Como miembra de mi cuminidad estoy en contra de los cambios de 15 dias. NO es suficiente tiempo para tanta informacion.

Translation: The Air Resources are not the experts to improve the polluting emissions. After all, this is not a new problem; it has existed for many years. It is not fair that industries are paid to pollute even more. As a member of my community, I oppose the 15-day review period. That is not enough time to process such a vast amount of information. (BH-Marquez-47.1)

Comment:

I don't agree with the 15 day changes, the decision is made in short period of time. (BH-Vazquez-52.2)

> **Agency Response:**
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> No changes were made in response to these comments. The 15-day comment period was extended for five additional days to provide additional time for stakeholder review of the Proposed Amendments and in response to stakeholder and key legislative members. CARB has followed all requirements for public notice and analysis under the APA and CEQA.
>
> Additional delays to the rulemaking schedule would mean that staff would be unable to finalize the rulemaking package in time for a September 1, 2026, effective date, which is needed to provide updated vintage 2027 allowance allocation for utilities and industry and reflect the removal of 118 million allowances from 2027-2030 annual budgets. Missing this deadline would lose an entire year of implementation for a more stringent Program, causing additional market and investment uncertainty that depresses allowance prices and revenues for the GGRF. A single year delay would also require the 118 million allowances to be removed from 2028-2030 annual budgets. This would drastically reduce allowances to auction by concentrating removals over a smaller timeframe.
>
> In addition to approving the Proposed Amendments for filing and adoption with the Office of Administrative Law, Board Resolution 26-7 directs the Executive Officer to report to the Board and evaluate and propose future amendments, as appropriate, to the MDI program and other allowance allocation related topics. These changes and any accompanying analysis will be considered in a future rulemaking.

V-1.3a Multiple Comments: Allowance Allocation Changes in a Subsequent Rulemaking

The Bay Area Council recognizes that it is not feasible to make additional changes in the current rulemaking given the timeline needed for implementing the near-term changes for 2027-2030. Given this constraint, the Bay Area Council urges CARB to provide positive long-term signals through appropriate implementation guidance and Board direction for future rulemakings. Subsequent proceedings to address the critical decisions that have been deferred from this rulemaking should commence as soon as possible (15d-BAC-61.2)

Comment:

CARB must do a new rulemaking to remove additional allowances from post-2030 budgets, address post-2030 allocation to industry, utilities, and revise the Manufacturing Decarbonization Incentive, with final regulations adopted by 2028…

• Significantly tighten the post-2030 allowance budgets, beyond the current proposals, to maximize cost-effective reductions...

• Calibrate post-2030 industrial allocation to reflect actual leakage risk...

• Establish post-2030 EDU allocations to protect ratepayers...

• Develop an appropriate proposal for post-2030 Manufacturing Decarbonization Incentive (MDI)... (15d-EDF-175.8)

Comment:

Post-2030 Program Cap and Allocations. CARB proposes to defer to a future rulemaking the determination of allowance allocations for EDUs and other sectors via limiting prescribed Cap Adjustment Factors only through 2030. SDG&E agrees that a robust process is needed to ensure that these program design mechanisms are appropriately calibrated. While the extension of the program through 2045 provides some level of market certainty, a more clear understanding of the cap decline and proportion of allowances available to various industries will be needed to support a healthy Cap-and-Invest market and allow compliance entities to plan for future needs. (15d-SDGE-194.6)

Comment:

Initiate the post-2030 CAF rulemaking with sufficient lead time for EITE facilities to incorporate the post-2030 allocation trajectory into long-term investment planning, informed by updated emissions leakage data, the status of carbon programs in neighboring states, and an assessment of border carbon adjustment options. (15d-CLECA-112.4)

Agency Response:

No changes have been made in response to these comments. CARB recognizes the need for certainty in how the Program will operate post-2030 so market participants can plan accordingly. The delay on setting post-2030 CAFs and EDU allocation is necessary to provide sufficient time and input to further develop the post-2030 approach including more time for CARB to analyze emissions leakage risk for covered facilities, including any updated data and information available that is reflective of changing economic circumstances and pressures, before setting post-2030 CAFs, assistance factors, and any other potential complementary mechanisms in a future rulemaking. As directed by Board

Resolution 26-7, staff plan to evaluate, consistent with AB 398 and AB 1207, other potential leakage minimization measures, to address the risk of emissions leakage related to both covered industrial emissions and products that are not currently covered by the Program, for potential inclusion in a future rulemaking. Staff will begin a public process no later than July 1, 2028, to evaluate and proposed future amendments, as appropriate, for industrial allocation for post-2030 including consideration of MDI investments and alternative, or additional, mechanisms to integrate into the program emissions related to manufacturing of products entering the state to minimize leakage for sectors with imports of high carbon products.

Staff encourages the commenter to remain engaged in future Cap-and-Invest rulemakings.

V-1.3b Multiple Comments: Allowance Allocation Changes in a Subsequent Rulemaking

Good morning. My name is Jodie Muller. I am the President and CEO of the Western States Petroleum Association.

WSPA has generally supported market based compliance mechanisms as one tool to help California achieve its ambitious climate goals. These programs must be designed in a time frame long enough to ensure industry and impacted communities can continue to improve and thrive. Post-2030 circumstances must be part of the discussion going forward.

We appreciate the work by the administration, by all of you here at CARB, the California Energy Commission to really address refinery stability and affordability concerns. The proposed allowance allocation framework through 2030 is a step that provides some near-term relief and greater competitiveness for in-state operations. But it must go further. Significant compliance costs remain and there are still concerns about long-term certainty post-2030, particularly for the large capital investments needed to maintain safe and reliable refinery operations. There are also important implementation questions surrounding the Manufacturer's Decarbonization Incentive Program and how accessible those credits truly will be in practice. Long term policy certainty will be critical to attracting continued investment and maintaining in-state energy production. The work ahead, beyond the vote on this important item, is going to be extremely challenging for everyone and for the State to maintain competitiveness, affordability for consumers and protecting jobs here in the state.

We have reviewed the Board resolution that attempts to ease concerns around certainty of the Program. We would urge the Board and CARB staff to address these outstanding issues with urgency. (BH-WSPA-113.1)

Comment:

There are significant questions about the long-term direction of this program, post-2031. That will need to be addressed in a subsequent rulemaking and we urge CARB to begin that process as soon as possible to ensure the clarity needed for long lead time major capital expenditures. Maintaining energy affordability must be a key priority in future rulemakings, including the Climate Credit and leakage protections. (BH-CCEEB-121.2)

Comment:

Good afternoon, Chair Sanchez and members of the Board. Thank you for the opportunity to speak. My name is Katie Cordero and I'm here representing BP today. BP supports adoption of the proposed amendments before you today and appreciates CARB's continued engagement to strengthen the Cap-and-Invest Program.

California is a key part of BP's U.S. footprint, where we supply fuels to meet current transportation demand while investing in lower carbon solutions, including EV charging, solar and biogas. We see our role as supporting today's energy needs, while investing in the transition underway. We would highlight two concerns.

First, while recognize near-term improvements for emissions intensive trade exposed sectors, there remains significant uncertainty around the post-2030 framework and broader EITE treatment. This lack of clarity creates challenges for long-term capital planning at California serving facilities as program stringency increases.

Second, without durable safeguards, there is a risk of greenhouse gas leakage and competitiveness impacts. Production and emissions could shift to higher carbon imports or less regulated jurisdictions undermining both environmental outcomes and the competitiveness of west coast facilities serving California. We encourage CARB to provide greater clarity on the post-2030 framework as soon as possible, including a durable approach to EITE treatment that reflects global competition and leakage risk. (BH-BPAm-176.1)

Comment:

Hi. My name is Vijay Das. I am the Policy Director for the New California Coalition. We're a statewide coalition, regional chambers, business partners, employers across California. We recognize the ambition behind the program and the effort that has gone into it. But as the Board considers the proposal before, more work must be done to provide certainty beyond 2030. Major employers across the state, you know, are making investment decisions right now. And when the future of this program is unclear, its structure, its costs, its direction after 2030, companies are pulling back, theydon't expand, they don't hire. And California workers are paying a price.

The framework before you may address some near-term concerns. But the questions that matter most to our partners, and businesses, and regional chambers is what does this look like after 2030? How do the businesses plan? How do workers know their jobs are secure? They all remain unanswered these questions. We urge this Board to move with urgency and develop a long-term approach that pairs climate leadership, but with economic competitive consumer affordability and jobs stability for our workers and communities in California. Thank you. (BH-NCC-307.1)

Agency Response:

No changes were made in response to these comments. Please refer to Agency Response to comment V-1.3a.

Concerning the availability and application process for the MDI program, in Resolution 26-7 the Board has directed CARB to hold at least one public workshop on the implementation of the MDI program prior to the issuance of any MDI allowances.

V-1.4 Comment:

As chairs of the relevant budget and policy committees of the California State Senate we are requesting an extension of the public comment period for the Proposed Amendments to the regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms.

Since the release of the proposed amendments on April 14", we have heard significant concerns from elected officials and advocates alike regarding the limited amount of time to further discuss these proposed amendments given their dramatic impact on our environment and the Greenhouse Gas Reduction Fund (GGRF), one of our primary mechanisms to address climate change and the associated public health effects. There are several concerns that have been raised including, but not limited to, the significant repercussions of the proposed Manufacturing Decarbonization Incentive (MDI) on our 2030 emissions target, and on the GGRF.

We would request your appearance before our committees within the coming weeks to provide timely oversight and feedback, and to better understand the weight of the proposed amendments well in advance of the May meeting. The decisions made regarding this program will have long standing impacts through 2030. It is critical that we get this right in order to address affordability concerns and ensure California continues to lead the way on public health and environmental integrity.(BH-CSSRB-3.1)

Agency Response:

Reflective of requests for additional time from stakeholders and in response to key legislative members, the 15-day comment period was extended from April 29, 2026, to May 4, 2026. CARB staff appeared before the Senate Environmental

Quality Committee and Senate Subcommittee No. 2 On Resources, Environmental Protection and Energy on May 5, 2026 to respond to specific questions raised in the State Senators' letter (15d-176) which can be found in Agency Responses to comments O-8.51, O-8.52 and W-1.3b. Regarding the Proposed Amendments impact on the GGRF see Agency Response to comment W-1.3c.

V-2 Administrative Procedure Act

V-2.1 Multiple Comments: Concerns About Substantive 15-Day Modifications and APA Compliance (Form Letter 7, Two submissions)

I oppose adopting a rule that is still being materially rewritten at the 15-day stage. A supermajority vote is not a substitute for a stable, fully analyzed rule.

In this supplemental notice, CARB is still changing core design choices. It adds an optional one-time delay for independent merchant refineries from November 1, 2027 to November 1, 2029. It creates a Build Up California Reserve Account with 118.3 million allowances for manufacturing decarbonization incentive allocation. It increases industrial cap adjustment factors for most sectors through 2030 while removing the proposed 2031 and 2032-2035 factors to a future rulemaking. It deletes post-2030 EDU allocation from this rulemaking. And in the companion MRR package, CARB reverses the 45-day change for imported LPG and restores the point of regulation to the importer of fuel. That is not housekeeping. That is proof the proposal is still moving.

AB 1207 extended Cap-and-Invest through 2045, but it also told CARB to minimize costs, minimize ratepayer impacts, consider affordability and cost-effectiveness, minimize leakage, and minimize administrative burden. CARB's own 15-day notice also says commenters warned that the gas-supplier-to-EDU transition could increase the burden on low-income natural gas ratepayers, which is why staff added a requirement to use 30 percent of allowance value to primarily benefit low-income residential ratepayers. If those issues were really resolved, CARB would not still be rewriting refinery compliance, leakage protection, utility allocation, and reporting obligations at the last stage of the process.

My request is straightforward: re-notice the substantive changes or extend the comment period; publish a plain-English affordability, leakage, and ratepayer-impact analysis for these late revisions; and do not lock in post-2030 allocation choices until CARB finishes the methodology in a separate rulemaking. Californians can live with a tough rule. They should not be forced to live with a moving target. (15d-FL7)

Comment:

The Proposed Amendments to the Draft Regulations present a scope and substantive changes that far exceed what is permissible under a 15-day public comment period pursuant to the Administrative Procedures Act. State statute requires that such modifications be sufficiently related to the original proposal and constitute a logical outgrowth of the rulemaking, for which the Proposed Amendments do neither. Furthermore, a true economic impact analysis has not been conducted for the potential implications of this proposed decision. We request that the industrial allowances are removed to ensure the Draft Regulations result in the meaningful benefits that CARB aims to achieve. (15d-LCCCASAC-131.2)

Comment:

California's Administrative Procedure Act establishes clear procedural requirements for regulatory changes of this magnitude. The 15-day notice process is intended for limited, targeted modifications to a proposed regulation — not for the introduction of new, complex policy structures. Introducing the MDI through a 15-day notice deprives the public, the Legislature, and affected stakeholders of the notice, comment period, and analytical review that such a consequential proposal warrants. The Board should reject the MDI on these grounds alone. (15d-PFT-80.4)

Comment:

CARB's April proposal for funding the MDI through a new Build Up California Reserve Account also raises serious concerns about scope, fairness, and compliance with the California Administrative Procedures Act (APA). In the January notice and ISOR, CARB did not alert the public that this rulemaking could be used to create a new pool of 118.3 million compliance instruments outside of the proposed allowance budget. The APA allows a 15-day notice only for changes that are sufficiently related to and reasonably foreseeable from the original proposal. The purpose of this core APA requirement is to uphold due process and ensure a transparent and orderly rulemaking process. The proposed 15-day changes to the MDI, which create a new class of compliance instruments that are additional to the program's annual allowance budgets, are a substantial change within the meaning of the APA and are not sufficiently related to the original proposal. The negative impacts of this change would undermine the core functions of the Cap-and-Invest program, allowing increased climate pollution, depressing allowance prices, and diverting revenue from critical climate projects and ratepayer relief programs. Based on CARB's initial notice, members of the public had no way of knowing that CARB would drastically alter the proposal in this complex and consequential way. A 15-day comment period is insufficient and does not provide the public with a fair opportunity to understand and evaluate the proposal or provide comprehensive comments. To comply with the APA and ensure a fair rulemaking process, CARB must strike the proposed April creation of a Build Up California Reserve Account from this rulemaking package and consider any such proposal through a separate process with adequate notice and opportunity for public comment. Removing the MDI from this current draft and revisiting it in the future is the best, most straightforward option considering the practical constraints of this rulemaking, which must be finalized in time for it to be implemented this fall. (15d-CEEJTPHAG-132.6)

Agency Response:

No changes were made in response to these comments. The Proposed Amendments were adopted in accordance with the APA and all proposed changes were properly noticed, substantially related, within the scope, and responsive to comments received. Indeed, the APA's rulemaking process is designed for agencies to receive public feedback and make changes accordingly. The MDI was analyzed in the SRIA and included in the public workshop in October 2025 and the 45-day Proposed Amendments. CARB provided updated economic analysis in the Initial Statement of Reasons (ISOR). Also in the ISOR and initial proposal in January 2026, CARB noticed and proposed substantial decreases to allowance budgets and the creation of the MDI for purposes of mitigating leakage risks (and thereby indirectly supporting affordability) for certain covered manufacturing sectors. CARB received comments on that proposal, including recommendations to expand eligible projects and concerns about the impact of using future allowance budgets for the MDI allocation, providing the MDI allowances as a true-up value, and the need for additional MDI allowances to reduce on-site emissions, associated compliance costs, and leakage risk in refinery sectors. CARB then refined the proposal to better align with the purpose of leakage protection and the larger allowance budget changes, which was noticed and sufficiently related in accordance with the APA.

Regarding further delays to the rulemaking, see Agency Response to comment V-1.2b. Regarding the impact of MDI allocation on the emissions integrity of the Program, see Master Response 4 in the Response to Comments on the Environmental Impact Analysis. Regarding independent merchant refineries, see the Agency Response to comment O-3.6a. Regarding the deletion of EDU allocation post-2030, see the Agency Response to comment H-2.2. Regarding the transition of NGS allocation to EDUs, see response to comment I-1.2a. For the comment regarding the point of regulation for imported LPG under MRR, which is out of scope of this rulemaking. In any event, see Agency Response to comment H-1 in the MRR FSOR.

V-3 Environmental Concerns

V-3.1 Comment:

It is my understanding that the California Air Resources Board (CARB) is proposing to use 'cap and invest' funds for giveaways to industry instead of customer credits on electricity bills or community investment programs for cleaner air, safe housing, and accessible transit. The new program will also fail to get the emissions reductions we need to reach our climate goals and improve air quality.

As a physician and expert in the health effects of air pollution, especially on our most vulnerable populations, I am very aware of the consequences of failing to wean off fossil fuels. Sadly the current system and your proposed changes don't reduce our fossil fuel dependence.

Fossil fuel pollution harms nearly every system in our body, causing hundreds of thousands of premature deaths and increasing the risk of asthma, COPD, heart attack and stroke, neurological damage, and adverse reproductive outcomes. The direct health harms from fossil fuel pollution along with the health impacts of climate change are costing hundreds of billions of dollars in health-related costs in the U.S. each year. That's on top of the nearly $1 trillion in damages from more frequent and intense climate-related disasters--extreme heat, floods, wildfires--that cause deaths, illness, and destruction of homes and communities. (15d-Andrews-169.1)

Agency Response:

No changes were made in response to this comment. Please refer to Agency Response to comment 15-169-1 in the Response to Comments on the Environmental Impact Analysis. Please refer to Agency Response to Comment W-1.3b regarding impacts of MDI allocation on GGRF revenues and projects. Please also refer to Agency Response to Comment V-3.8a regarding local air quality impacts.

V-3.2 Comment:

CARB's Draft Environmental Impact Assessment (Draft EIA) must include a comprehensive, long-term analysis of GHG emissions leakage and energy demand impacts and an assessment of a reasonable range of alternatives. In preparing an EIA, CARB is required to assess all reasonably foreseeable direct and indirect impacts of a project, including cumulative impacts. The Draft EIA identifies minimizing emissions leakage as a core objective but fails to evaluate how the Proposed Amendments may affect leakage risk, including adverse impacts to air quality and GHG emissions. Leakage is an economic response that leads to reasonably foreseeable physical environmental consequences, including increased GHG emissions outside of California, localized emissions "hot spots," or regional pollution increases. Indeed, CARB cannot fulfill its statutory mandate to minimize leakage without evaluating potential out-of-state emissions impacts from a lifecycle perspective. CARB should therefore ensure that the EIA for the project includes a comprehensive, long-term analysis that evaluates how the Proposed Amendments affect industrial activity, fuel supply, electricity demand, GHG emissions from production, and compliance costs over the full program horizon. Such a report should also consider the following:

- **Emissions benefits for in-state fuel exports:** Activities that limit future in-state transportation fuel production or development may result in GHG emissions leakage because California refineries supply fuels to other states, including those in the Southwest. Through the potential future application of CCUS technologies in the Cap-and-Invest program for industrial emissions and production of low-carbon and renewable liquid fuels at California refineries, California's exports could play a pivotal role in reducing the carbon intensity of fuels consumed in other states compared to fuels produced elsewhere. Supporting in-state transportation fuel production could therefore help achieve significant out-of-state emissions reductions and minimize leakage. However, imposing overly burdensome compliance requirements on this industry sector may result in businesses choosing to leave California rather than comply, which could instead exacerbate leakage impacts.
- **Upstream and downstream emissions for the transportation fuel sector:** Reducing future in-state supply of transportation fuels may lead to increased lifecycle emissions impacts associated with electric vehicles. For instance, a typical electric car requires six times the amount of mineral inputs compared to a conventional vehicle, and resources are not currently available to meet this demand at scale. Increased reliance on electric vehicles would therefore increase demand for critical mineral resources and associated infrastructure for battery production, recycling, and disposal for both light-duty vehicles and medium- and heavy-duty vehicles, which would result in significant emissions impacts. CARB provided an estimate for the projected annual increase in battery production in Table 4 of the Draft Environmental Analysis for the Advanced Clean Car II regulation showing an annual increase in battery production ranging from 43.2 gigawatt-hours (GWh) in 2026 to 150.8 GWh in 2035 – a significant increase from the 60 GWh of lithium-ion battery capacity cumulatively deployed in the United States electric vehicle market from 2010 to 2020. Lifecycle emissions impacts could also include increased emissions from electricity generation used during vehicle operation and increased particulate matter emissions associated with higher vehicle weights. Accordingly, CARB should conduct a comprehensive study to understand the risks that the Cap-and-Invest Proposed Amendments could have on upstream and downstream emissions directly related to the transportation fuel sector.

The results of CARB's analysis should be made publicly available for review and comment prior to finalizing the Proposed Amendments to ensure transparency and accountability.

In addition, CARB is required to consider a reasonable range of alternatives that meet the basic objectives of the project and minimize the significant effects of the project. As previously discussed, minimizing leakage is expressly recognized as a project objective. Yet, the Draft EIA does not evaluate structurally different industrial allocation alternatives that directly address leakage, as proposed in this letter. Such alternatives are feasible and fulfill the project's goal to reduce leakage, prevent facility closures, and deter out-of-state emissions displacement. CARB must therefore consider these alternatives in the EIA. (45d-WSPA-381.17)

Agency Response:

No changes were made in response to this comment. CARB has completed all required analyses of impacts on GHG emissions from the Proposed Amendments. Please refer to Responses to comments 381-1 through 381-6 in the Response to Comments on the Environmental Impact Analysis. Please also refer to Master Response 1 on emissions leakage in Response to Comments on the Environmental Impact Analysis.

Staff is in the process of evaluating leakage risk and potential measures to reduce leakage risk for covered industrial sectors post-2030. Recommendations from the AB 398 evaluation for any new data or additional measures from that evaluation may inform future rulemakings.

V-3.3 Comment:

Adding support for these fuels in the Cap & Invest Program undermines both our climate goals and local air pollution reduction planning and harms Californians.

Additionally, we echo concerns raised in the Environmental Justice comment on this Proposal regarding the detrimental impacts of enhanced special treatment of livestock pollution on communities near dairies. (45d-CBE-449.4)

Agency Response:

No changes were made in response to this comment. Please refer to Agency Response to Comment 449-1 in the Response to Comments on the Environmental Impact Analysis.

V-3.4 Comment:

IV. Draft Environmental Analysis must be corrected because it fails to satisfy CEQA requirements.

The California Environmental Quality Act ("CEQA") is about transparency and informed decision making, CEQA requires agencies like CARB to inform decision makers and the public about the potential effects of proposed activities and disclose reasoning for agency decisions.6 As outlined below, by failing to adequately evaluate the Proposal's baseline, alternatives, impacts, mitigations, and cumulative impacts the Draft

Environmental Impact Analysis ("DEIA") has failed to meet this key standard for informed decision making and transparency.

a. Baseline

Under CEQA, the "baseline" typically describes the existing environmental conditions to measure changes against. CARB describes the baseline simply as the 2023 environmental setting. This simple description fails to clearly identify relevant baseline conditions such as ongoing and increasing impacts of climate change, air pollution, and specific programmatic setting considerations such as the fact that as it existed in 2023 the program was not structured to meet even the nearest term 2030 greenhouse gas emissions established under SB 32 (2016). Without acknowledging this, we question whether CARB has accurately captured the existing setting and baseline of comparison. (45d-CBE-449.7)

Agency Response:

No changes were made in response to this comment. Please refer to Agency Responses to Comments 449-2 and 449-3 in the Response to Comments on the Environmental Impact Analysis.

V-3.5 Comment:

b. Alternatives

CARB fails to satisfy requirements under CEQA to discuss a range of feasible alternatives to the proposed project thereby providing inadequate background for decisionmakers. In 2011, parties including CBE sued CARB for failing to meet this exact requirement. In that case, Association of Irritated Residents et al. contended CARB failed to consider alternatives in its prior iteration of Cap-and-Trade. There the Court found that CARB's analysis failed to adequately describe and analyze alternatives sufficient for informed decision-making and public review. The Court emphasized that CARB must provide "clear indication based on factual analysis" as to why a programmatic proposal was taken in lieu of alternatives.

The proposal before us raises just two alternatives: 1) no project alternative and 2) facility specific requirements while summarily rejecting other recently favored proposals in the SRIA. Each of these sections are vaguely explored in just a few paragraphs, with little to no supporting analysis or factual findings. In the ISOR and DEIA CARB identifies the urgent need to increase the stringency of the program to align with ambitious targets under AB 1279 (2022) and that "despite reductions in local air pollution, a wide gap in air quality exists between disadvantaged communities and other communities." Yet CARB's alternatives analysis of only no project or facility specific requirements does not clearly identify why a lower stringency that does not directly address acute environmental stress from climate pollutants was selected or the methodology for balancing those interests outright against vaguely asserted economic interests. Nor do these sections robustly analyze facility specific requirements outside of cursory conclusions regarding market effectiveness, as opposed to discrete GHG reduction efficacy.

Further underscoring this inconsistency, CARB's alternatives analysis summarily rejects the higher stringency alternatives of reducing 55% relative to 1990 levels by 2030 because they claim that this "may produce negative economic consequences." CARB provides no support for this assertion, in fact CARB's own analysis in the SRIA favored the balance of economic interests and GHG reductions outcomes in a more stringent program than the proposal. As stated above, the conclusion CARB reaches is dubious and unsupported.

Here, as in 2011, we are concerned that CARB is relying on bare conclusions to justify the latest iteration of Cap and Trade, by using unexplained, unclear, and unsupported justifications for why vague descriptions of alternatives that support a stronger more direct path to achieving the state's goals were rejected. We would assert as the court did in 2011, that this proposal "does not provide basic information necessary for ARB and the public to be informed about this alternative and its place in California's massive effort to improve the environment pursuant to legislative mandate." (Id.)

In light of the urgency of inaction on climate, and the outsize role of Cap & Invest in the State's climate regulation, inaction could drastically limit the effectiveness of the program. With sprawling climate change effects at our doorstep, CARB must effectively analyze a more stringent program alternative so that the board can make an informed decision as to the future of California's climate policy. (45d-CBE-449.8)

Agency Response:

No changes were made in response to this comment. Please refer to Agency Response to Comment 449-4 in the Response to Comments on the Environmental Impact Analysis. The SRIA analysis was updated as part of the Proposed Amendments as described in chapter VIII of the Staff Report. This includes updates to the economic alternative analysis for a 55% scenario. CARB's findings in the Staff Report are aligned with the findings in the CEQA alternative analysis, finding that the 55% alternative results in significantly higher job loss and reduced economic output that may correspond to emissions leakage and impact affordability.

V-3.6 Comment:

c. Impacts and Mitigations

The DEIA must discuss the environmental impacts of the Proposal, adverse or beneficial, and include a sufficient degree of analysis to provide the Board with the information needed to make a fact-based decision, considering the project as a whole in good faith. Again, the core underpinnings of CEQA are transparency and providing sufficient information for an informed decision.

The DEIA sections that consider impacts and mitigation focus deeply on potential project impacts and mitigations outside of the jurisdictional control of CARB. For example, the impacts of project development and local land use decisions. The DEA does not, however, accurately describe project impacts and mitigation within CARB's control, such as potential air quality and greenhouse gas adverse impacts or benefits from more nuanced proposal alternatives such as increased stringency. Failing to identify the discrete impacts of programmatic decisions, such as higher stringency and more targeted leakage assistance leaves the Board without vital information when deciding whether to adopt the proposal.

Furthermore, CARB makes several generalizations about the impacts of zoning and land use decision making including that areas zoned industrial are not likely to be located near sensitive receptors. This is unsupported and untrue. The history of environmental injustice in California has resulted in low-income communities and communities of color being disproportionately burdened by pollution, including from sources on industrially zoned land.9 An analysis of industrial emitters impacts on sensitive receptors should be essential to accurately understanding leakage assistance, yet it is missing from this DEIA which is analyzing a proposal to set leakage assistance at 100% until 2035. CARB must correct this foundational mischaracterization and related findings so that the DEIA analyzes pollution impacts accurately. Further, a logical extension of such analysis would include reducing leakage assistance as a mitigation or alternative. (45d-CBE-449.9)

Agency Response:

No changes were made in response to this comment. Please refer to Agency Responses to Comments 449-5 and 449-6 in the Response to Comments on the Environmental Impact Analysis.

V-3.7 Comment:

d. Cumulative Impacts

Under CEQA, cumulative impacts analysis typically includes individual effects that when considered together compound or increase environmental impacts. CARB has already linked the Cap and Invest program with Quebec, and for some time has been in discussion about linkage with Washington's similarly named program. The Proposal and concurrent analysis should therefore afford careful consideration to the potential compounding or increased environmental impacts and/or challenges to the program if linked with Washington. If proposed changes such as offset decision making or stringency adjustments were made to better facilitate linkage such considerations should undoubtedly be discussed here to better understand its cumulative impacts.

Furthermore, piecemealing to reduce the scope or analysis is prohibited under CEQA. Attempted linkage with Washington is a serious consideration for the program and has been discussed at length and publicly for some time, with particularly concrete steps taken as recently as March 4, 2026.10 We question why such a significant additional amendment to the program would not be introduced and explored as part of this robust proposal. (45d-CBE-449.10)

Agency Response:

No changes were made in response to this comment. Please refer to Agency Response to Comment 449-7 in the Response to Comments on the Environmental Impact Analysis.

V-3.8a Comment:

Ceres also recognizes that California's Cap-and-Invest Program has important implications not only for greenhouse gas emissions reductions, but also for the distribution of health-harming copollutants that disproportionately affect environmental justice communities. Ensuring that climate policy delivers meaningful benefits for overburdened communities remains an essential component of California's climate leadership. (45d-C-383.8)

Agency Response:

No change was made in response to this comment. Staff appreciate the commenters' support for the Proposed Amendments. CARB agrees that ensuring that climate policy delivers meaningful benefits for overburdened communities is essential. CARB has a statutory mandate to design the Program in a manner that supports achieving the 2030 and 2045 GHG reduction targets while not disproportionately impacting low-income communities. As discussed in the ISOR, by removing additional allowances from annual budgets there is an improvement in local air quality due to the reduction of the combustion of fossil fuels at covered facilities, which is expected to deliver significant public health benefits to impacted communities. The statewide valuation of health benefits during 2027-2046 is estimated to range from $76.6 billion to $122.9 billion.

As discussed on Page 61 of the final Environmental Impact Assessment, a 2022 study from Hernandez-Cortes and Meng (Hernandez-Cortes and Meng 2022) examined GHG and air pollution data from 2008 through 2017 and found that, since the Cap-and-Invest Program took effect, air quality in disadvantaged communities improved more than air quality in wealthier, less polluted neighborhoods, although disparities still persist. Similar to that study, a 2022 report by the Office of Environmental Health and Hazard Assessment (OEHHA) found that through 2017 the greatest beneficiaries of reduced emissions from facilities subject to the Cap-and-Trade Program have been disadvantaged communities and communities of color in California (OEHHA 2022).

Regarding the impact of Proposed Amendments generally, and the MDI specifically, on frontline communities and addressing existing disparities, please refer to the Agency Response to Manufacturing Decarbonization Incentive (MDI) Comments and Greenhouse Gas Reduction Fund (GGRF) Comments in the Supplemental Response to Comments on the Environmental Impact Analysis.

In addition, the Proposed Amendments support direct decarbonization at facilities, including refineries. In this way, the Proposed Amendments incentivize facility level changes to reduce GHG emissions, which can also contribute to public health benefits through onsite emissions reduction of local air pollutants in frontline communities.

V-3.8b Multiple Comments: Local Air Quality Impacts

Sobro todo, pido transperencia. No estoy de acuerdo que las industrias esten pagando por contaminar nuestro medio ambiente. CUando en nuetro valle existen tanras enfermedades cronicas. Mientras las industrias tienen mas que ganar, nuetras comunidades estan pagando el precio. Ustedes hablan de cambios para el sostenimiento de las industrias y que de nuestras comunidades? Cambios al futuro? No! Necesitamos cambios para AHORA! Hablan de cambios aqui en 45 anos, para entonces yo tendre 105 anos.

Translation: Above all, I demand transparency. I do not agree that industries should be allowed to pay for the privilege of polluting our environment—especially when our valley is plagued by so many chronic diseases. While industries stand to gain so much, our communities are the ones paying the price. You speak of changes aimed at sustaining industries, but what about our communities? Changes for the distant future? No! We need changes NOW! You talk about changes taking place here in 45 years; by then, I will be 105 years old. (BH-Arredondo-48.1)

Comment:

Soy miembro de Delano Guardians Committee. Como miembro, me preocupa que estas ultra millonarios enpresas quiten fondos a las comunidades de bajos recursos y que esas empresas continuen contaminandonos el agua y aire y afectando nuestra salud y nuestro estilo de vida. Insisto a la junta de recursos del aire que rechace los cambios de 15 dias y elime el incentivo para la descarbonizacion de la industria manufacturera. Esta propuesta tendra un gran impacto en importantes programas de California. Vender creditos quiere decir que tienen libertad de seguir contaminando.

Translation: I am a member of the Delano Guardians Committee. As a member, I am concerned that these ultra-wealthy corporations will divert funds away from low-income communities, and that these companies will continue to pollute our water and air, thereby harming our health and our way of life. I urge the Air Resources Board to reject the proposed 15-day changes and to eliminate the incentive for the decarbonization of the manufacturing industry. This proposal will have a significant impact on key California programs. Selling credits effectively grants them the freedom to continue polluting. (BH-Herrera-51.1)

Comment:

Soy miembro de Delano Guardians. No estoy de acuerdo en que quiten los fondos para los programas que benefician a nuestras comunidad como para mejorar la calidad del aire o el agua. No estoy de acuerdo con los cambios de 15 dias. Que los fondos se inviertan mejor en crear mas programas que benefician a nuestras comunidades

Translation: I am a member of the Delano Guardians. I do not agree with cutting funds for programs that benefit our community, such as those aimed at improving air or water quality. I do not agree with the 15-day changes. Instead, these funds should be better invested in creating more programs that benefit our communities. (BH-Fernandez-54.1)

Comment:

This program shouldn't be subsidizing the refineries that pollute the air I breathe nor my communities. Under this program refineries dont have to pay for pollution, they get paid to pollute. (BH-CCEJN-65.2)

Comment:

Soy de la comunidad de Cantua Creek. Mi comunidad es afectata con agua contaminada aire contaminado sufrimos alerjia asma fiebre del Calley nuestros vecinas an muerto de cancer Quiero que piencenen las comunidade rurales afectada y ese dinero no balla a industrias no permitan ya que en ves de multar porque poco a poco nos están matando. Con Contaminantes que uno esta respirando A parte los costos de enerjia son muy altos.

Translation: I am from the community of Cantua Creek. My community is plagued by contaminated water and air; we suffer from allergies, asthma, and Valley Fever, and our neighbors have died of cancer. I want you to keep the affected rural communities in mind, and ensure that these funds do not go to industries. Do not allow—do not reward—the industries that pollute us; instead of merely issuing fines, you must recognize that they are slowly killing us with the contaminants we are forced to breathe. Furthermore, energy costs are extremely high. (BH-Gomez-67.2)

Comment:

Hi, I am Bryan Olea Lua on behalf of Familias en Accion, a grassroots group of parents, elders, and immigrants in Fresno, asks that this board find the strength NOT to adopt these regulations. Our communities have been dumping grounds for local, regional, and state interests for decades. Communities in Fresno were promised a path to a cleaner South Fresno, and hearing that CARB is planning to back out is heartbreaking. In addition, our families face some of the highest heat burden in this state, and we do not understand how, under this economy, the state's solution is to cut funds for the climate credits to give polluters more handouts. Again, we ask this board to stand with low-income communities who have been sacrifice zones for this state and the children who are going to live with the consequences of your actions and an inhaler. (BH-Lua-102.1)

Comment:

Hello. My name is Dr. Jenna Roper, here on behalf of Central California Asthma Collaborative. CCAC has served over 8,000 asthma patients all across the Central Valley. So we see firsthand the negative health effects of polluting industries. We respectfully ask the Board to reject the 15-day changes and eliminate the MDI. These changes undermine California's climate goals by adding allowances above the cap, making our air worse, all while eliminating funding for the programs designed to help those bearing the greatest health burdens.

Further, this process has been rushed. MDI is an untested, first-of-its-kind program. Decisions that impact billions of public dollars and more importantly our community's health deserve more meaningful public participation and more thorough analysis. (BH-CCAC-133.1)

Comment:

Good afternoon, Chair Sanchez and Board members. My name is Faraz Rizvi representing APEN Action, where we represent Asian, immigrant and refugee communities that are directly impacted by our state's refineries. We are here today to urge the Board to approve a more ambitious regulation that cuts near-term emissions, protects household affordability, and maximizes funds for the Greenhouse Gas Reduction Fund. We are asking that the Board only approve the proposed regulations contingent on clear direction to the Executive Officer to remove the MDI and permanently retire those 118 million allowances. Without such direction, we urge the vote -- the Board to vote no.

We are deeply concerned that the MDI, as proposed, runs completely counter to California's climate goals. In January, CARB staff rightly proposed moving 118 million allowances from the market to keep us on track for our statutory 2030 target. Instead of retiring them, this new proposal creates them outside the allowance cap to subsidize qualifying industries.

At a time when oil and gas companies are taking millions of dollars in windfall profits from a global oil shortage, due to the war in Iran, this body is considering a sleight of hand magic trick that can potentially amount to over a billion dollar subsidy to the state's refiners. Our communities have historically been very concerned with Program design. That's no secret. Our contention has been that the Program can lead to emissions reductions without reductions to localized pollution. In fact, a 2022 OEHHA report found that both localized PM2.5 and GHGs when up in refinery communities under the Cap-and-Trade Program.

The changes under consideration from the Board would further exacerbate the fundamental contradiction of a program that attempts to reduce emissions without delivering tangible pollution reduction to communities directly impacted by the Program. This MDI fundamentally undermines the integrity of our emissions -- of our

emissions targets. We ask that you please protect that. And just to end, I find it odd -- an odd choice to rename the program Cap-and-Invest and then immediately proceed to blow up the investment side of it. I think it highlights how truly inconsistent this is with the intent of the Program. Thank you. (BH-APENA-208.1)

Comment:

I am Enrique. I am 29 years old and I have lived in Arvin all my life. I have a lot of health problems, especially with asthma. Along with all of my family at home, my aunts and their children, they all have asthma. And my mother has cancer in her lungs, but protecting the air, it would be helpful not only for my family, but for everyone else (BH-CCEJN-263.1)

> **Agency Response:**
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> No changes were made in response to these comments. Please refer to the response to Comment V-3.8a regarding the impact of Proposed Amendments generally, and the MDI specifically, on frontline communities and addressing existing disparities. Please also refer to the Agency Response to Comment V-1.2b regarding rulemaking timeline.

V-3.9 Comment:

The ISOR and Environmental review documents do not support these changes; CARB cannot move forward on changes that have not been properly analyzed.

CARB’s new allocation of allowances to industry and the Build Up California Fund for the MDI is in addition to the generous leakage assistance and lower stringency program put forward in the January proposal. These changes significantly weaken the program and were not analyzed in the ISOR and related Environmental Review documents. By failing to describe the project in full, CARB’s proposal fails to meet requirements under the California Environmental Quality Act (CEQA) to describe the project and analyze its impacts. These new changes similarly pose concerns regarding CARB’s compliance with Administrative Procedure Act (APA) requirements for notice. Without transparency and proper review as required by CEQA and the APA, the public cannot fully engage on the 15-Day Changes proposal. (15d-EJC-124.7)

Agency Response:

No changes were made in response to this comment. See Agency Response to Comment V-2.1 on how this rulemaking is in accordance with the Administrative Procedures Act. Please refer to the Agency Response to Comment 15-124-4 in the Response to Comments on the Environmental Impact Analysis.

V-3.10 Comment:

Good morning, Chair Sanchez, Board members and staff. My name is Sarah Deslauriers. I serve as Director of Air, climate, and Energy Programs for the California Association of Sanitation Agencies, or CASA, representing more than 90 percent of the public sewered population, collecting and cleaning wastewater to protect public health and the environment, while recovering resources communities rely on for resilience. CASA supports the intent of the amendments including the objectives of increasing production and use of low carbon fuels and feedstocks such as renewable natural gas or biomethane, low carbon hydrogen and other low carbon fuels and their associated infrastructure.

However, there are regulatory barriers alongside these programs that prevent the waste water or resource recovery facilities from moving forward with community critical projects that achieve the objectives of these programs as well as underpin community resilience that need to be addressed. Additionally, the final environmental impact assessment concluded that implementation could lead to potentially significant adverse impacts to hydrology and water quality, air quality, agricultural resources, biological resources, geology and soils, land use and planning, transportation, utilities and service systems, and wildfire. The Waste Water sector lies at the interaction of all of these. It was also noted the mitigation of the adverse impacts is beyond CARB's authority. Therefore, for CEQA compliance purposes, the impacts amy be unavoidable since other lead agencies are tasked with those measures -- or mitigation measures. It was decided that proposed amendments are needed to ensure the environmental and economic benefits associated with GHG reductions are realized, despite those acknowledged adverse impacts.

CASA asks the Board and staff to either establish or require working with CalEPA to establish a framework that convenes the needed State and local agencies to assess and coordinate actions to mitigate significant adverse impacts and barriers to implementing projects critical to community resilience that are the result of CARB's programs. CARB has -- or CASA has documented specific project types and from silos to systems primer, which we'll share with you in July, and we thank you for this time to comment. (BH-CASA-160.1)

Agency Response:
No changes were made in response to this comment. Please refer to the response to Final EIA Comments in the Supplemental Response to Comments on the Environmental Impact Analysis (pages 6-7).

V-4 EJAC Consultation

V-4.1 Multiple Comments: Consideration of EJAC Recommendations

Meaningful Integration of EJAC Recommendations

We would like to underscore the consideration and integration of recommendations made by CARB's Environmental Justice Advisory Committee (EJAC), which has previously been consulted on potential amendments to the program. Per the ISOR, the EJAC's key recommendations from 2023 to 2025 include:

• "Eliminate free allowances for the industrial sector;

• Eliminate offsets;

• Restrict trading in priority environmental justice communities; and

• Prohibit crediting for Carbon Capture or Direct Air Capture projects"

The ISOR responds to the feasibility and implications of these changes named in previous years, however, EnviroVoters would like to urge CARB staff to prioritize timely and thorough consultation of the EJAC in 2026 on the recent Proposed Amendments. As the Cap-and-Invest program is honed, it is critical that delivering benefits to the state's environmental justice communities is prioritized. The EJAC's input on the Proposed Amendments, and subsequent work to integrate the points raised by this advisory body, is necessary to ensure that program updates are informed by an environmental justice lens. (45d-CEV-429.4)

Comment:

Consult the Environmental Justice Advisory Committee, per AB 32, on the proposed C&I regulation

California's C&I program affects both greenhouse gas emissions and the distribution of health-harming co-pollutants that disproportionately impact California's environmental justice (EJ) communities. As CARB considers updates to drive deeper GHG reductions, it must also ensure that the program delivers direct benefits in overburdened communities. Achieving that goal requires meaningful engagement with EJ communities and their advocates. CARB should promptly consult the Environmental Justice Advisory

Committee to elevate community priorities and provide recommendations on the proposed rules. We urge CARB to do this immediately so that ambitious new rules can be put into effect without delay. (45d-Ames-292.4)

Agency Response:

No changes were made in response to these comments. As described in the ISOR, CARB had active engagement with EJAC in this rulemaking process. From June 2023 through October 2025, CARB staff conducted eight public workshops in addition to numerous meetings with various groups and individual members public to discuss concepts for potential Cap-and-Invest Regulation amendments, one of which included a presentation from EJAC. Staff also held two community listening sessions in fall 2023 with the EJAC to give interested parties additional opportunities to hear an overview of the Program and to provide input to staff about potential changes to the Program. Additionally, CARB attended an EJAC meeting in September 2023 to provide an early-stage overview of potential Program updates and answer questions. perspective during a Cap-and-Invest Program Workshop on potential Program updates. CARB provided a more detailed presentation at the May 2024 EJAC meeting that discussed (1) the role of the Program in achieving the State's climate goals, (2) key Program design elements and the changes under consideration, and (3) the administrative process for updating the Cap-and-Invest Regulation and the results of the SRIA. In September 2025, recommendations for the Cap-and-Invest Program were presented by EJAC at the Joint Meeting of the California Air Resources Board and the Assembly Bill 32 Environmental Justice Advisory Committee. As noted by the commentor, the ISOR responds to each of EJAC's key recommendations.

CARB is committed to convening the next committee as soon as possible and is currently acting to appoint new members. Acceleration of the convening timeline for EJAC is beyond the scope of this rulemaking.

Please also refer to the Agency Response to comment 292-1 in the Response to Comments on the Environmental Impact Analysis.

V-4.2 Comment:

Finally, we would also like to flag staff's response to recommendations from the AB 32 Environmental Justice Advisory Committee (EJAC). It should be noted that the EJAC is not convened currently, giving members no opportunity to formally respond to staff's comments before this rulemaking concludes. But what staff refuses to understand is that EJAC - and the broader environmental justice community, for that matter - has always evaluated the impact of the Cap-and-Invest program against what could be achieved from more direct regulations that ensure reductions in overburdened communities. By continuing to posit environmental justice concerns against what would happen if there were no regulation on facilities misses this critical point, thereby avoiding the substantial discussion about community impacts that is required under AB 32. CARB staff continue to insist that they monitor the program outcomes so they can make adjustments if there are adverse outcomes, but to date has never done so to address the data that shows that emissions from covered entities in some communities have gone up since the program began. (45d-CRPE-46.8)

Agency Response:

No changes were made in response to this comment. Please refer to the response to Comment 46-4 in the Response to Comments on the Environmental Impact Analysis. Please refer to the Agency Response to Comment V-4.1 regarding CARB's engagement with EJAC throughout this rulemaking process.

V-4.3 Comment:

I spent many hours in 2025 listening to discussions at EJAC meetings and joint EJAC/CARB meetings. I find the following statement lacking truth. "Whereas, CARB recognizes the imperative to meaningfully integrate equity and environmental justice consideration into programs and policies partnership with affected communities." Time and again CARB ignored the recommendations from the EJAC community. EJAC submitted a letter in January 2026 and again in April 26 in which they again reminded CARB of their recommendations. I'm disappointed that CARB failed to create continuity of EJAC from the original members to the new 11 primary members, as the original EJAC members term expired at the end of December and the application period for candidates seeking a seat on EJAC ended April 21, 2026. CEJA has a section on their website labeled "Environmental justice leaders stand with CA lawmakers to Protest and Strengthen Cap-n-Invest. Please look at the blog post https://ceja.org/news-publications/news.html/article/2026/05/06/environmental-justice-leaders-stand-with-california-lawmakers-to-protect-and-strengthen-cap-and-invest to be reminded. (BH-Warren-104.2)

Agency Response

No changes were made in response to this comment. See Agency Response to comment V-4.1 regarding engagement with EJAC throughout the rulemaking process and response to EJAC recommendations in the ISOR. All comments submitted to CARB during an open public comment period on the Proposed Amendments are included in the public record and are responded to in this Final Statement of Reasons. Convening of the EJAC is beyond the scope of this rulemaking.

V-4.4 Comment:

Good afternoon. My name is Diane Vazquez Ballesteros. I'm one of the co-executive directors for the California Environmental Justice Alliance and alliance of 10 member organizations across the state. Some of them actually were here speaking for themselves in the rejection of this proposal. We have heard from multiple testimony meet -- testimonies from transit organizations, housing organizations, environmental organizations. Even, you know, like another individual indicated, groups that we typically don't align, we are aligning on this proposal. I think we need to start really thinking how this proposal came about, specifically on the fact that the Environmental Justice Council -- Advisory Council was not even consulted. And it's the same council that was created to actually look at Cap-and-Invest or Cap-and-Trade. And that, for me, is just crust really concerning where we're doing something, where an organization was created to actually oversee the different elements of this program. Why? Because we are voting on something that's going to be here for the next three years, but the impacts are going to be felt for the next 15 years, so really taking ownership of what are we really considering, why are we considering it, and really asking the Board, are you really sure what you're voting on? Because we're not really sure what we're even looking at, given that some of the changes that were made this morning to even figure out the changes of what is this going to mean and how are we even including community input. We weren't even able to actually consult our community organizations or our members on the changes. So right now is strict opposition of the proposal to allow the conversations to occur and really give respect to the organizations that have been working on this for years. I understand there's trade-offs. An individual indicated is this the trade-off that we want to make? Is 118 million -- billion that, you know, allowances are going to be for an industry, a really subset industry, is that really what we want to do in the next three years, and how is that going to impact the next 15 years after 2030? So those are real questions and I really am looking forward to the discussion. Hopefully, for the folks who are still (inaudible) – (BH-CEJA-218.1)

> **Agency Response:**
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> No changes were made in response to this comment. Please refer to Agency Response to Comment V-4.1 regarding engagement with EJAC throughout the rulemaking process. Please also refer to Agency Response to Comment O-8.38a regarding Impact of MDI on emissions integrity.

V-4.5 Comment:

Dr. Catherine Garoupa with the Central Valley Air Quality Coalition and former Co-Chair of your EJAC.

I must correct slide nine from the staff presentation with regards to EJAC. Number one, it does not accurately reflect the Industrial Strategy Division staff's quote/unquote participation or lack thereof with our Committee. For more details see my November 6th resignation letter available online.

Number two, I do not recall two community listening sessions on this topic. And number 3, most importantly, slide nine does not reflect the EJAC spent several years working on Cap-and-Trade recommendations through hearing from expert speakers and deliberating during numerous public meetings, which resulted in a robust and detailed resolution.

Recommendation number one is eliminate free allowances for the industrial sector. The proposal before you does the opposite. The resolution goes on to say quote, "The spending choices made regarding the Greenhouse Gas Reduction Fund and the distribution of allowance value from utility allocations should prioritize equity and provide direct investment in environmental justice households." The proposal before you does the opposite. These are just a couple of examples. While I welcome promises of better future engagement with EJAC in EJ communities, show your commitment today by removing the MDI and rejecting the 15-day changes. I urge you, Board, to use your authority as a multi-disciplinary and multi-stakeholder body to prioritize the health and economic well-being of everyday Californians and front-line communities. Thank you. (BH-CVAQA-225.1)

Agency Response:

No changes were made in response to this comment. For a summary of staff engagement with EJAC, see Agency Response to comment V-4.1. For reference, as described in the ISOR, CARB had regular engagement with the EJAC from 2023 through 2025. This included two virtual community meetings on the Program. Additional information on these meetings is available on the CARB website.

CARB considered and responded to all the EJAC recommendations in the ISOR. As described in the ISOR, CARB is required by AB 32, AB 398, and most recently in AB 1207 to minimize emissions leakage risk and does so through the provision of free allocation to industry. CARB is therefore unable to make the requested change to eliminate free industrial allocation.

Regarding impacts of the proposed amendments on GGRF, see Agency Response to comment W-1.3b.

Regarding the environmental benefits of the proposed amendments and MDI, see Master Response 4 in the Response to Comments on the Environmental Impact Analysis.

V-5 Additional Analyses

V-5.1 Comment:

Furthermore, we urge CARB to commit, on the record, that the next Cap-and-Invest rulemaking will include a quantitative analysis of net annual bill impact for dual-fuel residential households, disaggregated by income level and tenure type, across the full transition window. That analysis was requested in the 45-day record and has not yet been published. It remains the most direct way for CARB to demonstrate that the transition does not disproportionately impact low-income communities, as AB 1207 expressly requires. (15d-CB-201.6)

Agency Response:

No changes were made in response to this comment. CARB staff completed all required analysis as part of this rulemaking. The commenter references an analysis requested in the 45-day comment period; however, the letter referenced was submitted on April 8, 2026, which was outside of the 45-day comment period. Also, see Agency Response to comment I-1.18b in response to the referenced analysis, which was submitted during the Board Hearing comment period.

AB 1207 requires CARB to design the regulations in a manner that transitions support from gas corporations EDUs. Multiple public commenters expressed concerns that this transition may increase the burden on low-income natural gas ratepayers because low-income ratepayers are less able to invest in electrification and because the larger number of EDU ratepayers compared to NGS ratepayers would dilute the corresponding increased benefit that NGS ratepayers would see on their electric bill. In the 15-day changes, staff retained 30% of natural gas allocation to provide sufficient allowances to provide an equivalent non-volumetric residential return primarily to low-income ratepayers as directed by the CPUC. The 30% requirement is aligned with the NGS allocation transition percentage by 2031 proposed in Table 9-6A and the estimated proportion of natural gas investor-owned utility residential ratepayers that are enrolled in the California Alternate Rates for Energy (CARE) program,[1] which provides bill relief for verified low-income customers. Thus, the proposed changes ensure protection of these low-income ratepayers during the transition. In addition, under the Proposed Amendments, investor-owned utility dual fuel ratepayers will receive a portion the NGS proceeds based on residential retail sales. How much each dual fuel customer will receive will depend on how the CPUC determines to distribute the climate credits.

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[1] See Low Income Annual Reporting submitted to CPUC by the Investor-Owned Utilities.

The CPUC has recently begun its proceeding (R. 25-07-013) to determine how best to distribute both the electric and natural gas climate credits aligned with the requirements of AB 1207. The CPUC has both natural gas and electric ratemaking authority and access to the types of information requested by the commenter and CARB will continue to closely coordinate with the CPUC to incorporate CARB's proposed regulatory requirements once effective. CARB will work with CPUC to further analyze potential impacts of this transition in the specific design and distribution of the climate credit, including ensuring that low-income ratepayers are not disproportionately impacted. In addition, any post-2031 natural gas supplier allocation transition and related allocation provisions will be addressed in a future rulemaking.

V-5.2 Multiple Comments: Allowance Supply Evaluation

We suggest the Board issue a resolution to require an allowance supply evaluation at regular intervals to increase accountability, transparency and trust in the success of the Cap and Invest program to deliver the needed state mandated emissions reductions. Such evaluations can determine if any 'oversupply' of allowances could jeopardize reaching the mandated emission reduction targets; and this will help CARB to develop and take remedial actions. (15d-TCC-29.4)

Comment:

As the IEMAC and many others have repeatedly observed for almost ten years, a large bank of allowances puts at risk the state's ability to achieve its required statewide emission reductions in 2030 and beyond. These concerns have manifested in practice. The private allowance bank has grown beyond any levels previously anticipated in prior CARB rulemakings, with 379 million allowances banked at the end of the fourth compliance period and rising.

CARB is required by statute to "[e]valuate and address concerns related to overallocation" (i.e., allowance banking), but the staff proposal does not contain any such evaluation. As discussed above, all of the proposed reductions in allowance budgets address considerations other than allowance banking, such that none of the proposed reductions in allowance budgets can be said to implicitly evaluate or address concerns related to allowance banking. (15d-Cullenward-200.4)

Agency Response:

No changes were made in response to these comments. See responses to comments 15-29-3 and 15-200-3 in the Response to Comments on the Environmental Impact Analysis.

V-5.3 Comment:

Require regular allowance supply evaluations to strengthen accountability, transparency, and emissions outcomes under Cap-and-Invest. (BH-TCC-40.4)

Agency Response:

No changes were made in response to this comment. See Agency Response to comment V-5.2.

V-5.4 Comment:

Conduct a comprehensive and independent economic impact analysis that honestly accounts for the program's role in refinery closures, gasoline price increases, cost-of-living escalation, population outmigration, and the disproportionate burden on low-income and working-class households. The ISOR's economic analysis is conducted by the same agency that administers the program and has an institutional interest in its continuation. It cannot be considered independent. (45d-Nemeth-228.7)

Agency Response:

No changes were made in response to this comment. CARB staff completed all required analyses as part of this rulemaking. The APA requires the agency conducting the rulemaking to prepare an economic impact analysis. California law also requires a standardized regulatory impact analysis, or SRIA, for major regulations, which is also reviewed by the Department of Finance; CARB prepared a SRIA, along with updated economic analyses in the ISOR. The APA does not require third-party economic impact analyses, though stakeholders are welcome to provide such information and analyses.

Please see also Agency Response to comment O-3.2a.

W. Greenhouse Gas Reduction Fund and Other

W-1 Greenhouse Gas Reduction Fund

W-1.1 Comment:

Ag Council thanks CARB for its previous and current support of ongoing agricultural greenhouse gas reduction programs supported through the Greenhouse Gas Reduction Fund (GGRF). These programs have been vital in assisting the food and ag community in achieving our climate goals and they are just as imperative now as they were during their inception. Many of these programs are on the top of the list when compared to other GGRF programs as it relates to the climate reductions as well. Our current request includes the following highlights for the 2026-2027 budget:

- $200 million for the FARMER program

- $50 million for the Food Production Investment Program (FPIP)
- $75 million for Sustainable Ag Waste Management
- $75 million for Livestock Waste Reduction Programs

We are hopeful CARB will continue its support and assist us in prioritizing funding for these programs. (45d-ACC-433.10)

Agency response:

No changes were made in response to this comment. The Governor and Legislature determined how to spend GGRF revenue as part of the annual budgeting process. Under SB 840 and the annual state budget process, the Legislature and Governor prioritized and directed how GGRF proceeds would be expended going forward. As such, comments on GGRF funding priorities are outside the scope of this rulemaking and CARB's authority. However, CARB continues to coordinate with and support agencies that administer GGRF programs for industrial sectors including the California Energy Commission.

W-1.2 Comment:

Recommendation 2: Limit the GGRF allocation based on established GGRF funding requirements…

We anticipate that Recommendation 2 might not be implementable at this stage due to legal, political, or scheduling factors unrelated to its policy merits, but we encourage CARB to address the policy merits in its FSOR response to inform potential future regulatory or legislative consideration of this recommendation…

Recommendation 2 should be considered along with measures to address longer-term funding requirements for existing SB 840 budget allocations, and potential new programs such as SB 540 implementation, which may require foundational changes in GGRF revenue allocations…

Recommendation 2 is closely connected with HSC 38562(c)(2)(A)(iii)12, which directs CARB to adjust the price ceiling and/or APCR price points, if necessary, to protect consumers. The GGRF funding limitation under Recommendation 2 would similarly serve to protect consumers, but via revenue allocation rather than pricing controls, and it would do so preemptively rather than reactively…

Carbon pricing creates marginal incentives for emissions reductions that are less costly, per ton-CO2, than the carbon price. But industry typically cannot respond to such incentives without first making substantial, long-term capital investments in low-emission technology and infrastructure. Those investments need to be made in the near term, not five or ten years in the future, if they are to make a significant contribution to achieving California's climate goals at affordable cost. Such investments require sustained, stable, and predictable carbon prices that can only be provided by a price floor sufficient to at least support near-term GGRF program requirements.

In the longer term, after the initial capital investments have been made, industries will be able to more readily respond to high market price incentives, and the GGRF will play a diminishing role in economywide deployment of low-carbon technologies. As allowance prices rise, diversion of surplus auction revenue to the GGRF, without any clear plan for how the revenue will be used, will just lead to waste and inefficiency and ultimately increased costs of decarbonization.

Allowances or allowance auction revenue in excess of the price floor can be freely allocated to industry and consumers without diminishing marginal incentives for decarbonization, provided that the allocation formula does not reward emissions. Free allocation can take the form of ratepayer rebates, output-based allowance allocation, or other forms of assistance for consumers and industry.

There is a general perception that free allocation to industry is only needed to protect emission-intense and trade-exposed (EITE) industries and to mitigate leakage risks, and that free allocation should be progressively phased out. But free, output-based allocation can also help to focus industry’s capital resources on decarbonization and provide subsidization for low-carbon commodities, even more so as carbon prices rise.

As a case in point, free allocation to the cement industry would not diminish marginal incentives for decarbonization, because a zero-carbon cement producer would get the exact same per-ton-cement (output-based) allocation as a high-emission producer.25 A zero-carbon producer would sell its allowance allocation to high-emission producers; thus the free allocation would induce subsidization of zero-carbon cement production by incumbents.

Only a small portion of incumbents’ free allocation would go to such subsidies while zero-carbon producers have small market share, but the carbon price incentive would motivate incumbents to invest the bulk of their free allocation in decarbonizing their own operations. Even if carbon prices are initially low and there is little competition from zero-carbon start-ups, the prospect of increasing carbon prices and competition in future years, in addition to tightening SB 596 compliance obligations, could motivate substantial near-term investment in cement decarbonization. As carbon prices rise and zero-carbon cement gains market share, incumbents who have not decarbonized their operations will face steeply increasing compliance costs even with 100% free allocation.

At higher carbon prices, free allocation will become more indispensable for enabling industry to sustain high prices without imposing an intolerable economic burden on industry and consumers. If surplus auction revenue at high allowances prices is hoarded in GGRF accounts, rather than being allocated back to industry and consumers, then increased compliance costs and consumer impacts would make it more likely that CARB will have to significantly lower the price ceiling (per HSC 38562(c)(2)(A)(iii)), resulting in breached allowance budgets and diminished marginal incentives for decarbonization. For this reason, GGRF revenue should be limited, and free allocation should be maintained and not phased out, as allowance prices rise.

A viable strategy for achieving California's climate goals within limitations of affordability is not to make fossil fuels unaffordable, but rather to make renewable energy and technology more affordable than fossil fuels. (45d-CRPSVC-196.2)

Agency Response:

No changes were made in response to this comment. The Proposed Amendments are intended to support industrial decarbonization while maintaining protections against emissions leakage. The carbon price signal imparted by the Program continues to provide incentives for covered entities to invest in GHG emissions reductions measures and low-carbon production processes. In addition, the proposed MDI is designed to support investments in emissions reduction projects that may not otherwise occur without financial support. CARB recognizes the importance of affordability considerations, and the Proposed Amendments are intended to balance emissions reductions, cost containment, leakage mitigation, and affordability. Please refer to the Agency Response to Comments O-1.1a and O-1.3a regarding affordability and industrial assistance. Free allocation is being maintained.

CARB is no longer setting post-2030 allocation in this rulemaking, as explained in Agency Response to comments H-1.1a. and O-5.1a. Post-2030 allocation, including the portion that goes to auction will be addressed in a future rulemaking. It is the allowances that sell at auction that generate revenues for GGRF and subsequent appropriation by the Governor and Legislature. Reallocating any surplus revenue above the price floor is outside CARB’s authority. In addition, GGRF programs provide important benefits to Californians, and any such changes would have to be carefully considered to ensure CARB is aligned with legislative direction.

W-1.3a Comment:

To add insult to injury, staff is proposing a new manufacturing decarbonization incentive credit for manufacturers in addition to their GGRF-funded tax breaks and the free allowances they have enjoyed (and will continue to enjoy). This new credit further weakens an already lax program design, leading to a delayed fossil fuel transition and continued emissions. However, the allowance allocation proposal means more than reduced climate ambition. This also means reduced revenue for the Greenhouse Gas Reduction Fund (GGRF) and California Climate Credit, which are our main - if not only -

way to mitigate climate damages and affordability issues for communities who need it the most. Staff's own projections show GGRF revenue dropping off to dangerous levels after 2035 that will leave no revenue for affordable housing, transit, safe drinking water, the Community Air Protection Program, and other critical investment opportunities. While Cap-and-Invest is not solely a revenue generating measure, and revenue could be expected to drop over time as the program achieves its goals - that is not what is happening in this scenario. CARB is intentionally making the choice to not reduce allowances to increase stringency of the program, which is critical for meeting our emissions target and for generating the revenue we need to fund California's climate transition with expediency. In short: CARB staff seem to be under the misapprehension that providing more credits to industry will not only reduce emissions, but also lower costs to consumers. There is no evidence to support either theory. We would much rather CARB charge emitters a higher price for the carbon they emit so the state can invest in tangible benefits to Californians. (45d-CRPE-46.2)

Agency Response:

No change has been made in response to this comment. CARB's Proposed Amendments dramatically increase the stringency of the Program, removing about 118 million allowances between 2027-2030 and over 1 billion allowances through 2045. In the context of a more stringent Program, the 15-day Amendments increased allowance allocation to industry for leakage protection and to utilities for ratepayer benefit, including the California Climate Credit, further supporting consumer affordability and protecting in-state production and jobs during a period of significant near-term economic uncertainty. Further, the 15-day Amendments updated the MDI allocation proposal to preserve future allowances consigned to auction for the GGRF and increase the incentive for investments in direct GHG emissions reduction projects at eligible facilities, which can benefit frontline communities through reduced local air pollution from fossil fuel combustion. Since the commenter did not provide more information, no further response is necessary or can be provided. See Agency Response to comment O-5.10 for further discussion on updates to allowance allocation in the 15-day Amendments and comment W-1.3b for further discussion on GGRF impacts.

W-1.3b Multiple Comments: Impacts on GGRF

At the same time, the proposal is projected to reduce Greenhouse Gas Reduction Fund (GGRF) revenues by approximately $2 billion annually. These are not abstract losses. GGRF investments fund programs that lower costs for Californians—clean transportation access, energy efficiency, affordable housing, wildfire resilience, and safe drinking water infrastructure. The proposal will also jeopardize projects already underway that rely on continued funding from programs such as also jeopardize projects already underway that rely on continued funding from programs such as the Transit and Intercity Rail Capital Program, the Low Carbon Transit Operations Program, and the Affordable Housing and Sustainable Communities Program, among others. Reductions of this magnitude will directly constrain the state's ability to deliver benefits to Californians. The impact on disadvantaged and low-income communities is particularly troubling. To date, approximately 73% of the billions in GGRF investments have been directed to priority populations. The proposal departs from legislative direction for GGRF investments by undermining requirements to prioritize disadvantaged communities and align funding with clean energy goals consistent with the Renewable Portfolio Standard. Reducing available funding at this scale will disproportionately affect the communities already most burdened by pollution and climate impacts. We are also concerned that the proposal provides substantial additional value to the oil and gas industry without enforceable mechanisms to ensure consumer benefit. There is no clear evidence that increasing allowance supply will result in lower fuel prices. Californians will remain exposed to global price volatility and refinery disruptions, while the program transfers additional economic value to companies that are already reporting strong profits. ... We urge CARB to revise the 15-Day Amendments to ensure the program remains a credible, enforceable mechanism for emissions reduction and a reliable source of public investment. Specifically, CARB should: Protect GGRF revenues to sustain investments that directly benefit Californians. Recent modeling shows that Cap-and-Invest program updates that reduce the pollution cap by 180 million tons by 2030 would deliver $2.8 billion in affordability benefits for families earning $70,000 or less, and $1.4 billion more to invest in climate solutions by 2045. (15d-CLCCC-34.2)

Comment:

California will make accessible up to 118 million free pollution passes to industrial polluters. This is the same amount that CARB has stated needs to be taken off the market to meet our 2030 emission reduction goals. If this proposal passes as is, California risks missing our 2030 emission reduction target, which is mandated by legislative statute—all to give more free passes to fossil fuel companies.

...Recent analysis from UC Santa Barbara projects this backdoor giveaway will drain $4 billion in state revenue over the next four years. That means slashing $2.3 billion from the GGRF and cutting the California Climate Credit’s direct electricity rebates by $1.7 billion—a massive 17% cut across the board.

...If CARB allows this fund to be gutted, our communities will immediately lose vital funding for:

● Direct Electricity Rebates: A $1.7 billion cut to the California Climate Credit, meaning your utility bills will go up just so Big Oil's costs can go down.

● Wildfire Resilience & Forest Health: Critical funding to harden our communities against wildfires, which is the exact crisis causing our home insurance premiums to skyrocket out of control.

● Housing & Low-Income Weatherization: Cuts to programs like the Affordable Housing and Sustainable Communities Program, as well as grants that install no-cost rooftop solar and energy-efficiency upgrades for low-income families to permanently lower their utility bills.

● Clean Water & Toxic Cleanup: Funding stripped from the Cleanup in Vulnerable Communities program, which protects safe drinking water for neighborhoods disproportionately burdened by pollution.

● Cheaper Commuting: Deep cuts to the state's transit and intercity rail programs, as well as the Clean Cars 4 All rebate program, which helps everyday drivers affordably trade in gas-guzzlers to escape the high cost of fuel.

● Protecting California Agriculture: Cuts to the Sustainable Agricultural Lands Conservation program, putting local farmers at risk and threatening our state's food supply and rural economies. (15d-Steyer-36.2)

Comment:

CARB's proposal effectively zeors out future Greenhouse Gas Reduction Fund investments. Based on these 2030 and 2045 commitments, SB 840 established clear expectations for ongoing revenues to support investments in vital public services and infrastructure that our communities are counting on. (15d-SHS-9.2)

Comment:

Following the release of the proposed amendments, an early analysis indicates that a new enhancement to the regulation's affordability provisions, which aim to increase the existing climate credit provided to utility customers, could result in a significant reduction in Greenhouse Gas Reduction Fund revenues and risk long-term funding for all priorities that rely on this funding. Given the potential impact of the proposed amendments, we request assurance that any changes keep GGRF revenue stable and consistent. (15d-CHCPC-21.2)

Comment:

Californians are feeling the real impacts of climate disasters that are not just devastating our communities and lands, but also driving an affordability crisis. Families are bearing the costs of a warming climate through insurance premiums and utility bills, health expenses and hospital bills, higher prices on household goods, and are held hostage by Big Oil’s price gouging at the pump. Cap-and-Invest is one of our state’s biggest climate programs and is a critical source of funding for close to home community investments like transit, parks, clean cars, charging infrastructure, electrifying homes, and critical disaster response. The April proposal amending the program will slow our climate progress and gut the annual program revenue $2 billion a year at a time when our state is cutting safety net services across the board for Californians. The California Air Resources Board (CARB) must immediately amend the proposal to ensure that the Cap-and-Invest program will benefit Californians, not provide polluters with excessive handouts. The consequences of this proposal to the program's Greenhouse Gas Reduction Fund (GGRF) are severe. This dwindling pot of money has invested billions of dollars in dozens of critical programs – clean vehicle access, safe and affordable drinking water, wildfire resiliency, and affordable housing. A failing program will decrease dollars for our state's environmental programs. Around nine billion dollars from this fund has already been invested in programs benefitting California's disadvantaged and low-income households, the "priority populations". This group is hit the hardest by the impacts of climate change and will be impacted the most by these programs going unfunded. This proposal provides handouts to the oil and gas industry with no guarantee that fuel prices or emissions will go down. Californians would still be exposed to swings in the global oil market and the strong influence these corporations have in our state. While gas prices soar due to international supply shortages, oil companies are raking in record profits. Californians shouldn't be paying for subsidies to oil companies that don't bring prices down and take billions away from critical state funding. At a time when California's leadership can provide a backstop against federal attacks and rising costs that are burdening families, we cannot afford to give corporate polluters more handouts. Now is the time for the agency to put Californians first and ensure that industry giveaways are not being adopted into one of our most significant and cost-effective climate programs. California must move quickly to adopt a proposal that protects Cap-and-Invest and strengthens the state's response to the climate crisis. (15d-Adest-22.1)

Comment:

We supported the extension of the Cap-and-Trade program because of its role in funding essential infrastructure and climate investments through the Greenhouse Gas Reduction Fund (GGRF). These investments have been instrumental in advancing transit-oriented development, expanding public transportation, and supporting projects that both reduce emissions and create high-quality construction jobs across the state.

However, we are concerned that the Proposed Amendments would significantly reduce GGRF revenues by increasing allowances to utilities to fund an enhanced Climate Credit. While intended to address affordability, this approach would divert billions of dollars annually away from critical state programs that support housing, transportation, and infrastructure development.

From the construction industry's perspective, reduced GGRF funding directly translates into fewer projects, delays in critical infrastructure, and lost opportunities to build the housing and transportation systems California urgently needs. Programs supported by the GGRF have been a reliable pipeline of work that enables contractors to invest in their workforce, equipment, and innovation. Weakening these funding streams creates uncertainty and undermines the state's ability to deliver on its climate and economic goals.

We also urge CARB to take a broader view of affordability. For our industry and the communities we serve, affordability is not limited to utility bills—it includes access to housing, reliable transportation, and good-paying jobs. Investments in infrastructure and construction projects funded through the GGRF are a key part of that equation, helping reduce overall costs of living while supporting economic mobility. (15d-AGCC-24.1)

Comment:

We also encourage CARB to prioritize stability and clarity within the Cap-and-Invest program. For organizations and communities that rely on state climate investments, predictability in program structure and outcomes is critical to long-term planning and successful implementation of climate initiatives. Finally, GGRF investments play a vital role in supporting workforce development, natural resource stewardship, and community-based climate solutions across California. Local conservation corps programs, in particular, depend on consistent and reliable funding to deliver environmental benefits while providing meaningful training and career pathways for young people, especially in underserved communities. (15d-CALCC-37.3)

Comment:

We supported the extension of the Cap-and-Trade program because of its role in funding essential infrastructure and climate investments through the Greenhouse Gas Reduction Fund (GGRF). These investments have been instrumental in advancing transit-oriented development, expanding public transportation, and supporting projects that both reduce emissions and create high-quality construction jobs across the state. However, we are concerned that the Proposed Amendments would significantly reduce GGRF revenues by increasing allowances to utilities to fund an enhanced Climate Credit. While intended to address affordability, this approach would divert billions of dollars annually away from critical state programs that support housing, transportation, and infrastructure development. It would do nothing in the long run to reduce or control the cost of electricity in California. From the construction industry's perspective, reduced GGRF funding directly translates into fewer projects, delays in critical infrastructure, and lost opportunities to build the housing and transportation systems California urgently needs. Programs supported by the GGRF have been a reliable pipeline of work that enables contractors to invest in their work- force, equipment, and innovation.

Weakening these funding streams creates uncertainty and under- mines the state's ability to deliver on its climate and economic goals. Without an investment in more power generation, storage, transmission and distribution, California will never be able to stabilize the cost of electricity or meet the surging demand for electricity in the state. Rebates to customers may provide temporary relief but without those investments the need for larger and larger rebates will eventually consume the cap and invest funding. We also urge CARB to take a broader view of affordability. For our industry and the communities, we serve, affordability is not limited to utility bills; it includes access to housing, reliable transportation, and good-paying jobs. Investments in infrastructure and construction projects funded through the GGRF are a key part of that equation, helping reduce overall costs of living while supporting economic mobility. (15d-CIAQC-40.1)

Comment:

Let's be clear: shifting billions of dollars out of the Greenhouse Gas Reduction Fund to expand short-term ratepayer subsidies comes at the direct expense of the long-term investments California needs to meet its climate goals. This proposal would reduce available funding by roughly $2 billion annually through 2030, effectively cutting in half the resources available for critical programs. The result is predictable. Programs like the Affordable Housing and Sustainable Communities Program (AHSC), the Transit and Intercity Rail Capital Program (TIRCP), and the Low Carbon Transit Operations Program (LCTOP) will be left without the funding they need to deliver projects. Those aren't abstract programs. They are jobs. They are housing. They are the transit systems that working people rely on every day... ... Transit investment is not optional—it is the backbone of any serious climate strategy and a cornerstone of our economic recovery. When we invest in transit, we reduce emissions at scale, we connect communities to opportunity, and we put people to work in good union jobs. Cutting those investments to fund short-term subsidies is a step backward for both our climate goals and our economy. We are also aligned with the State Building and Construction Trades Council of California, which has raised serious concerns about the broader impacts of these regulations on in-state jobs, industrial investment, and long-term economic stability. As they point out, California's skilled workforce is already building the next generation of clean energy infrastructure—from carbon capture to alternative fuels to renewable energy—and that work depends on policies that create certainty and sustain investment in this state. We cannot afford to adopt policies that undercut that progress. When California fails to provide a stable and balanced framework, investment leaves, jobs disappear, and emissions don't go down—they just move somewhere else under weaker standards. CARB needs to Vix this. At a minimum, these amendments must be revised to ensure that core climate investment programs—especially transit—are protected and fully funded. The state cannot meet its climate goals without a sustained pipeline of infrastructure work, and that work depends on these investments. (15d-SFBCTC-41.1)

Comment:

Recommendation 3 — Prioritize GGRF Funding for Decentralized Organic Processing Pilots (Re: SB 840 GGRF Spending Framework; Senate Budget Subcommittee Cost Effectiveness Interest) In light of the Senate Budget Subcommittee No. 2's stated interest in cost-effective climate solutions—a factor directly cited in the comment period extension—we recommend that CARB support the allocation of Greenhouse Gas Reduction Fund (GGRF) resources toward pilot-scale deployment of distributed organic processing infrastructure under the clean air, agriculture, or climate innovation spending categories established by SB 840. Pilot programs would generate empirical operational and emissions data to inform the offset protocol scoping study described in Recommendation 1, validate the AQM reporting methodology in Recommendation 2, and provide CARB with a rigorous evidentiary basis for future rulemaking. Prioritizing decentralized infrastructure in GGRF allocation would also reduce systemic dependence on aging centralized facilities, lower transportation-related emissions from Class 8 organic waste hauling, and accelerate deployment in disadvantaged communities— directly consistent with CARB's equity mandate and the GGRF's 70% disadvantaged community investment track record. (15d-SY-56.3)

Comment:

I do not think that allocation of new emission allowances, or indeed reallocation of existing allowances as proposed in January, is an effective way to fund and prioritize state incentives for investment in emissions reduction projects. This is because those adjustments impact the price of carbon due to modifying the supply and demand and this interaction to me seems to have no advantages and several disadvantages compared to explicit allocation of funds for those incentives. For example, the Greenhouse Gas Reduction Fund is one vehicle that could be used to provide incentives for carbon intensive industries to decarbonize. With that alternate approach, the legislature can take in to account a full range of objectives, including the objective of avoiding emissions leakage that motivated the MDI, but also other considerations such as whether such allocation of funds is equitable and narrowly focused on the people and companies who are in greatest need of such support. I do not mean to suggest that budgetary allocations equivalent to the hidden subsidy from the April amendments should be made from the Greenhouse Gas Reduction Fund, because I believe that full consideration of those other factors would lead to a conclusion that an appropriate funding level was much lower. I request that CARB responds with their reasoning behind why they believe the approach of manipulating the declining cap is advantageous over this alternative of explicit funding. (15d-Forbes-60.6)

Comment:

Given the scope, technical nature, and potential long-term implications of these revisions, it is important stakeholders have sufficient opportunity to understand how the proposals may affect environmental outcomes and program revenue and implementation. We urge CARB to work to keep GGRF revenue stable and consistent. GGRF's efficacy in protecting public health, welfare, and ecological resources through effective reduction of air pollutants is peerless, and the Fund must be protected so that all Californian can continue to benefit. GGRF's contributions to nature-based solutions efforts to further ameliorate the effects of air pollutants, including forest resilience and protection, must continue. (15d-SRL-87.1)

Comment:

We are writing as a broad coalition of stakeholders concerned with our climate and the communities most impacted by the affordability and air pollution crises to urge the Board to reject the proposed 15-day changes on May 28, 2026.

CARB staff is proposing 15-day changes that undermine our climate goals by giving significant new incentives to industry at the cost of the programs that invest in the communities we serve. This detrimental decision jeopardizes our ability to meet our climate targets and to address the urgent affordability crisis across California. There is no evidence or assurance that these additional industry incentives will reduce costs for consumers, and the changes to the Climate

Credit will actually decrease the amount of relief going to ratepayers. Many of us were deeply engaged in the renewal of the Cap-and-Invest Program last year. We were glad to see dedicated revenue from the Greenhouse Gas Reduction Fund to critical programs that fund affordable housing, clean transit and transportation, clean water, and clean air. However, these proposed 15-day changes would drastically reduce revenue resulting in the defunding of these critical programs -- a clear contradiction to legislative intent.

Additionally, there is no clear reasoning for CARB's decision to upend the program at this time. Changing the name to "Cap-and-Invest" and making other changes to align the post-2030 program with the recent legislative direction can happen at any time. We reject the artificial urgency narrative that has led us to this moment and urge you to reject these proposed changes and allow the program to continue as it is until a more thoughtful set of changes can be developed and deliberated. Now is not the time to move recklessly, or to abandon the communities struggling the most to adapt to our changing climate and navigate this affordability crisis. Please reject these proposed 15-day changes. (15d-CRPE-92.1)

Comment:

We are not submitting these comments to oppose CARB's effort to address affordability. Affordability is a real and urgent concern for California households, and it is appropriate for CARB to consider how the program affects ratepayers and consumers. However, the proposed increase in utility allowance allocations to support an enhanced Climate Credit raises a serious concern: if auction proceeds are materially reduced, the state could significantly weaken the very programs that help make California more affordable, more multimodal, and more climate resilient over the long term.

That outcome would be especially damaging for transportation. California is already facing a growing transportation funding challenge as fuel tax revenues decline, construction costs rise, infrastructure ages, and state and local agencies are asked to deliver safer, cleaner, more resilient, and more multimodal projects with fewer predictable resources. While the main purpose of Cap- and-Invest is not revenue generation, Greenhouse Gas Reduction Fund (GGRF) investments have become a core component of how California funds transit, rail, zero-emission transportation, and sustainable communities projects.

...

If auction revenues decline to the point that these programs are reduced or effectively eliminated from future expenditure plans, California's climate and mobility goals will be harder to achieve. The state will have fewer tools to expand transit service, modernize rail and bus systems, support zero- emission transportation infrastructure, and provide viable alternatives to driving alone. The impact would also be felt in project delivery, construction employment, regional mobility, housing affordability, and the ability of local communities to implement the state's climate policies on the ground. We also believe the potential fiscal effect of the proposed allowance changes should be clearly communicated before final action is taken. If the proposed structure reduces auction proceeds in a way that undermines funding for transit and housing, then we urge the Legislature and Administration to prioritize funding in the state budget for these programs in alignment with statutory funding targets identified in SB 840 (2025) – $400 million for TIRCP, $200 million for LCTOP, and $800 million for AHSC. The state should ensure GGRF funds programs central to California's climate, mobility, housing, and affordability objectives are protected in future GGRF expenditure plans. (15d-TC-97.1)

Comment:

NCTD understands that the Proposed Amendments will significantly reduce available funding in the GGRF, effectively ending future appropriations for "Tier 3" programs in the new Cap-and-Invest Expenditure plan codified by Senate Bill 840 (Chapter 121, Statutes of 2025). As a result of this proposal, programs including TIRCP, LCTOP, and AHSC, which are central to the state's efforts to combat climate change, will likely see annual funding from the GGRF significantly reduced below anticipated levels with no plan in place to backfill these losses.... NCTD urges CARB to revisit the Proposed Amendments and maintain robust funding in the GGRF for TIRCP, LCTOP, and AHSC. These programs serve a critical role in addressing affordability for all Californians by supporting high quality public transit, reducing harmful air pollution, and increasing access to affordable housing. (15d-NCTD-100.1)

Comment:

Ag Council thanks CARB for its previous and current support of ongoing agricultural greenhouse gas reduction programs supported through the Greenhouse Gas Reduction Fund (GGRF). These programs have been vital in assisting the food and ag community in achieving our climate goals and they are just as imperative now as they were during their inception. Many of these programs are on the top of the list when compared to other GGRF programs as it relates to the climate reductions as well. Our current request includes the following highlights for the 2026-2027 budget: • $200 million for the FARMER program • $50 million for the Food Production Investment Program (FPIP) • $75 million for Sustainable Ag Waste Management • $75 million for Livestock Waste Reduction Programs We are hopeful CARB will continue its support and assist us in prioritizing funding for these programs. If you would like a copy of our legislative request letter, please let us know. (15d-ACC-102.10)

Comment:

Thank you for the opportunity to provide public comments on the proposed amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation. Californians, especially in the Central Valley are facing the real impacts of climate disasters that are not just devastating our communities and lands, but also driving an affordability crisis. Our families are bearing the costs of a warming climate through insurance premiums and utility bills, health expenses and hospital bills, higher prices on household goods, and are held hostage by Big Oil's price gouging at the pump. Just in 2023-2025, there was a 36% rate increase for the average FAIR Plan and 40% increase for the average State Farm premium for residents who live in the Central Valley. Cap-and-Invest is one of our state's biggest climate programs and is a critical source of funding for close to home community investments like transit, parks, clean cars, charging infrastructure, electrifying homes, and critical disaster response. The April proposal amending the program will slow our climate progress and gut the annual program revenue by $2 billion a year at a time when our state is cutting safety net services across the board for Californians. The California Air Resources Board (CARB) must immediately amend the proposal to ensure that the Cap-and-Invest program will benefit Californians, not provide polluters with excessive handouts: ● Eliminate the Manufacturing Decarbonization Incentive (MDI) , which would provide incentives to industry while depressing the allowance auction revenue ● Correct the bloated free allowance allocation by lowering the cap adjustment factor ● Protect Cap-and-Invest revenues , rejecting any changes that would reduce funding and jeopardize investments that help Californians address climate-driven cost increases. The consequences of this proposal to the program's Greenhouse Gas Reduction Fund (GGRF) are severe. This proposal provides handouts to the oil and gas industry with no guarantee that fuel prices or emissions will go down. Californians would still be exposed to swings in the global oil market and the strong influence these corporations have in our state. Our communities shouldn't be paying for subsidies to oil companies that don't bring prices down and take billions away from critical state fundings. We cannot afford to give corporate polluters more handouts. Now is the time for CARB to put Californians first. (15d-Lee-116.1)

Comment:

As a public health professional who has spent the past 15 years focused on infant mortality prevention, I am deeply concerned about proposed changes to California's Cap and Invest program that would weaken protections against air pollution. A robust body of evidence demonstrates that exposure to fine particulate matter, ground level ozone, and other air pollutants during pregnancy is strongly associated with adverse birth outcomes, including preterm birth, low birth weight, and stillbirth. These outcomes are not inevitable - they are largely preventable with strong, protective environmental and climate policies. Stillbirth remains one of the most devastating outcomes in maternal health, with profound and lasting impacts on families and communities. Research shows that pollutants from traffic, industrial emissions, and wildfire smoke can cross the placenta, disrupting placental function and increasing the risk of stillbirth. Climate and air quality policies are therefore not abstract environmental measures—they are maternal and infant safety policies. Weakening California's climate protections will disproportionately harm communities already facing the highest burden of poor birth outcomes, including Black, low income, and environmentally overburdened communities. Prenatal exposure to air pollution is a well established, evidence based driver of inequities in maternal and infant health, and regulatory decisions must reflect this reality. For these reasons, I strongly urge CARB to amend the proposed Cap and Invest changes to ensure the program continues to reduce emissions, protect air quality, and sustain critical investments through the Greenhouse Gas Reduction Fund. Preserving and strengthening this program is essential to safeguarding maternal and infant health, advancing health equity, and ensuring California's climate leadership delivers tangible benefits to families (15d-Bain-118.1)

Comment:

However, we are gravely concerned with the program's proposed direction, as identified by CARB in the Proposed Amendments. Specifically, we are concerned with the Proposed Amendments' proposal to increase allowances across several areas. This proposal, while well- intentioned, would reduce the Greenhouse Gas Reduction Fund (GGRF) revenue by a commensurate amount annually. This reduction threatens the funding of programs essential to achieving California's climate, conservation, and equity goals. In particular, programs supporting urban greening and forestry, the Sustainable Agricultural Lands Conservation (SALC) Program, and the Transformative Climate Communities (TCC). These programs are all tools for sequestering carbon, reducing urban heat, improving air quality, protecting working lands, increasing climate resilience, and expanding access to nature in underserved communities. As the state faces a structural budget deficit, GGRF revenues are essential to funding climate programs. We are concerned that diminished investment in these areas will undermine the state's ability to meet its 2030 greenhouse gas reduction targets. These programs have delivered measurable climate benefits while also advancing public health, environmental equity, and community resilience. They represent some of the most effective, place-based strategies for addressing the impacts of climate change, especially in disadvantaged communities. TPL agrees that affordability must be addressed. We serve many of the communities that struggle the most with affordability in our work. However, affordability must be understood more broadly. For the communities we serve, affordability includes access to safe parks and green spaces, cooler, healthier neighborhoods, protection from climate impacts such as extreme heat and flooding, and the preservation of working lands that sustain local economies and food systems. Our communities have and will continue to be disproportionately impacted by climate change. Investments in urban greening, forestry, SALC, and TCC directly contribute to these outcomes. Reducing GGRF funding risks reversing progress in communities that have historically lacked access to these essential resources. We urge CARB to revisit the Proposed Amendments and ensure that GGRF funding for these critical programs is maintained at robust levels. Protecting these investments is essential not only for meeting the state's climate targets but also for delivering lasting, equitable benefits to all communities across California. (15d-TPL-119.1)

Comment:

We urge the Board to carefully evaluate the proposed amendments' potential effects on Greenhouse Gas Reduction Fund revenues… Early analysis suggests the proposed amendments could result in rapid near-term reductions in GGRF proceeds, potentially of significant magnitude, driven in part by the structure of the new Manufacturing Decarbonization Incentive and, to a lesser extent, by proposed changes to utility climate credits. Any reduction would put at risk the sustained public investment that California's charging infrastructure market depends on, particularly as federal infrastructure funding faces growing uncertainty. (15d-TEVCA-121.2)

Comment:

On behalf of the undersigned agricultural organizations, we write to express our strong support for California's Cap-and-Invest program and its continued role in supporting the state's agricultural sector and rural communities. We are concerned that recently proposed changes to the program risk undermining support for the agricultural operations and rural communities that form the backbone of California's food system, to the benefit of large oil companies and other incumbent fossil fuel interests. California agriculture depends on stable, practical investments and a competitive environment, and the strength of rural economies depends on policies that reinforce this balance rather than shift resources toward entrenched interests. These investments coming from the GGRF are not theoretical. They directly support on-farm efficiency, water management, and cost relief, and weakening them risks further destabilizing an already strained sector at a critical moment. Given the scale and importance of California agriculture, these growing issues require immediate, coordinated action and sustained investment, and California's Cap-and-Invest is a primary solution. The Cap-and-Invest program provides a stable, market-based framework to reduce emissions while generating significant funding that is reinvested into programs that directly benefit agriculture. Since its inception, the program has generated nearly $33 billion, with more than $18 billion awarded and over $12.8 billion supporting projects across California. We urge you to continue supporting and strengthening this program to ensure it delivers sustained benefits for farmers, ranchers, farmworkers, and rural communities across the state. As you consider the future of Cap-and-Invest, it is essential to adopt strong rules that preserve the program's integrity, provide market certainty, and ensure it continues delivering meaningful benefits to the communities and industries that power California's economy, rather than concentrating advantages among large oil companies and other major emitters. (15d-FALA-125.1, 15d-CFS-128.1, 15d-SH-129.1)

Comment:

We are concerned that recently proposed changes to the program risk undermining support for small businesses that form the backbone of California's economy, to the sole benefit of large oil companies. California's broader business community depends on a competitive environment, and the strength of our economy depends on policies that reinforce this balance. We are representative of California's economy – the oil industry is not. Our members represent employers and entrepreneurs rooted in communities that are helping drive us toward a better future for California. Many of these businesses operate on thin margins, serve working families directly, and are located in neighborhoods that already bear a disproportionate share of pollution, poor air quality, extreme heat, wildfire smoke, and other climate-related harms. California Climate Investments reporting shows that these burdens are real and that state investments have been directed heavily toward disadvantaged communities and low-income communities and households. We also support Cap-and-Invest because it can help address affordability in practical ways. California has used these revenues to provide utility bill credits and other direct relief, and the state has continued to build on this approach through policies designed to save Californians billions on electric bills while stabilizing the broader energy system. For small businesses and working families alike, that kind of relief matters. In addition, Greenhouse Gas Reduction Fund investments can help businesses and communities access the resources they need to finance energy and fleet upgrades, improve efficiency, reduce exposure to fuel volatility, and become more resilient in the face of rising climate and disaster risk. These investments support the long-term competitiveness of California businesses, especially small businesses that often have the least flexibility to absorb new costs on their own. As you consider the future of this program, we urge CARB to adopt strong rules that preserve the integrity of Cap-and-Invest, provide market certainty, and ensure the program continues delivering meaningful benefits to the communities and businesses that need them most. Updates should be designed to avoid concentrating benefits among a narrow set of large emitters, while better supporting the small and local businesses our state is built upon. California's economy depends on healthy workers, resilient neighborhoods, and a policy environment that rewards planning, investment, and innovation. A strong Cap-and-Invest program supports all three without favoring large oil over the diverse businesses that power the state's economy. (15d-CHCoC-134.1, 15d-CACoC-135.1, 15d-RCBC-136.1, 15d-CFACoC-137.1, 15d-FACoCCFAC-140.1, 15d-FACoCGLA-141.1, 15d-FACoCGSD-142.1, 15d-SABAN-143.1, 15d-MENACCCCDINEWCOMERS-144.1, 15d-FBC-145, 15d-SBDCOC-146., 15d-UPAAGLA-147.1, 15d-BZHS-151.1)

Comment:

We are concerned with the recent proposal to reallocate carbon credits due to the likely impact this will have on anticipated Tier 2 revenue under the terms of last year's agreement codified in SB 840 to extend the cap-and-invest program. Without sufficient discretionary revenue from GGRF, it is difficult to see how Clean Cars 4 All would have funding to continue past the end of CY 2026. (15d-VCAN-126.1)

Comment:

While many of our members rely on grant funding from the Greenhouse Gas Reduction Fund to protect our communities still WE URGE YOU TO REJECT these amendments.

Our membership is of the opinion that this is a false crisis engineered to extract an unfavorable decision from the board that benefits the very interest that caused this climate crisis. Our collective experiences living on the frontlines of poverty impacted communities in the grotesquely celebrated 4th largest economy in the world guides us...

The unfunded giveaways proposed here to manufacturing, and the allowances that pretend not to see the gross revenues of the oil and gas sector under the auspices of "affordability" will actually undermine the stability of the market. (15d-CEJC-171.1)

Comment:

Second, the proposal would effectively deplete the Cap-and-Invest revenue that flows to the Greenhouse Gas Reduction Fund (GGRF) and funds California Climate Investments — the program that invests in the mitigation and adaptation strategies that reduce the impacts and costs of climate change. GGRF is an essential element of California's strategy to build climate resilience and economic affordability through programs that advance low-carbon transportation, affordable transit-oriented housing, community clean air programs, low-income home weatherization, nature-based climate solutions like wildfire resilience and the preservation of agricultural land, and more. Disinvestment in these programs would slow the energy transition when it should be accelerating, impair our ability to adapt even as climate impacts increase, and add burden to environmental justice communities that can ill afford it. Climate mitigation and adaptation are not optional. Rather, public policy focused on reducing emissions and adapting to the consequences of climate change is as essential as public safety services. Climate-driven risks and disasters are significant contributors to the cost-of-living crisis and will only grow over time. Any trade-offs made now to prioritize limited, short-term benefits come at the expense of long-term stability and resilience. We cannot throw away our umbrella as the storm grows stronger. We thank CARB for their diligent — and difficult — efforts in this rulemaking process. We urge you to work in partnership with the state legislature to identify solutions that preserve our landmark climate policies and deliver the economic relief that Californians so desperately need, and we stand (15d-SBC-173.2)

Comment:

Today, however, we are gravely concerned with the program's proposed direction, as identified by CARB in the Proposed Amendments. Specifically, we are concerned with, and object to, the Proposed Amendments' proposal to increase allowances, including to the state's electricity and gas utility companies, by nearly $2 billion annually to support, among other things, an enhanced Climate Credit. This proposal, while well-intentioned, would reduce the GGRF revenue by a commensurate amount annually, which we believe will, in the upcoming fiscal years, zero out hard-fought annual funding for the AHSC, TIRCP, LCTOP, and AB 617 communities. This funding, which has been a centerpiece of the state's climate strategy since 2015, supports the buildout of affordable transit-oriented housing and major transit projects, deployment of zero-emission vehicles, transit service, fare free and discounted transit passes, and community air quality initiatives. Over the last decade, as identified by CARB, implemented projects funded by these programs have delivered the following GHG emission reductions and benefits. • AHSC: 6,632,693 MTCO2e GHG emissions reduced o $4.85 billion invested, with $4.0 billion benefitting priority populations o 22,877 units of affordable housing funded o • TIRCP: 23,369,888 MTCO2e GHG emissions reduced o $2.74 billion invested, with $1.58 billion benefitting priority populations o 263 transit projects implemented o • LCTOP: 7,446,600 MTCO2e GHG emissions reduced o $1.23 billion invested, with $1.14 billion benefitting priority populations o 1,123 projects and services implemented o • AB 617: 282,500 MTCO2e o $527 million invested, with $442.68 million benefitting priority populations o 9,004 projects implemented o We estimate that the constituencies we represent and/or serve will lose up to $1.65 billion in GGRF annually – funding they have relied on for over a decade, without any plan from the state to backfill these losses. Given the GHG reductions from these programs outlined above, reducing their funding will jeopardize the state's ability to meet its 2030 GHG reduction targets. As we understand it, CARB advanced this proposal in the Proposed Amendments in response to calls from some legislators and stakeholders to further address the affordability crisis faced by Californians. In objecting to the proposal, we want to be clear: we agree that the Proposed Amendments should, as called for by AB 1207, address affordability; we believe the Proposed Amendments must apply an understanding of affordability that extends beyond utility bills. To the constituencies we represent and/or serve, addressing affordability requires continued state investment that supports good paying, life-sustaining jobs and means access to affordable housing and transit options, travel timing savings that buy Californians more time with family and friends, and personal health unburdened by the harms of air pollution – not just lower utility bills. Unfortunately, the Proposed Amendments fail on these fronts and regress on the state's efforts to deliver more affordable housing units, more accessible and affordable public transit, and better air quality for our vulnerable communities by gutting key climate programs in favor of slightly lower utility bills. We call on the state to revisit the proposal and maintain robust funding in the GGRF for the AHSC, TIRCP, LCTOP, and AB 617 communities. (15d-CTA-179.1)

Comment:

Today, however, we voice our concerns with the Proposed Amendments' impact to the GGRF, which we believe will, in the upcoming fiscal years, zero out hard-fought annual funding for the AHSC, TIRCP, and LCTOP. More specifically, we estimate that we and the constituencies we serve will lose up to $1.65 billion in GGRF annually – funding we have relied on for over a decade, without any plan from the state to backfill these losses. To date, these programs have invested a combined $6.2 billion in projects and services that delivered generational projects, like affordable transit-oriented housing developments, major transit and rail capital projects and zero-emission transit vehicles as well as quality of life improvements, like transit service expansions and discounted transit passes. Most of this investment benefited California's priority populations, with

89% of total AHSC funding and 94% of total TIRCP and LCTOP funding being directed to disadvantaged and low-income communities. As we understand it, CARB advanced this proposal in the Proposed Amendments in response to calls from some legislators and stakeholders to further address the affordability crisis faced by Californians. In objecting to the proposal, we want to be clear: we agree that the Proposed Amendments should, as called for by AB 1207, address affordability; we believe the Proposed Amendments must apply a broader definition of affordability. To the constituencies we represent and/or serve, addressing affordability requires continued state investment that supports good paying, life- sustaining jobs and means access to affordable housing and transit options, travel timing savings that buy Californians more time with family and friends, and personal health unburdened by the harms of air pollution. Unfortunately, the Proposed Amendments fail on these fronts and regress on the state's efforts to deliver more affordable housing units, more accessible and affordable public transit, and better air quality for our vulnerable communities by gutting key climate programs. We call on the state to revisit the proposal and maintain robust funding in the GGRF for the AHSC, TIRCP, and LCTOP. (15d-TAC-180.1)

Comment:

We urge the Board to carefully evaluate the proposed amendments' potential effects on Greenhouse Gas Reduction Fund (GGRF) revenues. Early analysis suggests the amendments could result in significant near-term reductions in GGRF proceeds. Transportation represents nearly half of all California's greenhouse gas (GHG) emissions and the Greenhouse Gas Reduction Fund must keep transportation emissions reduction at its core. The proposed amendments, combined with GGRF's new allocation framework, will dramatically reduce funds available to address the number one issue this fund targets – on-road transportation. GGRF-funded programs put Californians in clean vehicles, build charging infrastructure, and reduce pollution in the communities that need it most. The clean transportation and clean energy transition are underway and depend on stable, sufficient GGRF investment. Any amendments that reduce that revenue would put those programs, and the climate and equity commitments they deliver, at risk. (15d-CALSTART-195.1)

Comment:

SMMI shows what's possible when California's climate investment framework is strong and directed toward public benefit programs. If proven community-serving GGRF-funded initiatives are allowed to disappear just as they begin to succeed, California risks sending the wrong signal to the clean-economy businesses it has worked so hard to attract and grow. California has proven that it can reduce emissions, create jobs, strengthen communities, and build new markets. Governor Newsom has said that "cutting pollution creates jobs and boosts communities," and California has the receipts: billions of dollars invested, thousands of projects funded, and cleaner technologies moving from promise to deployment. CARB should not adopt amendments that jeopardize that progress. For these reasons, Aclima respectfully urges CARB to revise the proposed amendments to preserve the integrity of the Cap-and-Invest program, protect the state's GGRF investment capacity, and ensure California continues to support the clean innovation economy it has spent more than a decade building. (15d-AI-197.1)

Comment:

We are concerned that elements of the Proposed Amendments—particularly provisions that may rapidly reduce available revenues, including the proposed Manufacturing Decarbonization Credit (MDI)—will erode the long-term stability of funding for essential GGRF programs that support agriculture and working lands, such as the SALC Program. Without a clear commitment to ongoing investment, the state risks constraining affordable housing projects and limiting long-term planning for agriculture in California's rural communities. For rural communities, inconsistent SALC funding creates real challenges: landowners are less likely to pursue conservation projects, local governments face uncertainty in planning, and land trusts are unable to build long-term pipelines of projects. On behalf of AFT, CFT, and CAFB, we urge CARB to revise the Proposed Amendments and respectfully request that the Board consider changes aligned with the legislative scope outlined in SB 840, including actions to: . Ensure stable, continuous funding for SALC Recognize the role of working lands conservation as a key component of the state's overall landuse and economic strategy Avoid changes that would diminish the reliability of funding for this proven program. (15d-AFT-206.1)

Comment:

Should the MDI be retained as a program feature, CARB should revert the MDI to the structure proposed in the January ISOR, which funded the MDI by allocating allowances from future budget years.

…EVCA urges the Board to ensure that any amendments maintain GGRF revenue stability and consistency, sufficient to support the premise, promise, and provisions of SB 840. While revenue decline is an aspect of program design, the decline seen in early analysis is misaligned with the current stage of the clean energy and transportation transition. (15d-TEVCA-121.3)

Comment:

The recently proposed amendments put both our 2030 targets and the stability of the Greenhouse Gas Reduction Fund at risk. They also depart from the spirit of our landmark agreement from last year by seeking to achieve affordability goals without accountability. ... The Legislature worked for more than a year to reform and reauthorize the program. We did so well in advance of the program's sunset to provide certainty to regulated industries, to stabilize the market for allowances, and to send a clear signal that California is committed to the energy transition. The law reflects a hard-fought compromise, and a deliberate balance between ambition and affordability.

AB 1207 reaffirmed our statutory commitment under SB 32 (Pavley, 2016) to achieve "at least 40 percent" below 1990 levels by 2030. This clear commitment includes unambiguous direction "to achieve the maximum technologically feasible reductions in greenhouse emission to achieve the requirements" of our 2030 and 2045 targets (Cal. Health & Safety Code §38566 and §38562.2). These are not optional suggestions: these targets are "requirements" that must be "achieved."

Based on these 2030 and 2045 commitments, SB 840 established clear expectations for ongoing revenues to support investments in vital public services and infrastructure that our communities are counting on. ... CARB must stay on course to meet the 2030 targets by doing the following:....2. Provide clarity that the 2030 target remains in force, and that the MDI program not be permitted to expand the emissions cap, including by limiting the total quantity of MDI-related instruments and requiring a commensurate adjustment to the allowance budget. (15d-ALO-42.2)

Comment:

Unfortunately, we are gravely concerned about the evolution of the Manufacturing Decarbonization Incentive (MDI) and the resulting impact it will have on the Climate Credit (CC) and the Greenhouse Gas Reduction Fund (GGRF). The MDI could overwhelm the benefits of the aforementioned reforms for electricity customers, because the MDI will stagnate the value of the allowance and potentially have other unintended consequences.

Decarbonization of these sectors is vital to reach our climate goals, but doing so in this format significantly reduces the value of the CC and GGRF, which are also focused on decarbonization. This proposal would instead prioritize cost-containment benefits to industry over affordability benefits to Californians, while also hindering California's decarbonization goals. It is more important to prioritize household electricity savings and remove the MDI so that the value of the allowance can increase as a result of a tighter market.

We urge you to reconsider this revision because these incentives via allowances through the MDI mechanism, above the emissions cap are expected to keep the value of the allowances at the floor and the market potentially undersubscribed. We respectfully request that you revise the regulations yet again to eliminate the MDI and provide electricity customers greater relief through an increased value of the Climate Credit. (15d-Torres-58.2)

Comment:

The proposed amendments make significant changes to the investments funded by the program without any legislative direction. AB 1207 requires CARB and other agencies using GGRF money to, upon request by the Legislature, report annually on the expenditures of GGRF. How are the 20-plus agencies implementing programs funded by GGRF planning to adjust their programs based on reductions to anticipated reductions in GGRF revenues? Were they consulted before this proposal was released?

Many of our concerns relate to the Manufacturing Decarbonization Incentive (MDI), and for good reason. MDI was in no way proposed or intended by the Legislature in passing or reauthorizing Cap-and-Invest. The impact of this incentive is drastic, jeopardizing our efforts to aggressively address climate change.

The Legislature has demonstrated its commitment to addressing the high cost-of-living Californians face today while building the clean energy future of tomorrow. Through the annual budget process of the funds raised by Cap-and-Invest auctions, the Legislature has committed ongoing investments in transit, sustainable housing development, wildfire mitigation, clean water, and clean air in the state's most burdened communities. The creation of the MDI disrupts those commitments and defunds those priorities in order to ply industry with further incentives to do more of what they do today, pollute. We remain skeptical that more allowances to industry will help Californians weather the historic fuel prices being caused by the United States current conflict with Iran. The best way to address affordability is by making strategic investments to protect public health and transition California off fossil fuels; these proposed amendments run counter to that vision. .... Concern three: The proposed amendments make significant changes to the investments funded by the program without any legislative direction.

Q1: Will the implementation of MDI as proposed mean fewer allowances are available for auction? Is MDI anticipated to reduce demand from covered entities for auctioned allowances to cover their compliance obligations?

Q2: CARB was directed by AB 1207 to "evaluate the cost impact of [cap-and-invest] on California consumers when it revises regulations implementing [cap-and-invest]". What is the result of that evaluation? Does CARB consider the cost impact on consumers of billions fewer dollars in GGRF investments? How will providing millions of additional allowances to industry lower consumer cost impacts? Q3: AB 1207 requires CARB and other agencies using GGRF money, upon request by the Legislature, to report annually on the expenditures of GGRF. How are the 20-plus agencies implementing programs funded by GGRF planning to adjust their programs based on reductions to anticipated reductions in GGRF revenues?

Q4: Did CARB consult with agencies administering those programs about the impact of eliminating their only viable funding sources?

Q5: What projects are eligible to receive MDI allowances? What other state incentives do those technologies receive? Are GHG emissions reductions already attributed to those other state incentives?

Q6: Chapter 4.1 of Division 26 of the Health and Safety Code ensures GGRF expenditures support legislative priorities in numerous ways, including directing funds to disadvantaged communities; requiring various economic, labor, and public health co-benefits; and stating the Legislature’s express intent to fund clean transportation, housing and community investment, clean air and water, wildfire prevention and resilience, agriculture, clean energy, and climate-focused innovation. What, if any, additional requirements apply to MDI investments to ensure they support legislative priorities?

Q7: As proposed, does Legislature have any say whatsoever in determining how the MDI program is implemented or how MDI funds are being appropriated? (15d-SCBSDEGRSD-176.3)

Comment:

2. Ensure that program amendments do not undermine legislative commitments to maintain affordability and adequate levels of program funding for the California Climate Credit and Greenhouse Gas Reduction Fund (GGRF), most critically for AB 617 communities and community air protection programs. The current proposal significantly increases free allowances to industry, effectively shifting billions from household affordability measures to polluting industries. (15d-Wechsler-59.2)

Comment:

The April 15-Day Amendments, as proposed, would significantly undermine this program at the exact moment it must be strengthened. The changes would reduce annual revenue to the Greenhouse Gas Reduction Fund (GGRF) by an estimated $2 billion per year, eroding investments that help Californians address both climate impacts and rising costs. This loss in revenue is particularly concerning given

significant state budget constraints that have resulted in cuts to safety net services, simultaneous rollbacks in federal climate funding, and the withholding of federal disaster relief. The reduced GGRF revenue would fall hardest on low-income and disadvantaged communities, which are disproportionately exposed to both climate harms and affordability pressures. ... The MDI program alone is projected to lower auction revenue by $4 billion should the incentives be fully utilized over the next four years[1]. ... We request that CARB swiftly update and finalize the regulation in time to implement changes this fall with the following critical revisions: ... Protect GGRF revenues, rejecting any changes that would reduce funding and jeopardize investments that help Californians address climate-driven cost increases. California cannot afford to weaken one of its most cost-effective climate and affordability tools.

Cap-and-Invest was designed to hold polluters accountable while funding solutions that help Californians manage the rising costs driven by climate change, not to expand benefits for regulated industries at the expense of climate progress and public investment. CARB must ensure program amendments do not undermine legislative commitments to maintain affordability and adequate levels of program funding for the California Climate Credit and GGRF, most critically for AB 617 communities and community air protection programs (15d-CLPC-75.1)

Comment:

SB 840—signed by the Governor—established a carefully negotiated framework for the ongoing investment of GGRF revenues into critical public programs, including wildfire mitigation, affordable housing, clean transit, safe drinking water, and community air quality initiatives. These appropriations reflect explicit legislative intent to deliver durable benefits to California communities from the program’s market revenues. The proposed MDI and related changes would reduce GGRF revenues by an estimated $2 billion or more annually. At that scale, the continuous appropriations established under SB 840 would be effectively zeroed out. The Legislature did not authorize — and could not have contemplated — regulatory changes that would so fundamentally hollow out the funding structure it created and the Governor agreed to. Adopting these changes through a 15-day notice process, without legislative review or additional public analysis, is inconsistent with the intent and scope of the 2025 legislative framework and raises serious questions about the legal authority for these amendments. (15d-PFT-80.6)

Comment:

The Proposed Amendments would provide greater allowance allocations for industrial purposes through the Manufacturing Decarbonization Incentive (MDI) program, resulting in less funding available for the Program specifically the GGRF and the California Climate Credit. Such industrial allowances would include covered manufacturing activities and facilities including the production of finished cement, steel production, and food processors. The Proposed Amendments also include greater allowances for utilities, product-based industrial uses for light duty vehicle assembly, and in-state mining and manufacturing of materials using minerals mined in-state, as well as a three-year delay for covered emissions associated with a facility that is an independent merchant refinery. The potential to lose up to $8 billion through 2030 would present an approximate 50% decrease in annual GGRF funding, which would redirect the Legislature's discretionary funding (Tier 2) and essential programs in Tier 3 (including affordable housing, wildfire prevention, safe drinking water, transit, and air quality programs, among others) from receiving any funding at all. This is a structural reduction, not a short-term fluctuation and would dramatically alter the agreed upon GGRF framework by the Legislature and Governor last year. Even independent analyses show the MDI program could impact the GGRF by estimates of up to $4 billion in lost auction revenue and $1.7 billion in the California Climate Credit to support more affordable utility bills for ratepayers through 2030. For CARB to continue to make progress towards our state's climate goals, such tradeoffs to provide leniency and free allowances for industry are not justified or in any way balanced in administering the state's more transformational, publicly funded climate program. (15d-LCCCASAC-131.1)

Comment:

Sierra Business Council (SBC) writes to express its extremely strong concerns about the Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (Proposed Amendments), released by the California Air Resources Board (CARB) on April 14, 2026. With gas prices over $7 per gallon, limited to nonexistent transit options, and high rates of energy-burdened households, the communities of our rural Sierra Nevada region struggle daily with affordability. However, SBC has long operated with the knowledge that reducing the impacts of climate change offers both short- and long-term solutions for both affordability and economic opportunity that our region needs. Now more than ever, California needs to embrace those climate solutions and build the economic strategies of the 21st century, including electrification, climate-forward land use and development, and natural resource stewardship. Now more than ever, it is clear that those strategies cannot be rooted in fossil fuels. We appreciate CARB’s efforts to balance affordability with emissions reductions, but the Proposed Amendments represent a concerning turn away from California’s climate commitments that, simply put, Californians cannot afford. The Proposed Amendments are untenable on several levels. First, we are gravely concerned about the proposal to release 118 million metric tons of allowances into the market, providing nearly $3.5 billion in subsidies and increasing emissions to a level likely incompatible with California’s statutorily mandated 2030 emissions reduction targets. This move would drag out California’s reliance on fossil fuels, reduce the long-term strength and efficacy of our flagship climate policy, and compromise our position as an international climate leader. Moreover, success is far from guaranteed: any improvements in affordability would still depend on 1) the resolution of international geopolitical conflict and supply chain disruptions beyond the reach of any state policy decision; and 2) the willingness of the oil and gas industry — the very entities responsible for climate change, who misled the public for decades about their role in and knowledge of the problem, and who are currently enjoying record-breaking profits — to pass along savings to customers. (15d-SBC-173.1)

Comment:

The amendments described in the April 14th 15-Day changes proposal will compromise the program’s integrity with an oversupply of emissions allowances, which will severely hinder California’s progress toward the statutory emissions goal of 40% under 1990 levels by 2030. These amendments that undermine the program’s function will also gut the revenue funneled into the Greenhouse Gas Reduction Fund (GGRF) by an estimated $2 billion per year. This comes at a time when our state is cutting safety net services across the board for Californians, and the federal government is clawing back environmental funding resources. GGRF is a critical source of state funding for community investments like transit, parks, clean cars, charging infrastructure, electrifying homes, and critical disaster response. The California Climate Credit provided to energy ratepayers would also face a decrease in auction revenue, canceling out the real affordability benefits of this bill relief program.

Californians are feeling the real impacts of climate disasters. Our communities and lands are devastated, and the climate crisis is driving the affordability crisis. Families are bearing the costs of a warming planet through insurance premiums and utility bills, health expenses and hospital bills, higher prices on household goods, and are held hostage by Big Oil’s price gouging at the pump.

CARB has the responsibility to steer California toward necessary climate progress, which is made even more urgent by the federal administration’s systematic dismantling of key environmental programs and funding sources. We are rapidly approaching 2030, and CARB’s plan for Cap-and-Invest as proposed in the 15-Day Amendments is unacceptable. (15d-CEV-178.1)

Comment:

Eliminate the Manufacturing Decarbonization Incentive (MDI), which would provide incentives to industry while depressing the allowance auction revenue…

Protect Cap-and-Invest revenues, rejecting any changes that would reduce funding and jeopardize investments that help Californians address climate-driven cost increases. The consequences of this proposal to the program's Greenhouse Gas Reduction Fund (GGRF) are severe. This dwindling pot of money has invested billions of dollars in dozens of critical programs – clean vehicle access, safe and affordable drinking water, wildfire resiliency, and affordable housing. A failing program will decrease dollars for our state's environmental programs. Around nine billion dollars from this fund has already been invested in programs benefitting California's disadvantaged and low-income households, the "priority populations". This group is hit the hardest by the impacts of climate change and will be impacted the most by these programs going unfunded. (15d-Sells-188.2)

Comment:

There's also a significant budget consequence. These amendments create a $1.65 billion shortfall in funding for public transit operations and affordable housing near transit. These are critical investments for our state's future. Cutting this funding to provide additional subsidies to the oil industry raises serious questions about our priorities. (15d-Maya D-19.2)

Agency Response:

No changes were made in response to these comments. CARB is legislatively mandated to cost-effectively reduce emissions in furtherance of the state's climate targets, mitigate emissions leakage, and consider affordability (among others in Health and Safety Code section 38562). These legislative requirements remain the primary focus of the Program and the Proposed Amendments. Auction revenue is also an important feature of the Program, as projects funded by that revenue through the GGRF provide important additional environmental benefits. However, CARB does not have a legislative requirement to maximize GGRF revenue and does not determine how GGRF revenues are appropriated. The Governor and Legislature have determined how to spend GGRF revenue as part of the annual budgeting process. Under SB 840 and the annual state budget process, the Legislature and Governor prioritized and directed how GGRF proceeds would be expended going forward.

In response to the ISOR and the 45-day Amendments, CARB received voluminous comments from a wide range of stakeholder groups (including, notably, various legislators, including the author of AB 1207) urging that the Program further prioritize affordability for consumers and emissions leakage protection for industry, in light of a significant increase in Program stringency with annual allowance budgets decreasing 11% per year from 2027-2030 and the unprecedented energy disruptions and economic conditions. CARB considered these comments and agreed further changes could be made to address these statutory mandates while also still achieving the emissions reductions needed and preserving the integrity of the Program. See, e.g., Agency Response to Comments H-1.1a, H-4.1a, O-1.1a, O-1.3a, and O-5.1a. The 15-day Amendments increased 2027-2030 allowance allocation to utilities and industry in response to this feedback, while leaving allocation under the post-2030 Program to a future rulemaking (also after consideration of and in response to public comments, see, e.g., Agency Response to comments H-2.2 and O-5.4a). That future rulemaking will further evaluate the balance of allowances available for utility allocation for energy affordability, industrial allocation for emissions leakage protection, and auctions, which generates revenue for the GGRF, under the more stringent post-2030 annual budgets. In response to the 15-day

Amendments, CARB received numerous comments opposed to the resulting reduction of allowances for auction (and, thereby, the assumed reduction in revenue for GGRF). While CARB agrees the projects funded by GGRF are important and beneficial, CARB ultimately did not make changes in response to those comments because maximizing or preserving auction revenue (let alone directing how the revenue is spent) is not within CARB's statutory purview. Furthermore, there is uncertainty in how auction revenue will actually be impacted since the quantity of auctioned allowances, while a factor, is not the sole determiner of the revenue generated. CARB believes the Proposed Amendments, including the amended MDI proposal, represent the best balance of its statutory obligations and Program objectives based on the record.

Under the final Proposed Amendments, the number of State-owned allowances auctioned that raise proceeds for the GGRF will decrease through 2030 due to the removal of 118 million allowances from annual budgets, the updated allowance allocation for electric utilities, which provides additional value to electric utility ratepayers through the California Climate Credit, and increased near-term compliance support to minimize emissions leakage risk from industry.[2] Together these changes address affordability and emissions leakage mitigation requirements in AB 1207 and reduce the amount of allowances available for auction by about eleven percent of the total relative to the 45-day Amendments.

Further, the 15-day Amendments updated the MDI allocation proposal by funding it with new current vintage allowances populated in the Build Up California Reserve Account, instead of allowances borrowed from future annual budgets. Because MDI allocation draws from new allowances in the in the Build Up California Reserve Account, implementation of MDI allocation will not change the number of state-owned allowances that are made available at quarterly auctions. This change helps protect future auction proceeds for the GGRF and California Climate Credit by not reducing the number of allowances offered at auction nor the allowances available for future utility allocation. And any unlikely and potential market effect of providing MDI allowances to eligible facilities would be at least partially counteracted by implementation of allowance removals for offset use, as directed by AB 1207, which will remove additional allowances from future budgets corresponding with offsets used for up to 6% of total covered entity compliance obligations. Unlike MDI allocation, implementation of allowance removals for offset use will reduce the number of state-owned allowances that are made available at quarterly auctions.

[2] The 15-day Amendments increase the total share of 2027-2030 annual allowance budgets used for allocation to utilities and industry by around 7% and 3.5%, respectively, relative to the ISOR proposal.

There is uncertainty as to how many applications will be received under the MDI program and how many allowances would be awarded over time. As directed in Board Resolution 26-7, CARB staff will evaluate and propose, as appropriate, future amendments to the MDI program, and report to the Board at the end of each compliance period on the status of the MDI program, including types of projects supported by MDI allowances, the projects' need for financial incentive, how the incentive accelerated project implementation, results and progress toward meeting the expected GHG emissions reductions as third-party verified, any unused MDI allowances still in circulation, and unused MDI allowances returned to CARB for retirement.

Please also refer to Master Response 4 in the Response to Comments on the Environmental Impact Analysis for further discussion on the impact of the Proposed Amendments on the GGRF.

W-1.3c Multiple Comments: Impacts on GGRF

As the Chair of the Senate Transportation Committee, | am deeply concerned that CARB's April 14th proposed changes to the Cap & Invest program could have a devastating impact on California's already-struggling transit operators and threaten our ability to deliver the nation's first high speed rail system. When the Legislature reauthorized the Cap & Invest program last year through AB 1207 (Irwin) and SB 840 (Limon), we prioritized funding to deliver the California High Speed Rail project, support regional transit capital projects, and expand transit service. SB 840 explicitly reserves $1 billion annually from the auction of Cap & Invest allowances for the High Speed Rail project, until 2045. It also sets aside up to $400 million annually for the Transit and Intercity Rail Capital Program (TIRCP), and $200 million for the Low-Carbon Transit Operations Program (LCTOP). These programs serve communities across the state, support middle-class jobs, and reduce greenhouse gas emissions. CARB's April 14th regulatory proposal undermines the Legislature's intent to support transit and high-speed rail. CARB's revenue estimates show shortfalls in all tiers to fully fund SB 840's commitments. In fact, under this revenue scenario, there could be zero funding available for TIRCP and LCTOP, and High Speed Rail's minimum funding amount of $1 billion would be mathematically unworkable without impairing funds reserved for other legislative priorities. The 2026 Draft HSR Business Plan shows that a minimum of $1 billion is critical to meet project timelines. The draft plan also indicates the Authority's need to securitize GGRF revenue reserved for the project in order to bring forward funds needed to complete the first phase of the project. Bonding against any funding source requires absolute certainty. CARB's proposed changes to the program could jeopardize the future of the project that the Governor and Legislature clearly prioritized in reauthorizing the Cap & Invest program. As Chair of the Senate Transportation Committee, I am unwilling to concede that outcome. (BH-Cortese-10.1)

Comment:

Our member MPOs are required by Senate Bill 375 (Steinberg, 2008) to demonstrate, through their Regional Transportation Plans and SCS, that their regional land-use and transportation strategies will meet the GHG emissions reduction targets set by CARB. The investments made possible by AHSC, TIRCP, and LCTOP are not ancillary to our regional GHG modeling. They are embedded in it. When our members developed their long-term plans, they did so with reasonable expectations that these state programs would remain funded and operational. Eliminating that funding does not just harm individual projects, it undermines the analytical foundation of plans that have already been adopted. The Proposed Amendments create a direct regulatory conflict that CARB has not yet addressed: the Board cannot simultaneously reduce the financial tools available to regions and hold those regions to the same climate performance obligations. If CARB moves forward with amendments that, according to the Legislative Analyst’s Office, would reduce GGRF revenues by approximately $2 billion, insufficient even to fully fund Tier 2 programs and thereby eliminate billions in annual investment in AHSC, TIRCP, and LCTOP, then CARB must also revisit the SB 375 GHG reduction targets it has established for MPOs. Expecting regions to achieve the same emissions outcomes with dramatically fewer resources is neither technically defensible nor equitable. (BH-CALCOG-11.1)

Comment:

AC Transit is a pioneer in zero-emission technology and our progress is directly linked to the Greenhouse Gas Reduction Fund (GGRF). CARB’s proposed amendments threaten to "zero out" annual funding for critical programs, potentially resulting in a $1.65 billion annual loss statewide. For AC Transit, these reductions jeopardize the following:

• TEMPO Bus Rapid Transit: LCTOP acts as the operational lifeline for our flagship BRT system, serving 17,000 daily riders. A funding loss creates a significant risk of service cuts to a vital link to work and education

• Zero-Emission Transition & Grid Resiliency: TIRCP funded a critical on-site microgrid at our East Oakland division that allows AC Transit to bypass local utility constraints. This infrastructure is essential for charging our battery-electric fleet and complying with the state’s mandated transition to a fully zero-emission fleet. This on-site generation also ensures resiliency during emergencies and natural disasters.

• Richmond Corridor Safety and Access: LCTOP and AHSC funds drive safety and operational upgrades—including modernized signal priority and multi-modal infrastructure—along the Macdonald Avenue and Cutting Boulevard corridors in the City of Richmond, ensuring a safer network for transit, cyclists, and pedestrians. The equity implications are stark. Historically, 94% of our TIRCP/LCTOP funding and 89% of AHSC funding have been directed to disadvantaged and low-income communities. Given that 75% of AC Transit's riders are people of color and 65% are from low-income households, stripping these funds disproportionately impacts the "priority populations" the state has pledged to protect. (BH-ACCTD-13.1)

Comment:

I am writing to express my opposition to proposed amendments to the Cap On Greenhouse Gas Emissions And Market-Based Compliance Mechanisms Regulation (capand-invest program) that are before the board this week. These amendments endanger funding for key programs, including low carbon transit operations (LCTOP), affordable housing (AHSC), and community air protection (AB 617) and serve the interests of some of the state's largest greenhouse gas emitters. I believe it is essential to sustain funding for these programs to address Californians' affordability concerns in the long term. I have also contacted the governor's office to communicate this position. (BH-Landenberger-14.1)

Comment:

The California Air Resources Board (CARB) must protect robust capital infrastructure allocations for public transit agencies within the funding of TIRCP and the LCTOP. Changes that eliminate or reduce focus on agency capital infrastructure will have devastating impacts on local, municipal transit systems like the City of Pasadena. Shifting Cap-and-Trade auction proceeds toward decentralized, direct-to-consumer incentives midstream, particularly amid a changing federal funding landscape, will leave agencies stranded halfway through their zero-emission transitions, regardless of whether it's mandatory or not.

...

The consequences of defunding public transit infrastructure in pursuit of decentralized consumer incentives will fall disproportionately on the most disadvantaged members of the state. Public transit serves captive riders who lack the financial means to participate in consumer electric-vehicle or e-bike subsidy programs. Subsidizing individual vehicle ownership while allowing municipal transit networks to fail undermines the core equity mandates of California's climate policy, leaving transit-dependent populations without essential, clean mobility.

The City of Pasadena strongly requests that CARB insulate active municipal transit grants, protect the structural integrity of TIRCP and LCTOP capital allocations, and value long-term systemic VMT reduction over short-term consumer vehicle deployment. (BH-CoP-15.1)

Comment:

Today, however, we voice our concerns with the Proposed Amendments' impact to the GGRF, which we believe will, in the upcoming fiscal years, zero out hard-fought annual funding for the AHSC, TIRCP, and LCTOP – funding we have relied on for over a decade, without any plan from the state to backfill these losses. To date, these programs have invested a combined $6.2 billion in projects and services that delivered generational projects, like affordable transit-oriented housing developments, major transit and rail capital projects and zero-emission transit vehicles as well as quality of life improvements, like transit service expansions and discounted transit passes. Most of this investment benefited California's priority populations, with 89% of total AHSC funding and 94% of total TIRCP and LCTOP funding being directed to disadvantaged and low-income communities. As we understand it, CARB advanced this proposal in the Proposed Amendments in response to calls from some legislators and stakeholders to further address the affordability crisis faced by Californians. In objecting to the proposal, we want to be clear: we agree that the Proposed Amendments should, as called for by AB 1207, address affordability; we believe the Proposed Amendments must apply a broader definition of affordability. To the constituencies we represent and/or serve, addressing affordability requires continued state investment that supports good paying, life-sustaining jobs and means access to affordable housing and transit options, travel timing savings that buy Californians more time with family and friends, and personal health unburdened by the harms of air pollution. Unfortunately, the Proposed Amendments fail on these fronts and regress on the state's efforts to deliver more affordable housing units, more accessible and affordable public transit, and better air quality for our vulnerable communities by gutting key climate programs. We call on the state to revisit the proposal and maintain robust funding in the GGRF for the AHSC, TIRCP, and LCTOP. We know that CARB is balancing numerous objectives with the Proposed Amendments and is working to enact a final regulation that furthers the state's climate and air quality goals while also confronting the challenges faced by regulated industries and everyday Californians. We ask that, as CARB advances the Proposed Amendments, that you consider the importance of the GGRF-funded programs and their role in addressing affordability and mobility and incorporate this more expansive understanding in the final regulation. (BH-ACTC-16.1)

Comment:

On behalf of SunLine Transit Agency (SunLine), I write to request that the California Air Resources Board delay action on the proposed amendments to the Cap and Invest program which would have devastating impacts on state transit and housing funding. I also wish to express our strong support for preserving and strengthening California's long-standing investments in transit, mobility, and sustainable community programs funded through the State's Cap-and-Invest program and Greenhouse Gas Reduction Fund (GGRF).

...

SunLine respectfully urges the California Air Resources Board to secure strong and reliable funding for transit and sustainable community programs through the Cap-and-Invest program. Continued investment in these proven programs is essential to supporting California's climate goals while ensuring communities throughout the state continue to benefit from affordable, reliable, and sustainable transportation options. (BH-STA-17.1)

Comment:

I am concerned that CARB's April 14th proposed changes to the Cap & Invest program could have a devastating impact on California's already-struggling transit operators. Public transportation is a critical part of the State's strategy to reduce greenhouse gas emissions. The transportation sector is the state's largest source of emissions, yet it remains outside the scope of the Cap-and-Invest program. For this reason, it is essential to ensure GGRF dollars continue to support public transportation to serve communities across the state, support middle-class jobs, and reduce greenhouse gas emissions. 2025 Cap & Invest Program: Last year, the Legislature reauthorized the Cap & Invest program through AB 1207 (Irwin) and SB 840 (Limon). As part of the reauthorization, the Legislature tasked CARB with prioritizing the prevention of emissions leakage, and committed to investments in regional transit capital projects and expanded transit service. In addition, SB 840 set aside up to $400 million annually for the Transit and Intercity Rail Capital Program (TIRCP), and $200 million for the Low-Carbon Transit Operations Program (LCTOP). April 14th CARB Amendments: CARB's proposed amendments increase the share of allowance value directed to expanded industrial decarbonization support, including, notably, for refineries. As a result, less auction revenue is expected to remain available for discretionary GGRF programs such as public transit. CARB's revenue estimates show shortfalls in all tiers to fully fund SB 840's commitments. In fact, there could be zero funding available for TIRCP and LCTOP. This proposal undermines the Legislature's intent to support transit. (BH-Papan-103.1)

Comment:

I am writing to ask CARB to reject the proposed regulations for Cap and Invest. We have an affordable housing crisis and climate crisis! Investments in housing and public transportation are absolutely essential for California to meet its climate goals. As well, these investments are essential for many low income, elderly, and disabled people. Now is clearly not a time to cut funding for housing and public transportation. (BH-Maier-19.1)

Comment:

You should reject this proposal. We are in historic affordable housing and climate crises so why are you taking money from affordable housing and public transportation to do a giveaway to giant polluters who are already making a killing by killing us? Why does Gavin Newsom care more about corporate donors than the people he is supposed to represent? We are already falling way behind in our climate goals and are not on track to meet our 2030 targets. This is going to make things way worse. Stand up for the people of California and say NO to this proposal! (BH-Wheeler-20.1)

Comment:

On behalf of the City of Santa Rosa, I write to express our significant concerns regarding the proposed amendments to the Cap-and-Invest Program scheduled for consideration by the California Air Resources Board on May 28. If adopted, the amendments would reduce Greenhouse Gas Reduction Fund (GGRF) revenues by approximately $2 billion annually and eliminate funding for several critical transit and housing programs, including the Low Carbon Transit Operations Program (LCTOP), the Transit and Intercity Rail Capital Program (TIRCP), and the Affordable Housing and Sustainable Communities Program (AHSC). In the City of Santa Rosa, the specific impacts include:

- Loss of LCTOP funding that is used in conjunction with local sales tax revenue from Go Sonoma to fund the Santa Rosa CityBus fare-free program for youth...

- Potential loss of $1.7 million in TIRCP Cycle 5 funds for expansion of the City’s electric bus charging station, due to lack of funds in the program to keep commitments to grantees...

We recognize that the proposed amendments are intended to address affordability concerns for consumers. However, as currently drafted, they would significantly undermine GGRF-funded programs that support good-paying jobs, affordable transportation, and California’s climate goals. (BH-CSR-21.1)

Comment:

Good afternoon, Chair Sanchez and Board members. Richard Filgas on behalf of the California Farm Bureau. I appreciate the opportunity to provide comment today and would like to express our serious concern regarding the proposed amendments to the Cap-and-Invest Program, particularly the potential impacts on GGRF revenues and the long-term stability programs that rely on those investments. For California agriculture, GGRF has become a critical that supports practical, on-the-ground climate solutions that are delivering measurable environmental benefits, while helping farmers and ranchers remain productive and economically viable in an increasingly challenging operating environment. Through programs supported by GGRF, farmers and ranchers across the state have been able to invest in practices and technologies that reduce GHGs, improve soil health, that conserve water, improve air quality, increase energy efficiency, and strength and resilience to drought and extreme weather. Importantly, these programs help producers achieve California's climate objectives, while continuing to provide a safe, reliable and affordable food supply. Given estimates that proposed modifications to the Program could reduce GGRF revenues by roughly half compared to recent years, we're deeply concerned about the long-term implications for these important programs. Reduced revenues will inevitably create greater competition for already limited funding, increasing uncertainty for producers attempting to plan long-term investments, and potentially slow the adoption of practices that directly support the State's climate and environmental goals. Farmers and ranchers make business decisions over multi-year timelines and many climate-smart investments require substantial up-front costs and long-term planning. Uncertainty surrounding future program funding makes it significantly more difficult for producers to move forward with projects that the State has encouraged and prioritized for years. For these reasons, we respectfully urge the Board to reject the proposed amendments. Thank you. (BH-CFB-206.1)

Comment:

Transit and affordable housing are long term community investments that reduce GHGs and improve affordability for the communities that need it the most. In my community of Santa Monica, these funds are being used to electrify our bus fleet, provide charging infrastructure, expand transit service, and build affordable housing. These are the sort of projects I want this state to fund as we work to address climate change and California's housing crisis. CARB must reject these proposed regulations and not to gut these vital funding sources. California's climate investments should fund clean investments, not subsidies for the very industries that are driving our climate crisis. We need CARB to REJECT the proposed "regulations" and instead maintain the cap and invest in GHG reducing programs — not giveaways to profit-driven, dirty industries. Future generations are depending on us - and for you to do the right thing and reject these proposed regulations I am outraged that California's air quality regulators are proposing to eliminate critical funding for clean air, clean water, public transit, and affordable housing just to give even more money to Big Oil! (BH-Rose-24.1)

Comment:

Today, however, we voice our concerns with the Proposed Amendments' impact to the GGRF, which we believe will, in the upcoming fiscal years, zero out hard-fought annual funding for the AHSC, TIRCP, and LCTOP. To date, these programs have invested a combined $6.2 billion in projects and services that delivered generational projects, like affordable transit oriented housing developments, major transit and rail capital projects and zero-emission transit vehicles as well as quality of life improvements, like transit service expansions and discounted transit passes. Most of this investment benefited California's priority populations, with 89% of total AHSC funding and 94% of total TIRCP and LCTOP funding being directed to disadvantaged and low-income communities. As we understand it, CARB advanced this proposal in the Proposed Amendments in response to calls from some legislators and stakeholders to further address the affordability crisis faced by Californians. In objecting to the proposal, we want to be clear: we agree that the Proposed Amendments should, as called for by AB 1207, address affordability; we believe the Proposed Amendments must apply a broader definition of affordability. To our constituents, addressing affordability requires continued state investment that supports good paying, life-sustaining jobs and means access to affordable housing and transit options, travel timing savings that buy Californians more time with family and friends, and personal health unburdened by the harms of air pollution. Unfortunately, the Proposed Amendments fail on these fronts and regress on the state's efforts to deliver more affordable housing units, more accessible and affordable public transit, and better air quality for our vulnerable communities by gutting key climate programs. We call on the state to revisit the proposal and maintain robust funding in the GGRF for the AHSC, TIRCP, and LCTOP. We know that CARB is balancing numerous objectives with the Proposed Amendments and is working to enact a final regulation that furthers the state's climate and air quality goals while also confronting the challenges faced by regulated industries and everyday Californians. We ask that, as CARB advances the Proposed Amendments, that you consider the importance of the GGRF-funded programs and their role in addressing affordability and incorporate this more expansive understanding in the final regulation. (BH-CS-25.1)

Comment:

CARB's proposed amendments threaten to "zero out" annual funding for critical programs, potentially resulting in a $1.65 billion annual loss statewide. These impacts will be felt across the tier 3 investments for the Greenhouse Gas Reduction Fund (GGRF), including the Low Carbon Transit Operations Program (LCTOP), the Transit and Intercity Rail Capital Program, and the Affordable Housing and Sustainable Communities (AHSC) Program. While this redesign to the Cap-and-Invest is designed to provide relief for consumer's utility bills, defunding these critical GGRF programs will make it more difficult to live without relying on an expensive personal vehicle and without the support of the AHSC program, the progress on developing affordable housing throughout the state may stall, resulting in higher housing costs for seniors on a fixed income. ... We respectfully ask the California Air Resources Board to pause taking action at their May 28th hearing and explore alternatives to its Cap-and-Invest proposal that will not unduly harm the nearly 250,000 seniors who live in Alameda County. (BH-USOAC-27.1)

Comment:

As a community with twice the state average for public transit ridership and 8.5% of residents living below the poverty line, Hayward relies on public transportation. Hayward is fortunate to have two BART stations and bus service provided by AC Transit. AC Transit is a pioneer in zero-emission technology and their progress is directly linked to the Greenhouse Gas Reduction Fund. CARB's proposed amendments threaten to "zero out" annual funding for critical programs, potentially resulting in a $1.65 billion annual loss statewide. Given that 75% of AC Transit's riders are people of color and 65% are from low-income households, stripping these funds disproportionately impacts the "priority populations" the state has pledged to protect. I urge CARB to pause and revisit its Cap-and-Invest proposal. Thank you for your consideration. (BH-CoH-34.1)

Comment:

Today, however, we voice our concerns with the Proposed Amendments' impact to the GGRF, which we believe will, in the upcoming fiscal years, zero out hard-fought annual funding for the AHSC, TIRCP, and LCTOP – funding we have relied on for over a decade, without any plan from the state to backfill these losses.... As we understand it, CARB advanced this proposal in the Proposed Amendments in response to calls from some legislators and stakeholders to further address the affordability crisis faced by Californians. In objecting to the proposal, we want to be clear: we agree that the Proposed Amendments should, as called for by AB 1207, address affordability; we believe the Proposed Amendments must apply a broader definition of affordability. To the constituencies we represent and/or serve, addressing affordability requires continued state investment that supports good paying, life-sustaining jobs and means access to affordable housing and transit options, travel timing savings that buy Californians more time with family and friends, and personal health unburdened by the harms of air pollution. Unfortunately, the Proposed Amendments fail on these fronts and regress on the state's efforts to deliver more affordable housing units, more accessible and affordable public transit, and better air quality for our vulnerable communities by gutting key climate programs. We call on the state to revisit the proposal and maintain robust funding in the GGRF for the AHSC, TIRCP, and LCTOP. We know that CARB is balancing numerous objectives with the Proposed Amendments and is working to enact a final regulation that furthers the state's climate and air quality goals while also confronting the challenges faced by regulated industries and everyday Californians. We ask that, as CARB advances the Proposed Amendments, that you consider the importance of the GGRF-funded programs and their role in addressing affordability and mobility and incorporate this more expansive understanding in the final regulation. (BH-ACTCC-36.1)

Comment:

The Alameda-Contra Costa Transit District (AC Transit) is writing to express our profound concern regarding the proposed amendments to the Cap-and-Invest program scheduled for the May 28–29 CARB Board meeting. While we remain committed to the state's climate goals, we align with the California Transit Association and over 40 agencies in highlighting the adverse impact these changes would have on the East Bay's transit network. AC Transit is a pioneer in zero-emission technology and our progress is directly linked to the Greenhouse Gas Reduction Fund (GGRF). CARB's proposed amendments threaten to "zero out" annual funding for critical programs, potentially resulting in a $1.65 billion annual loss statewide. (BH-ACT-38.1)

Comment:

MST opposes the proposed amendment due to their impact on the Greenhouse Gas Reduction Fund (GGRF) and the programs it supports. MST depends on these programs to provide safe, clean, and affordable public transit to the low-income residents within the disadvantaged communities we serve. Public transit is one of the most effective tools for curbing greenhouse gas (GHG) emissions reducing an individual's carbon footprint by two tons annually, and greatly reducing Nitrogen Oxide emissions by reducing vehicle miles travelled in private vehicles, and adoption of renewable diesel and renewable energy for our rapidly growing fleet of battery electric buses. From GGRF, MST has received $35M of TIRCP funding providing local matching for federal investments to support construction of new facilities to support zero emission bus operations and maintenance. MST has a current grant application for a additional $10M for the construction of a new fleet operations and maintenance facility in an economically disadvantaged area of our largest community of Salinas. From LCTOP, MST receives $1.0M each year to support free transportation programs to provide local match for our zero-emission battery electric buses. Currently. Monterey County unemployment stand at 10.6% more than double the state rate and Cap and Invest funds are supporting the jobs over 80 masons, carpenters, and heavy equipment operators. Ridership on MST buses are at a 110% of pre-COVID levels in our largest and most disadvantaged communities. Since the start of the Iran War and rapid rise in fuel prices, ridership on our services has increased 13% over the previous year as more and more of our low-income residents are priced out of operating their own private vehicles to get to work, medical appointments, and grocery stores. All of these GGRF supported activities have resulted in meeting state air quality goals, creating and sustaining local jobs, and improving affordability for the most economically vulnerable populations. MST opposes the proposed amendments due to the negative impacts the loss of GGRF funds will have on the most vulnerable members and negative impacts on GHG reductions and affordability. I urge your Board to postpone their adoption and release another 15-day amendment package that protects the GGRF programs and the constituents it serves. (BH-MSTD-44.1)

Comment:

On behalf of the San Francsico Bay Area Rapid Transit District (BART), I write to share concerns with the California Air Resource Board’s (CARB) proposed amendments to the Cap-and-Invest program that will be discussed as Items 26-3-2 and 26-3-3 on the Board agenda for May 28 and 29. We understand these amendments are intended to further the program’s mission of reducing greenhouse gas (GHG) emissions and providing economic benefits throughout the state. However, the impacts to the Greenhouse Gas Reduction Fund (GGRF) would all but eliminate funding for key transit and housing programs. Estimates have shown the proposed staff amendments would cut GGRF funding by nearly $2 billion a year. Within the tiered system of expenditures established by Senate Bill (SB) 840 (Chapter 121, Statutes of 2025), such a cut would essentially defund Tier 3 programs, including the Transit and Intercity Rail Capital Program (TIRCP), the Low Carbon Transit Operations Program (LCTOP), and the Affordable Housing and Sustainable Communities (AHSC) program. Such a drastic reduction in funding would undermine California's efforts to achieve a thriving public transit network and address the state’s affordable housing crisis. ... With all that is at stake, BART respectfully requests CARB delay voting on staff’s proposed amendments. This would allow for additional time to work with all industry stakeholders to find alternative solutions to address the state’s affordability crisis while not jeopardizing programs that support critical transit service, transportation infrastructure, and affordable housing projects. (BH-SFBART-53.1)

Comment:

The Cap and Invest program has been a time-tested and effective program for the reduction of greenhouse gas (GHG) emissions since its introduction. However, the Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market- Based Compliance Mechanisms Regulation go against that record of success by eliminating the Greenhouse Gas Reduction Fund (GGRF). The GGRF provides substantial support to transit systems that our clients rely upon. The GGRF also includes the Affordable Housing Sustainable Communities (AHSC) program, which invests in affordable housing near transit that sustainably reduces GHG emissions while improving affordability and quality of life for working Californians. These long-term investments shorten commutes, improve affordability, and allow people to live closer to their jobs and families. By cutting $1.4 billion from the GGRF program, the proposed amendments would hamstring California's efforts to reduce emissions, while benefiting the refineries that the California Air Resources Board was established to regulate. It would also materially harm the working class Californians that SFHDC serves by reducing their access to transit and housing. For these reasons, SFHDC opposes the proposed amendments, and recommends retaining the emissions cap and Greenhouse Gas Reduction Fund. (BH-SFHDC-55.1)

Comment:

To the extent proposed the changes could significantly harm transit in my region, I could be forced to consider car ownership, which would not only significantly increase my own house-hold emissions, but destabilize my household finances. I am also concerned that this will drastically reduce transit-oriented development. This will not only force people to buy a car and/or drive further, increasing ghg emissions through increased VMT, while increasing housing and transportation prices. The connection between land use patterns and emissions are well known (https://cayimby.org/blog/the-biggest-move-in-climate-action-legalize-infill-housing/). I echo concerns from other commentors that these amendments are taking funding from programs that work at reducing emissions to subsidize industry for less benefits than what we receive as a state by investing in underinvested communities through GGRF. (BH-Sheard-58.1)

Comment:

The Kennedy Commission writes to OPPOSE the Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market- Based Compliance Mechanisms Regulation. We OPPOSE the proposed amendments due to their severe impacts on Greenhouse Gas Reduction Fund revenues.

A critical program is the Affordable Housing Sustainable Communities (AHSC). This funding has helped transform disadvantaged communities by investing in addressing two of the most pressing issues impacting Californians, the need for affordable housing and the need for transportation equity by using Greenhouse Gas Reduction Fund.

...

We OPPOSE the Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market- Based Compliance Mechanisms Regulation. The proposal would create inequitable allocation of investment priorities for Cap and Invest funds that will not address climate goals and would set back investment and creation of affordable housing that help further reduction in VMT and reduce Greenhouse gas emissions.

We urge the California Air Resources Board to not approve the proposed amendments. We urge you to maintain the current priorities and create equitable investments in transportation improvements and sustainable communities by helping to address housing affordability and climate goals through the ongoing implementation and funding of the Affordable Housing and Sustainable Communities program. (BH-TKC-60.1)

Comment:

On behalf of The Unity Council, we respectfully urge the California Air Resources Board (CARB) to pause and revisit the proposed amendments to the Cap-and-Invest Program currently scheduled for consideration at the May 28–29, 2026 Board meeting. … We are deeply concerned that the proposed amendments would significantly reduce Greenhouse Gas Reduction Fund (GGRF) investments that support critical affordable housing and transit programs, including the Affordable Housing and Sustainable Communities (AHSC) Program, the Transit and Intercity Rail Capital Program (TIRCP), and the Low Carbon Transit Operations Program (LCTOP). ... We are especially concerned about the disproportionate impact these funding reductions would have on disadvantaged communities. Historically, these programs have directed the majority of funding toward low-income communities and communities of color, the same communities that continue to experience the greatest barriers to economic mobility, clean transportation access, and housing stability. California cannot achieve its climate goals without sustained investments in equitable transit and affordable housing infrastructure. We respectfully urge CARB to maintain robust funding for AHSC, TIRCP, and LCTOP and to pause and reconsider any proposal that would weaken these essential programs. (BH-TUC-66.1)

Comment:

Los Angeles Department of Transportation (LADOT) has strong concerns that the proposed Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market- Based Compliance Mechanisms Regulation and budgetary changes that would: • Cut $600 million a year from major transit programs Transit and Integrated Rail Capital Program (TIRCP) and Low Carbon Transit Operations Program (LCTOP) that fund capital projects, transit electrification, and reduced-fare programs. • Defund $800 million a year from the Affordable Housing Sustainable Communities (AHSC) program, halting affordable housing and community transportation infrastructure. These amendments to the regulation would eliminate vital state funding, threatening the City of Los Angeles's ability to reduce greenhouse gas emissions and jeopardize day-to-day transit operations. Stripping these resources creates immediate obstacles for Los Angeles's most transit-reliant and underserved residents who depend on the network for daily mobility. Without dedicated funding, the state will force transit agencies to either slow-walk or outright cancel zero-emission initiatives that are currently leading the nation. We urge you to preserve CARB funding for public transit. (BH-LADOT-68.1)

Comment:

I OPPOSE the proposed amendments due to their impacts on Greenhouse Gas Reduction Fund revenues. I urge you to postpone adoption of the proposed amendments and release another 15-day amendments package that protects GGRF revenues. (BH- Colby-73.1)

Comment:

I OPPOSE the proposed amendments because of their impact on Greenhouse Gas Reduction Fund revenues that provide for Tier 3 programs and urge CARB to postpone adoption and release another 15-day amendment package that protects GGRF revenues. In practice, I would prefer CARB to increase these revenues, rather than reduce them, as these funds are an effective program investment. ... Investing GGRF revenues advances California's housing and climate goals alike, and enables architects like us, who implement regenerative climate forward projects, to provide these services and innovative technologies that meet these common goals. (BH-REGENARCH-76.1)

Comment:

The City of Clovis strongly opposes CARB's proposed amendments to the California Cap-and-Trade Program that would significantly reduce funding available for public transit. For small and mid-sized communities, these funds are not optional — they are essential to maintaining basic transit operations, improving air quality, and advancing California's climate goals. Public transit agencies, including Clovis Transit, have already committed to ambitious zero-emission transition requirements and infrastructure investments based on the expectation of stable state support. Reducing transit funding at this critical moment undermines those efforts and disproportionately impacts communities that rely on affordable, accessible transportation. In regions like the Central Valley, where air quality challenges are among the most severe in the nation, public transit is part of the solution. We urge CARB to preserve dedicated transit funding and work collaboratively with local agencies to ensure California's climate policies remain both achievable and equitable. (BH-CoC-78.1)

Comment:

I am writing to strongly oppose the proposed amendments to the Cap-and-Invest regulation before the Board today.

Cap-and-Invest should be simple: cap pollution and invest the proceeds in programs that reduce greenhouse gas emissions and improve life for Californians. The proposed approach moves in the

wrong direction if it weakens funding for transit, affordable housing, clean air, drinking water, and other climate investments while providing additional benefits to large polluting industries.

That is not climate leadership. That is a retreat from the purpose of the program.

Transit and affordable housing near transit are core climate strategies. They reduce vehicle miles traveled, lower transportation costs, support working families, and give people a real alternative to driving. These programs are especially important in communities like Santa Ana and across Southern California, where housing costs, long commutes, air pollution, and transportation costs are already major burdens.

Reducing funding for transit service, clean buses, lower fares, rail infrastructure, and affordable housing near transit would directly undermine California's climate goals. It would also punish the people and communities who are actually trying to live in a less car-dependent, lower-emission way.

CARB should not shift public climate dollars away from proven public programs in order to further subsidize large polluting industries. The purpose of Cap-and-Invest is not to protect polluters from the cost of pollution. The purpose is to reduce emissions and invest in California's future.

I urge CARB to reject or substantially revise the proposed amendments and preserve strong funding for greenhouse gas reduction programs, including transit, affordable housing, clean air, and drinking water. California should be investing more in these programs, not weakening them.

Please protect the integrity of Cap-and-Invest and ensure this program continues to serve the public, not the polluters. (BH-Hakam-94.1)

Comment:

We are gravely concerned with CARB’s proposed direction in these amendments. Specifically, we strongly object to handing over nearly $2 billion a year in allowances to utility companies to fund an enhanced Climate Credit. While that credit might sound good on paper, it will gut the Greenhouse Gas Reduction Fund (GGRF) by that same amount. In the coming fiscal years, this move will completely wipe out the hard-fought funding our communities and public services rely on—including Affordable Housing and Sustainable Communities (AHSC), Transit and Intercity Rail Capital Program (TIRCP), Low Carbon Transit Operations Program (LCTOP), and Assembly Bill 617 (Chapter 136, Statutes of 2017).

...

We understand CARB brought this proposal forward to answer calls from some legislators and stakeholders to address the crushing affordability crisis Californians are facing. Let us be very clear: we absolutely agree that these amendments must tackle affordability. But for the working-class families and public service workers we represent, affordability means a lot more than just a slight break on a monthly utility bill.

True affordability means having a good-paying, life-sustaining union job. It means having access to affordable housing near transit, and public transportation that gets you where you need to go without eating up hours of your day. It means breathing clean air so your family isn't burdened with costly health issues.

...

Unfortunately, this proposal fails on all of these fronts. It trades away real, lasting affordability—like housing units, reliable public transit, and healthier communities—by gutting key climate programs just to shave a few dollars off a utility bill. We urge the state to reconsider and protect robust GGRF funding for AHSC, TIRCP, LCTOP, and AB 617.

We know CARB is trying to balance a lot of competing priorities, and we respect the work being done to meet our climate goals while helping everyday Californians. But as you move forward with these amendments, we ask you to recognize that the programs funded by the GGRF are essential to true community affordability and workforce stability. We look forward to working with you to ensure the final regulation reflects this reality and protects the public services our members provide. (BH-AFSCMECA-80.1)

Comment:

VCTC respectfully opposes the proposed amendments due to their impact on Greenhouse Gas Reduction Fund revenues.

…

If these amendments are approved, VCTC anticipates a loss of more than $1 million in revenue. Without LCTOP funding, we will be unable to continue the Youth Ride Free and College Ride Programs without identifying another funding source. (BH-VCTC-81.1)

Comment:

Good morning, Chair Sanchez and members of the CARB Board. I'm Beverly Greene, Chief Government Affairs Officer for the Santa Clara Valley Transportation Authority, and also Chair of the State Legislative Committee of the California Transit Association. We respectfully urge you to oppose the proposed program changes and instead protect the Greenhouse Gas Reduction Fund programs. This will avoid negative impacts to transit. CARB's proposed amendments would eliminate two billion for some of California's most important transit and climate programs. The proposed amendments to the Cap-and-Invest Program would eliminate funding for TIRCP, which provides funding for the ongoing construction of the BART to Silicon Valley Project Phase 2 and supports VTA's application for a $5.1 billion federal grant, and the AHSC program, the key State funding program for VTA Transit-Oriented Development Program through which VTA has and will receive approximately 169 million to support affordable housing in Santa Clara

County. And the LCTOP program, which provides up to five million a year for VTA's purchase of zero-emission buses and charging equipment, which will decrease pollution in our community. TIRCP, AHSC, and LCTOP are ascending funding -- or essential funding sources for VTA's efforts to bring improved transit and affordable housing to Santa Clara County and help California effectively address critical, environmental and housing concerns. Thank you for your consideration and service to the Bay Area and the State of California. (BH-SCVTA-125.1)

Comment:

Good morning, Chair Sanchez and members of the Board. I'm Clare Letmon with the Los Angeles Business Council, a business research and advocacy organization representing 500 members across all industry sectors focused on innovative public policy that strengthens our economy while improving quality of life for all. We're here today to express our support for a strong and timely Cap-and-Invest Program that continues to reduce emissions while providing the policy certainty and investment framework needed to support California's economy. California's climate leadership has shown that market-based tools can reduce emissions, while supporting economic growth. Cap-and-Invest remains central to that approach. It creates clear price signals, holds major emitters accountable, and generates dedicated funding for investments that improve air quality, strengthen infrastructure, and support communities across the state. For businesses and communities, GGRF investments help finance energy and fleet upgrades, improve efficiency, reduce exposure to fuel price volatility, and build resilience as climate and disaster risks grow. That matters for California's long-term competitiveness and it matters especially for small businesses that have the least flexibility to absorb new costs on their own. Cap-and-Invest also plays an important role in affordability through utility bill credits and targeted investments. The program helps offset energy costs for households and businesses while supporting the transition to a more efficient and less volatile energy systems. For working families and small businesses, those benefits are material. As CARB considers the future of the program, we urge the Board to preserve the core strength that has made Cap-and-Invest effective, long-term policy certainty, practical investment in emissions reductions, and continued support for affordability and community resilience. A strong and predictable program will help businesses plan, invest and manage costs while ensuring oxygen revenues continue to support cleaner transportation, renewable energy, public health improvements, utility bill relief and other benefits Californians rely on. Thank you for your leadership and consideration. (BH-LABC-134.1)

Comment:

Hi. I'm Andrew Dawson with the California Housing Partnership. We are a State-created private nonprofit where the Governor and Legislature appoint our board and they direct our work. We are deeply concerned about the regulations being discussed today, as with many others here, especially as it relates to the GGRF and the Tier 3 programs. We believe these regulations will significantly impact funding for these important housing, transportation and environmental justice programs. Along with significant -- specifically AHSC, the Affordable Housing Sustainable Communities Program, is the only ongoing funding source for affordable housing in this state, along with significant GHG emission reductions of over 5.5 million metric tons, where almost AHSC reduced costs for low-income households by almost $11,000 per year, where almost 60 percent of the developments are located in disadvantaged communities. AHSC has supported almost 50,000 jobs and generated almost $2 billion in State and local taxes. We understand affordability is a huge issue for Californians. However, housing and transportation are the top two costs for households. The programs in Tier 3 reduce those costs and support those that these industries have most affected. California has been looked at as a leader and example for much of its climate leadership. These regulations have huge effects on the Cap-and -- Cap-and-Invest Program and been proposed with a minimal timeline. We hope you reject this proposal and work with stakeholders to address these concerns. (BH-CHP-136.1)

Comment:

Good morning. Staci Heaton with the Rural County Representatives of California. We represent 40 rural counties statewide. Our counties are among the communities that have been most devastated by catastrophic wildfire over the past 15 years. Catastrophic wildfire impacts the whole state. We know that its both caused and Exacerbated by climate change and also a contributor, if not mitigated properly. Wildfire impacts public safety. It impacts everyone's insurance costs. Everyone's air quality. And in the long run, if we don't avoid catastrophic wildfire in those emissions, it costs the State. It's among one of the most cost effective things that we fund with the GGRF is wildfire mitigation. It's already been de-prioritized by the Legislature in their restructuring of the program. I believe forest resilience is last on the list for $200 million from the GGRF. We -- a lot of us fought really hard to get those funds into SB 901. And the proposal today would almost eliminate that funding by 2029. And it is a great concern to us. A lot of that is local assistance dollars. And rural communities are great at doing a lot with a little, but we already have a little, and we may not have anything. So, we would ask today that you reconsider this proposal to ensure that those funds are available and to ensure that the GGRF is whole and solvent. (BH-RCPCA-137.1)

Comment:

Good morning. My name is William Churchill. I'm the General Manager of County Connection. We're a medium-sized bus public transit operate in central Contra Costa. County Connection respectfully opposes these amendments. I think it's important to understand that the amendments are actually trading affordability in one sector for affordability in another sector. And so it's important to understand what this can do to the daily lives of the riders at least for the communities that we serve. County Connection receives funding from three of the programs within the Tier 3 of Cap-and-Invest Regulation. First and foremost, and I think most importantly to our riders, we receive a million and a half of LCTOP funding. The LCTOP funding supports over 750,000 trips to our most vulnerable economically depressed communities. Without that funding, they don't have the same access to work, to medical, and/or even just getting groceries. These individuals do not have any other transportation form. They rely on County Connection for that. Secondly, County Connection received -- has received nearly $30 million in TIRCP funding. That program is absolutely essential to our zero-emission vehicle transition plan. Without those funds, we would not be capable of complying with the ICT Regulation. And then finally, County Connection has partnered with the City of Walnut Creek and a developer for the AHSC funding. We have been able to increase the frequency of a route to downtown Walnut Creek and what that does is it gets people out of cars and into Walnut Creek and shopping. So these amendments will have a profound impact on the Contra Costa community and -- thank you very much for your time. (BH-CCCTA-139.1)

Comment:

Good morning, everybody. Steve Wallauch. I'm here on behalf of the Alameda County Transportation Commission, the Golden Gate Bridge Highway Transportation District, the Napa Valley Transportation Authority, Foothill Transit, and California Association of Coordinated Transportation. I think in short, we're asking at the very least to postpone actions on this -- on this rule in order to take consideration of the impacts it's going to have. We support the needs for consider affordability, but the proposal takes a very narrow view of what affordability is. It doesn't take into consideration the impacts it will have on riders and transit workers with -- that the loss of LCTOP funds will have on service levels. It also doesn't consider the impact it's going to have on the ability to transition to zero-emission transit fleets. Without these funds transit operators will not be able to comply. And transit has been a strong partner for over 20 years with CARB on the development of heavy-duty zero-emission technology. This is technology that's been applied not only to transit buses, but the Heavy-duty trucks and other vehicles throughout the state. This proposal is a radical departure from this decades-long partnership, and I think it sends a troubling measure to the zero-emission technology sector what direction the state is going in. To maintain California's leadership in reducing GHG emissions in our most vulnerable neighborhoods, we ask that you delay action on this proposal and reconsider the impacts it has. Thank you. (BH-ACTCGG-141.1)

Comment:

Good morning, Chair Sanchez and the whole Board. My name is Diane Shaw and I am President of the AC Transit Board of Directors in Oakland, California. AC Transit is California's largest bus-only agency. We serve 1.5 million riders and have over 140,000 weekday rides. I'm here to voice our deep concerns regarding the proposed Cap-and-Invest amendments and urge the Board to postpone this item. Since the 2000 Fleet Rule, AC Transit has been a dedicated partner with CARB in developing the nation's first prototype Hydrogen fuel cell buses. Thanks to CARB support, we run one of the most comprehensive zero-emission programs in the United States. We have 58 zero-emission buses on the road now, nine on the way and 57 on order. We have driven over eight million miles of zero-emission miles with our system, which has avoided a lot of those emissions. We remain fully committed to meeting the ICT mandate of 100 percent zero-emission fleet by 2040, which was developed by the same body. These proposed changes will add an estimated 20 percent to our projected 200 million deficit over the next four years. Since 2015, we have relied on 93 million in GGRF revenues to sustain services. LCTOP funds are $7 million in annual formula funds, literally drives our Tempo, BRT, line carrying 17,000 daily riders through our most disadvantaged communities, plus up to three million a year in competitive grants for critical capital projects that improve the safety and quality of our service. TIRCP and microgrids. Critical grants built our Emeryville and East Oakland electric infrastructure including an on-site microgrid to ensure service during utility disruptions, As you know we all have. Eliminating the AHSC Program puts local affordable housing in jeopardy. Our partnership has delivered over 1,500 affordable units with potentially 356 more. We appreciate your time. Thank you. (BH-ACT-142.1)

Comment:

Hey, everyone. Gissela Chavez with Communities for a Better Environment, an environmental justice organization coming out of Richmond, East Oakland, Southeast Los Angeles and Wilmington. As a life-long resident of Huntington Park, which is a Southeast LA community that sits adjacent to Vernon, which is one of the largest industrial and corrupted industrial cities in our country, I'm no stranger to polluted air. You know, for my entire life I've had to deal with like smelling the rendering plants in my community, so that is like animal dead carcasses and all of that. It's pretty gross. And this is something that has happened year after year. The fact that my community can't breathe clean air -- the fact that my community can't breathe clean air in our community while dealing with incompatible land use, such as homes, schools, hospitals and churches next to major industrial polluters, such as metal recyclers and refiners that have historically failed to cap their emissions is a big indicator that continued investment in EJ communities is a must. Eliminating funding for clean air programs that focus on emissions reductions and environmental justice communities is unacceptable. Our communities deal with a lack Of basic access to things like clean air for communities, safe drinking water, public transit, affordable housing, and electric -- electricity bill relief, all important programs funded by Cap-and-Trade. Please reject the proposed 15-day to 20-day proposed changes and eliminate the MDI. These resources take billions from our communities and our neighbors, and ultimately translate as another attack from our government. CARB, California Air Resources Board, more like corporations, are redirecting billions. Do better. If you approve, you are failing your constituents that you serve. Community health over corporate wealth always. Thank you. (BH-CBE-143.1)

Comment:

Natalie Spievack from Housing California, a statewide nonprofit advocacy organization focused on creating affordable homes and ending homelessness. We're deeply concerned that the proposed amendments would completely cut funding for Tier 3 GGRF programs, including the Affordable Housing and Sustainable Communities Program, our AHSC, which is the State's largest and only ongoing source of funding for affordable housing and for other critical transit and climate programs. AHSC has an incredible track record of producing over 22,000 affordable homes, creating jobs, and reducing greenhouse gas emissions. Increasing allowances to oil and gas companies without any guarantee that consumer prices will fall is not the way to create affordability. The way to create affordability is to make housing and transit costs, which is -- are the two largest expenses in household budgets, less expensive, which is exactly what Tier 3 programs do. We urge you to reject the proposed amendments. (BH-HC-144.1)

Comment:

Good morning, Chair Sanchez and members of the Board. My name is Lauren Gallagher. And I'm here on behalf of Communities for a Better Environment. We call on the Board to reject the 15-day changes and eliminate the Manufacturing Decarbonization Incentive. The Air Resources Board may not determine how GGRF revenue is allocated, but the Board does determine how allowances are allocated. And the proposal recuts the pie to give a generous slice of subsidies to industry and a paltry slice to GGRF, to the tune of completely wiping out funding for programs that meet real environmental quality and affordability needs. Sacking the MDI and increase leakage assistance provides more allowances than refineries have emissions. With no difference between leakage allowances and MDI allowances, these changes are a financial windfall for industry and contrary to the directives under AB 1207. The oversight CARB proposes for the MDI constitutes mere projections and paperwork. Capital cost investments will not automatically equate to real on-site emissions reductions for front-line communities. It is not clear how the MDI is necessary to meet our climate goals if it cannot result in real verifiable emissions reductions. A fractured rulemaking process and the 11th hour of introduction of the substantially altered MDI in the 15-day changes denied the EJAC and community members of a transparent, accountable and fair rulemaking progress. I urge the Board to reject the 15-day changes and eliminate the Manufacturing Decarbonization Incentive. (BH-CBE-145.1)

Comment:

Thank you, Madam Chair and members. Keith Dunn here on behalf of the State Building and Construction Trades Council whose members depend upon California's industrial manufacturing economy. We support California's ambitious climate goals and appreciate the effort that's gone into developing this program to try and meet them. We support high-speed rail, regional rail, alternative energy, and fuels that we have to have for our future here in California. As this proposal moves forward, I want to emphasize, as you've heard from previous speakers, that more work needs to be done to provide some long-term certainty beyond 2030. The reality is that major employers, industries, and workers, and voters across the state are making investment decisions right now on infrastructure, refineries, energy production in state that depends upon the decisions that are made here today. When there's uncertainty about future compliance costs, program structure and long-term policy direction, it becomes harder for companies, voters and others to make those investments on a real-time basis. The framework before you today helps address some of the short-term concerns, but many questions remain unanswered about what the program looks like after 2030. We look forward to continuing to work with you. We were there in support of the extension of greenhouse gases. We look forward to being with the legislature, the next governor and this Board to make sure that we continue to get it right, and we look forward to your continued partnership as we move forward. (BH-SBT-149.1)

Comment:

Hello, Chair and Board members. Madeline Moore on behalf of LA Metro, the state's largest transit agency. Transit is critically important to the State's goals in reducing greenhouse gas emissions. LA Metro's million boardings every day represent not only people getting to work, school and appointments, but also represent hundreds of thousands of polluting vehicles taken off the road. The median annual income of Metro bus riders in 2025 was under $19,000, which puts 90 percent of our bus riders at or below the very low income level. However, the proposed rules Before the Board today would put at risk metro's ability to continue to provide the same level of environmental benefits we have produced. The regulations would threaten our ability to bring billions in federal funds to California by eliminating funding for future transit and inner-city rail program cycles, jeopardizing current TIRCP projects, and damaging Metro's core transit operations by not funding the Low Carbon Transit Operations Program. Reducing funding to projects and operations would harm some of the most economically vulnerable populations, those who rely on transit for all of their transportation. Given the impact they would have on Metro and transit agencies throughout the state, we urge you to listen to the LA Metro Board and reject these regulations to allow for future consideration of amendments. (BH-LAM-154.1)

Comment:

Good morning, Chair and members. Gus Khouri on behalf of the Santa Barbara County Association of Governments and transportation planning agencies in San Luis Obispo, Monterey, Madera, and Stanislaus counties. I just want to underscore several of the comments that have been made. We really appreciate the staff presentation. We think that it undermine -- underscores the efficacy of the Cap-and-Trade and now Cap-and-Invest. And we've been happy to be a partner, but now that partnership is being threatened clearly with the elimination of the Tier 3 programs. And so, when you don't have funding for transit, affordable housing or air quality conformity programs, we don't see how that doesn't increase greenhouse gas emission production. No funding for transit means that that's really the only way for some people to get to school, to work, to go about their daily life. This also possibly threatens our Sustainable Community Strategy plans that we work really with the Board on. And if we don't get those plans adopted, we can't apply for Senate Bill 1 funding to improve our infrastructure and our mobility needs as well. And so, the final point I want to make is a lot of us in this room worked very hard to extend the Cap-and-Invest Program. And at no point do I think, and I guarantee you if you talk to any legislator, did they think that we were going to look at subsidizing industry, which is for profit and a monopoly. And that's not an indictment. It's just a fact. People don't have a choice. We've been giving rebates since 2014 and utility rates have been increasing. So even if we -- if this proposal is to pass, there's no assurance that utility rates will not continue to increase, and that consumers will still not benefit from the rebates coming at the expense of other programs that people care about. And so we're asking to maintain the partnership and for us to continue to work together to have a balanced approach at affordability and maintaining our climate goals. Thank you so much. (BH-SBCAG-156.1)

Comment:

Hi. Mitch Weiss, representing the San Joaquin Valley Regional Policy Council. I want to echo many of the comments that you heard earlier by those representing transit, including Mr. Corey just before me. We're sensitive to affordability and the importance of maintaining production capacity in California, but we support maintaining greenhouse gas reduction funding for transit and oppose the regulations and the disastrous impact they'll have on transit across the state. The Greenhouse Gas Reduction Fund is the primary source of State funding for transit, transit that serves our most vulnerable communities, transit that is critical to MPOs meeting the greenhouse gas reduction targets you've set. Without this funding, there will be cuts to transit services across the state. I also want to express a little concern just about the process and the transparency. I was at the hearings that the Legislature hold -- held. I listened to the legislators, I've listened to many of the comments here, and I find it a little disconcerting that the staff presentation didn't address any of -- many of those issues raised. Also, the posting of an 18-page resolution one hour before this hearing without any notes about what was changed makes it difficult for us in the audience to understand what you are going to be asked to vote on. And lastly, there are some concerns in the staff report, particularly the staff report for this item states the proposed amendments would have less than significant or no impacts to transportation. As you clearly heard from many of the speakers here today, that's not correct. There will be significant impacts to transportation if greenhouse reduction funding is gutted. (BH-SJVPC-157.1)

Comment:

Thank you. Jacob King, Executive Director of the Mendocino Transit Authority. I'm here today to ask the Board to vote no on the proposed Cap-and-Trade amendments -- or Cap-and-Invest. Mendocino County transit is not a convenience. It's a life line. Portion of the LCTOP funds is tied to our budget. I was in the Board meeting yesterday talking to our Board about the uncertainties of our future funding. The community impacts that we are forecasting is people, they will -- they may pull out their older, higher emission vehicles, put them back on the road. That will worsen the very air quality this Board is mandated to protect and then congestion increases, emissions increase, and the communities least able to absorb those costs, bear the full weight of them. There's us thinking about what our lost bus routes means in real terms. There's home health care, there's education, there's workforce development, there's all the things that we've been working on so hard that these are things that affect us in a major way. The Innovative Clean Transit Regulation - we've put nine electric vehicles on the road up in Mendocino County - have helped the air quality significantly. We were planning our zero-emission fleet transition around these funding sources and these amendments would eliminate that. (BH-MT-159.1)

Comment:

Good afternoon. My name is Gregory Barfield. I'm the Director of Fresno Area Express for the City of Fresno. And apologies to the clerk for my bad writing there. Look, Fresno Area Express is here to really push for our 10.3 million riders who rely upon us every day. We have been successful in receiving everyone of the Tier 3 programs, whether it's AB 617, which I'm proud to be an ex officio Board member of and work with the community on a regular basis, or TIRCP, which we are currently an awardee in Cycle 8 for $52 million. However, that was leveraged with another 60 million in SB 125 and other State grants. And at this point, this proposal would take 50 million of that off the table, which means we could not finish doing our move to zero emissions, because it then affects our hydrogen facility that we're in the middle of scoping and going through our EIR. And so we strongly encourage the Board to move away from this and not yank the rug from underneath us in the middle of the stream. Appreciate your time and effort, and thank you very much for your contribution to the -- to the state. (BH-CF-163.1)

Comment:

Good afternoon. Silvia Solis Shaw here on behalf of San Francisco Mayor Daniel Lurie. The Mayor appreciates CARB's focus on mitigating the impacts of climate change and protecting the public from air pollution. However, Mayor Lurie is respectfully opposed to those proposed amendments, which would drastically reduce auction proceeds, therefore slashing GGRF investments. Combined with the new GGRF allocation tiers, established in SB 840, this proposal would drastically reduce or eliminate critical affordable housing and transportation programs that are vital to meeting the State -- to meeting State and local GHG reduction goals. To day, the AHSC has helped finance more 2,100 new affordable housing units since 2018. And since 2015, SFMTA has received more than 400 million from the TIRCP and 140 million from LCTOP for projects ranging from train control upgrades to free Muni for qualifying populations. Eliminating these programs could impair our ability to build affordable housing and improve transit in San Francisco which will help reduce GHG emissions. And we respectfully oppose these amendments. (BH-SFMDL-167.1)

Comment:

Good morning, Board members. My name is Navi Dhaliwal here on behalf of Caltrain. We are speaking today in opposition to the proposed Cap-and-Investment amendments that would significantly reduce funding for California's core transit and housing programs, supported through the Greenhouse Gas Reduction Fund. While the proposal aims to address business leakage concerns, it does so by expanding free allowances for large industrial facilities at the expense of the programs that directly benefit Californians through cleaner transportation, affordable housing, and improved resilience. For Caltrain and transit agencies across the strait -- state, programs like the Transit and Intercity Rail Capital Program, which funded Caltrain's transformation from a diesel to electric system, and the Low Carbon Transit Operations Program, which funds our operations and fare programs are essential. These funds support transit operations and projects that reduce both GHG, and criteria pollutant emissions, and improved mobility. Under the current proposal, these programs would be decimated. This is particular -- particularly punishing for transit agencies, as it comes at a time where many agencies across the state, including Caltrain, are facing some level of fiscal crisis. These amendments mean Californians will lose transit service, and infrastructure, and affordable housing projects, major setbacks to California's climate and air quality goals. While there are some guardrails on utilities, there's no guarantee or enforcement mechanism that benefits -- that the benefits provided to large industrial companies through these amendments will translate into greater affordability or lower gas prices for Californians. Instead, there is a guarantee that they will lose transit service. There's a guarantee they'll -- they will lose union layer construction, and transit operations jobs. There is a guarantee they will have fewer affordable homes available near transit. We urge CARB to protect GGRF funding and preserve critical investments in public transit and sustainable communities. (BH-CT-168.1)

Comment:

Good afternoon, Chair Sanchez and Board members. My name is a Leo Sanchez, Deputy Managing Director of the Capitol Corridor Joint Powers Authority, which operates the Amtrak service from Auburn to San Jose. The Capitol Corridor joins our sister transit and passenger rail services in expressing our strong opposition about the proposed redistribution of GGRF funding away from the TIRCP, LCTOP, AHSC programs. CCJPA and our partners via the CCJPA-led TIRCP application have been awarded over $245 million in the last 10 years. Of that total, CCJPA has been able to secure over $67 million that will support partner agency projects as well as the popular California integrated travel project at $27 million, which is modernizing how Californians pay for transit fares by eliminate the need for physical ticket media. While the intent of the proposal is so to California more affordable, it will create a counterproductive effect, if the transit agencies that some lower income Californians rely on are made more expensive to operate and our ability to invest in improved infrastructure is dramatically reduced. Over time, these will truly damage California's transit and rail systems. The Capitol Corridor urges you to delay action on this item and reassess the consequences of the proposal. Thank you very much. (BH-CCJPA-170.1)

Comment:

We urge the Board not to adopt the proposed regulations. We ask that you direct staff to completely remove the Manufacturing Decarbonization Initiative (MDI) and protect critical funding for the Greenhouse Gas Reduction Fund (GGRF). We are currently in severe affordable housing and climate crises. Active transportation, public transit, and affordable housing are long-term community investments that directly reduce greenhouse gases and improve daily affordability for the Californians who need it most. Cutting $1.4 billion from these programs is unacceptable. Furthermore, stripping funds from the Low Carbon Transit Operations Program directly impacts the transit networks that bike riders rely on every day to complete their trips. This proposal functions as a massive giveaway to the state's biggest polluters at the expense of clean air and public transit. Reject these changes and protect California's community climate investments. (BH-BEB-30.1)

Comment:

We write to you now with extreme concern that elements of the latest rulemaking proposal, released on April 14th, 2026, run counter to the legislation because they fundamentally undermine the integrity of the emissions cap, put California's ability to meet its statutory 2030 climate target at risk, and jeopardize billions of dollars in funding to support climate investments and energy affordability. Proposed partially in response to massive lobbying efforts by fossil fuel interests – some of the most profitable companies in the world – these amendments reflect a major departure from the legislative intent of AB 1207 and SB 840. To uphold program integrity, meet California's 2030 climate commitment, and save households money, we, the undersigned organizations, request that CARB update and finalize the regulation in time to implement changes this fall with the following critical revisions: 1. Remove the Manufacturing Decarbonization Incentive (MDI) mechanism from the proposal immediately and retire 118M allowances so that regulations can be swiftly adopted to secure program outcomes this fall without harming the integrity of the emissions cap or jeopardizing the 2030 climate target. 2. Ensure program amendments do not undermine legislative commitments to maintain affordability and adequate levels of program funding for the California Climate Credit and Greenhouse Gas Reduction Fund (GGRF), most critically for AB 617 communities and community air protection programs. The current proposal significantly increases free allowances to industry, effectively shifting billions from household affordability measures to polluting industries. The revisions we are requesting are the minimum necessary to ensure this program does what the Legislature directed it to do: deliver cost-effective emissions reductions aligned with California's climate targets and protect and strengthen affordability benefits for California families. CARB has the ability and the time to make these surgical changes before issuing a final regulation for a Board vote, without delaying the implementation of rule updates this fall. California cannot afford to get this wrong. At a time when federal climate leadership has collapsed and the costs of inaction are rising for communities across the state, California's ability to meet its climate commitments requires a Cap-and-Invest program that functions as designed, with a real and declining emissions cap. (BH-CoM-33.1)

Comment:

I am here today to request the board and staff do not adopt the proposed and ask to remove the MDI and keep funding for the GGRF. Cutting the Low Carbon Transit Operations Program means cutting free and reduced fares for seniors, people with disabilities and youth, cutting new transit service people depend on, and cutting funds for electric buses. The program is called Cap and Invest and the proposed regulations go above the Cap and cut the needed Investment. Why is this being pushed through without adequate information about who is benefiting, are the tradeoffs worth it, and how will this new manufacturing decarbonization initiative impact the market? (BH-WHD-50.1)

Comment:

I think that diverting GGRF funding to support the MDI would be a strategic blunder. The short term benefit of subsidizing refineries is not worth the long term costs of delaying infrastructure investment in the energy and transportation systems of the future. High quality transit reduces the state's exposure to volatile fuel markets, especially for the most vulnerable Californians. The consequences of the illegal US-Israeli war in the Persian gulf have shown that the cost of delaying transit investment is too great to bear. For that reason I oppose the adoption of the MDI mechanism and urge the board to protect GGRF funding for transit. Thank you. (BH-Sprotte-56.1)

Comment:

Public Advocates writes in opposition to MDI and the expanded cap and encourages the board to reject the 15-day changes. You have the power to stop this and we hope you use it. … The largest oil and gas companies are projected to reap more than $230 billion in excess profits this year. It is deeply concerning that this proposal intends to slash investments in clean air, clean water, public transit, and affordable housing in frontline communities in order to give $4 billion to polluters with half earmarked for oil refineries. This is not an affordability strategy for regular Californians. There are no requirements or guarantees that energy and oil companies will restrict prices to consumers. GGRF investments are not abstract line items in a budget. They determine whether a student can afford to get to school, whether a senior can make it to a doctor's appointment, whether a family can live near reliable transit instead of enduring punishing commutes. AHSC, LCTOP, and TIRCP are among California's most effective climate investments. They reduce emissions, expand mobility, leverage federal funding, and deliver tangible benefits to the communities that have borne the greatest environmental and economic burdens for decades. California cannot claim climate leadership while dismantling the programs that make that leadership real. Please reject the 15-day changes and protect investments that improve lives, reduce pollution, and move us toward a more equitable future. (BH-PA-57.1)

Comment:

CARB must reject the proposed Manufacturing Decarbonization Incentive and maintain cap-and-invest. We cannot lose funding for affordable housing and public transit funding. (BH-Horsman-99.1)

Comment:

I am urging the CARB board to reject the amendment, and remove the manufacturing decarbonization incentives (MDI) program. Transit and affordable housing are long term community investments that reduce GHGs and improve affordability for the communities that need it the most. Cutting the Low Carbon Transit Operations Program means cutting free and reduced fares for seniors, people with disabilities and youth, cutting new transit service people depend on, and cutting funds for electric buses. The program is called Cap and Invest and the proposed regulations go above the Cap and cut the needed Investment. Why is this being pushed through without adequate information about who is benefiting, are the tradeoffs worth it, and how will this new manufacturing decarbonization initiative impact the market? We are in affordable housing and climate crises and cannot afford to lose the $1.4 billion that this proposal will cut from our affordable housing and transit programs. We will also never achieve CARB's own goal of reducing emissions to 40% below 1990 levels by 2030 with this massive giveaway to the biggest polluters in the state! The 100 biggest oil and gas companies have collectively raked in an extra $30 million per hour since the war on Iran began. I am outraged that California's air quality regulators are proposing to eliminate critical funding for clean air, clean water, public transit, and affordable housing just to give even more money to Big Oil! CARB themselves already admit that they have no actual way to enforce greenhouse gas mitigation strategies. Do not defund the Greenhouse Gas Reduction Fund. (BH-Liu-59.1)

Comment:

When I first heard about this, I thought it was a joke. It is an absolute betrayal of the public trust and a massive kneecapping of California's cap-and-invest program. I am writing to express my profound outrage and to demand that CARB REJECT the proposed amendments in their entirety and completely OPPOSE the establishment of the Manufacturing Decarbonization Incentives (MDI) program. The mechanism of cap-and-invest is simple. Hold polluters accountable by dwindling their allowances year over year, and use the revenue to invest in our communities. Instead, this amendment proposes to strip $1.4 billion from the Greenhouse Gas Reduction Fund (GGRF). This is money that was originally intended for transit, affordable housing, and clean air initiatives, and it is being handed directly to the state's heaviest polluters through the MDI program. Cutting funds directly targets seniors, youth, and people with disabilities by threatening free and reduced fares. It kills new, reliable transit services and halts the transition to electric buses. Affordable housing and public transit are our most effective, long-term community investments for reducing greenhouse gases. Stripping $1.4 billion from these programs ensures we will never meet CARB's own mandate of reducing emissions. The 100 biggest oil and gas companies have collectively raked in historic, unfathomable profits in recent years. The fact that California's air quality regulators are considering eliminating critical funding for clean air and transit just to provide a massive subsidy to Big Oil is disgusting. (BH-Zhang-75.1)

Comment:

These letters outline a shared concern that the MDI has substantial effects on the emission reduction capability of the program and guts funding for frontline communities and essential climate programs. In short, the proposed changes: . Hinders emission reduction strategies for major sources of the pollution; . Creates instability in the revenue generation and “invest” arm of the program, affecting programs that further Californian’s priorities on local clean air, water, housing, transit, and forest resilience; . Reduces the affordability benefits of the program; . Undermines transparency, fair public participation in the decision-making process; . Violates environmental justice and equity principles in terms of both content and process; . Negates Governor Newsom's promises to the equity community, his climate leadership and integrity of the program; and . Interferes with California's progress to protect vulnerable communities. CARB must deliver cost-effective emissions reductions aligned with California's climate targets. These changes do not do this. CARB must correct course, to do so we ask that CARB: . Reject the 15-day changes proposed by the staff and ask staff to create a revised proposal that keeps the integrity of the program intact; and . Postpone the decision on this important environmental and social justice issue to a later Board Hearing to allow for full engagement of the public and various stakeholders. Delivering programmatic changes at a later date will not prevent the Public Utilities Commission from its current phase of the California Climate Credit proceeding which is scheduled to wrap up this Winter. In fact, eliminating the MDI, is likely to result in a higher, more steady Climate Credit. A delay in adopting programmatic changes will also not hinder CARB's ability to continue the program under current regulations, including exploring linkage with other jurisdictions. With three years until we are expected to hit the 2030 climate targets, and with affordability concerns at the front of everyone's mind, Califonia must get this right. Please take the time to ensure these program changes will meet our state's goals and commitments. (BH-CBE-79.1)

Comment:

Hello. My name is Kjellen Belcher, speaking on behalf of Earthjustice. We strong oppose the last minute unexpected inclusion of an expanded Manufacturing Decarbonization Incentive funded with allowances above the cap. We urge the Board to vote no on today's proposal unless the MDI is full removed.

The MDI is Robin Hood in reverse, a direct transfer of program value to industrial polluters at the expense of California communities. By adding up to 118 million allowances to the program, roughly equal to the annual emissions of 30 medium-sized coal plants, the MDI jeopardizes our ability to meet our 2030 climate target. It takes away four billion from climate investments, community air protection, sustainable transit, clean water, and electric bill relief, and puts those dollars in the pockets of polluters.

The Cap-and-Invest Program has already provided over 8.6 billion in free allowances to oil refiners and drillers. Now, CARB is proposing yet another major handout to big oil through a rushed process with inadequate public review, a lack of transparency and a lack of evidence.

CARB staff have already stated that they intend to address post-2030 industrial assistance in a future rulemaking. If CARB wants to pursue the MDI, it should do so there and evaluate the full scope of existing and proposed subsidies to industrial polluters. We urge you to protect the integrity of California's climate goals and protect communities impacted by dangerous air pollution.

Please do not allow this proposal to move forward unless the MDI has been struck from the amendments. (BH-Belcher-155.1)

Comment:

Hello, members of the Board. My name is Marie Choi with Asian Pacific Environmental Network. For over 30 years we've brought together families living alongside some of the state's biggest oil refineries to fight for clean air, clean water and the resources that people need to thrive. It's our communities that breathe the consequences of your decisions.

The changes being proposed today would be a huge step backwards for California. This is a multi-billion dollar transfer of public wealth to the big coil companies that are gouging Californians at the pump and raking in windfall profits due to the war in Iran. Let's be clear, these companies don't need the handout. Under Cap-and-Trade, refinery communities have already seen an increase in both PM2.5 and greenhouse gas emissions. This was shown in the 2022 State OEHHA report.

The 15-day changes increased the free allowances to oil companies, giving refineries enough free industrial allowances to cover 78 percent of their emissions. On top of that, it opens up the MDI to refiners making it possible for oil refineries to receive allowances in excess of their actual emissions, incentivizing them to concentrate even more pollution in refinery communities. For us, that means more asthma, more cancer, more death. According to the Legislative Analyst's Office, the 15-day changes would result in the loss of $2 billion a year to the Greenhouse Gas Reduction Fund. It eliminates critical funding for public transit, affordable housing, clean air, and clean drinking water programs that actually reduce emissions and help working families reduce their housing, transportation, and health care costs. Also, that the State's landmark climate program can hand over billions to Chevron and other big polluters.

The Board has another choice here. You can choose instead to protect California's climate progress, the health of front-line communities, and maintain funding for the programs that both reduce emissions and keep life affordable for Californians. We urge you to reject the 15-day changes (inaudible) MDI. (BH-APEN-201.1)

Comment:

Hi. Good afternoon. Wes Reutimann calling on behalf of Active San Gabriel Valley, and our 5,500 members in East Los Angeles County. Our subregion of LA County suffers from some of the worst air pollution in the U.S. We remain an extreme nonattainment area that requires your support and continued investment.

The proposed MDI would constitute a major step backwards, a giveaway to a fossil fuel industry that is already benefiting from unprecedented federal backing. A fossil fuel industry that is once again reaping a war-driven windfall, and a fossil fuel industry that continues to profit while polluting communities like ours.

There is no guarantee that lifting the allowance cap will reduce costs to Californians. You do not have control over what the fossil fuel industry does with free allowances. What you do have control over is the level of investment in high-need California communities. Please protect the integrity of the State's landmark Cap-and-Invest Program. Please direct staff to remove the MDI from these regulations before approval. (BH-ASGV-234.1)

Comment:

So, I'm Claire Broome. I'm an Assistant Surgeon General, retired from the U.S. Public Health Service. And I have represented 350 Bay Area at the California Public Utility Commission for the past 10 years. So I know what's driving our electricity cost crisis. It's investor-owned utilities spending on poles and wires.

While the climate credit is attractive, it is not going to solve the electricity cost crisis. So we've heard a lot about affordability and certainty. Chair Sanchez mentioned that the Cap-and-Trade, Cap-and-Invest Program has been going for 14 years. I would say that the most certain issue is maintaining the value of the credits and not flooding the market with free allowances. If the industry needs certainty, Cap-and-Invest should hold the line and not flood the market with free allowances.

Finally, for a affordability, we've heard wonderful testimony that what will make a difference for California families is transportation, housing, and health spending. So I urge the Board members to listen carefully and tell the staff to remove the MDI and go ahead with maintaining a credible Cap-and-Invest Program. (BH-350BA-252.1)

Comment:

Hello, Chair and members. Thank you so much for the opportunity to comment today. My name is Asha Sharma commenting on behalf of Sierra Club California representing more than half a million members and supporters across the state. We strongly urge Board members to approve a final regulation with an amendment to strike the MDI and retire the associated 118 million allowances. The MDI not only undermines California's climate ambition, but would decimate funding for key climate and equity programs like safe drinking water and clean transportation, when the State has no other available source of funding for these programs. Since you weren't able to hear from them directly today, I'd also like to point out that many legislators have also contacted CARB about their deep concerns of the inclusion of MDI and urging its removal. These legislators know how dire our State budget is, and again there is no other source of funding for these critical programs. I'd also like to point out that California already gifted the manufacturing industry a huge financial boon last year through the passing and signing of SB 131, which no longer requires many manufacturing facilities to abide by the California Environmental Quality Act protections. And the manufacturing already -- the manufacturing industry already receives assistance through the GGRF. Approval of this regulation with the MDI left as is would be leaving Californians, especially environmental justice communities without protection from the disastrous impacts of the climate crisis that we know are coming. We urge the removal of the MDI. Thank you. (BH-SCC-255.1)

Comment:

I request that the Board not adopt the proposed regulations and ask staff to remove the MDI and keep funding for the GGRF. We are in an affordable housing and climate crisis, and cannot afford to lose the $1.4 billion that this proposal will cut from our affordable housing and transit programs.

We will also never achieve CARB's own goal of reducing emissions to 40% below 1990 levels by 2030 with this massive giveaway to the biggest polluters in the state. (BH-Costello-26.1)

Comment:

I am writing to ask you to reject any proposal to postpone Cap and Invest regulation changes as it will hit transit riders and transit service hard. Eliminate the Manufacturing Decarbonization Incentive. Transit is coming back after the devastation of Covid policies in California. We need the GGRF to remain whole and solvent so that the programs for free and subsidized transit service can continue, so that active transportation can continue to be funded, so that paratransit has the opportunity to continue to grow and serve people with disabilities in California. Bottom Line: Refineries are going to leave whether or not you put the new regulations or not. They have made that decision already. Trading away affordability in one sector (transportation) is short-sighted, bad for the climate, and sends the wrong message to Californians. (BH-SFTRB-45.1)

Comment:

As a community resident, I am concerned about moving funding to bend the knee to industries that are without remorse hurting our communities in the name of business. These proposed changes are a direct attack to frontline communities that we work with: removing funding from AB617 CSC work, SAFER, and Cal. Climate Credit. I urge the board to reject the changes. Thank you.

...

I urge the Air Resources Board to reject the 15-Day Changes and eliminate the Manufacturing Decarbonization Incentive. This proposal will have harmful effects on vital California programs that ensure clean air, safe drinking water, housing, transit, and fire resilience. California cannot continue to allow communities near refineries and freight corridors to sacrifice their health for the sake for polluting industries' profits. These changes not only require our communities to breathe dirtier air but also dismantle the programs designed to support them. Reducing AB 617 funding while increasing free allowances for polluters is a double blow to the communities already bearing the heaviest burden.

...

I am calling on the Air Resources board to reject the 15 day changes and eliminate the manufacturing decarbonization incentive. This proposal will have detrimental impacts on important CA programs that support clean air, safe drinking water, housing, transit. (BH-CCEJN-65.1)

Comment:

I am writing to urge the Board to reject the proposed 15-day changes. CARB is creating 118 million new allowances to pollute outside the emissions cap. Independent modeling confirmed by CARB's own analysis finds this would reduce auction revenues by up to $4 billion over the next four years and ensure California will fall short of our 2030 climate goals, as set by state law. This would gut funding for public transit, affordable housing, and environmental justice programs. As a student with no car I rely exclusively on public transit, which is already limited and becoming more expensive as the city redirects vital resources to surveillance FLOCK technology and its bloated police budget. Without these programs I would be unable to attend school or work. I take the bus for my future and the future of the world. Environmental measures are no longer optional or cute, they are our only opportunity to mitigate the damage wrought on this planet by overconsumption and overdevelopment. I urge you: reject new allowances for pollution. (BH-SD360-87.1)

Comment:

Vote No on the amendments

Changing the title from Cap-n-Trade to Cap-n-Invest simply highlights that the public consumers pay more to fill up their car, polluters get more free allowances, and industry pays to pollute. The investments are for the polluters rather than those living with impaired health due to bait and switch activities by industry and utilities.

Tier 3 from the changes from 2025 on the original cap n trade beneficiaries'. The items in Tier 3 only get funding if there is enough left after monies going to Tier 1 and 2. If they receive funding they likely will be reduced from the original intent of the Cap-n-Trade program

- Affordable housing
- Transit and intercity rail capital program
- Sustainable communities and agriculture and agriculture land commissioner
- Low carbon transit operation program
- Healthy resilient forests
- Safe Affordable drinking water program (BH-Warren-104.1)

Comment:

Good morning, Chair Sanchez, members of the Board. My name is Philip Fine, Executive Officer at the Bay Area Air District and I'm joined here today by many other air districts from across the state. We are all committed to work with CARB, our community partners, and all stakeholders to implement a balanced approach for Cap-and-Invest that helps California weather the economic and environmental challenges facing all of us. This is especially important, given the federal government's actions to undue California's environmental leadership. We fully understand that the Cap-and-Invest Program was designed to reduce greenhouse gas emissions. And that means that auction revenues may decline over time. However, we are very concerned that the proposed removal of a significant number of allowances in the short-term from the auctions will result in a short-term steep decline in GGRF revenues. This could create serious consequences, including potential zeroing out of the State's support for critical emission reduction programs, including the Community Air Protection Program, also known as AB 617. Our AB 617 communities deserve that we honor and keep our collective commitments to do all we can to support them. In the Bay Area, we have four of the state's 19 AB 617 communities. We are currently implementing three finalized Community Emission Reduction Plans with another CERP under development in the Bayview Hunters Point community in southeast San Francisco. This is exactly the wrong time to create funding uncertainty for this critical program. I have personally been involved in AB 617 since its inception. I can attest it has truly transformed the way the air districts, CARB, and other State and local agencies now approach local air pollution issues by building trust with community partners and developing true community-driven solutions. AB 617 is also looked to as one of the finest examples of an environmental justice program, both nationally and internationally. We all need to continue to fully support this work that yields tangible results, developed in partnership with and led by the most impacted communities in our state. I'll stop there, but just striking the right balance is critical, but all consequences must be fully considered. (BH-BAAQMD-105.1)

Comment:

Good morning, Chair Sanchez and Board members. My name is Paula Forbis. And I'm the APCO for the San Diego Air Pollution Control District. I'm here today because we share the concerns about the potential implications of your decision today. We recognize the Challenges to balance economic progress with environmental justice and public health. And it's programs like AB 617 that provide critical investments to the communities that need them the most. San Diego has two AB 617 communities with approved CERPs, which address the unique challenges faced by residents near our local part and our international ports of entry. Through incentives project, we have reduced emissions equivalent to removing almost 25 million miles of truck traffic annually, resulting in real public health benefits to those local residents. We're also investing in infrastructure to help the -- support the switch to clean technology and air purifiers to provide short-term relief. Through our increased community engagement, we have connected residents, CBOs, local businesses and agency partners responsible for land use and transportation, and worked with all of them to develop concrete community-driven plans to improve public health and promote environmental justice. One example of the power of this program and these connections is that AB 617 has helped transform the relationship between the Port of San Diego and nearby communities. It was influential in the development of the Port's maritime clean air strategy, and has been pivotal in the implementation of clean air projects, such as the first electric tugboat and electric cranes in North America at the Port of San Diego. That's just one example of the progress being made across the state. We recognize the challenges of Cap-and-Invest and the need to provide regulatory certainty, but we ask that us make your decision today, you'll also consider providing certainty to the communities that depend on the investments from AB 617 and that need those benefits the most. Thank you. (BH-SDCAPCD-106.1)

Comment:

Good morning, Chair Sanchez and members of the Board. I'm Aeron Arlin Genet. I'm the Executive Director of the Santa Barbara County Air Pollution Control District. We serve a county of roughly 450,000 residents, half of whom are Latino. Children and seniors together make up more than a third of our population and there's several areas of des -- that are designated by the State as underserved communities. I'm here today speaking on behalf of my air district and the other 29 air districts that cross the state that do not have defined AB 617 communities, all of which remain committed to implementing AB 617 requirements and emission reduction projects. Here are several projects that we have implemented throughout Santa Barbara County using AB 617 funds: diesel agricultural tractor replacements; electric transit buses; EV charging stations; marine electric shore power infrastructure; electric dolly waste hauler; air purifier programs for underserved communities; community clean air centers; air quality sensors installed at schools, nonprofits and local governments; implementation of CTR and BARCT; community engagement; and the support of cities and counties to develop environmental justice plans; organizations across Santa Barbara County, including the Chumash Tribe and Sioux nonprofits, have received community air grants through AB 617. In collaboration with our Air District, these organizations have expanded air quality monitoring and increased public awareness amongst residents of underserved communities. These strides would not be possible without this critical funding. In closing, I respectfully urge CARB to carefully consider the consequences of what the proposal before you today would mean for the long-term public health of underserved communities up and down the state. Thank you. (BH-SBCAPCD-107.1)

Comment:

Good morning. I would point out my name is listed incorrectly on the chart there. It is Feather River Air Quality Management District, not Santa Barbara. I'd love to have a coastal office, but no such luck. So I did want to talk today about the importance of these programs. Feather River, which is Sutter and Yuba counties, is home to a number of disadvantaged communities, including mostly around the City of Marysville, which is about 40 minutes north of us here. Marysville has major impacts from two State highways that some right through town as surface streets. Those of you who have driven up that way might have experienced the congestion last weekend. We also have two major railroads running on either side of the town carrying a lot of traffic. So the town is actively impacted by those activities and FRAQMD has funded a number projects using CAPP funding to help the community, including 18 school bus replacements so far. We have three more that are currently pending. We have replaced the high school's agricultural program tractor, which was a great project. We've set cleaner air -- or cleaner generators for the City's emergency pumps in the event of flooding. Those engines were quite old and quite dirty, one of the first projects in the state to do that work. We've also replaced emergency services generator for the Sheriff's facility, again with a much cleaner engine. We've installed electric school bus charging, which is quite expensive in the community. We've also established an air monitoring network, not just in Marysville but also out in the broader community, which is particularly useful in wildfire events. We have established 14 publicly available charging stations in the District with these funds. And we're currently working to use CAPP funding to do heat pumps throughout the community. So we encourage you to support the Program, continue, and support the comments of my fellow APC officers. (BH-FRAQMD-108.1)

Comment:

Good morning, Chair Sanchez, and members of the Board, and CARB staff. The San Joaquin Valley faces some of the nation's most complex air quality challenges due to its geography, growing population, goods movement network amongst many challenges that I know you all are very well acquainted with. But even with those challenges, the valley continues to make meaningful air quality progress through strong partnerships, innovation and sustained investment, including to the AB 617 program. And while major achievements have been achieved, the valley still faces some of the country's toughest attainment challenges and is home to seven of California's ten most disadvantaged communities. This is a critical time to double down on practical emission reduction efforts, build on progress already made and continue moving communities towards cleaner air and healthier outcomes. Air districts across California have built a strong record of collaboration with CARB agencies, business, residents and community organization to advance practical, cost effective clean air solutions with measurable results. BB 617 has transformed how we partner with communities disproportionately impacted by air pollution through collaborative planning, community-driven clean air strategies that are tailored to local needs. And I've been involved from the very beginning and have seen just a major transformation. Through these efforts, just to put an example out there, more than $146 million has been committed towards community prioritized strategies, reducing over 5,000 tons of emissions including clean air trucks and equipment, school buses, residential air filtration, urban greening, just to name a few examples of the amazing work that we've done in partnership with our communities. In addition, the FARMER Program, funded largely through greenhouse gas reduction funds, has played a critical role with replacing many thousands of older diesel equipment with clean air technologies that really deliver real-world reductions in a cost effective way. So we're here to just basically highlight that continue investment in these programs is especially important, given the ongoing uncertainty surrounding the State's Mobile Source Strategy and some of the challenges there recently. We're here to emphasize the importance of maintaining stable Cap-and-Trade -- Cap-and-Invest funding to support communities and continue the air quality progress that we've seen in the valley and throughout California. I just want to thank you for the opportunity to provide these comments today. Thank you. (BH-SJVAPCD-109.1)

Comment:

Good morning, Chair Sanchez and members of the Board. Councilmember Guerra, a special acknowledgment, our Board representative. My name is Alberto Ayala. I'm the Air Pollution Control Officer for the Sacramento Metro AQMD here in sack. I am your Air Pollution Control Officer. Welcome. Air districts understand that Californians are facing many challenges today and we remain committed to working with you, the Governor's office, the Legislature and other stakeholders to find balanced solutions without abandoning the promise that we made to communities under the Community Air Protection Program. Less than five miles from here is our AB 617 community South Sacramento-Florin, an area that this Board adopted into the program eight years ago. And we went into that program working hand-in-hand with your -- with your staff. We went into the community to truly tackle mitigation of air pollution burdens and environmental inequities. And similar to other areas, we have made tremendous progress. Just now, I came from our Board meeting where our emission reduction plan for the community has been approved by our Board and is coming to you in July. We're already working with the community to start implementation. Those achievements represent hundreds of volunteer hours from residents, community leaders, technical experts, local organizations, and people like us working at the local level. We came together because of the promise of AB 617, a promise for cleaner air, healthier neighborhoods and a better future for our communities. We cannot abandon promise now. California has built a reputation for innovation, leadership and opportunity. That leadership must also ensure that historically overburdened communities in the AB 617 Program are not left hanging and alone. Let's continue to work together to make sure that we can keep our promise. (BH-SMAQMD-110.1)

Comment:

My name is Wayne Nastri. I'm the Executive Officer of the South Coast AQMD. Our region represents nearly two-thirds of the state's environmental justice communities. We understand how difficult it is to find the right regulatory balance between environmental progress and economic affordability. And as you've heard from my colleagues, AB 617 communities are among the most affected by economic, social and environmental injustices. These same communities could be adversely affected by the proposed changes discussed today. These communities too often carry a disproportionate burden, higher exposure to air pollution, greater impacts from climate change, and increased rates of asthma, cardiovascular disease, cancer, and so many more health issues. And that's why local air districts are here today. We recognize that affordability, economic growth and environmental protection are not mutually exclusive. California does not have to choose between a strong economy and clean air. We can and must try to achieve both. We can continue advancing air quality and climate goals while supporting our communities, protecting public health, and maintaining economic competitiveness. CARB is an essential partner in achieving our shared clean air and climate goals. Our agencies have complementary roles and California is strongest with State and local regulators working together, transparently, collaboratively and proactively. This partnership matters. And in closing, the air districts commit to working with CARB, the Governor's office, the Legislature, and all stakeholders on this program, so that it delivers on its promise to all Californians, and especially for the environmental justice communities that need it most. (BH-SCAQMD-111.1)

Comment:

Good morning. My name is Dr. Pam O'Dell. I'm speaking on behalf of Climate Action California. Climate Action California is grassroots advocacy group with 7,000 members in California all concerned with solutions to the climate crisis. We are deeply concerned that the April amendments to the CARB's rulemaking proposal will undermine California's Cap-and-Invest Program and put our climate risk targets at risk. Instead of retiring 118 million allowances to maintain our climate target, these amendments would create 18 -- 118 million new allowances to be distributed in an untested program with insufficient guardrails and no meaningful accountability mechanism. These additional allowances would not only endanger our mission's targets, they would has flood the auction market and depressed Cap-and-Invest revenues. These revenues fund vital programs, promote climate resilience, clean transit and transportation, and public health, especially in the most heavily exposed front-line communities. We urge CARB to reject the April amendments and retire the 118 million allowances, as originally proposed in the January rulemaking proposal. Thank you. (BH-CACA-151.1)

Comment:

Good morning. Hi. Mariela Ruacho with Leadership Counsel for Justice and Accountability. We urge you to strengthen the Cap-and-Invest Rule and remove the MDI. The 15-day changes provide large giveaways to refineries and other polluting industries without any real benefits to Californians. These pro -- this process has been rushed. The 15-day changes are so out of sync with the ISOR, there has been insufficient environmental review of the impacts of these changes. We have concerns with double counting of supposed climate benefits from biogas and biofuels through the MDI and other programs such as the LCFS. The changes will significantly reduce GGRF impacts to equity-focused programs, such as the Safe and Affordable Drinking Water Fund and CARB's own AB 617 Program. In addition, these changes will reduce the climate credits for critical economic security measures for low-income people living in heat-prone areas. So again, we urge to remove the MDI and strengthen the Cap-and-Invest Regulation. The current rule does not provide true benefits to DACs or Californians, even when it comes to affordability, public health benefits, or meaningful investments. Thank you. (BH-LCJA-129.1)

Comment:

The industry also objected to expected high regulatory costs of Cap-and-Invest, but its cost projections were premised on allowance prices at the price ceiling, not at the price floor. If prices actually go to the ceiling, then excess revenue beyond GGRF budget allocations could be used to offset impacts on regulatory costs and affordability, but there is no need to divert revenue from the GGRF to refineries when allowance prices are low as they have been for the last year. (BH-CRPSVC-89.3)

Comment:

Good morning -- or afternoon Chair Sanchez and members of the Board. Gracyna Mohbir with California Environmental Voters. Thank you for your leadership and for the opportunity to comment today. Cap-and-Invest has helped make our State safer and more affordable for over a decade by reducing emissions and generating funds to invest back into our state and our communities. Right now, when Californians are forcing a severe affordability crisis, which is fueled by the climate crisis, we need this program to meet the moment. We're concerned that the April proposal is jeopardizing our state's ability to meet the 2030 emissions target with the MDI. Adding new allowances above the cap, we risk our climate progress and will effectively have the state's GGRF funding. Both the Climate Credit and programs funded by GGRF, some of which have been mentioned today, like AB 617, affordable housing, clean cars, transit, safe drinking water, these will all lose out under the April proposal. The current version of the MDI Program has not been subject to sufficient stakeholder input and development to warrant its rushed addition to the Cap-and-Invest Program. The MDI, furthermore, does not guarantee legitimate pass-through savings or benefits to consumers, but we know the projected loss we're up against. The State would forego $2 billion per year for programs that we know have helped Californians grapple with the rising costs of living. Families hit the hardest by climate change will be hit the hardest by this loss. The core function of the Cap-and-Invest Program and California's ability to invest in our communities are both at stake. We're concerned that the resolution does not go far enough to protect the program's integrity and we are respectfully asking the Board to approve the regulations contingent upon the removal of the MDI Program to revisit and flesh out at a later date, so we can protect California's ability right now to continue acting effectively on climate and affordability. (BH-CEV-162.1)

Comment:

Good afternoon, Board and -- my name is Alex Mantanona. I am representing the Central Coast Alliance United for a Sustainable Economy. We are an organization that works on environmental justice, housing justice and workers' rights, based out of Ventura and Santa Barbara Counties. We are spread throughout six different cities. And today, we want to ask you to reject the proposed amendments, particularly the MDI. Now, I want to take a little step back and talk about just -- let's talk about the name change, right. We changed it from Cap-adn-Trade to Cap-and-Invest. So what does investment mean? It means long-term solutions to affordability, to making sure that we actually reduce our consumption of fossil fuels. So, the way we do that is invest into affordability of housing, invest into transit programs that reduce the demand for oil and gas, and helps our underserved communities actually get around. Now, on top of like just the name, and the nomenclature, and things like that, I also want to point out just sometimes how disingenuous it feels with talking about giving handouts to industry, right? This is the same group that spent decades and tens of millions, if not hundreds of millions of dollars lobbying to, you know, deny the climate science itself. And now, they're going and being a little disingenuous about needing extra handouts instead of investing that money into the communities that are being severely impacted. So, for example, Long Beach, I was there last week. Their life expectancy around that refinery is eight years less than the county average. In the -- my home town of Oxnard, we have to deal with the 80th and 90th percentile of pollution burdens in the state, right? And that's oil flarings and our agricultural fields. (Inaudible). Thank you very much. (BH-CAUSE-165.1)

Comment:

Good afternoon, Madam Chair and Board members. I'm Rodd Lee, Assistant General Manager at the San Francisco Bay Area Rapid Transit District. I am here to voice BART's opposition to the proposed amendments consistent with the opposition letter you received from our General Manager, Bob Powers. BART is the backbone of the Bay Area's transit network. Over 90 percent of the region's transit transfers involve a trip on BART, so our ability to provide reliable service, also supports the regional transit network. The proposed amendments would eliminate funding for the TIRCP, LCTOP, and AHSC programs and threaten BART operations, capital projects, and housing built at our stations. BART receives approximately $10 million a year in LCTOP funding to support operations of our extension to Antioch. Also, BART received $74 million in TIRCP funds for station access and mobility enhancement projects. One hundred and thirteen million dollars in AHSC funds have supported new railcars, next generation fair gates, and improved lighting to help BART be cleaner and safer. AHSC funding has also provided nearly 3,000 units of affordable housing at or near BART stations built by our development partners. Cuts to the Program will only delay the construction of affordable housing, which is much needed in the Bay Area. BART is opposed to the proposed amendments and respectfully asks the Board not to support the amendments today. Thank you. (BH-SFBART-171.1)

Comment:

Good afternoon. I'm Michael Pimentel with the California Transit Association. And I'm here today to -- on behalf of my 220 member organizations and as a representative of a coalition of more than 70 partner organizations in Opposition to the proposed amendments. As partners with you in the advancement of the State's climate policies, we ask that you vote no today on the adoption of the proposed amendments and direct staff to return with a revised proposal that protects greenhouse gas reduction fund revenues. Now, our opposition today does not come lightly. The Association, our members, and our coalition partners were early supporters of AB 32 and the Cap-and-Trade Program, and we lobbied aggressively in support of the extensions in SB 32 and AB 1207. We are, however, gravely concerned with the proposed amendment's impacts to the GGRF and its investments in affordable housing, transit and AB 617 communities, and we are alarmed by the message used to support their adoption today. Members, what you have before you are amendments to a program that you've been told is not about revenue generation, but that the Legislature and the public were told just last year must be reauthorized to stabilize the market and resulting revenues; amendments to a program that you've been told isn't about investment, but that was renamed Cap-and-Invest during its reauthorization at the urging of Governor Newsom; amendments that you've been told reflect legislative input and direction, but that according to the public record on the 15-day changes has five legislators in support and 30 legislators in opposition; amendments that you've been told protect jobs and address affordability, but that eliminate $1.4 billion annually for affordable housing and transit; and amendments that you've been told center the needs of the most vulnerable Californians, while eliminating $250 million annually for investments in disadvantaged communities. Regrettably, these are amendments that you've been told cannot be reconsidered or adjusted, and that must be adopted today. On policy and on process, we've believe that these are amendments that must be rejected. And so again, we ask that you direct staff to return with a revised proposal that protects the GGRF and its critical investments. Thank for your consideration. (BH-CTA-172.1)

Comment:

Good afternoon. My name is Nile Malloy with the California Environmental Justice Alliance, supporting EJ communities throughout the State of California. I, first of all, want you to imagine for a moment that today's conversation was different. Imagine we were here not to debate a rush 15-, 20-day rulemaking that hands billions in allowances to the oil industry, but to celebrate a Cap-and-Invest Program mechanism that fully delivered on their promise of SB 840 and GGRF; a program that fully funded the transit, AB 617, SAFER Program and public transit, and reliable services and housing; the programs that the city leaders, legislators, and environmental justice advocates and most Californians support and depend on. Instead, many of us are here because the CARB introduced the MDI. That approach is legally questionable under the APA and CARB's own certified regulatory program requirements. The leakage argument driving the MDI is not new. It has been the petroleum industry's primary objection to every Cap-and-Invest tightening since 2012, advanced in very rulemaking and consistently found insufficient to override California's statutory GHG obligations. The Board should not accept unsubstantiated leakage claims that -- from the industry that spend decades denying climate science and grounds to expand allowances by 118 million units. The LAO has confirmed that commenters warned that GGRF revenues would drop roughly to two billion per year, half of the percent levels, leveling Tier 3 programs with no funding. We urge the Board to reject the MDI and the 118 allowances so we can prioritize the original intent of this program to reduce emissions and invest in communities most burdened by pollution not subsidize the industries responsible for them. (BH-CEJA-173.1)

Comment:

Good afternoon. I'm Chloe Ames with NextGen California. NextGen has been a strong supporter of the Cap-and-Invest Program and we advocated for the reauthorization of the program last year in the Legislature. However, we are very concerned that this proposed regulation, specific the MDI would significantly kneecap the program climate ambition and affordability benefits. We are urging the Board to remove the MDI from the regulation before moving forward. Last month, we submitted a public comment letter on behalf of 45 environmental, environmental justice, public transit and public health organizations all requesting the same ask, to remove the MDI from the program to, one, restore climate integrity, and two, generate critical affordability funds for Californians. The core function of the Cap-and-Invest Program is to serve as a backstop to ensure we reach are State mandated greenhouse gas reduction goals. However, the MDI would reintroduce 118 million allowances over the cap, which is the same number of allowances that CARB stated was necessary to remove from the market to meet our 2030 climate goals. The MDI threatens the primary function of the program, the cap on emissions. While Cap-and-Invest is not primarily a revenue-generating program, the MDI would also significantly defund GGRF and Credit -- Climate Credit by oversupplying the market. This would slash another core benefit of the program and defund community programs. Multiple analyses all conclude this, that the MDI would, by effect, transfer up to $4 billion from Californians direct electricity rebates to -- and community programs to qualifying industries, which are already receiving above average industry assistance under this regulation to reduce leakage even without the MDI proposal. This directly undermines the program's affordability goals for Californians to further subsidize industries without any guarantee that this proposal would lower gas prices. The MDI is a root problem of our concerns. It is (inaudible). We urge the Board to request that the Executive Officer remove the MDI from the regulation. (BH-NGC-177.1)

Comment:

Good afternoon, Chair and members. Jeanie Ward-Waller on behalf of Climate Plan, also adding on for CalBike and TransForm. I'm going to align our comments with the transit, housing, and environmental justice allies that you've already heard from today. We strongly oppose the 15-day changes, particularly the MDI proposal. Our biggest concerns are with the impacts to the invest side of the program through the GGRF and the loss of all funding to the Tier 3 programs, which have, for over a decade now, provided significant funding for transit capital and operations programs, affordable housing and sustainable communities, clean air, and safe drinking water programs. These are all critical programs. They're funding community decarbonization efforts that provide durable affordability benefits to our most disadvantaged communities. Please do not subsidize industry decarbonization at the expense of investing in community decarbonization. Public transit in particular is still recovering and has needed emergency operations relief to continue to provide critical service to those who rely on it. The last -- loss of GGRF funds to transit now would be catastrophic. We urge you to reject the MDI. If you approve the regulations today, direct staff to remove that from the proposal. Thank you. (BH-CLIP-179.1)

Comment:

Hello. Good afternoon. I am Eric Thronson, here representing Sacramento Regional Transit District. First, I want to thank the staff for all their hard work. Bless their hearts, I know they're doing their best to balance a variety of priorities. SacRT believes that these proposed amendments are bad for California, because they eliminate funding for programs that directly address the two highest costs facing everyday Californians, housing and transportation. These programs that you are defunding deliver generational investments that are necessary of the State to meets its climate goals, not one-time benefits. Some examples in Sacramento include, SacRT partnered with the cities of Sacramento and West Sacramento and private developers to secure more than $126 million through AHSC programs. These investments will deliver 546 new affordable housing units across three developments, building more than a thousand units already underway along SacRT Blue and Gold light rail corridors. They'll reduce approximately 311,883 million tons of carbon emissions through reduced automobile dependence and improved transit accessibility. Also, the LCTOP funds are instrumental in implementing SacRT's ride free RT program, which provides fare-free transit for Sacramento K12 -- K through 12 students who account for 36 percent of Sacramento's total ridership. From a pure transportation policy perspective, planning for transit operations and capital projects requires multi-year funding commitments by reducing the GGRF revenues and defunding the TIRCP, LCTOP, and AHSC programs, the programs that are receiving funding for more than a decade. You are forcing transit operators to compete for funding with all other general fund priorities each year. This is inefficient and ineffective and will have profound impacts on transit service in the state. (BH-SRTD-181.1)

Comment:

Good afternoon. Chelsea Gazillo on behalf of American Farmland Trust. Thank you for the opportunity to provide public comments. We echo the comments of CalCAN and ask you to oppose the proposed CARB amendments, as Cap-and-Invest is the only funding source for the Sustainable Agricultural Land Conservation Program, or SALC. SALC is a critical lifeline for farmers right now as the price of agricultural production continues to rise. SALC is responsible for 15 percent of GGRF emission reductions despite historically only receiving two percent of the funding. Thank you. (BH-AFT-182.1)

Comment:

Good afternoon, Chair Sanchez and Board members. I'm Alexis Sutterman representing Brightline Defense. At a time of federal uncertainty, all eyes are on California. Will we maintain our leadership on equitable climate solutions or retreat when the going gets tough? Unfortunately, CARB's proposal with the 15-day changes would signal retreat when communities need us most. The MDI offers an unprecedented level of support to industry by eliminating billions of dollars going to community members through direct bill credits and programs for local air quality, transit and affordable housing in the Greenhouse Gas Reduction Fund. CARB's landmark AB 617 Community Air Protection Program is one of the programs at risk of elimination of funding within the GGRF. Brightline works with several community groups across the Bay Area primarily in the Tenderloin, Chinatown, the Mission District, and south of Market to track air pollution using a robust air quality sensor network. This helps communities, primarily low-income renters, high school students, and other vulnerable populations respond to pollution trends and advocate for healthier environments. CARB's core mission is to protect the public health of Californians, not the financial health of profiting industries. This proposal fails to advance CARB's mission and the core tenets of the Cap-and-Invest Program. We respectfully request CARB remove the MDI immediately and maintain the State's leadership in -- on climate and equity. (BH-BD-184.1)

Comment:

Good afternoon. Marinn Espinoza with the California Housing Consortium. I am here today in opposition to the proposed amendments to the Cap-and-Invest regulations. I'd like to echo the concerns raised earlier regarding the impact of the proposed regs on Tier 3 programs funded by GGRF, including the Affordable Housing and Sustainable Communities Program. This program has provided environmental benefits to many Californians. It has produced tens of thousands of transit-oriented homes affordable to low-income households, and it's also saved the State from more than 5.5 million metric tons of greenhouse gas emissions. We strongly urge you to protect GGRF investments in Tier 3 programs. (BH-CAHC-185.1)

Comment:

I share concerns about the proposed 15-day amendments to California's Cap and Invest Regulation, released April 14, 2026. Stakeholders and members of the Legislature have raised a wide range of serious objections to these proposed changes — including the significant risk that the Manufacturing Decarbonization Incentive would drain billions of dollars annually from the Greenhouse Gas Reduction Fund, eliminating the ongoing investment in wildfire resilience, safe drinking water, and other public programs that the Legislature carefully established in SB 840. Those concerns are well documented and have been communicated to the Board extensively. (BH-Rogers-7.1)

Comment:

I share concerns about the proposed 15-day amendments to California's Cap and Invest Regulation, released April 14, 2026. Stakeholders and members of the Legislature have raised a wide range of serious objections to these proposed changes — including the significant risk that the Manufacturing Decarbonization Incentive would drain billions of dollars annually from the Greenhouse Gas Reduction Fund, eliminating the ongoing investment in wildfire resilience, safe drinking water, and other public programs that the Legislature carefully established in SB 840. Those concerns are well documented and have been communicated to the Board extensively. (BH-PFT-42.1)

Comment:

Good day, Chair and members. Jordan Wells on behalf of the California State Association of Counties. We represent all of California's 58 counties. Last year, we strongly advocated for the Cap-and-Invest Program reauthorization to include funding for climate adaptation, wildfire resilience, clean transportation, and affordable housing projects. CSAC is deeply concerned with the April amendments to the Cap-and-Invest Program draft regulations and the impact they will have on GGRF, and funding for critical Tier 3 programs, which have achieved over 116 million metric tons of CO2 equivalent in estimated emissions reductions resulted in over 13,600 affordable housing units under contract, more than 560,000 in rebates for zero-emission plug-in hybrid vehicles, 1.5 billion invested in wildfire prevention efforts, and that's just to name a few. For these reasons, we respectfully urge the removal of the Manufacturing Decarbonization Incentive to maintain these critical investments our communities. (BH-CSAC-186.1)

Comment:

Good afternoon. My name is Mareya Ortiz, speaking on behalf of Angela Islas from Central California Environmental Justice Network, as someone who is familiar with the organization's continued advocacy for clean air and also advancing the human right to safe and affordable drinking water in California. Many CBO organizations that are here today not only work to improve air quality in vulnerable communities historically impacted, but also in communities that have historically or in recent years lost access to safe and affordable drinking water. CCEJN's work also includes advocating for SAFER pro -- for the SAFER Program to continues its funding to support communities like domestic wells and special districts to access funds to move them forward to a long-term solution of drinking water access. Unfortunately, with the proposed regulations being made in Cap-and-Invest, this will defund many Tier 3 programs, including SAFER, which is inconscionable -- unconscionable, sorry, and dire for communities like Perry Colony and Five Points to see long-term solutions to drinking water in the future. Perry Colony, which is in Fresno County, will lose access to emergency services that provide hauled and bottled water, as well as supplemental water support during extreme heat events to help keep homes safe and livable. You can't talk about climate change without talking about water access. And you can't talk about -- sorry. And you can't have a healthy quality of life without water access. Just like continued exacerbation of air pollution and no access to safe drinking water, it's a public health crisis. I urge CARB to reject the proposed regulations and prioritize and invest in sustainable climate futures for these communities. (BH-CCEJN-188.1)

Comment:

Good morning, Madam Chair and members of the Board. Andrew Antwih here today on behalf of the Los Angeles Mayor Karen Bass, Mayor of the City of Los Angeles, the largest city in the state of California. This City of Los Angeles is opposed to the proposed amendments to the Cap-and-Invest Regulation. Cap-and-Invest, and especially the revenues from the Greenhouse Gas Reduction Fund have played a significant role as a funding partner from the State level for leveraging federal funds and providing assistance to the large concentrations of disadvantaged communities that are located in the South LA and other parts of the City of Los Angeles. The City of Los Angeles has secured nearly $500 million in cumulative funding from AHSC as an example. The AHSC Program has help supported 39 housing developments and over 4,300 residential units. In addition to that, the GGRF has provided critical funding to support and advance LA's environmental justice, overall zero-emission transportation and sustainable housing goals. LA leverages GGRF funds to construct many of the projects, including projects in Jordan Downs in the Watts area. And so there's an affordability calculation here. There's a trade-off with some of the details in the amendments and the shifting. And so we want to make sure that the Board is aware of that. And if there is -- if this is a done deal, then hopefully there's going to be an opportunity for the State to provide assistance to continue in partnership, because these projects take a long time to plan and build. And so this sudden shift in the approach towards this program between now and 2030 will have significant downstream impacts. We appreciate the difficult choice in front of the Board. We want to make sure that the City of Los Angeles has its voice for this Board's consideration and exactly what the impacts will be and what the trade-offs will be. So with that, we thank you for your time and your attention. (BH-LAMKB-189.1)

Comment:

Good afternoon, Madam Chair and members of the Board. I'm Rick Ramacier here on behalf of CalACT as both a Board Member and representative of our Executive Director. CalACT has over 350 members, mostly made up of small urban and rural transit providers across California. They've have been hard at work the last few years trying to implement the ICT against great odds. This proposal will do great damage to these operators and their ability to just maintain services, as you've heard from many of our members already today and you may hear more later on as you take more testimony. I would note that the CARB Scoping Plan talks about the need to increase transit ridership by sixfold in California to meet our greenhouse gas reduction goals. There's no way we're going to get there as an industry, if we begin to lose this funding. Many of our members are already facing financial cliffs and having them make very hard decisions. I will also note that it appears to us that the original proposal was released in January. A sector spoke up and said there's some problems. Staff met with this sector over a four month period. And then there's a new proposal in April. Transit has not been afforded a month, late alone two or three months, to engage with your staff about how this is going to be hurtful to transit and how we might work together to get to a better solution. We urge you at CalACT to take that time. So I'll leave you with this last thought. When the ICT was implemented and adopted in this room, I testified. Board Member Dan Sperling said, we have an agreement from an industry that's starving to do the right thing. We're still starving. We need you to do the right thing. CalACT asks that you defer 26-7 until such time you can meet with transit and come up with a better solution for transit as well. (BH- CalACT-190.1)

Comment:

Good morning, Madam Chair and Board members. My name is Scott Cox on behalf of the Electric Vehicle Charging Association and our 18 member companies. I'd like to thank staff and leadership for their hard work on this and clearing our air. California is at a tipping point in the energy transition and clean transportation sector, thanks in large part to a suite of programs administered here at CARB that believes the trail to build nation leading refueling infrastructure, drive the adoption of light-, medium-, and heavy-duty electric vehicles and investing in community mobility. These programs and the transformation that they enable rely on the Greenhouse Gas Reduction Fund. Yet, independent analysis and CARB's own reporting on the proposed amendments showed that this would -- they would crater revenues leaving California without the resources it needs to fully implement the SB 840 framework adopted just last year. With the transition all but abandoned by the federal administration, now is not the time to leave our best policies, programs and ideas unfunded. Reliable GGRF funding is the best tool we have for a cost effective, equitable, and better managed transition in the transportation sector. We urge the Board to strongly consider rejecting the proposed 15-day amendments. Thank you. (BH-EVCAC-192.1)

Comment:

Good afternoon, Chair Sanchez and Board members. Thank you for your time today. Kai Clausen on behalf of several organizations, so bear with me. They include Rethink Waste, the California Compost Coalition, People Food and Land Foundation, California State Parks Foundation, Midpeninsula Regional Open Space District, California Habitat Conservation Planning Coalition, the California Association of local Conservation Corps, Save the Redwoods League, and Sempervirens Fund. As several other stakeholders have shared throughout this hearing this morning and this afternoon, we want to stress the extreme importance of maintaining GGRF revenues at the level anticipated when SB 840 was passed last year. CARB has emphasized that the primary role of the Cap-and-Invest system is emissions reductions. Net emissions reductions is exactly what the programs funded by the GGRF do. From the suite of nature-based solutions to organic waste diversions, some of the most impactful emission reduction programs in California are dependent on GGRF revenue. Implementing changes that gut the GGRF will lead to greater net emissions. We ask that you not approve these changes. Thank you. (BH-RCPCMC-193.1)

Comment:

As a conservation lawyer based in the Bay Area, I represent landowners and land trusts who are working every day to conserve California's working forests and farms in the face of development and economic pressure. Much of those conservation efforts are funded by (1) the Greenhouse Gas Reduction Fund's Sustainable Agricultural Lands Program and (2) income from offsets generated by Improved Forest Management carbon projects. One of the industry commenters earlier today at the Board meeting stated that Cap and Invest is not meant to create a permanent funding source for all of the "feel-good" activities that air and transit districts and EJ and environmental advocates have been describing, and that instead, if policy dictates, those funds should be reallocated to industry to prevent leakage. Contrary to that commenter's statement, GGRF funds underwrite programs that reduce emissions and help the state transition from fossil fuels. If we want to talk about leakage, loss of working lands will increase VMTs for food, fiber, and timber. Loss of public transit will cause riders to drive more. The list goes on.

The MDI changes in the 15-day notice are substantial and require a more fulsome public process. If the Board does not vote outright to reject the changes, it should at least delay the vote and give all stakeholders and the public a meaningful opportunity to participate in the process to craft a real MDI program that includes legitimate guardrails around additionality and direct environmental benefits, so that the funds reallocated from the GGRF and the programs it currently funds truly do benefit the state. (BH-Schmidt-70.1)

Comment:

Good afternoon, Chair Sanchez and Board members. Thank you for your time today. Kai Clausen on behalf of several organizations, so bear with me. They include Rethink Waste, the California Compost Coalition, People Food and Land Foundation, California State Parks Foundation, Midpeninsula Regional Open Space District, California Habitat Conservation Planning Coalition, the California Association of local Conservation Corps, Save the Redwoods League, and Sempervirens Fund. As several other stakeholders have shared throughout this hearing this morning and this afternoon, we want to stress the extreme importance of maintaining GGRF revenues at the level anticipated when SB 840 was passed last year. CARB has emphasized that the primary role of the Cap-and-Invest system is emissions reductions. Net emissions reductions is exactly what the programs funded by the GGRF do. From the suite of nature-based solutions to organic waste diversions, some of the most impactful emission reduction programs in California are dependent on GGRF revenue. Implementing changes that gut the GGRF will lead to greater net emissions. We ask that you not approve these changes. Thank you. (BH-RCPCMC-193.1)

Comment:

Good afternoon Jaymee Go representing TreePeople. AB 1202 requires CARB to design the regulations including distribution emission allowances where appropriate in a manner that is equitable. The proposal is not equitable though, when it strips funding from equity programs, including affordable housing, clean air and water, and clean transportation. AB 1207 made commitments to California dramatically underfunded natural resources, adding nature-based solutions as a priority program for -- as priority programs for GGRF funding. This includes urban and community forestry, which CARB identifies in its Scoping Plan, needs 200 percent more investment, and as the only natural resource currently reducing GHG emissions. The regulatory update not only retracts the promise for new support, but goes further by eliminating 200 million annually for forest health committed in SB 840. Urban forest support and investment is also identified as a priority and the State's Extreme Heat Action Plan and draft Urban Canopy Plan, with latter noting that the estimated total cost of a 10 percent canopy gain in California is between 15 to 20 billion across all urban forestry sectors. Nearly 70 percent -- nearly 70 stakeholders testified at the Senate EQ hearing on this subject, 82 percent of them voice concern, shocked, surprised or betrayal of the plan and no senator on the dais supported it. In the Assembly, 40 stakeholders testified with 90 percent of them opposing or expressing deep concern. One thing that CARB and the Legislature agreed to surrounding the proposal is that it's the Legislature's duty, not CARB's, to appropriate funds. The plan re -- attempts to reappropriate two billion annually without the legislative -- without legislative approval. We urge the Board to reject this proposal. It doesn't have anything to do with equity and would only move California backwards, open the state's illegal change on the short notice of the MDI element, and again relegate natural resources to the last seat in the last car on the train. Thank you for your -- thank you for the time for comment. (BH-TP-196.1)

Comment:

Good afternoon, Chair Sanchez and members of the Board. My name is Vincenzo Caparale. And I am here on behalf of the California Association of Councils of

Governments, or CALCOG. We represent regional government across the state, including California's 18 MPOs and a number of county transportation commissions and authorities. We are here to register our opposition to the Manufacturing Decarbonization Incentive. We echo the concerns of the loss of funding that previous speakers have mentioned. The loss of AHSC, TIRCP, and LCTOP funding would be devastating. These programs are critical to our members' work and to the State meeting its housing, transportation and climate goals. But I would also like to highlight a related consequence. Through the SCS process our members must develop long-term plans demonstrating how they will meet regional GHG reduction targets. And these programs are central to the assumptions underlying these plans. You cannot reduce these tools without proportionally reducing the expectations. If this Board moves forward, it should also recalibrate the SCS targets our members are required to meet. We urge rejection of these amendments or a firm commitment to adjust regional GHG obligations accordingly. Thank you. (BH-CALOG-197.1)

Comment:

Good afternoon. My name is Tami McVay and I am the Director of Emergency Services at Self-Help Enterprises, SHE, an affordable housing and community development nonprofit based in California, the heart of the San Joaquin Valley. At she, we believe healthy communities require more than housing alone. Communities cannot thrive without sustainable infrastructure that supports public health, economic sustainability, and long-term resilience. Through partnerships with State, federal agencies, policymakers and elected officials, our goal is to help build communities that will sustain and thrive generations far beyond our own. I am here today because of the proposal to remove Tier 3, Affordable Housing Community Sustainability and SAFER funding from the Cap-and-Invest is deeply concerning, and in my opinion, a serious mistake.

My department is the boots on the ground first response team who provides critical, emergency, interim, and long-term access to water to small communities, schools, and domestic well owners throughout the nine counties of the San Joaquin Valley most impacted by California's water access crisis. During the height of the 2020-2022 drought, Self-Helf Enterprises -- whoops -- Self-Help Enterprise -- sorry. Lost my spot -- provided immediate access to water for more than 2,000 households and approximately 30 communities and schools, affecting nearly 100,000 human lives.

Frankly, I do not believe equitable access to safe water should have -- should have to be justified through statistics. California recognized that through the Human Right to Water in 2012 and codified it into law. Yet, here we are still having to quantify human need in order to defend continued investments. So let me share a few other numbers for you. The 600,000 Californians currently being affected by water insecurity did not appear overnight. They were a warning sign. Behind them, stand another 2.5 million (inaudible). (BH-SHE-198.1)

Comment:

Good afternoon. I'm Angie Hacker with Prosper Sustainably here encouraging greater consideration and public participation regarding the amendments as proposed that weaken community-based climate investments. I am honored to play various roles that support and engage thousands of Californian local and tribal climate practitioners across the state through nonprofit coalitions, including CivicWell and the Tribal Energy and Climate Collaborative, most of whom do not have the means to be here today. I often work to support better collaboration with agencies to meet our mutual climate action goals, including finding ways to make climate investments like the Greenhouse Gas Reduction Fund more predictable and accessible as communities are regularly requesting of us. We appreciate CARB staff's work on landmark climate plans, policies and investments, and your staff's willingness to coordination with your local and tribal partners on the ground. From tribal ancestral land stewardship to decarbonization of homes and transportation systems, I have seen firsthand how impactful and transformational your GGRF investments have been to build community capacity to act on climate change. Your CCI grants serve as an incentive that staff can present to decision-makers to take localized projects from climate action dreams to politically committed fiscally feasible realities. And we can't do it without it most times. Many communities were relieved and celebrated the commitment to reauthorize Cap-and-Invest in support for Climate Credits, but they're alarmed that one of the only recurring revenue sources supporting place-based emission reductions can now essentially disappear in the same year, they're hold -- they're hobbling back from federal funding clawbacks. Like industry, they are managing severe economic uncertainty while also absorbing the climbing cost of climate and health disasters. Business deserves fair and predictable regulation, but communities also need the strong partnership of the State in delivering the kinds of emission reductions called for in the Scoping Plan (inaudible) achieve. We have -- we request modification -- to the MDI and would love to help engage. (BH-PS-199.1)

Comment:

Good afternoon, I'm Mateo Kushner from Community Water Center, a water justice organization serving rural communities in the San Joaquin Valley and on the Central Coast in the fight to achieve the human right to water in California. A significant portion of our work is funded through SAFER, which is a Tier 3 GGRF funding priority, and stands to face serious reductions under these proposed new regulations. SAFER has brought clean water to almost a million Californians, including by providing replacement water to over 100 schools whose tap water is not safe for use. Other Tier 3 funding priorities overwhelmingly support California's disadvantaged communities, providing live-saving programs and funding for those on the front lines of climate change. We urge CARB to reject these regulations and ensure that California's most vulnerable communities are able to continue building sustainable climate futures. Thank you. (BH-CWC-200.1)

Comment:

Dear, Chair Sanchez and members of the Board. I'm Dr. Thien Vinh Nguyen. And I'm the Director of Clean Air and Climate at Valley Vision, a regional nonprofit focused on improving livability in the Sacramento and capital region. We are also community partner for the South Sacramento-Florin AB 617 community, which is part of the Community Air Protection Program. I'm here today to urge you to rethink and reject the proposed amendments and keep your promise to support clean air projects for the communities that need it most. Please do not divert and reduce the AB 617 funding. Valley Vision, along with a large and diverse coalition of community-based organizations, residents and local businesses have been involved with the South Sacramento-Florin AB 617 community since its designation eight years ago. We have also been -- we have also implemented community air grants in this community, piloting innovative, clean tech workforce development, home and business electrification adoption, and improving air quality and public health. This AB 617 community is also dear to my heart. I grew up in South Sacramento in a housing complex without trees and behind auto dealerships with polluted air, with heavy trucks driving through. Improvements have been made, but more is needed. The AB 617 and -- Community Air Protection Program is not just about air quality. It's about fostering community-driven common solutions, addressing public health, and improving the quality of life for disadvantaged communities and beyond. Thank you for your time. (BH-VV-205.1)

Comment:

I am Nayamin with the Central California Environmental Justice Network. I am here to remind you of two core principles that are supposed to guide CARB's work, one is respect and the other one is equity. So in respect, it says that you need to connect with and work with the people that you are supposed to serve. In equity, it says that you need to ensure all Californians breathe clean air. Well, I'm asking that you take a heart these values in today's decision, because if you really are going to guide your work through these principles, I'm sure you're going to reject that 15-day changes to the Cap-and-Invest Regulation that you have before you, especially the MDI. Why? Because it will cut funding that is safeguard -- safe line for numerous programs that have guaranteed access to clean air, clean water, and resiliency solutions for environmental justice communities across California, but especially in the region where I live and work, the Central Valley. Today, you saw a miracle before your eyes. You saw that normally people that are going to be again on opposite sides of the aisle are telling you the same thing. We -- you have heard that not only from EJ advocates, but from air districts, from farmers, from the transit industry. Doesn't that mean that we are all in agreement of something? That should mean something to you. So today, I'm here to ask you to reject that change and to prioritize public health. That's also part of your mission to put before the profits of the industry that has been polluting using, the health of the people of California that depend on your decision today. Thank you. (BH-CCEJN-207.1)

Comment:

Hello, Chair Sanchez and the members of the Board. My name is Usama Faheem. And I'm commenting on behalf of Communities for a Better Environment raising concerns about affordability and energy bills. California's energy bills are some of the highest in the nation and are rising faster than inflation. 1.9 million Californian households have overdue bills and electricity bill relief is a major affordability issue. The Air Resource Board has an immense opportunity and a responsibility to directly address an affordability need by Californians by increasing allocations to utilities. The Climate Credit is being restructured by CPUC, with potential for helping communities in need, as a priority, especially heat impacted and low-income communities. Any reduction to the credit will mean a hit on affordability itself. As for proposed changes, not only do these changes reduce the amount allocated to utilities from current appropriations, but the Manufacturing Decarbonization Incentive is also likely to keep allowances prices at the floor or potentially even below the floor on secondary markets, undercutting the climate credit by up to 17 percent or a dollar amount of 1.7 billion. This proposed prior -- this proposed prioritizes cost containment benefits to industry over affordability benefits to Californians. So I urge or ask the Board to reject the 15-days changes and eliminate the Manufacturing Decarbonization Initiative. Thank you. (BH-CBE-209.1)

Comment:

Good afternoon, Chair Sanchez and members. Duncan McFetridge on behalf of the Metropolitan Transportation Commission and the Association of Bay Area Governments. We are deeply concerned with the amendments CARB staff has proposed to the Cap-and-Invest Program. The proposed amendments will essentially eliminate funding for the Tier 3 Greenhouse Gas Reduction Fund impacting important programs like the Affordable Housing and Sustainable Communities Program, the TIRCP Program, and the Low Carbon Transit Operations Program. As you know, these are critical investments that support the Bay Area's sustainable transportation, affordable housing, and environmental goals. All said, transit agencies could lose up to $1.65 billion annually. Funding they have relied on for over a decade without any plan to backfill these funds. This impacts affordability, climate goals, and specific projects in the Bay Area. For those reasons, we urge you to reject the amendments. Thank you. (BH-MTR-216.1)

Comment:

Good afternoon, Chair and Board members. My name is Mark Watts. I'm representing San Diego MTS, the transit system for all of San Diego County. I'm actually representing their CEO Sharon Cooney today. MTS does oppose the proposed amendments due to the impacts that they have on the GGRF revenue fund. MTS has utilized three of the major categories in Tier 3 in the past. And they've received hundreds of millions of dollars to fund numerous projects and service enhancements that are active today. The sustainability of public transit is already at risk. And the lack of this critical funding could accelerate these challenges. The investments have reduced GHG emissions and improved air quality while also creating good paying union jobs and addressing the primary drivers of our affordability crisis. At the -- as the regulation is finalized, it must protect these critical investments and we urge you to postpone the adoption of the proposed amendments and release another amendment package that protects the GGRF fund revenue source. Thank you very much. (BH-SDMTS-217.1)

Comment:

Good afternoon, Board. Thank you for the opportunity to comment and for your ongoing work to advance California's decarbonization goals. My name is Diya Kandhra and I'm a 22-year old student leader with Silicon Valley Youth Climate Action and a new graduate from UC Berkeley. We strongly support the Cap-and-Invest Program contingent on removing the MDI Program. As you already heard from so many organizations today and so many interest groups, the MDI initiative in its current form will redundantly provide 118 million new carbon allowances to industrial polluters and will come at the expense of GGRF revenues that fund critical Tier 3 community programs, protecting transit, clean air, clean water, and affordable housing. As a UC Berkeley student, I used BART and AC Transit every week. And before that, as a high school student, I advocated for emissions reduction and protecting clean air in the Climate Action Plan of my hometown Morgan Hill. I hope that I, as well as my peer, Jeff Razai, can represent the voices of million of California students like ourselves who can't be here today, but are dependent on a livable future dependent on your vote as our elected representatives. As students, we're also passionate about contributing to a climate forward future in our education and careers, but we can only do so if climate programs like those in Tier 3 remain intact. Please don't defund the community programs and climate futures of California students by reducing GGRF revenues in community investments. And let's also remember the larger context in this critical moment. California is the fourth largest economy in the world and one of the most strategic and climate ambitious U.S. states. And our ability to responsibly cap emissions while investing in our communities is especially critical in this moment of federal climate funding cuts and regulation rollbacks. We need to remain steadfast in our climate commitment for communities and youth by preserving Cap-and-Invest without the MDI Programs GGRF revenue cuts. Thank you so much. (BH-SVYCA-219.1)

Comment:

Good afternoon, members of the Board. My name is Jeff Razai and I'm here representing Silicon Valley Youth Climate Action. As youth living through an accelerated climate act -- crisis, we than the Board for it's work to extend and update the Cap-and-Invest program through 2045. However, we are today to express some of our concerns over the April revisions, restoring our future and protect corporate profits at the expense of our health and our communities. And we urge the Board to reconsider the Manufacturing Decarbonization Initiative. First, it explodes the emissions cap. The single most critical component of the cap investment is a firm declining limit on pollution by creating 118.3 million new allowances above the cap to fund the MDI. This proposal actively cancels out the very near-term emissions reductions California needs to meet its statutory 2030 targets. It also starves front-line communities and transit lifelines. Flooding an already weak market with 118 million excess allowances would crater carbon prices. Independent modeling shows this will slash GGRF revenues in half. For youth and working families, this means losing on billions of dollars dedicated to community air quality initiatives, affordable housing and public transit. Public transit is lifeline for many underserved communities like me that go to schools, work and daily life. Please maintain the structure integrity of the cap, protect local air quality, and prioritize people over polluters. Thank you. (BH-SVYCA-220.1)

Comment:

Good afternoon, Chair Sanchez and members of the Board. My name is Sadie El Ibrahimi. I'm here with the National Diversity Coalition. And I urge CARB to reject the amendments in their current form and protect the strong Cap-and-Invest Program. I do not come from a technical policy climate side. I come here for -- from the people's side. I work in real estate, mortgage lending, and community empowerment and I see every day that housing transportation health, clean air, and economic opportunity are not separate conversations. They are one ecosystem. The GGRF is not just a funding mechanism. It is how California turns pollution accountability into community investment. Statewide Cap-and-Invest has generated over $31 billion for the GGRF with nearly 12.8 billion already implemented into projects. More than 70 percent of that funding has benefited priority populations. Here in greater Sacramento, over 1.2 billion has been implemented through more than 31,000 projects, with hundreds of millions benefiting disadvantaged breath -- disadvantage and low-income communities. So when we speak today, we are not speaking about an abstract policy. We're speak about real people, real neighborhoods, real families, real children breathing the air these decisions shape. The people here today are asking for the same thing. Do not weaken the investment our communities rely on. The concern with these amendments are real.

Expanding free allowances through the Manufacturing Decarbonization Incentives could reduce accountability and cut the revenue communities depend on. And we are here to say clearly that people must remain at the center, not polluters, not industry relief, not political convenience, the people, the families who need clean air, the workers who need reliable transportation, the communities who need affordable housing, safe drinking water, wildfire resilience, and real investment. Cap-and-Invest is not just a climate program. It is a community program. (BH-NDC-222.1)

Comment:

Thank you very much. And thank you for allowing me to, while the Committee is in recess, to be able to speak a little longer than the two minutes. Good afternoon, Chair Sanchez and Board members. You know, I've been coming to this Board for over 20 years. And I've also been serving on the EJAC for almost 20 years. I was on the floor when AB 32 was passed. We were part of shaping the idea of the Environmental Justice Advisory Committee. And the EJAC, since it's not currently operating, we weren't really able to give meaningful input to this proposal. Our last meeting in September was not a full meeting. We weren't able to really engage with staff, because it was sort of the end of leg. session. So we haven't really had a chance to meaningfully give you comments from the EJAC. But that said, I think you've heard from many of the organizations who are represented on the EJAC today. You've heard from many people. And it is a rare thing, right -- in advocacy, we say if you can build a coalition of unusual partners, when you have labor, EJ, industry -- some industry and the air districts together telling you something, that is something to listen to. It is important that we listen to those voices that are telling you that this is not the way. And I've watched this Board do hard things. I've watched you show courage when it mattered. And I'm here today, because I believe you can do the right thing again and reject the MDI. What's in front of you is not a minor modification. One hundred and eighteen million new allowances and an entirely new reserve mechanism. It's a multi-billion dollar decision that deserves a fuller process. EJ communities were not meaningfully at the table. This Board has the opportunity to honor that commitment now. The Manufacturing Decarbonization Incentive has no additionality requirements, no binding verification, tied to the incentive itself, and no enforceable mechanisms to prove that allowances issued result in real emissions reductions beyond business as usual. That is not a decarbonization. That is a subsidy. This Board demand -- should demand better of us. The program at risks are not abstractions. AB 617 built something real through the CERPs. We had participatory budgeting, community engagement like I've never experienced working for 20 years with the air districts and with CARB. Those are really meaningful efforts to find alternatives, community-driven alternatives, for genuine decarbonization. The SAFER Program is at stake, the California Climate Credit, which 17 percent of those families most in need can lose with this. This Board has the rare opportunity to correct course before those cuts become permanent and before communities lose programs it took decades to win. You know, I'm an executive nonprofit leader and I work in the South Coast. And now I live like a block away from the 5 freeway. And it is almost impossible to get foundations to fund us to do work around cleaning up the air in the most polluted state of California. And so the 617 funds that were directed to communities is -- it was a lifeline to communities who have been dealing with living next to freeways, oil drilling sites. That work matters. More importantly, the work that we did around participatory budgeting and shifting governance is actually what we need for the future, to be able to take problems to scale, to have an all-of-government approach, need can lose with this. This Board has the rare opportunity to correct course before those cuts become permanent and before communities lose programs it took decades to win. You know, I'm an executive nonprofit leader and I work in the South Coast. And now I live like a block away from the 5 freeway. 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And so the 617 funds that were directed to communities is -- it was a lifeline to communities who have been dealing with living next to freeways, oil drilling sites. That work matters. More importantly, the work that we did around participatory budgeting and shifting governance is actually what we need for the future, to be able to take problems to scale, to have an all-of-government approach, and to have engaged, educated communities. We're going to partner with you to make the kinds of changes that we want. What we've seen in our community in South LA is an effort to transform businesses. We are the only ones that have a trust transition section in our CERP, because we understand that our communities and the workers that work in those communities need alternatives. We need what to transition to and we're doing groundbreaking work on finding safer alternatives. That's what's 617 is funding that other funders don't understand, because it's too complicated. We cannot afford to lose those funds. There was important community-driven solution that actually could get us to the reductions that we need, instead of giving more money to the people who got us into the problem in the first place. It just doesn't make sense to be giving them these billions of dollars, given all the harm that they have created. You know I'm a public health person, and so I do pay attention to emerging science. And the World Health Organization is now documenting what EJ communities have Lived for generations, that corporate decisions made-for-profit determine who gets sick, who dies, and whose zip code becomes a death sentence. It's called the commercial determinants of health. This Board can choose not to deepen those disparities, not to allow big oil to rule by misinformation, and really deal with affordability in the way that we need to, not in the way that they have framed it. Over 200 people have -- over 200 comment letters, legislators, researchers, (inaudible) have documented the real harm. You have the evidence. You have the authority and we will stand with you if you're bold for our communities. We want you to hold our lungs and our lives as beloved, as the most important thing that you do for the future of climate and the future health in California. You have the future of many people's lives in your hands. Do the right thing reject the MDI. Thank you. (BH-PSR-224.1)

Comment:

So vote no on the amendments. Down with pollution, up with health, which aligns with the role of CARB. Tier 3 in the GGRF is where the funding resides for affordable housing, transit, and Intercity Rail Capital Program, sustainable communities and agriculture, Low Carbon Transit Operations Program, Health Resilient Forests, safe affordable drinking water. I want to support the comments of the County Connection earlier today that provides the bus service in my city. As a reminder to the Board, transportation is still the largest source of pollution in California, and that's what we ought to be addressing. As a reminder to the Board -- oh, I just said that. Sorry. In the Bay Area, we have four active AB 617 communities: West Oakland focusing on freight, port emissions, and localized truck traffic; Richmond, North Richmond, San Pablo focusing on exposure to petroleum refining, industrial facilities in major transportation corridors; East Oakland focusing on reducing exposure to diesel from goods movement, rail and nearby industrial and commercial zones; Bayview Hunters Point Southeast San Francisco targeting long-standing industrial pollution and health inequities. I support the May 4 letter to CARB from CEJA, the April 26th letter from the 28 leaders in the California Legislature. I recognize and thank the EJAC members and actually asking you to invest in clean air, clean transportation, and affordable housing. Vote no on the amendments, remove MDI, listen to communities. Thank you. (BH-ICANCCC-226.1)

Comment:

My name is Eli Lipmen. And I am the Executive Director of Move LA, a nonprofit transit and affordable housing advocacy organization. I'm also a board member of ClimatePlan and worked with the Clean Transportation Group to set up the Affordable Housing and Sustainable Communities Program, the LCTOP program, the TIRCP program in the original legislation. That's how far back I a go. I also was a Board member of Slate-Z a recipient of multi-grants funded by Cap-and-Invest from transformative climate communities grant to a grant that we just finished out to do outreach around electric vehicles, an e-bike library, and multiple other efforts, including universal basic mobility. And actually I just literally got off the D-line extension. So I am riding transit literally funded by this program right now. The first rail line to Beverly Hills and only three subway stations in the entire United States that were open this year. And I'm requesting that the Board not adopt the proposed regulations and ask staff to remove the MDI and maintaining funding for the Greenhouse Gas Reduction Funds. Transit and affordable housing are long-term community investments that are reducing greenhouse gas emissions, improving affordability for our communities today. In particular, the Low Carbon Transportation Operations Program is -- reduction in that would cut free and reduced fairs for seniors today, people with disabilities and youth today, and cut out new transit service. You know, one of the most successful programs that we've ever seen is the Transit Pass Program. And that is reducing greenhouse gas emissions, not in the future, but actually today. So again, please do not adopt these proposed regulations and please remove the MDI, so that we can continue to fund incredible programs that are reducing greenhouse gas emissions across the state today. Thank you. (BH-MLA-227.1)

Comment:

Good morning, Chair and members of the Board. My name is Eric Escobar. I'm a volunteer with Transbay. I'm from Oakland. I'm a third generation Californian and the father of a fourth generation Californian, and I'm here because I want all of our kids to inherit a state that chose their future over oil company profits. I'm asking the Board to reject these proposed regulations. Specifically, I'm asking you to direct staff to remove the MDI and protect funding for the Greenhouse Gas Reduction Fund. The program called is Cap-and-Invest, but it goes above the cap and it guts the investment. It will cut 1.4 billion from affordable housing and transit. The exact program is deliver long-term benefits to the communities that need them most. Cutting the Low Carbon Transit Operations Program means cutting free and reduced fairs for seniors, people with disabilities and young people. It means cutting bus routes that working families depend on. It means cutting the funding that puts clean electric buses on our streets. And for what? This is being rushed through without basic answers. Who actually benefits? We don't know. And we're being asked to pay 1.4 billion to find out. But we kind of know, when you have energy and oil company lobbyists here begging for you to pass it. And AC Transit, and LA Metro, and County Connection are asking you not to take buses away from riders who have no alternatives for transit. We're in an affordable housing crisis, a transit crisis, a climate crisis, all at the same time. The oilcompanies are making unimaginable inn profits right now while already heavily subsidized and we all pay the price with the shared climate catastrophe. But their days are numbered. The oil companies aren't going to be here in 50 years. Our kids will be. Our grandkids will be. California's air quality regulators should be defending clean air, clean water, transit and housing, not trading them away to a dying industry in its final decades. Please reject the MDI and thank you. I yield my time. (BH-TB-228.1)

Comment:

Hello. My name is April Vargas. I live in Montara, which is in San Mateo County, and an area with active agriculture. One of the few areas in the Bay Area where we still grow things. I'm urging you not to cut the Low Carbon Transit Operating Program. We can't afford to lose the 1.4 billion that this proposal will cut from affordable housing, transit programs, and sustainable ag. As you may be aware, the 100 biggest oil and gas companies have enjoyed revenues of $30 million an hour, since the illegal beginning of the war in Iran. CARB must not consider cutting critical funding for affordable housing and transit, both of which help reduce pollution and provide benefits to California residents of all income levels, including so many of our farmworkers on the coast. Bay Area transit is already underfunded. Please don't make the situation worse. Big oil and big gas donot need more subsidies. The people of California need our support. Thank you very much. (BH-Vargas-230.1)

Comment:

Thank you. Chris Chavez, Deputy Policy Director at Coalition for Clean Air in opposition to the proposed regulations. We supported AB 1207 last year, because it made modest improvements to existing law. But CARB's proposal fails to deliver, and, in fact, works against the law's promises. This proposal undermines the emissions cap. Extending MDI to a broad array of industrial polluters with over 118 million new allowances created outside of the allowance budget poses a fundamental threat to the integrity of the program's essential core, the emissions cap. Further, according to the LAO, this proposal can cut the greenhouse gas reduction fund by half. This means that CARB's programs to get the dirtiest cars and the medium- and heavy-duty trucks off the read, your environmental justice efforts and more would lose their primary and often only source of funding. Emission allowances are a valuable public asset. CARB's proposal would redistribute that value to large corporate emitters and away from the Greenhouse Gas Reduction Fund. Those dollars should go to the GGRF and should be used to provide clean affordable transportation and energy solutions to moderate -- low and moderate income Californians. The governor has said repeatedly that he does not want to leave problems for his successor, but that is exactly what these regulations would do. If nothing else is worth noting that many of those supporting this proposal have fought and worked to undermine CARB's authority and efforts at every turn. That should tell you something. Reject these rushed, short-sided, and counterproductive amendments. Thank you. (BH-CCA-231.1)

Comment:

Thank you, Chair Sanchez and Board members for your continued public service. I am Nathan Ho on behalf of the Santa Clara County Housing Authority. The Affordable Housing and Sustainable Communities AHSC Program has been a major source of funding and at times the only sources of State funding for local affordable housing developed and constructed in our and your neighborhoods. Nearly 23,000 affordable apartments have been funded through AHSC reducing greenhouse gas emissions by more tan 6.6 metric tons of carbon dioxide equivalent. The investment program has been a substantial success in addressing state's -- our state's affordable housing and climate crisis. And we believe that there is direct policy linkage for affordable housing funded by polluting industries for low-income communities who have historically bore the brunt of the harmful health effects of air pollution. More than 1,000 families and households here in Santa Clara County now, or will have, an affordable place to call home thanks to you and AHSC. Additionally, the connected transit investments benefit our low-income families lease and seniors and the greater community. We support the earlier comment of Santa Clara Valley Transportation Agency, VTA, our transit agency and community partner. I'm pleased to share that tomorrow we are celebrating with them that groundbreaking of affordable housing funded by AHSC in our community. Nearly 200 new family-affordable apartments at he new Berryessa BART station along with bikeway, walkway and bus lane improvements thanks to -- thanks to AHSC. Cap-and-Invest is working in our communities and we urge the Board to continue its investment in our neighborhoods at funding levels that will continue to make significant progress towards our housing and climate goals. The current proposed amendments gravely threaten our shared continued success and we urge the Board not to adopt them today without maintaining robust continued funding for the Greenhouse Gas Reduction Fund. Thank you. (BH-SCCHA-232.1)

Comment:

This is, yeah, David Somers. I'm calling from the Los Angeles Department of Transportation where I manage transit grants on behalf of our Transit Bureau. We have some strong concerns about the proposed amendment that would cut some -- a large amount of funding from the TIRCP, LCTOP and AHSC programs. These amendments to the regulation would eliminate threatening the City of Los Angeles's ability to reduce greenhouse gas emissions and jeopardize day-to-day transit operations. Stripping these resources creates immediate obstacles for LA's most transit-related and underserved residents who depend on a network of daily mobility. Without dedicated funding, the State would force transit agencies to either slow walk or outright cancel zero-emission initiatives that are currently leading the nation. We urge you to preserve the CARB funding for public transit. LA is the second largest city in the nation and LADOT is the second largest operator in LA County, in terms of ridership. LADOT serves 16 million passengers and operates 400 buses and our fares are $0.75, the most affordable transit fair in the state and we're going all electric. The City of LA receives nearly two million per year in formula LCTOP funds and has received 50 million in discretionary programs from Greenhouse Gas Reduction Funds. Our city just requested 105 million in the TIRCP funds to fully electrify the fleet for the central most transit-dependent densest area in Los Angeles, the densest area west of the Mississippi. LADOT is a state leader and the first transit system to go all electric. The City Council required LADOT to electrify our transit system by 2030, 10 years ahead of the State ICT requirements. We continue to make progress towards fully electrifying the DASH system, where we've accomplished 54 percent of the fleet as battery electric. That was largely due to a TIRCP grant for $32 million, where we bought 130 BYD buses. Without dedicated funding from TIRCP, LCTOP, AHSC will jeopardize (inaudible) for meeting our climate goals. Thank you. (BH-LADT-235.1)

Comment:

Great. Thank you all so much. My name is Carter Lavin. I'm an Oakland resident and the co-founder of Transbay Coalition, a 14,500-member organization of Bay Area transit riders. I request that the Board do not adopt these proposed regulations and instead that you ask staff to remove the MDI and keep funding for GGRF. Unlike what some other folks have said, our lowest income Californians don't own cars. Cars are actually very expensive things to own. Our lowest income Californians ride the bus. They take paratransit. They carpool. As Chair Sanchez as you said from the start, the current program is a success. And this proposal is a blatant giveaway to big ultra profitable oil companies. This proposal would gut extremely successful transit and affordable housing programs that have made California a greener, more just,and more affordable place. When transit service gets worse and affordable housing does not get built, emissions go up. The costs of living in California go up and California backtracks on its climate progress. Just in Oakland alone, there has been -- this has helped build 1,312 affordable housing units 1-3-1-2. And it's funded our most used bus line, which has helped lower oil use and carbon emission in our community while making it more affordable. But the needless, sudden and drastic proposal would drain the program and put a stop to all that. And look, it's been a long day. It's about to get a lot longer. You've heard a lot of comments. One thing I've noticed in hearing about the hundred plus comments -- sorry, in hearing about from -- I think it's about 30 or so comments on the side of people who are super thrilled for big oil bailouts. They haven't provided any data or number about how these billions of dollars in giveaways with lower emissions, or lower cost to Californians, or even keep their refineries then, it's all been extremely vague. On the other hand, the more than 80 speakers who have spoken out to requests that you all not adopt this proposed regulation, instead tell staff to remove the MDI and keep funding for GGRF, we've all been very clear as to the cost of these proposals. Thank you. (BH-TBC-238.1)

Comment:

Good afternoon. I'm Clair Brown, an economics professor at UC Berkeley, where I teach two research seminars on climate policies. As a Professor, I'm impressed by the comments made by the EJ and transit organizations who point out the negative, unintended consequences of the current CARB plan that increases handouts to big oil and decreases GGRF funds to AB 617 communities, and to public transit. Subsidizing refineries with allowances in the MDI will increase big oil profits and their payouts to their executives, while reducing the GGRF funding to vulnerable communities will worsen their public health and air quality. I live in Richmond near the Chevron refinery and they're not good neighbors. For example, Chevron fought installing wet scrubbers, which is an industry standard to reduce toxic emissions that harm nearby communities. Chevron has made false economic statements and arguing that State regulations will result in their leaving California. I urge the Board to listen to the knowledgeable transit and EJ organizations and direct CARB to eliminate refinery allowances and remove the MDI, and to maintain the GGRF funds for front-line communities, transit and affordable housing. This will improve economic efficiency and equity. (BH-UCB-239.1)

Comment:

Hi there. My name is James Perez and I work with a real estate development team with East Bay Asian Local Development Corporation, also known as EBALDC. EBALDC is a 50-year old community development corporation based in Oakland and we develop and manage affordable housing and other community investments in the East Bay. EBALDC opposes the proposed amendments due to the devastating impacts that they will create to the GGRF funding programs. We urge CARB to postpone adoption of the proposed amendments and release another 15-day amendments package that protects GGRF revenues. In particular, EBALDC, along with numerous public agency partners, such as BART, AC Transit, the City of Oakland, and City of Berkeley have been able to utilize over 100 million in funding from both AHSC and TIRCP programs just over the past five years. These have resulted in transformative projects in the communities that our teams serve. Just last month, EBALDC and several of our public agency partners hosted members of the California Transportation Commission, CARB, and HCD during the April 9th AB 185 joint meeting of those agencies. EBALDC hosted these three agencies on a tour of our -- of two of our AHSC and TIRCP fee funded transit-oriented development projects in Oakland. Numerous Board members, Commissioners, and agency staff were able to see firsthand the way that organizations, like EBALDC, are able to partner with public agencies to utilize GGRF funds to create casual community improvements that further the State's goals around climate, air quality, job creation and housing affordability, projects like the ones EBALDC had the privilege of showcasing to CTC, CARB and HCD do not happen without funding from GGRF. The most recent AHSC application round had $750 million in funding available with over $2.3 billion in funding requests. That's an oversubscription rate of over 200 percent, meaning over $1.5 million worth of projects will have to wait until the next round to reapply for AHSC funding, if there is any think available. Thank you so much for your time. We look forward to seeing a revised amendments package that protects GGRF funding. (BH-EBALDC-240.1)

Comment:

Hello. Good afternoon, Chair and Board members. The Manufacturing Decarbonization Incentive puts billions in crucial funding that supports transit projects, fare fee transit passes, transit-oriented development and community air quality programs at risk. The impact of this funding on my community in Santa Monica has been massive. TIRCP grants funded by Cap-and-Invest have helped electrify Santa Monica's Big Blue Bus fleet and increased service frequency to UCLA. And as a result, I can't even remember the last time I drove to campus. You know, that's a measurable reduction in VMT emissions and personal costs, because the State made a sustainable funded commitment to clean transit. Just down the street from me and other Cap-and-Invest funded AHSC grant is building affordable housing where a parking garage once stood. And in addition, there's sustainable transportation projects involved in that grant, including a protected bikeway on 14th Street that connects three element -- elementary and middle schools, a local college, a light rail line, a major hospital, and a valuable community park, all while knitting together a disadvantaged community that was demolished and divided by the 10 Freeway. You know, on the westside of LA where housing costs are among the highest in the nation and car ownership is a huge financial burden, accessible frequent transit and affordable housing is a direct affordability intervention that works for people and the environment. The MDI mechanism shifts those benefits directly to large industrial polluters, who frankly are doing just fine, while our environment and we ourselves suffer the burden of their centuries of harmful practices. So I urge the Board to abandon the MDI mechanism immediately and preserve the Cap-and-Invest funding for GGRF that is delivering real measurable benefits to communities across California like mine. That is how we just the -- address climate and affordability together. Thank you very much. (BH-Webb-241.1)

Comment:

Thank you. Transit and affordable housing are one -- are a long-term investment that reduces GHGs and improves affordability for communities that need it most. I echo the objections highlighted by the many examples all over California and in our most vulnerable communities. You've been hearing today on how detrimental gutting this funding would be. In my community of Santa Monica, these funds are being used to electrify bus fleet, provide charging infrastructure, expand transit services and building affordable housing in the midst of housing shortage and affordability crisis. These are the sorts of projects I want the State to fund as we work to address climate change and California's housing crisis. CARB must reject these proposed regulations and not these vital funding sources. California's climate investment should fund clean investments, not subsidies for the very industries that are driving our climate crisis. We need CARB to reject these proposed regulations and instead maintain the cap and invest in GHG reduction programs, not give away to profit-driven dirty industries. Future generations are depending on us and for you to do the right thing and reject these proposed regulation -- regulations that gut critical funding investments required to effectively lead us steadily towards a GHG reduction goals and clean energy transit --transition that supports our most vulnerable communities and protect our environment. I am indeed outraged that California air quality regulations -- regulators are proposing to eliminate critical funding for clean air, clean water, public transit and affordable housing, just to give even more money to big oil. Please do the right thing and reject this. Thank you. (BH-Rose-242.1)

Comment:

Hello, Chair Sanchez and members of the Board. My name is Tyler Mosher. I'm a Government Affairs Officer for North County Transit District. NCTD provides multimodal public transit services in Northern San Diego County serving a mix of urban suburban and rural communities. In Fiscal year 2025, we provided service to more than 8.4 million passengers, a 10.6 percent increase year over year. I'm here to speak on the proposed amendments to the regulation for the California cap on greenhouse gas emissions and market-based compliant mechanisms. NCT opposes CARB's proposed amendments to the Cap-and-Invest Regulation. NCT is significantly concerned that the proposed amendments will eliminate up to 1.4 billion in annual investments from the Greenhouse Gas Reduction Fund, or GGRF, to programs that support public transit without an plan to backfill these losses. These programs, including the Transit and Intercity Rail Capital Program, the Low Carbon Transit Operations Program, and the Affordable Housing and Sustainable Communities Program serve a critical role in addressing affordability for all Californians by supporting high quality public transit, reducing air pollution, creating jobs, and increasing access to affordable housing. CARB's proposed amendments fail to recognize the critical role that public transit plays in reducing greenhouse gas emissions. Divesting in public transit means divesting in programs that have a proven history of delivering tangible benefits in line with the goals of the Cap-and-Invest Program. NCT urges CARB to postpone the adoption of the proposed amendments and release a new amendments package that protects GGRF revenues for public transit, recognizing its key role in addressing affordability. Thank you for your consideration. (BH-NCTD-244.1)

Comment:

Hi. Good afternoon. My name is Stacey Ramos. And I'm a community member with the Center for Community Action and Environmental Justice and I live in one of the many affected communities in the IE. The IE has some of the worst air quality in the nation and we suffer from increased rates of asthma, cancer, and allergies as a reflection of our poor air quality. The human impact of our -- of your decisions today cannot be understated. And as a community member, I'm deeply concerned with the elimination of the funding for clean air programs that focus on emissions reductions in EJ communities like mine. In addition, the changes will reduce the California Climate Credit, an important utility bill credit providing savings for families. Affordability means lowering the cost for families, not increasing profits for Polluters. Lastly, the elimination of the AB 617 Community Steering Committee funding for community air programs in development and implementation will derail years of community work and advocacy to advance local clean air where this program could not. I'm urging the Air Resources Board to reject the 15-day changes and eliminate the MDI in order to protect the health and safety of the affected communities. Thank you so much. (BH-CCAEJ-243.1)

Comment:

Thank you. Hello Board and Chair Sanchez. Thank you for your time today. My name is Isabelle and I'm Berkeley resident and member of the public and the Transbay Coalition. I would like to urge the Board to ask staff to remove the MDI and protect funding for the GGRF. I am a car driver, so I understand why the consumer affordability premise of this amendment is appealing. However, based on previous behavior by the companies receiving the credit, it seems highly unlikely that the benefits will go to everyday Californians. We know we need to move away from gas and oil in the long run, so our focus would be on solutions that reduce our reliance, rather than further calcifying a relationship to oil. I'm very concerned that the MDI will be detrimental to our state's long-term climate resiliency by undermining the Cap-and-Invest project and further cementing our reliance on oil. It is more important than ever to invest in and protect -- and protect the public transit that will move us toward a climate-sustainable future. As a result, I would ask the Board to encourage staff to remove the MDI and keep funding for the GGRF before proceeding. Also, I believe there are many potential Zoom commenters lost -- who lost their places in line due to bad WiFi or work. So a shout-out to them. May their written comments be given the consideration and weight that they deserve. Thank you again for your time and your work. (BH-TBC-246.1)

Comment:

Great. Hi, everybody. My name is a Jeremy Tillunger. I'm Director of Public Policy at Via Transportation. Via is a transportation technology company that partners with more than 80 local communities and transit agencies across California to expand equitable, affordable and clean mobility options for residents. Our services help connect people, particularly those without reliable access to a personal vehicle to essential services, including health care, schools and job opportunities. We are here today strongly oppose the proposed amendments to the Cap-and-Invest Program which would significantly reduce funding for California's core transit and housing programs supported through the Greenhouse Gas Reduction Fund. While the proposal seeks to address concerns related indus -- industrial business leakage, it does so at the expense of programs that deliver direct and measurable benefits to Californians, such as TIRCP and LCTOP. These programs expand transportation access, improve affordability, reduce emissions, and help the State meet its climate and air quality goals. For seniors, low-income residents, people with disabilities and individuals living in communities with limited transportation options, these investments are often a critical lifeline to everyday necessities. At a time when California should be accelerating investment in climate and mobility solutions, these amendments would move the State in the wrong direction. We strongly urge that you vote no on the proposed amendments. Thank you. (BH-VT-247.1)

Comment:

Okay. Thank you. Members of the Board. I'm Jeffrey Dunn representing Metrolink, California's largest passenger rail operator serving a 545 route mile network across six counties in Southern California. Metrolink riders average over 30 miles per tripe on our trains. And Metrolink removes annually an estimated 9.3 million vehicle trips and 339 million miles of vehicle miles traveled from California's highways, streets and roads, as well as 130,000 metric tons of greenhouse gas emissions. Metrolink projects have been the recipient of $1.2 billion of TIRCP awards and $30.6 million of LCTOP's awards, all funded by Cap-and-Invest to help achieve these reductions. If the Board adopts today's recommended action, auction proceeds to the Cap-and-Invest Program will be reduced by an estimated $2 billion per year, effectively eliminating funding of these two critical programs, which directly fulfill the objectives that Cap-and-Invest was established for. Metrolink therefore strongly urges this Board not to adopt today's proposed amendments to the Cap-and-Invest Program. (BH-ML-248.1)

Comment:

Good afternoon, Chair and members. I'm Connor Gusman on behalf of Teamsters California and the Amalgamated Transit Union. We want to voice our deep concerns with the proposed amendments' impacts to the GGRF. As drafted, the amendments will significantly and rapidly reduce GGRF revenue and decimate funding for Tier 3 programs, including AHSC, TIRCP, LCTOP and AB 617 communities. The proposal on your desk is an extinction level event for critical programs that have invested $6.2 billion to date in affordable housing, major transit improvements, like procurement of zero-emission vehicles, expanded transit service and discounted passes. GGRF Tier 3 investments continue to reduce greenhouse gas emissions and improve air quality while also protecting good union jobs. Our members maintain and operate these transit systems. They work tireless every day to get people where they need to go on time and safely. Our members also work to build the low-emission vehicles that transit systems continue to use tier funding -- Tier 3 funding to procure in order to meet their and the State's climate goals. These tier 3 funds are being utilized across the state to combat the primary drivers of our affordability crisis and build infrastructure that California needs for a greener future. Californians cannot afford to lose these essential programs. You've already heard from our partners and employers in transit who are begging you to reject the current proposed amendments. California's local and regional transit systems are on an ice edge. I can't stress to you enough how much public transit funding is in crisis. The proposal before you today represents the nail in their coffin. I guarantees job less and a decrease in access and use of affordable and green public transit. We remain disappointed that the current proposed amendments prioritize investors or workers, and wealth over health. We respectfully urge you to reject the current proposal and work harder to protect these critical programs by preserving GGRF Tier 3 investments. Thank you for your time. (BH-TCATU-250.1)

Comment:

Hey, there. I'm Sydnie Ritchie. I'm an Oakland, California resident and a volunteer member of Transbay. And I'm here today to urge you to reject the proposed changes to remove the MDI and keep funding for the GGRF. This proposal, as we've heard many times over today, takes critical funds away from public transit and affordable housing, while giving billions and handouts to Chevron and other major Polluters. This proposal hurts every Californian, every breathing citizen and it benefits the polluters who deserve to pay for the harm that they cause. Today, or I suppose now tomorrow, you can choose. You can be on the side of the people of the planet and choose not to cave to the pressures of big oil. So please, vote no on the regulation changes. Thank you. (BH-Ritchie-251.1)

Comment:

Good afternoon, Chair and members of the Board. My name is Jason Kligier, Chief Planning Officer for the City of Santa Monica and I'm here to read the following remarks on behalf of our Mayor Caroline Torosis. The City of Santa Monica opposes the proposed amendments because of their impact on Greenhouse Gas Reduction Fund revenues. Santa Monica operates Big Blue Bus, one of the oldest municipal transit systems in the state. And we have built our entire climate transition around the programs these amendments would gut. Through TIRCP, we received 23 million in 2023 and 53 million in 2024 to electrify our bus fleet and build out charging infrastructure. Construction is already underway. We have an additional 56 million application pending in this current cycle. Through the AHSC program, we won a $50 million award that pairs affordable and permanent supportive housing at a city-owned site with five electric buses and a protected bikeway. And we rely on rough $800,000 every year through LCTOP to keep buses running. Here is what I most want the Board to hear. These are not programs intentioned with your mission. They are your mission. Clean transit fleets, charging Infrastructure, and affordable housing built next to transit are exactly how California reduces vehicle miles traveled and meets its emission mandates. Diverting nearly $2 billion in allowance value to utilities and oil companies des not advance these goals. It defunds the very projects already delivering on them and puts awarded grants and mid-construction projects at risk. I respectfully ask the Board to postpone adoption of these amendments and release another 15-day package that protects GGRF revenues. The City of Santa Monica opposes these amendments. (BH-CSM-253.1)

Comment:

Hi. My name is Evan. I'm a student from San Jose and a volunteer with Transbay Coalition. Thanking the staff for the presentation first and Board for the long consideration on this matter. It's been a very, very long day. I'm calling in first to urge the Board to reject the 15-day amendments. The impact of cutting $1.4 billion in commitment to GGRF harms our state's ability to invest in key assets like public transit, affordable housing, and continuing to recover our environment like with clean air and clean water programs, especially considering CARB's acknowledgement itself that the agency and recommendation lack meaningful methods to enforce GHG mitigation. This amendment makes little sense for the long-term vision of thise agency and the State's emission reductions goals. I have lived my whole life in the south bay and I doubt I'm every going to be able to afford a home here hands down. I've not heard a single line of confidence from my peers that I graduated high school with this year on being able to afford a home. A program like MDI passed -- establish at this critical juncture in our climate crisis is disastrous for our progress toward creating a more affordable and accessible California. And that's not even beginning to mention cutting programs like LCTOP, which get cars off the road and reduce VMT, one of the main goals of our State's climate programs. A livable future California means one that invests in its clean air, clean water, clean transit and affordable housing. California need not mortgage its climate goals with this handout to oil refineries and heavy industry. Please reject the proposed amendment and remove the MDI. Thank you. (BH-TBC-254.1)

Comment:

I'm Jordan Moldow, a resident of San Jose. I urge you to reject the 15-day regulations and remove the MDI Program. In many senses, these are very unprecedented times. In many senses, they are not. None of the following things are unprecedented or unexpected: economic downturns, oil wars and volatile oil markets, environmentally hostile federal governments, economic strains caused by addressing climate goals. None of those things are unprecedented or unexpected. Also, not unprecedented, unimaginably wealthy oil companies predicting doom and unprofitability if you hold them accountable. All of these problems have always been known. California adopted strong climate programs because of those problems, not in spite of them. To suddenly turn heel because the oil industry is leveraging overlapping emergencies created intentionally by the federal administration is to betray your mission, betray your grandchildren, betray everyone who worked hard over decades to build these climate programs and betray us. Addressing climate change necessitates that less oil be extracted and refined, which means that some oil jobs and businesses will be lost. This is the point. The point is also to make up for those losses with jobs in green energy, public transit, transit construction, housing and infill -- urban infill. The point is to provide affordable green energy, affordable public transportation and affordable housing. Fully funding the GGRF will maintain those climate investments. Defunding it in favor of the MDI is the wrong direction. It's tiny Band-Aid next to a large oil problem. We need to maintain the fixes that we know work, rather than gambling on something that we know won't work, because oil is never going to be good for the climate. Please vote no today. (BH-Moldow-256.1)

Comment:

Hello. My name is Marven Norman. I'm a resident of San Bernardino and I'm calling today to urge the Board to reject the MDI and the other included in the 15-day changes. As a resident of San Bernardino here in the Inland region, we have the AB 617 San Bernardino-Muscoy community here, and that process has been benefited from, some of the funding available through Can-and-Trade, as well as other operators who have spoken earlier, such as Metrolink. We are -- people in our -- people in the Inland Empire use Metrolink to get places. And we also are appreciate of the other funding for the other climate programs, such as the AHSC program and other operations programs for transit. I know a few minutes ago, one of the legislator was there and talked about the -- they don't want to see CARB reject -- that they described what rejecting the amendments as a failure. I want to reiterate and counter that and say that rejecting this is not a failure. The plan that is before you from the staff is the failure. We would be failing all the communities, which have been faithfully moving forward all the communities which have been relying on the promise that has been made by the Legislature, and that was promised to them in the creation of the Cap-and-Trade Program that they would be made whole. And they are still waiting to be made whole, but the funding from Cap-and-Trade program is -- goes a long way to doing that. By cutting this, the proposal would greatly reduce the funding for that, making them whole and would not reduce -- result in a meaningful amount of gas reduction prices. Here the gas prices are in the neighborhood of six bucks and we haven't even seen how much they proposed that they promised to lower gas prices. And so I urge you to reject the MDIs and the 15-day changes and come back with a clean proposal. Thank you. (BH-Norman-257.1)

Comment:

Good morning, Chair and members of the Board. My name is Jennifer De Tejeda. I am a San Bernardino resident and a policy organizer with the Center for Community Action and Environmental Justice. I work with communities across the Inland Empire that are directly impacted by air pollution and environmental injustice. As a community member and organizer. I'm concerned about the proposed 15-day changes to California's Cap-and-Invest Program because eliminating funding for clean air programs that focus on emission reductions in environmental justice communities is unacceptable. Communities like mine already experience some of the worst air quality in the nation and rely on these investments to improve public health and reduce pollution burdens. I'm urging the Air Resources Board to reject the 15-day changes and eliminate the Manufacturing Decarbonization Incentive, because communities should not lose critical investments in clean air, safe drinking water, public transit, housing and climate resilience while larger polluters continue benefiting financially. Affordability should support working families and environmental justice communities, not corporate profits. This proposal could have major impacts on important California programs that many communities rely on, especially programs focused on reducing emissions and improving public health and environmental justice communities already burdened by pollution. I urge the Board to reject these changes. Thank you for your time. (BH-CCAEJ-258.1)

Comment:

Hello. My name is Connie McFarland. I'm the recording secretary of the Amalgamated Transit Union Local 192 and we represent the workers of AC Transit. We respectfully oppose the proposed amendments that cut the Greenhouse Gas Reduction Fund revenues to the Tier 3 programs. Public transit is facing a financial crisis and any loss of funds will negatively impact its ability to provide service to the public. AC Transit serves a community that are transit dependent. Our riders rely on the bus, live their daily lives to get to work, go to school, shop for groceries and attend doctor's appointments. Cuts to funding will make it harder for AC Transit to continue providing the service that our passengers so desperately need and depend on. Please reconsider passing the amendments that would hurt public transit. I thank you for your time. (BH-ATUL192-259.1)

Comment:

Hi. Thank you so much. My name is Cesar Aguirre. I'm the Director of the Air and Climate Justice Team with the Central California Environmental Justice Network. We've been part of Shafter AB 617 Steering Community [SIC] since its inception and the co-lead for the Arvin and Lamont AB 617 Steering Committee as well. We had community members here with us in a live watch party, but they had leave, so I'm going to reading some of their comments until my time is up. (BH-CCEJN-260.1)

Comment:

Hi. My name is Gabriela Ojeda and I am part of AB 617. I am not in agreement with the changes of these funds. Because Arvin is located in a valley that is very deep….Because we have contaminates that affect the pesticides (BH-CCEJN-261.1)

Comment:

I am from Arvin and I am part of AB 617. I'm asking for the money to protect my lungs, because the funds of AB 617 have helped me with my asthma and I think those funds were going to continue to help me (BH-CCEJN-262.1)

Comment:

Hello. My name is Sally Greenspan and I represent Enterprise Community Partners, a national affordable housing nonprofit. We are here to voice our strong opposition to the proposed 15-day amendments and specifically to the MDI proposal. Enterprise works extensively with affordable housing developers, cities and transit agencies across the state to implement the GGRF funded Affordable Housing and Sustainable Communities Program, which is the state's largest and most consistent source of funding for affordable housing and has funded over 22,000 new affordable homes, as well as investments in walking, biking and public transportation affordable. These investments are directly improving affordability and air quality in disadvantage communities across the state. Enterprise and our partners worked hard to support the passage of the Cap-and-Invest Program on the explicit understanding from this administration that there reauthorization was intended to protect GGRF revenue for programs like AHSC. We are gravely concerned that the changes proposed today will instead dramatically reduce GGRF revenue to a level that is likely to fund out -- zero out funding for AHSC and other critical programs that reduce GHG emissions and improve affordability for millions of Californians. While GGRF revenue was always intended to fall gradually over time as emissions were reined in, the current proposal diverges from this plan by causing a dramatic drop in auction proceeds in exchange for additional allowances to polluters. For this reason, we urge the CARB Board to reject this proposal and direct staff to remove the MDI and pass at 15-day amendment package that protects the valuable GGRF programs. (BH-ECP-266.1)

Comment:

Good afternoon. I'm Veronica Beaty from the California Coalition for Rural Housing. CCRH advocates for a thriving rural California that grows affordable housing for rural, tribal and farmworkers communities and families. For 50 years, CCRH has done policy advocacy and technical assistance informed by mission-driven developers of affordable homes. We've supported the Cap-and-Invest Program since its inception working with SGC to build public support, refine program guidelines and deliver projects to ensure that rural communities are doing their fair share to meet the State's climate goals. The

AHSC Program in particular has evolved to be the State's best program for supporting green, sustainable homes that serve those most in need including some really innovative approaches to serving tribal communities. The Program has also created more than 22,000 affordable homes in climate friendly communities statewide. AHSC is currently the state's largest and only ongoing funding source for affordable housing. The cuts today proposed put all of that at risk, zeroing out funding for critical state affordable housing and also transit, drinking water, and wildfire resilience programs that affect rural communities, losing the climate benefits those programs provide. Slashing affordable housing funding and transit service will make life more expensive for many struggling working families. Without a fully funded AHSC Program we will lose our best tool for shaping land use to create inclusive healthy neighborhoods and reduce vehicle miles traveled and greenhouse gas emissions for centuries to come. There are many solutions to addressing California's budget deficit. Moving forward with these proposed policies should not be one of them. This last minute change is being voted on at the tail end of the budget process, too late to make adjustments. And in a structural deficit, it's unlikely we'll be able to find sufficient resources to cover the immediate needs in our communities. We respectfully ask that CARB reject the 15-day changes. Thank you for opportunity to comment. (BH-CCRH-269.1)

Comment:

I just wanted to say hello. I am Alex Upshaw. Fully legal name James Alexander Upshaw. I'm a resident of San Francisco and a member and volunteer with the Transbay Coalition, a Bay Area transit advocacy group. I'm here to speak against the proposed Manufacturing Decarbonization Incentive. I think California's Cap-and-Invest system has been am ambitious and historic solution to move the needle on climate change and reduce our emissions, but this incentive threatens to undermine it by creating a loophole for polluters to pollute past our climate targets. And I think it's unproven at the least whether this incentive will actually decarbonize manufacturing with any accountability. And I find that especially suspect, given the seemingly rushed 15-day time line, which has limited public discourse, on this proposal. Creating this loophole around the cap and -- will put the Cap-and-Invest system on a path towards capture and manipulation by the very polluters is supposed to control. I'm also concerned that the MDI will cause large decrease in funding for public transit investments. And even if we don't think the priority of the Cap-and-Invest program, as it's now called "invest", is not to generate rev -- if we don't think revenue is its priority, I question whether this aligns with the goals here, as if the main goal is to limit greenhouse gas emissions, is it really a good idea to disinvest in transit, which is proven to be better for the climate than driving, only to provide this unproven incentive. Furthermore, if affordability is the main justification for why this incentive isn't economically just a handout to polluting industries. How is the side effect of defunding public transit justifiable when transit is affordable to many for whom car ownership is out of reach. I'm, therefore, urging the Board to reject the manufacturing decarbonization incentive as it currently stands. Thank you very much for your time and consideration. (BH-TBC-270.1)

Comment:

Hello. My -- I'm Marjorie Alvord. I reside in Alameda County I'm a volunteer with the interfaith organization Genesis, which works in support of our most underserved and vulnerable neighbors. AB 32 was passed 20 years ago. In my view, utilities and energy companies have not done enough to transition and encourage transition to cheaper renewable energy sources in those 20 years. In my view, they shouldn't be compensated for that failure. The proposal before you is estimated to get rid of hundreds of millions of dollars that should go to transit and the AHSC affordable housing program, both of which do so much more for promoting affordability and in support of the most underserved and vulnerable populations. As a transit rider, I am very concerned about transit-dependent folks, and especially the one-third of us without ability to drive due to age, income, and/or disability. I would urge you to reject the proposed amendment and instead maintain caps and invest in greenhouse gas reducing programs supporting transit and affordable housing. Thank you for the opportunity to comment and for your service to the State of California. (BH-G-271.1)

Comment:

Thank you so much. Hi. I'm Lolly Lim from the Greenlining Institute. We are a policy advocacy organization focused on advancing climate and economic equity, particularly for low-income communities of color throughout the state. We're deeply concerned about this rulemaking, as we don't see how communities experiencing the most severe pollution, as well as economic precarity in this state will tangibly and verifiably benefit from these changes on the economic or the climate fronts. In particular, we're concerned that the Manufacturing Decarbonization Incentive, a new and untested mechanism could slow progress toward emissions reductions, as well as localized co-pollutant reductions could cause declines in GGRF revenues which others have discussed in depth and might slash -- and would slash funding for affordable housing, transit, safer drinking water, AB 617, all programs that have tangible, verifiable affordability as well as climate benefits. We're also concerned that the potential declines in auction proceeds that may result from the MDI would affect the amount of funding available for the California Climate Credit and the utility rebates that are provided for households across this state. Ultimately, we see no evidence that concessions to industries in the form MDI would provide affordability or other benefits to Californians. Industries have already been receiving free allowances for this program without an updated leak interest factor for years, providing additional compliance mechanisms without guarantees of all the benefits to consumers or verifiable GHG emissions impacts, all the while pulling those resources away from GGRF simply doesn't make sense. We respectfully ask that the Board members reject these 15-day changes or approve a final regulation only under the conditions that -- and includes clear directives to strike the MDI and retire the associated 118 million allowances. Thank you for your time. (BH-GI-272.1)

Comment:

Hello. My name is Joaquin Castillejos. I am with CCEJA and a resident of Bloomington in the Inland Empire. I'm here today to speak in opposition for the new Cap-and-Invest plan that the Board has created. This plan does not reflect the needs and the successes of the previous plan and the support that the funds have created for communities all across the state. I've heard many comments today speaking on the importance of these funds for transit, for AB 617 communities. And I'm just here to reiterate that moving these funds to go away from these -- away from these sources is detrimental to these communities and it's turning your backs on folks who have worked really hard on these type of rules and made sure that they go to programs that actually benefit the community and uplift folks in those most affected areas, like AB 617 communities. I would like to ask the Board to not support this pathway and the 15-day rulemaking and look back and -- on the decisions that have been made and take the recommendations of environmental groups, environmental justice groups and transit groups from across the state. (BH-CCEJA-273.1)

Comment:

Okay. Perfect. Thank you. My name is Rebecca Schneck. I am the Transit Director at the Napa Valley Transportation Authority. NVTA is sole operator operating fixed route, on-demand and paratransit service in Napa County, as well as serving as the county transportation agency. I just want to reiterate everything you've heard from other transit operators today and that NVTA opposes the proposed amendments due to their impacts on the GGRF revenue. And we urge CARB to postpone the adoption of the amendments and release a 15-day amendment package that would protect GGRF revenues moving forward, so that NVTA, even though it's a very small amount, right, in the grand scheme, could maintain its LCTOP funding throughout the period. (BH-NVTA-274.1)

Comment:

Hi. Thank you. Good afternoon, Madam Chair, members of the Board. My name is Chris McGlothin with the California Cotton Ginners and Growers Association and the Western Tree Nut Association. I'd like to echo the sentiments of our San Joaquin Valley Air District APCO, Samir Sheikh from earlier today and other agricultural industry commenters before. We have significant concerns to any impacts on the current GGRF funding mechanism. In fact, we'd like to use this opportunity to stress the importance of the emission reduction programs available to our growers and food processor members. Our request is simple, fund FARMER, fund alternatives to ag burn, and fund FPIP. The San Joaquin Valley FARMER Program application backlog sits at around $700 million in the San Joaquin Valley. And those are ready-to-go equipment replacement projects. We see these programs as extremely beneficial on multiple fronts. For FARMER specifically, the program provides significant greenhouse gas reductions, while also providing substantial NOx reductions, which we know are desperately needed with recent federal action on your Board's proposed waivers. Assemblymember Irwin mentioned earlier the cost effectiveness with the intended legislation. And the FARMER Program is one of the most cost effective programs in making those reductions available to your agency. These programs assist California food producers to remain competitive with worldwide competition and provide emissions reductions to our impacted regions. (BH-CCGGAWTNA-275.1)

Comment:

Hello. Thank you. Good afternoon. Chair, members of the Board, my name is Luis Garcia. I'm the CFO of SunLine Transit Agency, the public transit provider for the Coachella Valley. SunLine provides critical mobility services across a large region that includes many disadvantaged communities that rely heavily on public transit. SunLine opposes the proposed amendments to the program due to the significant impacts they will have on GGRF revenues that support clean transit and sustainable community investments. At SunLine, LCTOP funding has sustained expanded transit service and our Haul Pass program, which has provided nearly 1.6 million free student trips since 2018 for students across 23 high schools, as well as College of the Desert and Cal State San Bernardino.For many students and working families, transit is not optional. It is their only dependable means of accessing education, employment and essential services. Our recent survey found that nearly 80 percent of our riders did not have access to a personal vehicle. And more than 70 percent use our service for four or more days a week. These programs directly support affordability and economic opportunity for vulnerable populations. SunLine has been a statewide leader in hydrogen fuel cell technology for more than two decades and we have invested heavily in zero-emission vehicles and equipment. Continued GGRF investments are critical to helping agencies like ours continue advancing the State's clean air mandates. In addition, projects at SunLine that were supported through AHSC funding demonstrate how these investments strengthen underserved communities, while supporting long-term environmental and economic benefits. For these reasons, SunLine opposes the proposed amendments and we respectfully urge CARB to postpone adoption of the proposed amendments and release another 15-day amendments package that protects these critical revenues. (BH-STA-276.1)

Comment:

Okay. Good afternoon Chair Sanchez and Board members. Thank you all for the long time you've spent here today and again tomorrow. My name is Claire Grasty. I'm the Director of Public Transit at the Ventura County Transportation Commission. VCTC is the regional transportation planning agency for Ventura County. We also operate intercity bus service and work with local bus operators on countywide para -- and transit programs. VCTC respectfully opposes the proposed amendments due to their impacts on GGRF revenues. In Ventura County LCTOP funds directly support the free fare programs, which include Youth Ride Free, College Ride, and Free Fare Days programs, which are creating a new generation of transit riders while enabling transit agencies to maintain and expand service. These programs have provided over five million trips since the inception and account for about 40 percent of rides taken countywide. These programs have help our transit agency's ridership recover more quickly after the pandemic than they would have otherwise, in some cases, surpassing pre-COVID ridership. In the past, LCTOP funds have also funded Metrolink weekend service and zero-emission bus infrastructure. These amendments -- if these amendments are approved, VCTC anticipates a loss of about 1.5 million in revenue which is already below LCTOP revenues in previous years. Without these funds, we would be unable to continue the Youth Ride Free and College Ride programs. Additionally, the TIRCP and AHSC programs have made meaningful benefits in Ventura County. Defunding these programs will also make the ICT requirements even less likely. These programs throughout the state make meaningful benefits that reduce GHGs and make communities better. We respectfully urge CARB to postpone the adoption of the proposed amendments and release another 15-day package that protects GGRF revenue. Thank you. (BH-VCTC-278.1)

Comment:

My name is Madison Creech appear for Marc Del Piero, CEO and Managing Director of the Ag Land Trust. Since our founding in 1984, we have permanently protected and preserved over 51,000 acres of prime and productive California farmland from urban sprawl. The Ag Land Trust has been a participant in the SALC program for over 12 years. The staff's proposal adopt -- or proposed adoption proposes changes that may intentionally zero out greenhouse gas reduction funds investments that were protected by SB 1207 and SB 840. SALC is responsible for 15 percent of the Greenhouse Gas Reduction Fund's total emission reductions despite historically receiving only two percent of its fundings. Our grave concern and the significant adverse consequences of the current proposal on the productions of our State agriculturals -- agricultural land, which should be CARB's concern are clearly outlined in the April 27th, 2026 letter signed by 24 members of the Legislature and the May 4th, 2026 letter of the State Farm Bureau and California Farmland Trust. Before CARB acts on this staff proposal, we ask that you closely consider adverse consequences of the proposed actions. (BH-ALT-279.1)

Comment:

Hi. My name is Tate Baugh. I live In Danville. I am involved with Transbay Coalition. I'm trying to stop funding from taking away from public transit and affordable housing. What's really important is that we need to keep the monthly rents cheaper or whatever they are, especially for people who cannot afford riding -- driving a car, because they're expensive. And I'm a huge expert on public transit, because a lot of people don't want to waste their money on gas, especially due to the fact that it's rising because of the attack on Iran, so -- and the worst part is, besides that, we need funding for -- not just for affordable housing, but also for public transit and to keep the fares cheaper and probably fare free, whatever -- whichever for seniors or youth, whichever way. But more important, if we lose funding, then we will not just lose public transit. Traffic congestion will worsen and lots of people will lose their jobs. That's why people rely on public transit. And we cannot let traffic congestion happen and losing public transit is just -- no offence, but it is completely unacceptable. And this is why I help people who also need -- not only need to get access to their jobs or even to their education like college, but also to get away from areas that are very sketchy for their safety. And that is why I'm asking you -- I request this Board not to approve taking away way funding and safe public transit. Please do not -- please do not take away funding and please we need this -- we need it and do not put it in oil, please. That is -- that is all. (BH-TBC-281.1)

Comment:

Hello. This is Laurel Pagent-Seekins from Public Advocates. Public advocates is in opposition to the MDI and the expanded cap. And encourages the Board to reject the 15-day changes. You have the power to stop this and we hope you use it. Public Advocates is a 55-year old nonprofit civil rights law firm, and advocacy organization dedicated to making rights real for low-income Californians and communities of color. We've been engaged in GGRF advocacy since its inception. The largest oil and gas companies are projected to reap more than 230 billion in excess profits this year. It's deeply concerning that this proposal intends to slash investments in clean air, clean water, public transit, and affordable housing in front-line communities in order to give for $4 billion to polluters. This is not an affordability strategy for regular Californians. There are no requirements or guarantees that energy and oil companies will restrict prices to consumers. GGRF investments are not abstract line items in a budget. They determine whether students can afford to get to school, whether a senior can make it to adoctor's appointment, whether a family can live near reliable transit, instead of enduring punishing expensive commutes. AHSC, LCTOP and TIRCP are among California's most effective climate investments. They provide long-term benefits to the community. They reduce emissions, expand mobility, leverage billions of federal dollars, and develop --

deliver tangible benefits to the communities that have borne the greatest environmental and economic burdens for decades. California cannot claim climate leadership, while dismantling the programs that make that leadership real. PLEASE reject the 15-day changes and protect investments that improve lives, reduce pollution and move us towards a more equitable future. Thank you. (BH-PA-282.1)

Comment:

Hello. Thank you for the opportunity to speak this afternoon. My name is Tatiana Flores and I am a resident of the Inland Empire and an organizer with the Center for Community Action and Environmental Justice based in ha Jurupa Valley. As a community member living in a disadvantage community designated under SB 535 and CalEnviroScreen in the City of Moreno Valley. I am deeply concerned about the elimination of funding for clean air programs focused on emissions reductions in environmental justice communities. The Inland Empire, as a few people have mentioned before, continues to face some of the worst air quality in the nation, according to the American Lung Association's 2026 State of the Air Report. Our region ranks amongst the worst counties in the country for air pollution. And many families in our communities already experience disproportionate health burdens including higher rates of asthma and other respiratory illnesses linked to poor air quality due to the goods movement, whether that be through ports, trains, railyards or trucks that run through our neighborhoods. And reducing investments in clean air programs would further harm communities like the ones that I just mentioned, including mine, that are already overburdened by pollution and environmental inequities. These programs are critical to protecting public health, improving air quality, and ensuring that front-line communities are engaged in the process, which was noted to be a core of CARB's work earlier in the webinar by Chair Sanchez. So I urge you to protect and maintain funding for clean air and emissions reductions programs, affordable housing and transit that directly benefit EJ communities in the Inland Empire and across California in addition to AB 617 communities, and to reject the 15-day changes and eliminate the Manufacturing Decarbonization Incentive. Thank you. (BH-CCAEJ-283.1)

Comment:

I am Barry F. Boyd. I'm a Board Member with the Sacramento Environmental Justice Coalition. That's sac-ejc.org. I'm also the Air Quality Chair for SAC-EJC. And through our faith based network, we cover Sacramento, Yolo, Solano, and Placer Counties. I'm also an AB 617 Sacramento-Florin Community Steering Committee member. And I would have started with good afternoon, but it isn't, because we are here, here to address this Board's notion to increase the financial subsidies incentives to these already powerful, multi-national businesses that will receive additional billions of dollars to continue to pollute and harm overwhelmingly disadvantaged communities. Giving monies received from pollution standards violators back to those same standard --

pollution standard violators, while taking away the funding of AB 617 community steering committees and other entities fighting, and I do mean fight, to put air pollution mitigation processes and strategies in place is absurd. The Sacramento Environmental Justice Coalition organization is vehemently against the 15-day change amendments that are being considered here today and most assuredly against the Manufacturing Decarbonization Incentives, the MDI. Folks, we are here to clean the air, so we don't die from the pollution that's being emitted, and turning back over those billions of dollars is ridiculous. (BH-SEJC-284.1)

Comment:

Thank you. Chair and Board, I'm Hillary Blackerby of Santa Barbara Metropolitan Transit District. I am also Vice Chair of the California Transit Association's State Legislative Committee. Our public transit agency serves South Santa Barbara County and has been awarded approximately $22 million dollars in cycles five and seven of TIRCP. If you adopt the proposal today, these projects would be gutted, including the construction of a transit facility that supports buildout of EV infrastructure and has the potential to reduce deadhead miles by a third. This facility is located in a disadvantaged community. This would also upend our ability to comply with CARB's Innovative Clean Transit mandate. We have 31 electric buses in our fleet of 100 and we're actually a pioneer in the transit industry having had battery electric buses since 1991 in our fleet. So we're committed to this transition. Please do not cut us off at the knees in our compliance progress. The functional elimination of TIRCP and LCTOP funding means the reduction of service for us and the inability to replace aging diesel buses. This does not help clean the air. Please postpone adoption of the proposed amendments and release another 15-day amendments package that protects GGRF revenues. Thank you for your time. (BH-SBMTD-285.1)

Comment:

Good afternoon. My name is Ivanka Saunders and I am a resident and community steering committee member of the AB 617 South Central Fresno community. While Cap-and-Invest funds have supported many 617 communities, we urge you to continue to focus on front-line communities that are still continually being impacted by oil/gas industries. As currently written, these amendments will allow for these industries to receive increased subsidies to continue to pollute. You cannot support the adoption of these regulations that reduce funds to important programs for clean water, affordable utilities, and transportation and housing. We urge you to reject the 15-day changes and MDI, and review the unintended consequences before making your final decision. Also, during the staff's presentation today, it was said that they released to a -- released a final environmental review, but that Final Environmental Impact Analysis was released only two days ago not at the same time as the 15-day changes, so stakeholders could not comment or -- comment on or review the environmental impacts of these changes.

The majority of the Californians that spoke to you today, minus those few speaking on behalf of the billionaire oil and gas industry, we represent California. We are and we serve fellow Californians to stop and prevent them from living in third-world conditions with the support from the funding from the programs that will be cut if you pass these amendments. Be grateful that you get to go home to a stable structure to sleep in with clean water running coming out of your faucet, as that is not the reality of all Californians to no fault of their own. (BH-Saunders-286.1)

Comment:

Hello Chair and Board members. Thank you for the opportunity to comment. My name is Matt Petrofsky and I'm here on behalf of the City and County Association of Governments of San Mateo County, or C/CAG, which through our 21-member Board of Directors that includes a representative from every jurisdiction in San Mateo County represents approximately 765,000 residents. Within San Mateo County GGRF revenues have been vital in supporting a number of important programs. TIRCP funding supported the electrification of Caltrain, one of the state's most significant recent transit modernization and emissions reduction projects. LCTOP funding supported fare assistance and free transit pass programs on our countywide bus system SamTrans helping residents access affordable transportation while increasing transit ridership. And AHSC funding has helped build affordable housing near transit in one of the most expensive housing markets in California. As we understand, the proposed amendments would have devastating impacts on these and other related GGRF funded programs. These programs are essential to advancing California's climate, transportation and housing goals. They not only reduce emissions, but also support the affordability and economic resilience of our communities. As such, we respectfully ask that this Board delay action on the proposed amendments to the Cap-and-Invest program until the impacts of those changes on GGRF programming can be better understood and addressed. Thank you again for your time. We really appreciate CARB's leadership on climate policy. Thanks. (BH-CCAGSMC-287.1)

Comment:

Hello. I'm Carl Sedoryk, CEO of the Monterey-Salinas Transit District, the sole public transit operator in Monterey County providing transit service throughout the small and rural communities of Monterey, Santa Cruz, San Luis Obispo and Southern Santa Clara counties. It is well documented that public transit investments in the program supported by GGRF are among the most effective tools for curbing GHG and NOx emissions. MST opposes staff's proposed amendments due to the devastating impacts the removal of GGRF investments will have on the people supported by these programs. Low-income residents within the disadvantaged communities we serve throughout the central coast depend on these programs to receive safe, clean and affordable mobility services.GGRF programs have leveraged our ability to purchase and build zero-emission infrastructure and buses supporting hundreds of local construction jobs, the jobs of those building our California-made fleet and growing transit ridership. GGRF programs support increased ridership on MST buses which are at 110 percent of pre-COVID levels in our largest and most disadvantaged community of Salinas. Since the start of the Iran war, we have seen a 13 percent increase in ridership over the previous year as more of our low-income residents have been priced out of operating their own private vehicles and now depend on transit to get to work, medical appointments, and grocery stores. Assemblymember Irwin just stated that she had concerns with elements of the current package proposal as presented. I urge your Board to reject or postpone the adoption of the proposed 15-day amendment package. Thank you for your time and consideration. (BH-MSTD-289.1)

Comment:

Hi. My name is Tommaso Boggia. I am a public sector worker. My wife is a public school teacher. And we have been concerned citizens that show up at a lot of public hearings of agencies, boards, commissions that help advance issues like mobility, transportation, housing. And at all of these boards, commissions and local agencies, I always tell them that the 2022 Scoping Plan of the California Air Resources Board targets a 29 percent vehicles miles reduction target for vehicles from 2001 baseline. That we're now at negative 10 percent, thanks to -- largely to COVID but rising fast back towards the initial trendline. We are nowhere near getting at 29 percent reduction in vehicles miles traveled. And no agency, no board, no commission has any plan to get there. And at all of these meetings, I tell them you need to come up with a plan, because the CARB is telling you you need to do this. And I would have never thought that I would need to show up to CARB to tell you that the 2022 Scoping Plan of the California Air Resources Board targets a 29 percent reduction of vehicles miles traveled from 2001. And nobody, no commission, apparently not even you, has any plan to get there. So I'm here to urge you to please not only reverse this decision that would absolutely sabotage the one pot of money that we have to reduce vehicles miles traveled, a pot of money that is embarrassingly adequate to actually help us meet this goal and actually help us meet that goal that we need to reduce our emissions that you set yourself. So please re -- go back on this proposed change and come up with a better way to fund our public transit, and our mobility, and our housing, so that we can meet our carbon emission reductions. Thank you so much. (BH-Boggia-288.1)

Comment:

Thank you. Good evening, Chair Sanchez and Board members. My name is Melissa Sparks-Kranz with the League of California Cities. We appreciate the California Air Resources Board for providing this opportunity for stakeholders to provide comments today. Cal Cities, working on behalf of the State's 483 cities statewide, has included in our top priorities as an organization to support funding to help increase the supply of affordable housing, as well as strengthen cities' resiliency to climate change impacts, aligned with State goals. Cities across California are stepping up, despite strained local budgets, to meet our community's needs and sharing in meeting the State's housing and climate goals. We are expressing deep concern today about the proposed amendments to the draft regulations. Last year, our organization strongly advocated for the reauthorization of the Cap-and-Invest Program to include funding for programs that directly reduce emissions, including climate adaptation, clean transportation and transit, wildfire resilience and affordable housing projects. The proposed amendments would have serious implications on the recently reauthorized framework for Cap-and-Invest, as was enacted through SB 840. The proposed amendments would provide great allowance allocations through the MDI Program and in exchange essentially dissolving the funding available for those GGRF programs. For cities to be successful in continuing to implement emissions reductions programs, we request the MDI Program be removed from the regulations to maintain these critical investments in our communities. (BH-LCC-292.1)

Comment:

Good evening, Chair Sanchez and Board members. My name is Consuelo Hernandez and I am the Director of Governmental Affairs for the City of Sacramento. I'm speaking today to voice our concerns with the proposed amendments' impact to the GGRF. We align our comments with the League of Cities and I'd like to share just a couple brief examples of the potential impact. In terms of TIRCP, it's been a critical funding source for improvements at the Sac Valley Station and connecting mobility to the station through our partnership with Capital Corridor JPA. Over four TIRCP cycles, the City has secured $77 million for improvements at the station and off-site mobility improvements, which will improve connections to the station. Without TIRCP, the City would not have been able to advance the suite of projects for the regional and Northern California rail and transit hub. There are no other comparable funding sources available that would provide the city access to this capital. Regarding AHSC funding, this has been an extremely effective program to holistically create critically necessary affordable housing and the green transport -- green transportation infrastructure to support it, rather than the conventional approach that piecemeals development of housing, transit and active transportation projects. The city has several projects that have or will create more than a hundred affordable housing units. The city also has three projects that applied for AHSC Round 10 funds. The elimination of these critical Tier 3 programs would significantly damage Sacramento's efforts to increase housing, to reduce homelessness, to support greenhouse gas reduction and to provide safe transportation choices. Thank you very much for your time. (BH-CS-294.1)

Comment:

Good afternoon or good evening and thank you for the opportunity to share these comments. My name is Amy Hance. I'm the General Services Director for the City of Clovis and I oversee Clovis Transit. Our operation is located in Fresno County in the Central San Joaquin Valley, which is a nonattainment area. The City of Clovis strongly opposes CARB's proposed amendments that would significantly reduce funding available for public transit. For small and midsized communities, these funds are not optional. They're essential to maintaining basic transit operations,improving air quality and advancing California's climate goals. Public transit agencies have already committed to ambitious zero-emission transition requirements and infrastructure investments based on the expectation of stable State support. Reducing transit funding at this critical moment undermines those efforts and disproportionately impacts communities that rely on affordable accessible transportation. Clovis Transit has invested five million of our $12 million TIRCP allocation into the first phase of a new zero-emission fleet facility. We are working diligently to implement our zero-emission transition plan and meet California's clean transportation requirements. Without reliable funding, critical fleet facility and infrastructure investments will be delayed or simply become unattainable. If transit is longer a cost-effective option for Cap-and-Invest, it may be time to put ice ICT rule aside. (BH-CoC-295.1)

Comment:

Hi. My name is Rosie Fei and I am an El Cerrito resident in California. I am commenting alongside the majority of commenters today to urge that the Board does not adopt the proposed regulations and ask that you remove the MDI while keeping funding for the GGRF. I would like to see continued investment in public transit, especially for our marginalized California communities that rely on affordable public transit and affordable housing. If CARB were to cut funding for GGRF, we would be cutting the Low Carbon Transit Operations Program. This would mean cutting free and reduced fares for seniors, people with disabilities and youth, cutting new transit -- new transit services people rely on and cutting funds for electric buses. I want to continue to seek California invest in sustainable and affordable public transit. Keeping the MDP and investing -- divesting in GGRF would decimate our transit infrastructure. Please vote to not adopt the proposed regulations. (BH-Fei-297.1)

Comment:

Good evening, Chair Sanchez and members of the Board. My name is Marisol Barajas, manager of Government Relations for Long Beach Transit, which provides public transportation services in southeastern Los Angeles County and northwestern Orange County serving 13 cities outside of Long Beach, including paramount Bellflower, Downey and Carson, which are directly impacted by the ports and goods movement supply chain. LBT service area spans over 107-square miles across 14 cities and operated 6.7 service miles in fiscal year 2025 across 38 fixed routes, utilizing 250 buses. In fiscal year 2025, LBT provided 19.6 million customer boardings. LBT also operates two water taxi routes and on-demand responsive paratransit service. LBT opposes the proposed amendments because they pose a significant threat to revenues from the Greenhouse Gas Reduction Fund through which the programs such as LCTOP, TIRCP, LBT and communities we serve have received more than $20 million for projects that directly improve mobility and air quality, including the purchase of battery electric buses for our commuter express to UCLA, customer safety amenity improvements, downtown transit galleria and extensions for key routes connecting people to jobs, school and health care. The AHSC grant was also a highly competitive program that supports collaboration between transit and affordable housing. And luckily LBT was awarded a total of 52.5 million for the Cycle 8 and recently applied for 9.7 million in Cycle 10 for operations of our service and electric bus. But beyond that, GGRF investments provide operational relief along the LBT to keep buses reliable, maintain service frequency and invest savings for cleaner fleets. In closing, we strongly urge CARB to postpone adoption and issue a revised 15-day package that fully protects GGRF revenues. Our communities cannot afford the consequences of moving forward without these critical investments. Thank you (BH-LBT-298.1)

Comment:

Hello. My name is Bryan Culbertson with Transbay Coalition. I'm a full-time transit rider in Oakland using AC Transit and BART. Thank you for taking my comment today. I'm asking you to please postpone adoption of the amendments, eliminate the MDI and maintain GGRF revenue. My access to clean transportation is dependent on Cap-and-Invest funding of public transit. You heard from AC Transit and BART and many other transit agencies today for using the GGRF Funds and to decrease greenhouse gas emissions by more than anything MDI could. The petroleum companies warned of industry leakage, if we don't subsidize oil and gas development, but what is very real is that without this funding, there will transit leakage, or affordable housing leakage. Leakage of transit and housing would make trans -- California more unaffordable and less healthy. Over two-thirds of the commenters opposed MDI, including air transit, air districts, transit agencies, environmental agencies, regional planning agencies, counties and cities. The support for MDI are petroleum corporations, business lobbyists and private utility companies. The choice is clear, should CARB invest in transit, housing, environment to counties and cities or petroleum companies? Postpone the amendments, eliminate MDI and support GGRF. (BH-TBC-300.1)

Comment:

Hello, Chair Sanchez, Board. Thomas Helme, co-founder of Valley Improvement Projects, Northern San Joaquin Valley Environmental Justice Group based in Stanislaus

County. We are members of both the Central Valley Air Quality Coalition and the California Environmental Justice Coalition. And we're joining with the many numerous fellow members of these coalitions, as well as the other environmental justice and community-based organizations and the many others you've heard from today, and in written comments asking you to reject the proposed 15-day changes to the Cap-and-Invest regulations as written, and take the necessary time and steps to improve and strengthen these amendments with environmental justice input starting with the elimination of the Manufacturing Decarbonization Incentive, or MDI. As you've heard consistently throughout the day, this approach will reduce revenue for the Greenhouse Gas Reduction Fund and through it investments in affordable housing, public transit, clean water, and Community Air Protection Programs that environmental justice communities need. We in the San Joaquin valley are especially disappointed in CARB's continued support for false climate solutions, such as deceptively labeled green hydrogen, biofuels, biogases, technologies that are already heavily subsidized through things like Low Carbon Fuel Standard and actually can increase emissions on the ground, either directly or indirectly. Even in today's presentation, CARB glossed over that MDI investment in on-site renewables covers these biomass derived fuels. Lastly, as a former member of the EJAC, I urge CARB, before advancing these regulations, to reconvene the Environmental Justice Advisory Committee, which was put on hold against the requests of EJAC Co-Chairs and members and allow a robust EJ centered public discussion on these regulations. Looking at the timing of this while the EJAC is not convince -- convening looks like more than a coincidence. (BH-VIP-301.1)

Comment:

I would like to voice my opposition to the proposed changes to this proposed changes. A lot of, in my opinion, transit and various community funds are relying on all this money and I think revoking them would be of a very large mistake. Yeah, so that's my comment. Thank you for the opportunity to speak. (BH-Wang-302.1)

Comment:

Good evening, good afternoon, Board members. My name is Alex Lantsberg. I'm the Research and Advocacy Director for the San Francisco Electrical Construction Industry. I want to associate myself with all the comments from transit organizations, from climate, environmental justice organizations. I think that they've really hit the nail on the head in so many ways. I do want to raise up a couple of issues here. And I know I don't have much time, but hopefully I should be able to get through it all. First of all, as the gentleman County Connections earlier in -- earlier this morning said, this is not a question of improving affordability. What we're -- what we're actually facing is a question of deciding how money is going to be reallocated. And as I think everyone has indicated, there have been no guarantees from the petroleum industry that anything is going to be reflected in terms of savings. But more broadly, I want to raise this just question as both a political and substantive action. Rather than helping Californians get off of oil and -- get off of our oil and fossil fuel addiction, the Board, or at least the staff proposal, is actually reinforcing these path dependencies and actually stopping those from making long-term affordability. As a political matter, the savings staff are chasing are based on specula -- speculative savings that can't be directly attributed to the rulemaking. And while kneecapping investment into visible and impactful collective action, that will put people to work, improve our communities, and reduce the environmental and cost of greenhouse gas. If it moves forward, all we're going to be left with are just some illusory that are going get eaten up by price hikes caused by a war over fossil fuels. So I urge you to reject the proposals on the table right now and move forward in a way that preserves transit and preserves affordable housing, and ultimately investment in the People of California. (BH-SFECI-304.1)

Comment:

Thank you. Thank you, Chair Sanchez and CARB members. My name is Matt Hettich with the Transport Workers Union of America, TWU. I speak today in opposition to the proposed 15-day amendment. The TWU is a national union whose members work in public transit. Here in California TWU members maintain and operate San Francisco's Muni system, which provides vital service for hundreds of thousands of riders daily. Muni is an essential transit service connecting community members to the schools, jobs and other essential services across the city and county. Cuts to the Low Carbon Transit Operations Program will result in cutting free and reduced fares for seniors peoples -- people with disabilities and youth riders. LCTOP reductions will result on cuts -- in cuts to new transit lines and service that community members depend on in their daily lives. All this comes at a time with transit agencies cross the state face budget constraints and operational funding challenges. At San Francisco Muni, public transit service cuts and workforce layoffs are real possibilities, given the current state at SFMTA's budget. Now is not the time to cut vital and essential public transit funding sources. With these budget realities, we cannot afford to lose the $1.4 billion that this proposal would cut from housing and transit programs. And we urge you to reject the proposed amendments. Thank you. (BH-TWUA-305.1)

Comment:

Hello. Good evening, Chair Sanchez and Board members. My name is Estephanie Garcia. I'm a South LA AB 617 co-lead with Physicians for Social Responsibility Los Angeles and a resident in South LA -- Southeast LA. The proposed changes here are deeply concerning. Cap-and-Invest funding was meant to support communities most impacted by pollution, not reward major polluters. Redirecting these investments away from AB 617 communities breaks trust with residents who have invested years into this process. I urge the Air Resources Board members to reject the 15-day changes and eliminate the Manufacturing Decarbonization Incentive. South LA communities continue to experience the impacts of oil and gas pollution, diesel traffic, warehouses, and refineries every day. These changes would instead benefit big oil while taking resources away from South LA communities and undermine years of trust, collaboration and community leadership. Weakening the GGRF fund will impact critical community air monitoring, emissions reduction efforts and public participation processes that Martha Dina cited a while back for front-line communities that completely rely on this. Communities should not have to lose investments in clean air and public health while major polluters continue to profit. Lastly, I just want to mention that there was a lot of comments sharing on how approving these changes will help with affordability and improve Californian lives. Yet, there's an immense amount of folks, most of the folks you've heard here today, Californians, directly asking you not to approve these changes who are most vulnerable to these implications. This is not what we want. And I ask you that you listen to the people who these comments are talking about and what is important to us. Thank you for your time. (BH-PSRLA-306.1)

Comment:

Hi. My name is Rogelio and I've lived in Arvin for 25 years and I developed asthma. I've been part of the meetings of AB 617 along with my mom. And these programs have real protections. And their purifiers, provided by AB 617, have helped a lot of people, along with myself, and I want to see this continuing to help us. (BH-CCEJN-264.1)

Comment:

Good morning, Chair Sanchez and Board members. Ana Gonzalez, Executive Director, at the Center for Community Action and Environmental Justice representing more than 4.6 million people in San Bernardino and Riverside counties. I urge CARB to reject the proposed amendments to Cap-and-Invest that would weaken investment in environmental justice communities and reduce accountability to our public. Our communities cannot continue to be collateral damage. Eliminating funding for clean air programs that directly reduce emissions in environmental justice communities is not negotiable. Programs like AB 617 were created because many front-line communities were left behind for decades. Our communities still have the worst air quality in the nation, but cutting funding for community-led development and implementation would derail the years of advocacy, collaboration, and progress toward cleaner air and healthier neighborhoods. Taking away from GGRF is not cool and affordability matters. These proposed changes would reduce the California Climate Credit, which provides directly utility bill relief to families across the state. Communities should not bear the financial burden, while corporations continue benefiting from weekend climate protections. The lack of meaningful public process is deeply concerning with decisions involving billions of dollars and our health for our communities deserve transparency, accountability and robust public participation. These amendments moves us in the right -- in the wrong direction. I respectfully ask CARB to reject these harmful changes and protect investments in clean air, clean water, affordability and community-driven climate solutions. Thank you. (BH-CCAEJSBRC-146.1)

Comment:

Good afternoon, Chair Sanchez and Board members. My name is Darryl Little Jr., and I'm here on behalf of CALSTART to express our concerns with the proposed amendments and their potential to greatly reduce near term GGRF revenues, revenues that California is relying on to sustain momentum in the clean transportation transition. Reducing funding would create uncertainty for critical incentive and infrastructure programs that industry, fleets and communities depend on. Clean transportation programs supported by GGRF are already delivering results across the state, helping California success, clean cars and trucks, building charging infrastructure, offering alternative mobility options, and reducing harmful pollution in communities disproportionately impacted by poor air quality. We respectfully urge the Board to carefully evaluate the proposed amendments and potential -- the proposed amendment's potential effects on GGRF revenues, so California can continue delivering clean air, economic opportunity and affordable transportation solutions statewide. Thank you. (BH-CALSTART-178.1)

Comment:

Good afternoon board members. My name is Derrick Gaffney. I am the Government Affairs Manager for Jamboree Housing Corporation. Jamboree is one of California's largest nonprofit affordable housing developers. We have over 11,000 units of affordable housing throughout 50 California cities and approximately 24,000 low-income Californians call a Jamboree property home.

That includes the 177 residents who live at West Gateway Place in West Sacramento, one of the first housing developments to receive funding from the Affordable Housing and Sustainable Communities program.

I'm here today to ask that you reject the proposed Cap-and-Invest amendments (specifically the MDI) that, according to LAO analysis, would effectively zero out funding for the AHSC program.

AHSC is one of California's most effective tools to reduce the emissions driving climate change. AHSC has already delivered 6.6 million metric tons of GHG reductions while funding nearly 23,000 units of affordable transit-oriented housing.

This program is California's only dedicated funding source that recognizes housing policy must be at the forefront of our climate strategy. For developers like us, AHSC is often the financial linchpin that makes a TOD project pencil.

If AHSC funding disappears, the pipeline of affordable transit-oriented housing dries up. Several projects in Jamboree's own pipeline rely on AHSC as a critical component of their capital stacks. Without it, those projects probably don't get built. That will lead to more cars on the road, more VMT, and more greenhouse gas emissions — the exact opposite of what this Board is trying to achieve.

If the proposal in front of you is passed as is, the Board would be making an active choice to shift allowances away from GGRF toward industry. And, without any plan from the State to backfill these losses, important programs like AHSC would collapse. I respectfully urge the Board to reject the MDI proposal and ensure AHSC continues to deliver affordable, transit-connected homes.

Thank you so much for your time and for your ongoing public service. (BH-Gaffney-309)

Agency Response:

No changes were made in response to these comments. Please refer to Agency Responses to comment W-1.3b, Master Response 4 in the Response to Comments on the Environmental Impact Analysis, and Agency Response to GGRF Comments in the Supplemental Response to Comments on the Environmental Impact Analysis regarding impacts on GGRF.

Regarding the impact of MDI on emissions integrity, affordability, and Program revenues, see Agency Response to comment O-8.38a.

Regarding the impact of further delays in adopting the Proposed Amendments on market certainty, auction prices, and Program revenues, see Agency Response to comment V-1.2b.

Regarding EDU allocation and the climate credit, see the Agency Response to comment H-1.1a.

Regarding changes to the CAF, see the Agency Response to comment O-5.1a.

Regarding the APA, see Agency Response to comment V-2.1.

Reconvening of the EJAC is outside the scope of this rulemaking.

W-1.4 Comment:

In-state refineries could be given a GGRF allocation in lieu of their requested CAF of 0.85. This could be a low-priority allocation, which would not impact higher-priority GGRF programs, but which could potentially rebate a significant portion of refineries' compliance costs at high allowance prices. (The Legislature controls GGRF expenditures, but CARB could provide an advisory evaluation of this option for the Legislature in its FSOR response to this proposed alternative.) The GGRF allocation could help restore the competitiveness of in-state refiners relative to importers, provided that they pass the GGRF rebate on to consumers. The allocation could help to mitigate regulatory impacts on consumers' transportation costs, similar to how the California Climate Credit returns rebates to electricity and natural gas ratepayers. (15d-CRPSVC-172.4)

Agency Response:

No changes were made in response to this comment. The Governor and Legislature determined how to spend GGRF revenue as part of the annual budgeting process. Under SB 840 and the annual state budget process, the Legislature and Governor prioritized and directed how GGRF proceeds would be expended going forward. As such, comments on GGRF funding priorities are outside the scope of this rulemaking and CARB's authority. However, CARB continues to coordinate with and support agencies that administer GGRF programs for industrial sectors including the California Energy Commission.

CARB also notes that the return of electric IOU proceeds to ratepayers through the on-bill California Climate Credit is overseen by the California Public Utilities Commission, while there is no parallel administrative mechanism for a hypothetical rebate provided from refineries through transportation fuel purchases.

W-1.5a Comment:

Statutory hierarchy matters. Auction revenue supporting the GGRF and the California Climate Credit is an important cobenefit of the program. The statutes do not establish revenue maximization as a design objective. They establish cost-effective emissions reductions, leakage minimization, and avoidance of disproportionate impact on low-income communities as the binding obligations on CARB. A design that retains allowance value for verified in-state decarbonization, preserves industrial production and the associated employment and tax base, and reduces leakage to higher-emissions out-of-state and foreign producers is consistent with that hierarchy, not in tension with it. (15d-CBC-201.15)

Agency Response:

No changes were made in response to this comment. As indicated by the commenter, the Proposed Amendments are designed to implement statutory direction in AB 1207 and balance a wide range of legislative priorities, including minimizing emissions leakage, considering affordability, minimizing adverse impacts to consumers, protecting utility ratepayers, avoiding disproportionate impacts to low-income communities, and supporting cost-effective emissions reductions to meet the 2030 and 2045 GHG reduction targets.

W-1.5b Comment:

Board members, my name is Mikhael Skvarla. I'm here on behalf of the Climate Build California. Today, we will hear a great deal about revenue, about what GGRF stands to lose, and what it means program for the programs it supports. Those programs matter. And the concerns behind them are sincere. Before the day runs on that premise, it's worth returning to what the legislation clearly states. AB 32, SB 32, AB 1279 set the state's climate goals. They do not mention revenues. AB 398 and AB 1207 tell CARB how to design this program. These bills are remarkably consistent over the last two decades to reduce emissions cost effectively, minimize leakage, reduce impacts to ratepayers and consumers, and weigh affordability and businesses impacts in the design. Revenue is not on that list. It never has been. The GGRF receives what is left from the program's design obligations are met. It is residual, by the Legislature's statutory design. A program designed to Maximize the residual would be a program designed against the very affordability leakage protections within the legislation. A cost not incurred cannot be passed through. The facility that closes funds nothing. Read against that directive, what is before you in the proposed regulation is responsive. The utility allocations protect electric ratepayers. The natural gas transition reserves value for low-income households. The increased cap adjustment factor gives coverage for entities experiencing leakage. These provisions are not giveaways. They are required design. We support adoption today. We ask only that the Board and staff carry forward with the work in the resolution with urgency, specifically the loss of post-2030 certainty. Certainty is what drives these protections into emission reductions and we look forward to that work. Thank you. (BH-CBC-112.1)

Agency Response:

No changes were made in response to this comment. Thank you for the support. Please also refer to the Agency Response to Comment W-1.5a.

W-2 Electricity rate reform to facilitate industrial decarbonization projects

W-2.1 Multiple Comments: Interagency Actions to Reduce Electricity Costs

Use the authority and convening role available to CARB under AB 32 and SB 32 to formally recommend that CPUC and the Governor’s office prioritize cost-causation-based reform of non-bypassable electricity access charges. (45d-RE-375.5)

Comment:

Advocate for CAISO to establish a dispatchable industrial load participation program that allows heat-battery-equipped facilities to provide flexible demand response under system operator control. (45d-RE-375.6)

Agency Response:

No changes were made in response to these comments. The California Public Utilities Commission is responsible for rate setting for electric investor-owned utilities, and CAISO offers various load participation models for flexible demand response. The comment is outside the scope of this rulemaking and CARB's authority. However, CARB continues to coordinate closely with the CPUC and CAISO on issues related to electricity sector decarbonization including electricity and electricity rates needed to support the industrial sector.

W-3 Auctions

W-3.1 Comment:

I am writing to respectfully request that CARB adjust the annual schedule for releasing the November Cap-and-Invest auction results. In most years, the results are published the day before Thanksgiving, which creates challenges for stakeholders who must review, communicate, and respond to the information during a period when many organizations have limited staffing and holiday closures. Shifting the November results release to a non-holiday week/day would improve transparency, support more effective market participation, and ensure that all regulated entities and interested parties have a fair opportunity to evaluate the auction outcomes. (15d-Gheen-1.1)

Agency Response:

No changes were made in response to this comment. Quarterly auction dates are established in Appendix C of the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (Regulation). Appendix C is being amended to identify the date of quarterly auctions and Reserve sales from 2032 through 2045 so that all entities that wish to participate in these events have equal information about their administration and can plan appropriately. Future dates for quarterly auctions and reserve sales are set to maintain the same quarterly schedule, including the associated due dates for auction participation and auction administration, that is currently in use.

W-3.2 Comment:

SCPPA also recommends reassessing the proposed change in Section 95911(c)(2), which changes the annual date for announcing the Auction Reserve Price from the first business day in December to December 8. The auction consignment deadline is regulatorily required to take place 75 days prior to the date the auction is conducted. Thus, this proposed delay for the Auction Reserve Price announcement risks having unintended consequences when auction participants must decide whether or not to consign allowances in the February join auction without knowing the Auction Reserve Price in advance. As such, SCPPA requests that CARB retain the existing annual announcement date for the Auction Reserve Price release or delay the consignment date for the February joint auction until after the Auction Reserve Price is announced. (45d-SCPPA-357.11)

Response:

Changes were made in response to this comment. In recognition of the potential impacts raised by the commenter, the 15-day changes revert the annual date for announcing the Auction Reserve Price back to the first business day in December.

Y. Out of Scope

Y-1 Linkage

Y-1.1a Multiple Comments: Linkage Support

We also support California's continued efforts to pursue regional market linkage, including with Washington and Quebec, consistent with bp's view that linked markets strengthen regional collaboration, improve liquidity, and enhance market stability. (45d-BPAm-241.2)

Comment:

Regulatory certainty is particularly important as companies make major capital investments in clean energy, electrification, and industrial decarbonization. Timely adoption of the rulemaking will help ensure the program continues to provide the predictable framework needed to support long-term planning and investment.

Prompt completion of the rulemaking as scheduled will also help preserve the stability of the broader carbon market, including existing program linkage that supports market confidence and price stability, while reinforcing California's leadership in market-based climate policy as linkage expansion moves forward, positioning the state to benefit from future linkage opportunities with other jurisdictions like Washington.

Timely implementation following the May board meeting is essential to ensure the updated program takes effect on schedule for the next compliance cycle. Missing this window could delay implementation of program improvements and postpone the benefits of a strengthened Cap-and-Invest Program.

Overall, delays in completing the rulemaking on schedule would undermine the foundation and stability of the Cap-and-Invest program—introducing unnecessary uncertainty, weakening investor confidence, and slowing progress toward an expanded regional carbon market and California's climate goals. (45d-CE-383.2)

Comment:

One final item that WPGA wishes to comment upon is the possibility of linkage with both the U.S. state of Washington and the Canadian province of Québec. While WPGA appreciates finding alignment in statutory and regulatory language across jurisdictions to ease compliance amongst parties that may simultaneously operate in different political jurisdictions, there remain significant challenges from any near-term linkage of carbon trading mechanisms. We would request that CARB refrain from any activities that would inextricably link California's functional market to those of its neighbors until such time as a multi-party convening can be made to address inconsistencies or pitfalls from linkage. (45d-WPGA-401.5)

Comment:

CARB must finalize program rules quickly to implement new allowance budgets in September 2026.

EDF appreciates CARB releasing this ISOR along with the proposed timeline to finalize rule updates by the end of May. Maintaining this schedule is necessary to implement reduced emissions allowance budgets without delay, to provide regulatory certainty and clear price signals to market participants, and to allow CARB to move towards formalizing linkage with Washington state. (45d-EDF-424.1)

Comment:

Looking Forward – Advancing Linkage...We applaud the leadership demonstrated in the recently released draft linkage agreement from Washington, California, and Quebec, and encourage CARB to move expeditiously to initiate the processes necessary to formally pursue linkage with Washington's Cap-and-Invest Program...CARB should move swiftly from this rulemaking to taking the necessary steps to pursue linkage with Washington, achieving functional linkage no later than November 1, 2027... (45d-EDF-424.9)

Comment:

The CCMC encourages CARB to continue facilitating linkage with Washington State. Linkage reduces total compliance costs across linked cap-and-invest programs by expanding the pool of abatement opportunities and equalizing marginal abatement costs across jurisdictions (Burtraw et al 2013). In addition to lowering aggregate costs, linkage can also reduce allowance price volatility by increasing market liquidity and broadening the base of covered entities (Doda, Baran, 2017). Linking with Washington would further reaffirm California's position as a leader on climate policy. As noted in CARB's 2026 Priorities Memo, finalizing this rulemaking is a necessary step toward enabling formal linkage with Washington, making timely completion of the process particularly important. (45d-EC-439.7)

Agency Response:

No changes were made in response to these comments. Linkage with other jurisdictions is outside the scope of this rulemaking. Please also refer to the Agency Response to Comment V-1.1a.

Y-1.1b Multiple Comments: Linkage Support

EVCA strongly supports the Cap-and-Invest Program and the Board's work to implement the requirements of AB 1207 (Irwin) in a timely fashion, assuring linkage with Washington and Quebec's markets… We appreciate CARB's continued stewardship of this program, particularly as California navigates significant ambiguity about the future of federal energy and transportation policy, and we remain committed partners in its success. (15d-TEVCA-121.1)

Comment:

Timely implementation is also needed to reinforce California's leadership as linkage expansion with Quebec and Washington moves forward. Linkage further strengthens the efficiency of the program through the power of a larger market, maintaining affordability while driving needed investment in innovation, low-carbon products, and infrastructure. (15d-CE-181.2)

Comment:

C&P acknowledges the meaningful progress being made towards linking Washington to the California-Québec market. Linkage enhances resilience, affordability, and environmental integrity, ensuring sustained and expanded climate ambition across jurisdictions. Understanding that the California program will continue to evolve, we believe it is essential to continue moving forward with program updates and implementation. To that end, C&P highlights several points below.

The rulemaking timeline is essential. While legislative approval to extend the program through 2045 was a milestone, the rule-making timeline to implement the extension is also vital. Without clarity on California's regulatory amendments, linkage and potential linkage partners in the province of Quėbec and the State of Washington may face their own delays in program updates necessary to strengthen and extend both their programs and linked programs. Timely linkage agreements are an important piece of advancing climate leadership in North America. This is all the more important given federal retrenchment. (15d-CP-192.1)

Agency Response:

No changes were made in response to these comments. See response to comment Y-1.1a.

Y-1.1c Multiple Comments: Linkage Support

Finally, BP supports California's continued efforts to pursue regional market linkage, including with Washington state. We view linkage as strengthening regional collaboration, improving market liquidity, and enhancing overall market stability. These issues are critical for maintaining a reliable and affordable fuel supply for California's consumers. We look forward to continued engagement on linkage and the post-2030 framework in the months ahead. Thank you again for your leadership and engagement. (BH-BPAm-176.2)

Comment:

(The proposal includes meaningful steps forward on…) and linkage with Washington's carbon market. (BH-DBL-291.2)

Agency Response:

No changes were made in response to these comments. See Agency Response to comment Y-1.1a.

Y-2 Market Rules and Cost Containment

Y-2.1 Multiple Comments: Price Floor

The price floor should be based on program policy objectives, rather than continuing to follow the Waxman-Markey precedent. This would be more effective in carrying out the purpose for which the regulation is proposed for two reasons: (1) CARB's Proposed Amendments abandon the 2022 Scoping Plan's 48% GHG reduction target for 2030 and revert to the 40% minimum statutory requirement, but a higher price floor could nevertheless incentivize additional emission reductions consistent with CARB's Price Assumption for the 48% target. (2) The Proposed Amendments cannot adequately and reliably support SB 840 budget allocations without a higher price floor. (45d-CRP:SVC-4.1)

Comment:

The current price floor ($28 in 2026) and its 5% inflator were established in 2011 by adopting identical provisions from the 2009 Waxman-Markey federal congressional bill for a national Cap-and-Trade program. There is no justification for continuing to rely on the precedent of a defunct, 15-year-old federal initiative that never went into effect.

We recommend that CARB adopt a price floor based on program policy objectives. Specifically, the price floor should be (a) consistent with the 2022 Scoping Plan's GHG reduction target, and (b) sufficient to support SB 840 budgetary allocations.

The SRIA's Proposed Scenarios (48% reduction by 2030) and the ISOR's Proposed Amendments (40% reduction) are both premised on a Price Assumption equal to the

“Midpoint between Floor Price and APCR 1 Price” (currently about $47). CARB has had to abandon the 48% target due to the two-year delay in program implementation, but

CARB could nevertheless establish a price floor at the Price Assumption level. With this alternative, the price floor would incentivize additional emissions reductions to the extent that such further reductions are achievable within a marginal cost limit defined by the Price Assumption.

If CARB intends to enforce allowance budgets at significantly higher prices, then there is no reason why CARB could not set the price floor at the level of its Price Assumption. Maintaining a minimalist, precedent-based price floor would not comport with "dramatic action to reduce GHG emissions" (ISOR section II.A).

A higher price floor is also needed to support SB 840 budget allocations. The LAO recently warned that “[Cap-and-Invest] Revenues May Not Be Sufficient to Fully Support Statutory Allocations and Legislative Intent for 2026-27” due to lackluster allowance demand and low prices. Even if allowance prices rebound to much higher levels, there is no guarantee that the next economic downturn or stock market dip won’t again crash the allowance market. A higher price floor can ensure sufficient funding levels and funding stability for SB-840 programs, and will facilitate long-term business planning for investment in low-carbon energy and technology.

The current price floor was established under CARB’s existing statutory authority and has not been legally contested, so CARB does not need supplemental authority to modify the price floor in order to bring it into conformity with regulatory and statutory policy objectives. If CARB does not do so, its response to this recommendation in the FSOR may help to inform consideration of potential legislative action to enact a statutory price floor. (45d-CRP:SVC-4.2)

Comment:

The price floor currently increases by 5% per year plus inflation, based on the Waxman-Markey precedent. With a higher price floor, the 5% inflator may be unnecessary and politically untenable, and it should be revised to reflect program policy objectives.

The combination of a higher price floor and lower inflator would result in earlier investment in clean technologies, so that they can return dividends in the form of reduced decarbonization costs and co-benefits sooner rather than later.

Any near-term “adverse economic impact” of a higher price floor would be counterbalanced by reduced long-term economic impacts resulting from a lower price inflator, and by economy-wide economic benefits from earlier deployment of clean technologies, not to mention climate benefits.

The 5% inflator also applies to the APCR price points and price ceiling, and is unjustified in light of the legislature's and CARB's increased concern about cost containment and affordability. (45d-CRP:SVC-4.3)

Comment:

The ISOR states, on page 13, that “Staff are proposing amendments to the Cap-and-Trade Regulation (Proposed Amendments), aligned with Legislative direction in AB 1207, Senate Bill (SB) 32 (Pavley, Chapter 249, Statutes of 2016) GHG emissions reduction target of at least 40% below 1990 levels in 2030, the carbon neutrality and 85% below 1990 targets in AB 1279 and the requirements of AB 398 (Garcia, Chapter 135, Statutes of 2017) …” But there are several points of misalignment with statutory policy.

The Proposed Amendments largely adhere to a regulatory policy paradigm that contravenes statutory policy by prioritizing cost reductions over emissions reductions even when costs are far below expectations, and when significant further emissions reductions would be technologically feasible, cost-effective, and affordable. For example, The IEMAC recommended in its 2024 Annual Report that CARB establish either an "Emissions Containment Reserve" (ECR) or a higher price floor. (An ECR is basically a higher price floor but with only a limited percentage of the available allowances being withheld at the higher price.) CARB did not act on or seriously consider either suggestion. In its Feb 26, 2025 presentation to the JLCCCP, CAR dismissed the IEMAC's proposed ECR as a "fundamental design structure change that could increase compliance costs." This characterization neglected potential benefits of an ECR. The presentation to the JLCCCP made no mention of the price floor or of its essential role in stabilizing allowance prices and auction revenue in the pre-2020 compliance period, and in contributing to the early attainment of the 2020 Cap-and-Trade target by 2016. There is no substantive discussion of the price floor (or Auction Reserve Price) in the ISOR. (45d-CRP:SVC-4.4)

Comment:

CARB’s regulatory policy effectively interprets the SB 32 language “at least 40 percent” to mean “at most 40 percent.” Similarly, the phrase “no later than 2045” in AB 1279 is effectively translated to “no sooner than 2045.” Cap-and-Invest cannot guarantee attainment of the 40% reduction goal in 2030 or the 85% reduction goal by 2045 because the AB-398 price ceiling precludes a binding cap. And none of the Core Design Features of Cap-and-Trade enumerated in CARB’s JLCCCP report or described in the ISOR would incentivize additional GHG reduction beyond minimal statutory requirements. With the exception of the price floor, the Cap-and-Invest market mechanisms generally disincentivize and deter overcompliance.

For example, the potential emissions benefit of the early attainment of the 2020 Cap-and-Trade target was largely nullified by banking. Low allowance prices attracted banking investments, not as a hedge against market volatility, but rather to circumvent more stringent future regulations or as an investment instrument with a 5% minimum real rate of return. If CARB's regulations had placed value on additional GHG reductions, they would have imposed banking constraints via reasonable expiration limits or devaluation requirements, and unsold or expired surplus allowances would have been retired.

The difference between the allowance removals for the Scoping Plan’s 48% target (264 million) and the Proposed Amendments’ 40% target (118 million) is 146 million, which is less than half of the current number of banked allowances in circulation. The Proposed Amendments’ inability to adhere to the Scoping Plan's 48% target can be attributed to unconstrained banking, and more fundamentally, to CARB's cost-centric regulatory paradigm. If CARB had limited banking and set the price floor in the mid-range of initial allowance price expectations, then the 2020 target could have been achieved even earlier than 2016 and California could have been much further along in achieving its 2030 and 2045 climate goals. (In 2010, CARB expected allowance prices in 2020 to be in the $15-$30 range, in 2007 dollars, which translates to $19-$37 in 2020 with inflation. Actual prices in 2020 were at about $17, very close to the price floor.) A higher price floor would mitigate excessive banking and market speculation.

The ISOR notes on page 330 that “Staff rejected Alternative 1 because, while it meets the 40% GHG emissions reduction target for 2030, it is not aligned with the 2022 Scoping Plan Update modeling that suggests additional reductions are needed to be on a course with a high likelihood of meeting 2045 statutory targets.” The Proposed Amendments similarly revert to the 40% target, and would thus also seem to be “not aligned with the 2022 Scoping Plan Update modeling”. A higher price floor could potentially incentivize GHG reductions closer to the Scoping Plan target and increase the likelihood of meeting 2045 statutory targets. (45d-CRP:SVC-4.5)

Comment:

Low allowance prices are a natural consequence of the role that Cap-and-Trade has traditionally played as a backstop to other policies (the LCFS, RPS, ZEV mandates), which have been primarily responsible for achieving Cap-and-Trade GHG reduction targets. If those policies succeed in achieving or surpassing statewide reduction goals, then Cap-and-Trade allowance budgets would exceed industry’s need for allowances, and the allowance over-allocation will result in low prices. Low allowance prices are a manifestation not of the innate “cost-effectiveness” of Cap-and-Trade, but rather of the the efficacy of other programs (or the impact of economic conditions) in obviating the need for Cap-and-Trade to regulate emissions.

However, low allowance prices in the context of Cap-and-Invest would result in revenue shortfalls and insufficient funding to support statutory budget allocations. The success of Cap-and-Invest as an investment vehicle would perversely rely on the failure of other policies to achieve or exceed cap targets.

The conflict between the competing policy objectives of cost-effectiveness and revenue generation can be resolved by establishing a price floor at a level consistent with funding requirements. The price floor has provided price stability and sustained GGRF funding in the pre-2020 compliance period, but it needs to be increased to support current SB 840 budget requirements. … The ISOR is oblivious to the essential role that the price floor has played in stabilizing allowance prices and GGRF funding, and it gives no consideration to how the price floor can be adapted to continue this vital role going forward. (45d-CRP:SVC-4.6)

Comment:

The best way that California can lead global action on climate change is to facilitate rapid, economywide adoption of zero-carbon technologies such as renewable energy, electrification, and associated infrastructure, which can outcompete fossil fuels and provide positive economic benefits after the initial investment hurdle has been overcome. A higher near-term price floor could provide adequate and stable early investment funding to support expedited economywide decarbonization. (45d-CRP:SVC-4.7)

Comment:

The most “dramatic action” that CARB can take to reduce GHG emissions would be to establish a Cap-and-Invest price floor sufficient to finance California's transition to a sustainable economy. (45d-CRP:SVC-4.8)

Comment:

Recommendation 1: Establish a price floor sufficient to cover SB 840 near-term funding requirements. …

We believe that Recommendation 1 can be readily implemented in CARB’s current rulemaking.

Recommendation 1 pertains only to the price floor base level; we are not proposing a change to the 5% inflator at this time. This recommendation would support SB 840 near-term funding requirements. …

Our prior February 8 comment letter proposed an alternative of basing the price floor on CARB’s Price Assumption for the Proposed Amendments (currently $47, midway between the floor and APCR-1 price levels). This would provide an estimated revenue surplus of $1.3 billion over current SB 840 requirements. We do not propose this alternative under Recommendation 1, but it could be considered after a specific need for the additional revenue has been identified.

…

EDF disfavors a price floor revision for the stated reason that “a higher price floor hasn’t received any traction at CARB or in the Legislature and is a hard sell when all the policy-makers are focused on affordability.” However, affordability does not appear to be the issue. Policymakers generally do not oppose unlimited revenue allocations to the GGRF at high allowance prices, far beyond program requirements, even though such allocation of surplus funds could contravene legislative policy goals of preserving affordability and mitigating adverse economic impacts on businesses and consumers.

A supermajority of the Legislature passed SB 840 with the expectation and intent that CARB would be collecting and spending GGRF funds at a level consistent with SB 840 allocations. If the Legislature is not supportive of a price floor adapted to SB 840 requirements, it is only because neither the IEMAC, LAO, nor CARB has informed the Legislature of the price floor’s essential role in maintaining price stability and sustaining GGRF funding. (There was no mention of the price floor in the JLCCCP hearing.) But although the Legislature is uninformed on this issue, the SB 840 statute’s clear legislative intent necessitates a price floor sufficient to cover SB 840 budget allocations. If a higher price floor at the SB 840 budget level is politically unviable, then EDF’s proposal to tighten allowance budgets, which provides no assurance of allowance price stability beyond speculative model projections, would be all the more politically untenable. CARB has no reason to trust Greenline Insights’ “preliminary modeling updates” more than its own projections.

EDF's preference for cap tightening over price control is antithetical to “climate ambition.” Their proposed emission cap is necessarily biased toward cost conservatism (as is CARB’s) to accommodate predictive uncertainty, whereas a price floor could be set at a more ambitious level without risking increased likelihood of traversing the APCR price threshold.

The IEMAC is not planning (as of early February) to address the price floor in its forthcoming (delayed) 2025 Annual Report, despite the price floor’s clear relevance to the “environmental and economic performance” of the Cap-and-Invest regulation. Danny Cullenward, the IEMAC’s Vice Chair, opined in a recent Politico interview that “There's no question in my mind that we should be thinking about a higher price floor,” and that the current floor price has “completely controlled the outcome of this program for most of its history.” The IEMAC’s Chair, Meredith Fowlie, testified at the JLCCCP hearing that under CARB’s Proposed Amendments “the GGRF revenues will never meet the minimum spending requirements anticipated for SB 840,” but the IEMAC’s hearing presentation made no mention of the price floor.

The IEMAC recommended in its 2024 Annual Report that CARB establish either an “Emissions Containment Reserve” (ECR) or a higher price floor. (An ECR is basically a higher price floor but with only a limited percentage of the available allowances being withheld at the higher price. The ECR was championed by former IEMAC member and Chair, Dallas Burtraw.) In its Feb 26, 2025 presentation to the JLCCCP, CARB dismissed the IEMAC's proposed ECR as a "fundamental design structure change that could increase compliance costs." CARB made no mention of the alternative of a higher price floor, which would not constitute a “fundamental design structure change” and would provide benefits that counterbalance its costs. Although the current price floor has marginally increased near-term compliance costs, it has also helped to sustain GGRF revenue and contributed to early attainment of the 2020 Cap-and-Trade goal. The primary benefit of an increased price floor at this stage would be compliance with the SB 840 legislative intent.

CARB might be reluctant to increase the price floor because this could require coordinated changes by California’s WCI partners, Quebec and (potentially) Washington. If this is a factor in CARB’s opposition, CARB’s FSOR response should explain why an increased price floor would be adverse to Quebec’s and Washington’s interests and policy goals, and why such interests should preempt California’s legislative policy goals under SB 840. (45d-CRP:SVC-196.1)

Comment:

Please find herewith our second comment letter (following up on our February 8 letter) recommending that CARB establish a price floor sufficient to adequately support SB 840 budget allocations, and further recommending that SB 840 funding from auction revenue be limited to what is necessary to support SB 840 budget allocations. (45d-CRP:SVC-196.3)

Agency Response:

No changes were made in response to these comments. Changes to the price floor are outside the scope of this rulemaking.

Y-2.2 Comment:

Due to CARB’s regulations, a database of attorney-client relationships, and of attorney-client advice, is presumably ready for an actively hostile federal, and possibly state, administration. This database is of information that was never a proper subject of government inquiry. CARB should stop building, delete, and publicize the deletion of, this database. For the reasons set forth above, CARB also should delete §95979(b)(2)(R). (45d-LoJW-265.4)

Agency Response:

No changes were made in response to this comment. Changes to the list of services in section 95979 and CARB's management of data are outside the scope of this rulemaking.

Y-3 Comments on the Mandatory Reporting Regulation (MRR)

Y-3.1 Multiple Comments: Definition of Importer of Fuel

If alignment with LCFS accounting for RNG cannot be addressed in this rulemaking, we urge CARB to clarify that the definition of "importer of fuel" under MRR does not apply to transactions involving book and-claim accounting of biomethane, where the flow of specific gas molecules cannot always be proven to cross California's border. As currently written, the definition could be interpreted to apply whenever ownership of fuel transfers to a California end user or market participant inside the state. Under that interpretation, a book-and-claim biomethane transaction—where environmental attributes associated with biomethane produced outside the state are contractually transferred to a California purchaser—could be double counted if always treated as a fuel import. This outcome would be inconsistent with existing MRR reporting structures.

The physical end use of natural gas associated with these transactions is usually already reported under the program by natural gas utilities (primarily reporting natural gas vehicle fueling), meaning that treating the contractual transfer of biomethane attributes as an separate import would risk double counting the same underlying gas volumes under MRR. In order to avoid double counting, CARB should clarify that the importer definition explicitly excludes book-and-claim accounting where the underlying gas volume is already captured through existing reporting pathways. (45d-AA-364.1)

Comment:

Clarify "Importer of Fuel" Definition under Mandatory Reporting Regulation and Inapplicability to Book-and-Claimed RNG

If alignment with LCFS accounting for RNG (and/or use of an electronic registry for RNG) cannot be addressed in this rulemaking, we urge CARB to clarify that the definition of "importer of fuel" under MRR does not apply to transactions involving book-and-claim accounting of biomethane, where the flow of gas molecules cannot always be proven to cross California's border. As currently written, the definition could be interpreted to apply whenever ownership of fuel attributes transfers to a California end user or market participant inside the state.

Under that interpretation, a book-and-claim biomethane transaction—where environmental attributes associated with biomethane produced outside the state are contractually transferred to a California purchaser—could be double counted if always treated as a fuel import under MRR. This outcome would be inconsistent with existing MRR reporting structures.

As described above, the physical end use of compressed or liquified natural gas associated with these transactions is usually already reported under the program by natural gas utilities (primarily reporting natural gas vehicle fueling),27 meaning that treating the contractual transfer of biomethane attributes as a separate import would risk double counting the same underlying gas volumes under MRR. To avoid double counting, CARB should clarify that the importer definition explicitly excludes book-and-claim accounting for RNG where the underlying gas volume is already captured through existing reporting pathways. (45d-RNGC-390.8)

Comment:

1. Clarify “Importer of Fuel” Definition under Mandatory Reporting Regulation (MRR)

ABC urges CARB to clarify that the definition of “importer of fuel” under MRR does not apply to transactions involving book-and-claim accounting of biomethane where no physical fuel crosses California’s border. As currently written, the definition could be interpreted to apply whenever ownership of fuel transfers to a California end user or market participant located in the state. Under that interpretation, a book-and-claim biomethane transaction, where environmental attributes associated with biomethane produced outside the state are contractually transferred to a California purchaser while the physical gas remains in the originating pipeline system, could be construed as a fuel import. This outcome would not reflect the physical movement of fuel and would be inconsistent with existing MRR reporting structures.

The physical natural gas associated with these transactions is already reported under the program. Treating the contractual transfer of biomethane attributes as an additional fuel import would therefore risk double counting the same underlying gas volumes under MRR. To avoid double counting, CARB should clarify that the importer definition applies only to physical imports of fuel transported into California and explicitly exclude book-and-claim accounting where the underlying gas volume is already captured through existing reporting pathways. (45d-ABC-406.1)

Agency Response:

No changes were made in response to these comments. This comment refers to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. Please refer to Agency Response to comment H-3 in the MRR FSOR.

Y-3.2 Comment:

CARB’s Proposed Amendments include revisions to the categories of emissions from the natural gas system that are exempt for purposes of C&I compliance. PG&E largely agrees with Staff's assessment in the ISOR that the inclusion of transmission blowdowns and compressor station venting moving forward will add relatively minimal emissions to our overall natural gas compliance obligation. However, PG&E's data for these emission categories are calculated based on best available data or engineering estimates to some degree, rather than direct continuous flow measurement, similar to other categories that are exempt for this reason. While PG&E provides transmission blowdown emissions to the EPA, the EPA's reporting requirements on data quality are very different than those necessary for emissions that are subject to a C&I compliance obligation. PG&E requests clarification and guidance from CARB that transmission blowdown and compressor station venting emissions will still be subject to the same verification and reporting requirements as prior years, allowing PG&E to continue using existing methodologies and data quality standards for verification of these newly covered emission categories. (45d-PGE-445.11)

Agency Response:

No changes were made in response to this comment. Newly covered natural gas supplier blowdown, fugitive, or vented emissions, as reflected in updates to section 95852(c) of the Cap-and-Invest Regulation, are subject to the same reporting and verification requirements under MRR as applied to these emissions in previous years, except for new reporting on the annual number of and GHG emissions from transmission pipeline blowdowns added in MRR sections 95152(i)(9) and 95157(c)(16)(Y).

Y-3.3a Multiple Comments: Streamline Reporting Requirements

CARB should eliminate MRR requirements that duplicate LCFS-specific data already reported under separate regulatory programs. We request removal of § 95121(d)(10), which would require reporting biomass-derived fuel volumes for each unique combination of LCFS pathway code, fuel type, and point of regulation. Existing MRR reporting already defines points of regulation and ensures no double counting and LCFS pathway data is separately reported in quarterly and annual LCFS submissions, with fuel pathway codes fully reconciled with counterparties or, depending on the transaction type, subject to third-party verification. Requiring this level of detail in MRR duplicates LCFS reporting, increases administrative burden, and does not improve the accuracy of GHG emissions reporting. (45d-CUSAI-296.5)

Comment:

Streamline reporting requirements, align MRR with federal GHG reporting standards, and maintain exemptions for biogenic fuels to reduce administrative burden. … CARB should continue to support exemptions for biogenic process and combustion emissions and allow reporting entities to rely on existing, approved methodologies. Using established methodologies is critical to ensuring consistency across programs, maintaining data integrity, and avoiding unnecessary reporting and administrative burdens. Biogenic emissions disclosures have never been required under MRR or under other major federal and international accounting frameworks. Instead, these frameworks consistently treat biogenic CO_2 similarly to avoided emissions, which are reported separately as supplemental information rather than as a mandatory component of a facility's GHG inventory. This approach reflects the longstanding recognition that incorporating biogenic CO_2 directly into mandatory reporting frameworks can distort emissions inventories and create inconsistencies across programs. ... 13. CARB should ensure that MRR remains aligned with federal reporting requirements. WSPA urges CARB to maintain the MRR's alignment with the federal Greenhouse Gas Reporting Program at 40 Code of Federal Regulations (CFR) Part 98 to the greatest extent practicable and to reconsider the provisions in the Proposed Amendments that could introduce conflicts or inconsistencies between the two programs. California reporting entities have spent more than a decade developing sophisticated compliance systems for internal operation and external reporting that are fundamentally based on federal reporting methodologies. Departing from these established frameworks would be highly disruptive and costly, requiring companies to redesign data collection and reporting systems that are deeply embedded in day-to-day operations. WSPA recognizes the significant uncertainty currently surrounding the federal program, based on the U.S. Environmental Protection Agency's proposal to rescind GHG reporting requirements for a large number of source categories. However, even if federal GHG reporting requirements are reduced or eliminated, CARB should continue to rely on the existing federal technical methodologies as the foundation for the MRR. Doing so would preserve data continuity and integrity, maintain consistency with historical reporting, and avoid imposing unnecessary administrative burden associated with developing and implementing entirely new, state-specific methodologies during a period of regulatory uncertainty. (45d-WSPA-381.9)

Comment:

Align Reporting Between Cap-and-Invest and Low Carbon Fuel Standard Data

As discussed in previous C&I workshop comments, we believe that much of the RNG used in California—including for natural gas vehicles and voluntary buyers—is not correctly recognized by the C&I and MRR current framework. In the LCFS, gas deployed into natural gas vehicles is reported downstream of the utility, usually through collaborative reporting between the RNG project and the company running the natural gas dispensing stations. Many fueling stations do not meet the reporting threshold for inclusion under MRR and have no direct C&I compliance obligation, which creates a disconnect between LCFS and C&I/MRR data. Similarly, we expect entities to procure increasing amounts of RNG under corporate GHG accounting frameworks for facilities not directly covered in C&I/MRR. This means that, in practice, RNG in the gas utilities system is often reported as fossil gas by the utility under the C&I/MRR. We reiterate that this can, and should, be corrected in this rulemaking, either through improved internal coordination between groups at CARB (who have access to multiple datasets and can map voluntary actors and CNG stations using RNG to utility service territories) or through a holistic fix that could be used across all programs (e.g., use of a centralized registry for RNG ownership that could be accessed by all programs). For voluntary customers, as CARB gathers data for such corporate reporting under SB 253 requirements, there should be a way for utility C&I obligations to be reduced to recognize these purchases. In the absence of such accounting alignment, renewable gas use will be counted as conventional gas and thus create unnecessary duplicative C&I burden for California utility ratepayers—even those directly paying to procure RNG. The program specific data from CARB's websites shows this clearly. The MRR data shows approximately 70,000 metric tons of biogenic CO2 being reported by utilities.

Adding in other non-utility natural gas fuel suppliers, annual biogenic CO2 is 315,134 metric tons in 2024. However, the LCFS data in 2024 has 218,681,746 diesel gallon equivalents of RNG reported across all vehicle fuel use. This should produce ~1.5 million metric tons tailpipe biogenic CO2 per year.24 Meaning that MRR is likely overcounting fossil CO2 from NGVs by more than a million metric tons CO2 per year. This lack of recognition in C&I/MRR for RNG creates skewed incentives relative to other renewable transportation fuels. For example, we believe most of the ethanol, biodiesel, and renewable diesel volume is correctly accounted for in an aligned way across LCFS and C&I/MRR. (45d-RNGC-390.6)

Comment:

The MRR Program Should Allow Use of an Electronic Registry to Help Demonstrate RNG Ownership. California's agencies should move to harmonize reporting rules across programs and regional markets to ensure consistent GHG reduction and renewable gas use claims. We continue to recommend one centralized electronic registry to address any possibility of double claims or double payments by compliance entities. Digital infrastructure designed to support renewable gas claims already exists and is ready to be paired with North America's C&I programs. Such systems are proven in Europe25 and are designed to replace the necessity of tracking of "paper" records between a wide variety of counterparties involved in a high number of transactions. Clean Counts26 (formerly MRETS) is a renewable energy credit and renewable thermal credit platform which is currently tracking RNG volumes, including as an optional tool in California's renewable gas standard and for voluntary RNG procurement, and will likely be used in other similar programs. We suggest that CARB allow the use of the Clean Counts system for renewable gas volumes procured for compliance under the C&I program to standardize RNG tracking while eliminating concerns related to double counting, ensuring transparency in volume origination, and allowing integration with other programs and markets.(45d-RNGC-390.7)

Comment:

Ensure alignment between reporting frameworks and regulations ABC urges CARB to ensure alignment between reporting requirements under the MRR, LCFS, and emerging reporting frameworks under the California Energy Commission to avoid duplicative or inconsistent data collection requirements. Where possible, CARB should leverage LCFS reporting infrastructure and data streams to obtain necessary information from RNG suppliers rather than establishing parallel reporting obligations.(45d-ABC-406.9)

Comment:

Streamline reporting requirements to reduce administrative burden. (15d-BAC-61.11)

Comment:

Eliminate MRR requirements that duplicate California’s Low Carbon Fuel Standard (LCFS)-specific data already reported under existing programs. (15d-BAC-61.13)

Comment:

Eliminate MRR requirements that duplicate California’s Low Carbon Fuel Standard (LCFS)-specific data already reported under existing programs. … 14. CARB should eliminate MRR requirements that duplicate LCFS reporting.

WSPA requests removal of § 95121(d)(10), which would require reporting biomass-derived fuel volumes for each unique combination of LCFS pathway code, fuel type, and point of regulation. Existing MRR reporting already defines points of regulation and ensures no double-counting, and LCFS pathway data is separately reported in quarterly and annual LCFS submissions, with fuel pathway codes fully reconciled with counterparties or, depending on the transaction type, subject to third-party verification. In addition, biomass-derived fuels may be mixed in common tankage, making it impossible to identify which LCFS pathway code is associated with each reported volume. A fuel supplier, at best, could report all LCFS pathway codes of biomass-derived fuels purchased and/or produced in a year. The supplier would not be able to identify the LCFS fuel pathway code for specific volumes sold at California terminal racks. Requiring this level of detail in MRR duplicates LCFS reporting, increases administrative burden, and does not improve the accuracy of GHG emissions reporting.

For biomass-derived blendstocks, CARB should consistently provide separate GHG emission factors and allow entities the option to use those factors rather than requiring the use of the same factor as fossil blendstocks. WSPA observed that while biodiesel and renewable diesel are treated differently from distillates, bionaphtha is currently assigned the same emissions factor as fossil blendstocks. Consistently providing separate emission factors for biomass-derived blendstocks and allowing entities the option to use them ensures that GHG accounting accurately reflects the carbon content of bio-based fuels while enabling regulated entities to select the most appropriate factor for reporting. (45d-WSPA-381.12)

Agency Response:

No changes were made in response to these comments in this rulemaking. These comments refer to proposed amendments to the Mandatory Reporting Regulation and are outside the scope of this rulemaking. See Agency Responses to comments I-2 and I-4 in the MRR FSOR.

Y-3.3b Multiple Comments: Streamline Reporting Requirements

Align Reporting Between Cap-and-Invest and Low Carbon Fuel Standard Data: Much of the RNG used in California—including for natural gas vehicles and voluntary buyers—is not correctly recognized by the current C&I framework. The Program is likely overcounting fossil CO2 from NGVs by more than a million metric tons CO2 per year. (15d-RNGC-105.5)

Comment:

The MRR Program Should Allow Use of an Electronic Registry to Help Demonstrate RNG Ownership.

California's agencies should move to harmonize reporting rules across programs and regional markets to ensure consistent GHG reduction and renewable gas use claims. We continue to recommend one centralized electronic registry to address any possibility of double claims or double payments by compliance entities.

Digital infrastructure designed to support renewable gas claims already exists and is ready to be paired with North America's C&I programs. Such systems are proven in Europe and are designed to replace the necessity of tracking of "paper" records between a wide variety of counterparties involved in a high number of transactions. Clean Counts26 (formerly MRETS) is a renewable energy credit and renewable thermal credit platform which is currently tracking RNG volumes, including as an optional tool in California's renewable gas standard and for voluntary RNG procurement, and will likely be used in other similar programs.

We suggest that CARB allow the use of the Clean Counts system for renewable gas volumes procured for compliance under the C&I program to standardize RNG tracking while eliminating concerns related to double counting, ensuring transparency in volume origination, and allowing integration with other programs and markets.(15d-RNGC-105.6)

Agency Response:

No changes were made in response to these comments. These comments refer to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. See Agency Response to comments B-2 and B-11 in the MRR FSOR.

Y-3.4 Comment:

Establish a higher reporting threshold (de minimis) to protect small importers.(45d-Vidal-233.3)

Agency Response:

No changes were made in response to this comment in this rulemaking. These comments refer to proposed changes to the MRR, which is outside of the scope of this rulemaking. See Agency Response to comment H-1 in the MRR FSOR.

Y-3.5a Comment:

PROPOSED CHANGE TO LPG IMPORTER DEFINITION IN DRAFT AMENDMENTS

WPGA appreciates CARB staff's effort to address inconsistencies in the reporting of imported LPG. The Initial Statement of Reasons (ISOR) indicates that the proposed amendments seek to resolve circumstances in which the current "importer of fuel" point of regulation can be implemented in more than one way, leading to situations where imported LPG may be reported twice or not reported at all.

WPGA agrees that these ambiguities should be corrected. At the same time, the proposed remedy, shifting the reporting entity from the importer of fuel to the operator of an LPG receiving facility with at least 30,000 gallons of storage capacity and eliminating the reporting threshold for imported LPG suppliers, raises structural concerns. Particularly, it may move the point of regulation away from the commercial actor responsible for importing LPG into California commerce and toward downstream storage facilities that do not necessarily control the import transaction itself.

CARB states that the amendments are intended to clarify reporting responsibility rather than expand emissions coverage for this sector. If that is the objective, then the most direct solution is to preserve the importer-based framework while clarifying responsibility through affiliated-entity aggregation and designation of a responsible reporting entity.

CARB's rationale reflects a legitimate administrative concern. The ISOR explains that imported LPG transactions sometimes involve multiple contractual actors and varying transfer-of-title arrangements, which can lead to inconsistent reporting.

Yet, the proposed solution shifts the regulatory anchor from the entity responsible for importing LPG into California commerce to the operator of a storage facility defined by a

30,000-gallon tank threshold. This threshold may exclude very small tanks, but it still captures facilities that function as local distribution or midstream storage nodes rather than upstream fuel suppliers.

CARB's broader regulatory framework already contains tools to resolve such ambiguity. The MRR defines "supplier" to include entities under common ownership or common control and treats such entities as a single reporting entity. Applying that same principle to imported LPG would address the underlying concern while maintaining a consistent regulatory structure.

WPGA requests that CARB amend cross-references to the updated definition of "Liquefied petroleum gas receiving facility" as defined in MRR and C&I. The CARB draft language would, if placed into effect, have significant harm to small businesses and consumers across the state. Setting a LPG receiving facility to anyone with greater than 30,000 gallons of storage on-site would affect literally thousands of businesses, including those outside the propane industry.

To meet the goals of the proposed amendments, WPGA suggests adopting some form of the following language. It would minimize harm to businesses and consumers, maximize compliance with both MRR and C&I, and ease reporting for reportable entities:

Mandatory Reporting Regulation (MRR) on GHG Emissions § 95122(a)(6) – Importer Common Ownership Aggregation

"For purposes of determining whether an importer of fuel, as defined in section 95102(a), meets the reporting threshold under section 95101(c) or the compliance threshold under the Cap-and-Invest Regulation (title 17, CCR, section 95801 et seq.), all GHG emissions from fuel imported into California by any entity under common ownership, common control, or a common primary parent company shall be aggregated and considered part of a single supplier. For purposes of this subdivision, 'common primary parent company' means any entity that, directly or indirectly, holds a majority ownership interest in, exercises operational control over, or is under common management with the importer of fuel. An importer of fuel that is part of an affiliated group shall designate a single entity within that group to fulfill all reporting and compliance obligations on behalf of the group." (45d-WPGA-401.2)

Agency Response:

Changes were made in response to this comment. The 15-day changes revised the definition of "imported of fuel" to reference the definition in MRR section 95102(a). This comment refers to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. Regarding this definition and the application of this definition, see Agency Response to comment H-1 in the MRR FSOR.

Y-3.5b Comment:

WSPA requests that CARB clarify the definitional changes to "Importer of fuel." "Fuel" has a broad definition in the MRR and includes solid, liquid, or gaseous combustible material. WSPA requests that CARB confirm that an importer of liquid transportation fuel, such as reformulated blendstock for oxygenate blending (RBOB) (and RBOB blending components) or diesel, is not required to report imported volumes in MRR, as that may create double counting of volumes and emissions given that fuels sold into California are also required to be reported under a supplier's MRR report. (15d-WSPA-164.13)

Agency Response:

No changes were made in response to this comment. The Cap-and-Invest Regulation defines "importer of fuel" by reference to the definition in MRR section 95102(a), thus this request is outside the scope of this rulemaking. Please refer to Agency Response to comment H-3 in the MRR FSOR.

Y-3.6 Comment:

Recommendation 2 — Establish an Alternative Quantification Method Reporting

Pathway in the MRR for IoT-Monitored Organic Processing Facilities (Re: 15-Day MRR Amendments, Subarticle 2 Reporting Requirements)

We recommend that CARB establish a "Tier 3" or "Alternative Quantification Method" (AQM) reporting pathway under the MRR for facilities operating verified, closed-loop organic processing systems with continuous monitoring capabilities. This pathway would allow qualifying facilities to report facility-specific, real-time emissions data in lieu of sector-wide default CH_4 conversion factors.

The AQM pathway would advance the precision objectives of the 15-Day MRR amendments by:

• Enabling continuous, facility-level methane suppression documentation, replacing periodic default emission factors for organic waste streams

• Providing independently verifiable evidence of in-situ decomposition conditions sufficient for GHG inventory purposes

• Establishing a direct, auditable linkage between on-site reduction activities and compliance reporting, consistent with the verification standards in MRR Subarticle 4

• Reducing the systematic underestimation of pre-collection organic waste emissions that currently results from limited visibility into dispersed generation points (15d-SY-56.2)

Agency Response:
No changes were made in response to this comment in this rulemaking. This comment refers to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. See Agency Response to comment B-4 in the MRR FSOR.

Y-3.7a Comment:

CARB should clarify the type of operations to be included under a liquefied petroleum gas receiving facility.

… 12. CARB should clarify the type of operations that would be included under a liquefied petroleum gas receiving facility or “LPG receiving facility.”

The 30,000-gallon reporting threshold is equivalent to a single rail car of LPG. When railcars enter California, they may sit idle at a rail yard until the tracks are aligned to ship the rail car to its destination. CARB’s current definition of an LPG receiving facility is unclear. WSPA recommends that CARB clarify this definition to identify that the 30,000 gallons is associated with offloaded LPG. Additionally, if the use of the offloaded LPG is captured in a Cap-and-Invest program covered entities MRR offloaded LPG volume reporting is not required to prevent the double counting of emissions. (45d-WSPA-381.10)

Agency Response:
No changes were made in response to this comment. This comment refers to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. See Agency Response to comment H-1 in the MRR FSOR.

Y-3.7b Comment:

CARB should clarify the type of operations to be included under a liquefied petroleum gas receiving facility. (15d-BAC-61.12)

Agency Response:
No changes were made in response to this comment in this rulemaking. This comment refers to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. See Agency Response to comment H-1 in the MRR FSOR.

Y-3.9 Comment:

CARB should align with EPA methodology for reporting GHG emissions for hydrogen production from low carbon content feedstocks. EPA included this revised methodology in the 2024 Final Rule which can help encourage the use of novel feedstocks for hydrogen production. CARB should align with EPA and allow hydrogen producers to use product specifications annually for gaseous feedstocks with carbon content = 0.00002 kg carbon per kg of gaseous fuel or feedstock or liquid feedstocks with carbon content = 0.00006 kg carbon per gallon of liquid fuel or feedstock. This would allow reporters the use of modifications of methods for sampling/analysis for carbon content if relevant compounds cannot be detected, if a method is not technically feasible, or if use of a method is unsafe. These fuels and feedstocks have very limited GHG emissions potential and are an insignificant contribution to the GHG emissions from hydrogen production (45d-CUSAI-296.8)

> **Agency Response**:
>
> No changes were made in response to this comment. This comment refers to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. See Agency Response to comment D-6 in the MRR FSOR.

Y-3.9 Comment:

Permit fuel suppliers to report emissions from liquefied petroleum gas (LPG) using a default emission factor and specify reportable process vents under hydrogen production requirements.

… Fuel suppliers should be allowed to report LPG emissions using a default emission factor.

CARB should reduce the reporting complexity for emissions from LPG fuel by removing the requirement to report the emissions from the individual components of fossil or biomass-derived liquefied petroleum gas. CARB is allowing importers of liquid petroleum gas in § 95122(b)(9) the ability to use a default LPG factor, stating that the modification is needed to allow suppliers of imported LPG in all cases to report imported LPG volumes as “LPG” rather than LPG components. CARB should add similar language to fuel suppliers in Section 95121 for the same reasons: to simplify emissions reporting, which under the existing requirement is often burdensome for suppliers to implement and provides little additional precision in emissions reporting. (45d-WSPA-381.14)

> **Agency Response**:
>
> No changes were made in response to this comment in this rulemaking. This comment refers to proposed amendments to the Mandatory Reporting

Regulation and is outside the scope of this rulemaking. See Agency Response to comment I-1 in the MRR FSOR.

Y-3.10 Comment:

16. CARB should specify reportable process vents for hydrogen production.

WSPA agrees with CARB's intent to require all hydrogen production facilities, whether integrated within a refinery or operating as a standalone hydrogen production facility, to be held to the same GHG emissions reporting requirements. However, CARB needs to add significant language to specify which process vents are required to be reported. CARB should include the same language as in § 95113 (Refineries) that excludes process vents for which the concentration of CO_2, N_2O, and CH_4 are determined to be below the thresholds in 40 CFR § 98.253(j). CARB should also align with EPA reporting requirements and include in the regulation language allowing quantification of vent flows using measurement data (if available), process knowledge, or engineering estimates, as provided in 40 CFR § 98.253(j). Lastly, CARB should specify in its regulations how to account for double-counted emissions from hydrogen production to ensure consistency across all data reporters. (45d-WSPA-381.21)

Agency Response:

No changes were made in response to this comment in this rulemaking. This comment refers to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. See Agency Response to comment D-5 in the MRR FSOR.

Y-3.11 Comment:

C. GWP Values Applied to Methane Compliance Obligations

The Cap-and-Invest regulation currently uses GWP100 values from IPCC AR4 (GWP = 25 for methane, including climate-carbon feedbacks and oxidation) to convert methane emissions to CO2 equivalents for compliance purposes. While GWP100 is the established standard for cap-and-trade programs globally, we recommend that CARB take two complementary steps:

• Update the GWP values used in the regulation to reflect the most current IPCC science. The IPCC AR6 (2021) values for methane are higher: GWP100 of approximately 29.8 (fossil methane, without climate-carbon feedback) to 82.5 (with feedbacks over 20 years). CARB should evaluate whether updated AR6 values should be incorporated, particularly as the program extends through 2045.

• Require or encourage reporting of methane emissions under both GWP20 and GWP100 to ensure transparency about near-term climate forcing. As CARB's own 2022 Scoping Plan Update emphasizes near-term methane reductions as a critical pathway to meeting 2030 targets, reporting under GWP20 provides the regulatory signal most aligned with those near-term goals.

The scientific literature is clear that the choice of time horizon has large implications for the apparent climate impact of methane (Balcombe et al., 2018, Environmental Science: Processes & Impacts). For a program extending to 2045 with interim 2030 targets, using only GWP100 may understate the near-term urgency of methane mitigation and create perverse incentives to defer action.

California would not be breaking new ground in adopting GWP20 for methane compliance purposes — it would be joining New York, which has already taken this step under a statutory mandate. The New York Climate Leadership and Community Protection Act (CLCPA), enacted in 2019, requires that New York's statewide greenhouse gas emission limits and reporting be expressed using GWP integrated over a 20-year time horizon. New York's Department of Environmental Conservation codified GWP20 values from IPCC AR5 into 6 NYCRR Part 496 in 2020, and all subsequent New York State GHG inventory reports, cap-and-invest program design documents, and compliance regulations have applied GWP20 as the primary metric for methane. New York's rationale, as stated in its regulatory impact statement, is that GWP20 is necessary to assess GHG emissions over the near-term time frame relevant to its 2030 and 2050 emissions targets — precisely the same logic that applies to California's 2030 and 2045 targets under AB 1207 and SB 840.

California and New York together represent the two most significant state-level carbon pricing programs in the United States. If both programs adopt GWP20 as the primary or co-primary metric for methane compliance, they would collectively establish a national standard for near-term methane accountability — one grounded in science, aligned with near-term climate targets, and consistent across the two largest subnational carbon markets. We urge CARB to formally evaluate GWP20 adoption in the 2026 amendments and, at minimum, require dual-horizon (GWP20 and GWP100) reporting for methane so that the compliance record reflects both the near-term and long-term climate significance of methane slip emissions from lean-burn engines. (45d-EI-403.3)

Agency Response:

No changes were made in response to this comment in this rulemaking. This comment refers to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. See Agency Response to comments B-9 in the MRR FSOR.

Y-3.12 Comment:

While we remain in opposition to including denaturant in these Programs, there are some components of the proposed amendments that must be clarified if CARB opts to pursue this as a policy option.

It is important to distinguish RBOB from Natural Gasoline. The industry standard for denaturant is Natural Gasoline, which is already defined in MRR. RPMG recommends the regulation be updated to allow for Natural Gasoline to be reported as the default denaturant.

Regarding E85 reporting in Section 95121(b)(1), the proposed amendments do not clearly specify if CARB considers E85 to be two reportable components (Pure Ethanol and the remaining volume) or three components (Pure ethanol, denaturant, and the remaining volume). Clarity should be provided so that reporting requirements are clear.

Another key mechanism for reporting that may result in duplicative reporting is § 95121 (d)(10) that requires fuel suppliers to report LCFS information. This section of the proposed amendments is unnecessary because fuel suppliers have reported all of that information under the LCFS program and this section in the MRR is requiring them to report the same information CARB can access internally. CARB should avoid duplicative reporting. (45d-RPMG-297.3)

> **Agency Response**:
> No changes were made in response to these comments in this rulemaking. These comments refer to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. See Agency Response to comments I-4 and I-5 in the MRR FSOR.

Y-3.13 Comment:

CARB should allow fuel suppliers to choose to report emissions from liquid petroleum gas (LPG) using a default emission factor. CARB should reduce the reporting complexity for emissions from LPG fuel to remove the requirement to report the emissions from the individual components of fossil or biomass- derived liquified petroleum gas. CARB is allowing importers of LPG in § 95122(b)(9) the ability to use a default LPG factor, stating the modification is needed to allow suppliers of imported LPG in all cases to report imported LPG volumes as “LPG” rather than LPG components. CARB should add similar language to fuel suppliers in § 95121 for the same reasons: to simplify emissions reporting. The existing requirement is often burdensome for suppliers to implement and provides little additional precision in emissions reporting. (45d-CUSAI-296.7)

Agency Response:

No changes were made in response to these comments in this rulemaking. This comment refers to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. See Agency Response to comment I-1 in the MRR FSOR.

Y-3.14 Comment:

UPSTREAM/DOWNSTREAM SUPPLIER DEFINITIONS

WPGA appreciates the efforts of CARB staff to protect small businesses from potential harms associated with compliance costs or penalties associated with MRR and C&I. WPGA suggests that CARB use the following terms to further clarify which providers serve which markets:

UPSTREAM

These are suppliers who sell fuel in bulk quantities to large end-users as well as local retailers. Such industry terms referring to these parties include: producers, wholesale suppliers, upstream, midstream, brokers, multistate distributors, or other bulk suppliers.

DOWNSTREAM

These are suppliers who purchase bulk fuel and sell or distribute fuel in significantly smaller quantities to residential, commercial, agricultural, or industrial customers. Such industry terms referring to these parties include: marketers, retailers, or dispensers. (45d-WPGA-401.3)

Agency Response:

No changes were made in response to these comments. This comment refers to proposed amendments to the Mandatory Reporting Regulation and is outside the scope of this rulemaking. See Agency Response to Comment H-2 in the MRR FSOR.

Y-3.15 Comment:

The inclusion of [Hydrogen/Cement] importers under the MRR creates significant market uncertainty. Specifically, the proposed amendments fail to account for the administrative overhead required for entities that have not historically been part of the Cap-and-Trade ecosystem. This expansion threatens to increase costs for [Industry/Sector] without a proportional benefit to emissions transparency. (45d-Vidal-233.1)

Agency Response:

No changes were made in response to this comment in this rulemaking. This comment refers to proposed amendments to the Mandatory Reporting

Regulation and is thus outside the scope of this rulemaking. Please see Agency Response to comment B-5 in the MRR FSOR.

Y-3.16 Comment:

D. Data Centers and On-Site Generation: Coverage Threshold Concerns Data centers operating lean-burn natural gas engines for prime or backup power may fall below or near the 25,000 MT CO2e threshold for covered entity status under the regulation, particularly if methane slip is not counted in their compliance obligation calculation. This creates a problematic interaction: the fastest-growing source of lean burn engine deployment may be systematically undercounting its emissions in a way that places it below the coverage threshold.

We recommend that CARB:

• Review the coverage threshold analysis for data center on-site generation to ensure that methane slip is included in the emissions calculation used to determine threshold applicability.

• Consider whether a sector-specific provision or lower inclusion threshold is warranted for facilities whose primary GHG source is lean-burn natural gas engines, given the documented gap between reported and actual emissions.

We also urge CARB to recognize that these compliance gaps collectively undermine California's net-zero trajectory in a way that is not recoverable by tightening the cap alone. The program's net-zero credibility depends on the accuracy of the emissions it prices. Where a large and growing category of GHG emissions is systematically absent from compliance obligations — and where entities burning RNG in lean-burn engines can present a compliance footprint of near zero while their actual point-of-use CO2e footprint is materially positive — the cap does not reflect reality. California's 2045 net zero target requires that the lean-burn engine sector actually reach net zero, not that it appear to reach net zero on the basis of incomplete accounting. Closing the methane slip compliance gap is therefore not a technical correction to the regulation; it is a prerequisite for the regulation to function as a net-zero instrument. (45d-EI-403.4)

Agency Response:

No changes were made in response to this comment. See Agency Response to comments B-6, B-7, B-8, and B-10 in the MRR FSOR.

Y-4 Inappropriate Language

Y-4.1 Multiple Comments:

"Air Nazis!" (45d-Wenzel-67)

Comment:

Good evening unelected bureaucrats, You guys cannot operate without impunity anymore. Newsom is out the door and hopefully sanity returns to California to slash regulations. The EPA already revoked your special exemption to operate so any regulations like the upcoming gas tax hike disguised by commie climate shit will be challenged in court and you will lose. You do untold damage to the working class of California and deserve to be dissolved. I look forward to you losing the grip you have on this state as soon as possible. (45d-Wells-141)

Comment:

“I hope you do this!! I want gas to get so expensive that no Californian will EVER vote for another Democrat EVER again and then the next Governor in November will be a Republican and the State Senate and Assembly will turn Republican also and we can abolish CARB and get rid of all of you son of a bitches that have absolutely RUINED this state. You can ALL go to Hell.”(45d-Johanson-146)

Comment:

“There will be riots, you tards” (45d-Eggert-152)

Comment:

“I was just thinking the other day about how people who own large businesses. Basically, are the reason why the cost of living is going up-and-down. It's nobody else's fault, but theirs they have the same product, but yet they choose to bring it up or down, no matter what, somehow some way I never can understand for one, why we're even using anything that has been made up of dead bodies and dirt. I have never understood why petroleum is even allowed to be in anything when it causes cancer. I am not sure if you scientists have either nothing else. Better to do or are just afraid to go into the ocean and do some real science. But when it comes to the chemicals, you guys need to take a lax pill, maybe Donald Trump should take his focus off the cartel now and focus more on the scientists and all of the people included In the industry. Eventually, I vote that we should all go to solar power scooters, possibly travel by donkey anything other than to have to submit to people that think that they could control us by raising prices and continuing taxes b[*******] Thank you” (45d-Ryan-311)

Comment:

Who elected these clowns to impose this shit! Oh I know, that retard Gavin slick shit! It's hard enough to fuel up our vehicles alone, CARB has put restrictions on exempt parts for vehicles which prevents us to drive, because they'll fail smog. Some of us are done with this F[**]ked state, we're ready to move the F[**]k out!!! (45d-Bargas-330)

Agency Response:

No changes were made in response to these comments. Staff acknowledge the comments, and note that these comments are not specific to Cap-and-Invest or this rulemaking, and these comments are outside the scope of this rulemaking. CARB values the input it receives on its regulations. CARB's view is that everyone should engage in respectful debates on the issues and not devolve into personal attacks on staff who are developing and implementing programs in response to legislative direction in state statute. Staff responded to specific recommendations elsewhere in this FSOR and are available to meet with members of the public to provide information about the agency's programs.

Y-5 Topics Unrelated to Cap-and-Invest

Y-5.1a Multiple Comments: Topics Unrelated to Cap-and-Invest

I am a California resident, in Browns Valley, writing to strongly oppose AB 1421 and any expansion of research or framework for a mileage-based road usage charge (per-mile tax).California families are already struggling with some of the highest gas prices in the nation—currently around $4.80+ per gallon compared to the national average. Policies like the tightened Low Carbon Fuel Standard and past refinery regulations have contributed to refinery closures, job losses, and greater dependence on imported fuel, which only pushes prices higher. Adding a per-mile tracking and taxing system on top of that would be devastating for working families, small businesses, rural drivers, and anyone who relies on their vehicle to earn a living. AB 1421 may claim to be just "research" or "recommendations," but it clearly builds the foundation for eventually replacing the gas tax with a mileage fee—something that would hit lower-income and longer-distance drivers hardest, raise serious privacy concerns with vehicle tracking, and discourage driving at a time when affordable mobility is already under attack. I urge the Commission to: Reject any extension or expansion of mileage-based fee studies under AB 1421. Focus instead on reducing regulatory burdens that are closing refineries and inflating fuel costs. Prioritize transparent road funding without new taxes on everyday drivers. Thank you for considering my comments. Please keep California drivers in mind as you make these decisions.
Sincerely,
Kendra
Browns Valley (45d-Proano-32)

Comment:

It's time to stop taxing us to death. (45d-Griffith-69)

Comment:

fs (45d-Haubrich-9)

Comment:

Most of us can't afford for gas prices to go any higher. I am currently unemployed and have worked my whole life. Now would be the wrong time to raise gas prices. Most valley residents can't stretch their wallets any more. (45d-England-52)

Comment:

Buying gasoline is already too expensive for most residents. More taxation will likely cause shortages of fuel, as more refineries close. CARB needs to change course on adding more taxes on fuel. (45d-Rachel-65)

Comment:

While $8 per gallon gas in California isn't a guarantee, several studies from mid-2025, particularly from USC and UC Davis, warned of potential spikes to $8 or more by 2026 due to refinery closures, high taxes, and unique fuel requirements, with some analysts predicting routine prices over $5 and diesel hitting $10 during shortages." This doesn't even cover the rise in oil prices that the conflict with Iran will incur. More cost to the consumer is not want we need now. (45d-Alire-66)

Comment:

California already has the highest gas prices in the nation and we can't afford the current prices. Each day the politicians and regulators make it increasingly more difficult to get by. By far the worst leaders in state history. (45d-Golden-83)

Comment:

stop the gas tax. (45d-Martinez-50)

Comment:

STOP the GAS TAX
The tax is completely unfair to the California tax payer especially those unable to purchase electric vehicles due to there financial hardships. It's already bad enough for California tax payer to have to pay higher utility bills to accommodate all the solar that has entered the residential housing sector. This is just another tax to screw Californian citizens like my self who love California but hate the states unnecessary taxes such as the Gas tax. (45d-Martinez-51)

Comment:

DON'T RISE GAS TAX. (45d-Urias-61)

Comment:

Please stop taxing us so much on the gas! It will soon be so much that it won't make sense for people to go to work because the gas will cost so much. We already have children who live on the streets. Taxes like this will only make sure that more will end up there. You're supposed to look out for the people you SERVE. That includes the people in the valley who don't make as much as the people in the big cities. Please don't keep adding more and more. (45d-Luis-75)

Comment:

Stop the hidden gas tax!! We the people are tired of the government abusing of his citizens. (45d-Valadez-76)

Comment:

If I travel once a year to the east coast will I still be taxed? I don't support any more tax having to do with fuel or anything to do with an automobile. California doesn't need to continue to lead the nation in fuel taxes. (45d-Nourian-80)

Comment:

As a resident who lives in Central Valley I am asking that put a hold on any new gas taxes. They are disproportionately unfair to us here in the valley as we have to drive long distances for our jobs. (45d-Allen-87)

Comment:

Vote against, democrats will raise gas to 8.00 by election time. (45d-BEMI-88)

Comment:

We cannot afford anymore taxes on our gas, we already pay way more than the rest of the country, we can't continue to live this way Please stop (45d-Lopez-90)

Comment:

You want to increase gas prices in the name of air quality as you poison our skies daily by spraying poisonous elements into the skies that rain down on us, the water we drink, the food we eat and the air we breathe. Never have been so disgusted with this state and its leadership (45d-Golden-92)

Comment:

We already have one of the highest gas taxes in the nation. Stop misappropriating the existing gas taxes! Our local roads are falling apart. (45d-Scheenstra-94)

Comment:

Enough of the tax scam 'green' agenda. NO MORE TAXES on our gasoline! (45d-Schumaker-123)

Comment:

California pays the highest taxes, climate change is a hoax made to steal taxpayers money. You would have to be a nazi to impose anymore burden on workers and taxpayers in California. No, on any new taxes on fuel. (45d-Davies-124)

Comment:

As a lifetime Californian (aged 66 yrs) I recall being alongside my Dad filling 50 gal. Drums with gas to take back to our rural cattle ranch. It was $0.15 / gal. That was 50 years ago. You cannot make up what is before you as leaders who can wipe out much of my retirement by adding over $1 MORE to what we already pay for a gallon of fuel in this state! This is ridiculous and unwarranted. We already are the highest paying state at the pump. Stop the war on CA citizens and REDUCE our gas prices ! Do the right thing. (45d-Wipfler-128)

Comment:

Please stop this attempt to raise gas prices. I am a senior citizen who already struggles to keep up with inflationary costs. Wait! (45d-Hicks-131)

Comment:

No. Stop the increased taxes. Reduce my gas prices. (45d-Leal-132)

Comment:

Please stop with the climate change hoax and take action to lower our gas prices - High gas prices are a regressive tax on people who can least afford to pay them - Please stop the nonsense!!! (45d-O'Connell-133)

Comment:

Any increase to prices at the gas pump are completely unacceptable. STOP! We are already suffering with high gas prices. (45d-Mead-135)

Comment:

I've studied weather and have been very active in forecasting, research since I was a kid in the early 60s. Over the years we have NOT see any of the so called weather changes as described by ill meaning activists, come true! Further, you can NOT change the laws of physics but you can falsely use data, outright lie and deceive, effectively "cooking the books" which is what political pundits are doing in attempting to make public policy. Not only are they punishing restraints, attempting to shut down industry, harmful but putting even more punitive rules and regulations is not just absurd but absolutely destructive. This is nonsense and it is purely politically driven, not by those who want to help but who want to destroy the very things that pay our bills, put food on our table, and support us, safely and economically making life easier. They want to destroy our quality of life and it is clear. Did we learn nothing from Joseph Gobbles who unknowingly warned us that repeating a lie will wrongly convince naive, uneducated people into believing it. Numbers can not be refuted but activist lies can deceive! (45d-JM-144)

Comment:

Raise gas taxes higher. Gas should cost at least $12 per gallon. It is imperative that we shift away from the fossil fuel economy as fast as possible. Raise gas taxes and use the proceeds to fund solar projects, electric vehicles of all kinds, and EV charging stations. (45d-Lirones-157)

Comment:

California air quality has improved immensely with newer cars and increasing numbers of electric cars. There's no need for increasing gasoline tax to add to the burden of most Californians. (45d-Ramos-159)

Comment:

NO HIDDEN TAXES AT THE GAS PUMP! DON'T DO IT! (45d-Collins-284)

Comment:

NO HIDDEN TAXES AT THE PUMP!   DON'T DO IT! (45d-Collins-285)

Comment:

Please do not raise our gas tax. It is extremely hard for senior citizens like me to absorb the costs. I don't see any improvements in our roads and police do not control speeding traffic. People who ignore speed limits are most likely to cause accidents. I would rather see more DUI checkpoints. (45d-Hart-303)

Comment:

NO NEW GAS TAXES! (45d-Pharo-327)

Comment:

NO!!!!! We pay too much for gas already and this is just taxing people who commute and poor people disproportionately. Same goes for the vehicle registration fees-use the "never going to get finished in my lifetime" high speed rail funds. (45d-Wesner-363)

Comment:

Stop Taxing us to death. None of these taxes are helping Californians.bankrupting Californians through more gas taxes, already the highest in the nation. They're not helping the environment either. You are destroying the people of this beautiful state. (45d-Castellanos-290)

Comment:

Today's news couldn't hit harder at the worst possible time in agriculture. We have been decimated in the Ag Industry from insurance to utilities and the highest cost of all in Ag are fuel costs. Prices have dropped instead of increased for every crop the central valley region produces and have not reflected all the increased costs. The areas that have been decimated in California, fertilizer, oil and gas, insurance companies can all adjust to the regulations by increasing prices, agriculture cannot. We have to take what is offered and hope next time is better. We are running out of next time's. You in Sacramento are to blame for the mess we find ourselves in and yet your solution is to make it worse. How can all of you be so tone deaf to the people you represent? (45d-MK-306)

Comment:

I was just thinking the other day about how people who own large businesses. Basically, are the reason why the cost of living is going up-and-down. It's nobody else's fault, but theirs they have the same product, but yet they choose to bring it up or down, no matter what, somehow some way I never can understand for one, why we're even using anything that has been made up of dead bodies and dirt. I have never understood why petroleum is even allowed to be in anything when it causes cancer. I am not sure if you scientists have either nothing else. Better to do or are just afraid to go into the ocean and do some real science. But when it comes to the chemicals, you guys need to take a lax pill, maybe Donald Trump should take his focus off the cartel now and focus more on the scientists and all of the people included In the industry. Eventually, I vote that we should all go to solar power scooters, possibly travel by donkey anything other than to have to submit to people that think that they could control us by raising prices and continuing taxes b*******Thank you (45d-Ryan-311)

Comment:

Any increase in fuel cost to our already "highest in the nation" fuel costs are unacceptable. Our business has been eating the smaller increases to protect our customers but we will have to increase our delivery rates substantially if these kind of measures continue. Adding more cost to the over price fuel is a death sentence for small to medium sized businesses, like ours, as it drives up the costs of all of our products and drive away customers. Please reconsider any more CARB fees and look at reducing some if possible. We already have to take 15-20 deliveries per truck just to break even for the year due to CARB testing, registration fees, costs of fuel, etc. Please consider the cost on the business that make this state run and employe us. (45d-HLI-316)

Comment:

"It is long overdue for an investigation on the worst governor of any state this country has ever had. Let's get it done and uncover all the fraudulent things this governor has done and all of the tax money he has raked in for his pockets to buy fancy houses and have his fancy party's. Let's get to work and get this done." (45d-Pelleane-71)

Comment:

Gavin newsom has let the houses in the palisades burn down and has not helped those people 1 bit he's let so much homeless people get such out of hand and now he wants to run for president is this guy nuts or does he belong in a mental institution more likely he needs to be arrested and prosecuted to the fullest Extend Of the law. Wouldn't you agree. (45d-Weiss-74)

Comment:

Do not tax us any more! (45d-Spicer-84)

Comment:

This state's regulations and taxes are way out of hand. You, our representatives, have not been responsible to us, the people you represent. STOP thinking the answer is to increase taxes! Fix your mistakes. (45d-Heuer-101)

Comment:

No more taxes or fees! (45d-Brisendine-102)

Comment:

Why not eliminate CARB instead it's just a scam to enrich democrats at the expense of Californians CARB does more harm than good, businesses will leave are leaving, because they can't afford to do business in CA CARB is ruining CA with unrealistic goals of (clean energy) which isn't clean- it's not reliable to meet out energy needs now or in the future. If we eliminate CARB, CA will grow beyond expectations, if we allow CARB to continue CA will never recover and become a third world state. There is no reason to have CARB other than to scam people of their hard earned dollars, made in China TEMU CARB= KICK BACKS to the democrats in CA, the only reason to have CARB is to scam people. (45d-Pereyda-108)

Comment:

The last thing this state needs is another boondoggle of a tax presented as a dubious climate scheme. Is it possible to be more tone deaf? CARB should be dismantled and replaced with nothing. (45d-Cayer-125)

Comment:

NO NEW FEES OR TAXES!! In fact reduce it, CA alone will not save the world. Be realistic. (45d-Tan-168)

Comment:

This is unfair taxation. CA residents can't afford more taxes. Vote no on this proposal. (45d-Lynn-345)

Comment:

Please help us all Californians we are struggling where is our Governor we need help.(45d-Chavez-77)

Comment:

No comment.(45d-Morin-79)

Comment:

We need less government interference by people who don't understand, they should be working for the people, not for the money. (45d-Delph-81)

Comment:

Election integrity has to be implemented first (SAVE ACT) before we can trust ANY election results. (45d-Portugal-155)

Comment:

You've already run me out of LA because of the high costs. Please don't add more burdens on working people. We cannot afford you or your dreams and policies. My only next move will be to leave California. I'm starting to think that that is what you people in power here want. And that scares me. I've voted D or Green for over 25 years and now it ends. (45d-Curtis-156)

Comment:

I cant comment on the facts (not an expert), but the math is fundamentally wrong. What the article reported as a 31% increase over the national average, is mathematically a 49% increase (45d-Guth-197)

Comment:

9. Rural Economic Effects Agriculture is a major employer in rural California, particularly in the Central Valley. Economic pressures on farms can produce ripple effects across rural communities: Reduced seasonal employment Lower demand for farm services Declines in local tax revenue Higher food prices for consumers. Because agriculture supports multiple downstream industries—processing, logistics, packaging, and export

infrastructure—cost increases affecting farms can propagate throughout regional economies. (45d-Sandridge-210.2)

Comment: Form Letter 3 (Three submissions)

Hello, my name is Ali, and I'm a concerned citizen reach out to you regarding U.S. policy toward Iran. I want to thank the President for his decisive actions thus far. I respectfully urge the President and Members of Congress to support the principle of preserving Iran's territorial integrity, which does not include arming separatist factions, like the Kurds, as outlined by Crown Prince Reza Pahlavi the transitional leader the Iranian people are chanting for. He represents national unity, stability, and strength. U.S. policy should align with a strong, unified transition led by the Iranian people themselves, not fragmentation or proxy conflict. (45d-FL3)

Comment: Form Letter 4 (Six submissions)

I am concerned about policies that could increase gas prices and reduce fuel supply in California. Please consider the impact of these regulations on affordability and energy reliability for residents and businesses. (45d-FL4)

Comment: Form Letter 5 (Two submissions)

“Stop taxing us to death. None of these taxes are helping Californians. They aren't helping the environment. It's policy that has screwed the oil and gas industry in CA and policy that is bankrupting Californians through more gas taxes, already the highest in the nation.” (45d-FL5)

> **Agency Response**:
> No changes were made in response to these comments. Staff acknowledge the comments and note that none of the above comments specifically address proposed changes to the Cap-and-Invest Regulation. The comments are thus out of scope and no response is required. However, please see Agency Response to comment B-1.2a for more information on how the Proposed Amendments are designed to address near-term affordability concerns and on how the Program delivers tangible benefits to Californians.

Y-5.1b Multiple Comments: Topics Unrelated to Cap-and-Invest

I. Advancing Multi-Tiered Networked Systems to Strengthen Source Reduction

We recommend encouraging a synergistic organic waste management system that combines "small-scale distributed + large-scale centralized + subsurface enclosed" systems…

II. Aligning Emission Systems with Community Economy and Workforce Development

We suggest prioritizing projects that generate significant community co-benefits…

III. Incentivizing Rapid Deployment and Low-Infrastructure Dependency

Prioritize support for technical pathways with the following characteristics to accelerate SB 1383 goals…

IV. Enhancing Recognition and Incentives for Distributed Source Reduction in the Carbon Market (15d-SY-2.1)

Comment:

J.W. ADVANCED DESIGNE Concerning (Carb) approved permanent adoption Of the emergency vehicle emission regulations rulmakeing effective date October 2nd 2025, board approved permanent Of the proposed Section 1900 through 2485.0 and 2903.1title 13,California Code Of Regulations (CCR) SECTIONS 95300,01,02,03, 04,05,06,07,08,09,10,11,12,95660,661,662,663,664,95,300-0.1 THROUGH 9566-95664.01, my proposal to carbon falls In Persuant to Health and Safety Code, Section 38500-38599 I think that Cap and Invest shouldn't exclude Sound Technology For more efficient Technology meaning Electric Vehicle Tec. To stop Investing in Soot Capture Tailpipe Technology isn't Human Health, Climate, environment, wile our energy grid are In need of Diesel fuel to operate it's now passed time too Invest Diesel and Gas Powered Vehicle couldn't more needed California could lead the rest of the country in improving Air Quality, Climate change and environment, let's put in Affect Cap and Invest and fund other clean Technology. (15d-Williams-4.1)

Comment:

Please protect the health and well-being of frontline communities and do not give in to the pressure from Big Oil. (15d-Fazeli-46.1)

Agency Response:

No changes were made in response to these comments. Please refer to Agency Response to comment Y-5.1a. Regarding the commenter's recommendations regarding specific technologies or project types, the Program is designed to be technology neutral and does not mandate the use of particular technologies or emissions reduction methods. Instead, the Program establishes market-based requirements that allow regulated entities to determine the appropriate compliance strategies to reduce GHG emissions as informed by internal financial planning decisions.

Y-5.1c Comment:

Hello. I'm David Page from Palo Alto. Excuse me. I have listened all day and I was thinking about people like on the Board or listening all day. I appreciate what you're doing. I've heard some people talk about how they care about the poor, and they care about pollution, and they want you to go ahead with over a hundred million allowances.

And I don't want you to have anymore allowances at all. could tell you about my wife's friend -- friends. They left California six years ago. They left in a hurry. They lived in Paradise and a wildfire came through there. They were able to escape with the clothes on their back and their dog. And while they were leaving driving through those skinny little roads with walls of flame on either side, they saw two people burn to death. Imagine witnessing something like that. Anyhow, so I want you to think about also 4th of July is coming up in a few weeks. There's going to be a celebration at The White House. And here's what I want you to think about. When the 4th of July comes around, I want you to think about the two dozen school girls in Texas that drowned to death on the last 4th July -- 4th of July 2025. I don't know if you remember what happened. They were in a summer camp campground near a little stream. The little stream became a raging river, because of an unexpected flash flood and they washed away. And if you can think about, A, it's too late to save them. Yeah, it's too late, but it's not too late to save the next couple dozen school girls. Do the right thing. I appreciate your listening to me. (BH-Page-293.1)

Agency Response:

No changes were made in response to this comment. Staff acknowledge the comment and notes that the comment does not specifically address proposed changes to the Cap-and-Invest Regulation, and thus are out of scope and no response is required.

Y-6 General Out of Scope

Y-6.1 Comment:

Please raise the income for the Cap-and-Invest Fund. It is disappointing that CARB is proposing something lower. Surely you realize that we all must do everything possible to fight the climate emergency, to say nothing of compliance with your legal requirement of 40% below 1990 levels by 2030. Thank you for raising the income level. (15d-Mandrussow-38.1)

Agency Response:

No changes were made in response to this comment. The comment does not identify any specific proposed regulatory change related to program revenues and is thus out of scope of this rulemaking and no response is required. However, see Agency Response to comment W-1.4 for how GGRF revenue is appropriated by the Legislature and Governor.

Y-6.2 Comment:

Has CARB conducted a lifecycle emissions analysis comparing the GHG footprint of California-refined gasoline versus imported refined gasoline, including upstream shipping emissions? If not, I urge the Board to commission such an analysis before finalizing these amendments. (15d-Brostman-44.2)

Agency Response:

No changes were made in response to this comment. The Cap-and-Invest Regulation requires that all GHG emissions from fossil fuel combustion from covered facilities, fuel suppliers and imported electricity be reported and verified. Lifecycle emissions are not the accounting framework for the Cap-and-Invest Program. However, other complementary regulations, including the Low Carbon Fuel Standard Program, address life cycle GHG emissions of transportation fuels.

Y-6.3 Comment:

When will CARB engage with the Renewable Portfolio Standard certification by the California Energy Commission? Stop all incentives for continued use of fossil gas and biomass combustion. (15d-Mary Elizabeth-74.4)

Agency Response:

No changes were made in response to this comment. The certification of RPS eligible resources is out of scope of this rulemaking and CARB's authority. The California Energy Commission is the agency responsible for the certification for Renewable Portfolio Standard (RPS) eligible resources. However, CARB regularly coordinates with and relies on RPS data from the California Energy Commission. See Agency Response to comment 42-2 in the Response to Comments on the Environmental Impact Analysis regarding the role of biomass in the Cap-and-Invest Program and Agency Response to comment O-12.2 regarding why CARB provides allocation to industry.

Y-6.4 Comment:

Integration with the Scoping Plan update. The Cap-and-Invest program does not operate in isolation. It interacts with the LCFS, the Renewables Portfolio Standard, the SB 100 trajectory, the AB 1279 carbon-neutrality framework, the SB 905 carbon management program, AB 32 sectoral measures, and a growing portfolio of federal and subnational climate policies whose alignment with California's program varies considerably. The Scoping Plan with adoption anticipated in late 2027, is the analytical vehicle best positioned to evaluate cross-program coherence, residual demand for petroleum and natural gas through 2045, infrastructure deployment timelines for hydrogen, CCUS, and electrification, and the workforce transition implications of the choices the cap-and-invest program makes about industrial allocation. ClimateBuild intends to engage substantively in the Scoping Plan process and to bring back to CARB the implications for subsequent Cap-and-Invest rulemakings. (15d-CBC-201.22)

Agency Response:

No changes were made in response to this comment. CARB agrees with the commentor that Cap-and-Invest is part of California's portfolio of climate programs and that the Scoping Plan sets the course for overall achievement of our climate targets and looks forward to the commenter's engagement in future rulemakings.