Request for an Early Effective Date Pursuant to Government Code Section 11343.4(b)(3)

Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions

The California Air Resources Board (CARB or Board) requests, pursuant to Government Code section 11343.4, subdivision (b)(3), that the Office of Administrative Law (OAL) prescribe an “earlier effective date” for the Proposed Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (the Proposed Amendments) that were adopted on May 29, 2026. CARB believes the following demonstrates “good cause” for OAL to prescribe an earlier effective date such that the Proposed Amendments become effective upon approval of OAL.

Demonstration of Good Cause

In this rulemaking, the Board considered and adopted the suite of Proposed Amendments to ensure the reported greenhouse gas (GHG) data are accurate and fully support the California Cap on Greenhouse Gas Emissions and Market Based Compliance Mechanisms (title 17, California Code of Regulations, section 95800 et seq.) (Cap-and-Invest Regulation). The Proposed Amendments also ensure the data that are collected for CARB’s other climate change programs are complete and accurate, including the State’s GHG inventory.

The Cap-and-Invest Regulation provides the long-term price signal and appropriate incentives to support the 2030 target and align with the trajectory of economy-wide deep decarbonization needed through mid-century. In its related rulemaking, amendments to the Cap-and-Invest Regulation would revise annual allowance budgets from 2027 through 2045 by removing over 1 billion allowances to align with the technical adjustments to the GHG Emissions Inventory and to support achieving the GHG emissions reduction targets for 2030 and 2045 set by Senate Bill 32 (Pavley, Stats. 2016, ch. 249) and Assembly Bill (AB) 1279 (Muratsuchi, Stats. 2022, ch. 337), respectively. These proposed changes to allowance budgets would increase the stringency of the Cap-and-Invest Program, intensifying incentives for covered entities to invest in GHG emissions reduction activities in the near- and long-term. More specifically, the Cap-and-Invest Regulation amendments would revise allocation of allowances to electrical distribution utilities, natural gas suppliers, and industrial sources, ensuring more support for California ratepayers through the California Climate Credit on utility bills and leakage protection and affordability, beginning with the 2027 vintage year. In order to ensure that support is realized for 2027, CARB requested an early effective date for the Cap-and-Invest Regulation amendments by September 1, 2026.

Because the GHG emissions reported and verified pursuant to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR) are the bases for determining compliance obligations under the Cap-and-Invest Regulation, the Cap-and-

Invest Regulation’s amendments include cross-references to MRR. Those cross-references ensure defined terms are used consistently and emissions and compliance obligations are accounted for consistently between the two regulations. For example, the Proposed Amendments include changes to ensure accurate accounting of, and to appropriately address and minimize the potential for emissions leakage resulting from, imported electricity transfers within the California Independent System Operator’s (CAISO) Western Energy Imbalance Market (WEIM), including amendments anticipating CAISO’s Extended Day Ahead Market (EDAM) tariff. These amendments update the Outstanding Emissions calculation to reflect improvements in CAISO-operated electricity markets and the new CAISO operated extended day-ahead market (EDAM) expected in 2026. The Cap-and-Invest Regulation amendments include cross-references to these provisions.

CARB requested an early effective date for the Cap-and-Invest Regulation amendments to ensure the ratepayer protections of the amendments are realized for 2027. Because those amendments cross-reference the Proposed Amendments to MRR, CARB also requests an early effective date for the Proposed Amendments by September 1, 2026.

For the reasons above, CARB believes there is good cause for OAL to prescribe an earlier effective date and hereby requests that OAL establish an earlier effective date of of September 1, 2026, pursuant to Government Code section 11343.4, subdivision (b)(3).

Date: August 21, 2026

/s/ David Hults

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California Air Resources Board