



# CALIFORNIA CARBON SOLUTIONS COALITION

Building Climate Smart Solutions for California

May 8, 2024

California Air Resources Board  
1001 I Street  
Sacramento, California 95814

Submitted Electronically

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

The California Carbon Solutions Coalition and undersigned labor organizations and businesses appreciate the opportunity to provide comments in response to the April 23, 2024 Cap-and-Trade Program Workshop.

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

California’s cap-and-trade program is a key element of the state’s strategy to cost-effectively cut greenhouse gas emissions (GHG) on the path to carbon neutrality by 2045. As the California Air Resources Board (CARB) considers cap-and-trade program updates, it is essential to ensure that the program effectively incentivizes, supports and accounts for the significant GHG benefits that CCUS and carbon dioxide removal technologies can deliver.

## CCUS and Carbon Removal are Key Decarbonization Technologies Necessary to Achieve State Climate Goals

A number of industries across California are actively investing in CCUS projects and technologies, including many that participate in the state’s cap-and-trade program. California has at least 76 industrial, fuel and power generating facilities that with application of CCUS technologies can deliver as much as 60MMT/year in GHG reductions – nearly twice as much as the entire buildings sector in the state.<sup>1</sup>

<sup>1</sup> See [Stanford University/Energy Futures Initiative](#)

In his July 2022 letter to CARB Chair Randolph, Governor Newsom highlighted the need to accelerate development of carbon capture and removal projects across the state. California's 2022 Climate Change Scoping Plan – as well as SB 905 (2022, Caballero) and AB 1279 (2022, Muratsuchi) – recognize the key role that these technologies will need to play to support achievement of California's climate goals.

### **The Cap-and-Trade Program Should be Updated to Fully Account for CCUS & Carbon Removal as Emissions Reduction and Compliance Strategies**

As CARB staff presented at the April 23, 2024 workshop, achieving the state's 2030 and 2045 climate goals will require increased cap-and-trade programmatic stringency. CARB has also previously recognized (June 14, 2023 Joint Cap-and-Trade workshop) the need to evaluate opportunities to account for emission reductions that CCUS and carbon dioxide removal can deliver under the program.<sup>2</sup> The recently published standardized regulatory impact assessment for the cap-and-trade program additionally acknowledges the import of CCUS "as a compliance path for large emitters covered by the Cap-and-Trade Program to support the achievement of statewide [climate] targets."<sup>3</sup>

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

We look forward to ongoing engagement with CARB and all stakeholders as part of this process.

Respectfully,

Calpine  
Carbon Terravault  
California Carbon Solutions Coalition  
California State Pipe Trades Council  
California & Nevada State Association of Electrical Workers  
Clean Energy Systems  
Coalition of California Utility Workers  
IBEW 1245  
Pacific Gas & Electric Company  
Southern California Gas Company  
UA Local 250, Los Angeles  
UA Local 342, Oakland

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<sup>2</sup> [June 14, 2023 Joint Cap and Trade Workshop](#)

<sup>3</sup> [April 9, 2024 SRIA, page 24](#)