

CALIFORNIA CARBON SOLUTIONS COALITION

Building Climate Smart Solutions for California

July 7, 2023

California Air Resources Board
1001 I Street
Sacramento, California 95814

Submitted Electronically

RE: Comments June 14, 2023 Joint Cap-and-Trade Program Workshop

The California Carbon Solutions Coalition appreciates the opportunity to provide comments on the June 14, 2023 Joint 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 is uniquely positioned to benefit from Carbon Capture, Utilization and Sequestration (CCUS) across a range of industries in ways that provide significant and lasting greenhouse gas emissions reductions and support new and existing high-quality jobs.

As detailed in the June 14 workshop presentation, California's 2022 Climate Change Scoping Plan recognizes that CCUS will be a necessary tool to support achievement of California's climate goals. Additionally, as presented at the workshop, Senate Bill 905 (Caballero, 2022) directs CARB to establish a carbon capture, removal, utilization and storage program to support these efforts.¹ This program, along with California's cap-and-trade program, will be a key element of the state's strategy to cost-effectively cut greenhouse gas emissions on the path to carbon neutrality by 2045.

Aligning Treatment of CCUS in Cap-and-Trade with Scoping Plan and Legislative Direction is Necessary

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.² Given the

¹ See June 14 Workshop Presentation, pg. 22.

² See Stanford University/Energy Futures Initiative (<https://sccs.stanford.edu/california-projects/opportunities-and-challenges-for-CCS-in-California>).



scope and scale of the challenge to achieve carbon neutrality by 2045, the state cannot afford to limit the role that CCUS technology can play as part of this effort.

The Coalition appreciates CARB's commitment at the June 14 workshop to evaluate opportunities to align treatment of CCUS and carbon dioxide removal in the upcoming cap-and-trade rulemaking with the 2022 Scoping Plan and recent legislative direction.³ 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 will be critical to enable these projects to be deployed rapidly to deliver near-term 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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Virgil Welch', with a long horizontal line extending to the right.

Virgil Welch
Director

³ See June 14 Workshop Presentation, pg. 22.