

# CALIFORNIA CARBON SOLUTIONS COALITION

Building Climate Smart Solutions for California

August 17, 2023

California Air Resources Board  
1001 I Street  
Sacramento, California 95814

Submitted Electronically

## **RE: Comments July 27, 2023 Cap-and-Trade Program Workshop**

The California Carbon Solutions Coalition appreciates the opportunity to provide comments on the July 27, 2023 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.

As detailed in the CARB presentation at the July 27 workshop, achieving the 2022 Climate Change Scoping Plan Recommended Scenario of a 48% reduction of GHGs below 1990 levels by 2030 will require at least 20MMTCO<sub>2</sub> of mechanical carbon removal including CCUS and direct air capture (DAC).<sup>1</sup> Additional and ongoing contributions from these technologies will be necessary to support achievement of California's 2045 carbon neutrality goal.

In collaboration with partner state agencies, CARB recently commenced the process to establish a carbon capture, removal, utilization and storage program pursuant to Senate Bill 905 (Caballero, 2022). 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. It will be critical to ensure that these programs are designed to effectively support, incentivize, and account for the significant GHG emission reductions that CCUS and carbon removal can provide.

## **Accounting for CCUS & Carbon Removal in Cap-and-Trade Program in Accord with 2022 Scoping Plan 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

---

<sup>1</sup> See July 27 Workshop Presentation, slides 5, 20.



reductions – nearly twice as much as the entire buildings sector in the state.<sup>2</sup> Given the 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 recognition of the need to evaluate opportunities to align treatment of CCUS and carbon dioxide removal in the upcoming cap-and-trade rulemaking with the 2022 Scoping Plan. 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 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 flourish extending to the right.

Virgil Welch  
Director

---

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