Monday, May 4, 2026

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Preserving the Emissions Impact of Voluntary Renewable Electricity under the Cap-and-Invest Program

Dear Chairman Sanchez and Members of the Board:

The undersigned organizations write to express concern that the proposed amendments to California's Cap-and-Invest Regulation would eliminate the ability of voluntary renewable electricity purchases to reduce emissions under the cap.

For voluntary renewable electricity markets, delivering real and additional emissions reductions is a widely recognized measure of impact and a core expectation of buyers, consumers, and program participants. Under a mass-based cap, this impact is preserved only when voluntary renewable electricity procurement is accompanied by allowance retirement or an equivalent mechanism. Absent such a mechanism, voluntary purchases are absorbed as surplus and no longer reduce total emissions.

We are concerned that the proposed amendments do not provide additional allowances to the Voluntary Renewable Electricity (VRE) Reserve Account or otherwise maintain a pathway for voluntary renewable electricity to deliver emissions reductions under the cap. As a result, voluntary renewable purchases in California risk losing their environmental impact and credibility, discouraging voluntary investment that has historically complemented California's clean energy policies.

We recognize that CARB is balancing important considerations in this rulemaking, including a shrinking allowance budget and affordability concerns. In that context, we respectfully recommend that CARB adopt the approach previously analyzed by staff: a **modest, bounded set-aside of approximately 5.5 million allowances over the 2025–2030 period** for voluntary renewable electricity.

This approach would:

- Provide cost control and budget certainty by establishing a clear, limited allowance amount;
- Be sufficient to cover anticipated voluntary renewable electricity activity during the current budget period; and
- Preserve the emissions impact and integrity of voluntary renewable electricity without materially undermining the cap or affordability objectives.

We respectfully urge CARB to incorporate this limited set-aside into the final regulation to ensure that voluntary renewable electricity continues to deliver meaningful emissions reductions and to maintain confidence in California's clean energy leadership.

Sincerely,

Center for Resource Solutions

Union of Concerned Scientists

Sierra Club

California Clean Air Coalition

Solar Energy Industry Association

CleanPowerSF

Ava Community Energy

3Degrees Group, Inc.

3 Phases Renewables, Inc.

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