



March 7, 2026

Honorable Lauren Sanchez, Chair
California Air Resources Board
1001 I Street
Sacramento, California 95814

Re: Opposition to Proposed Amendments to the Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation

Dear Chair Sanchez:

The Wilmington Chamber of Commerce represents a community whose economy is closely tied to the industrial infrastructure surrounding the San Pedro Bay port complex.

Energy facilities, logistics operations, and manufacturing companies located in the harbor region provide thousands of stable middle-income jobs for local residents.

The proposed Cap and Invest amendments raise significant concerns about the long-term stability of these industries.

The rule would accelerate allowance reductions beginning in 2027 and remove roughly 118 million allowances from the system through 2030. As allowance availability declines, regulated industrial facilities will face rising compliance costs associated with purchasing emissions allowances.

When regulatory costs increase faster than businesses can adapt, companies face pressure to reduce operations or relocate production outside the state.

This outcome does not reduce global emissions. Instead, it shifts production to jurisdictions with weaker environmental standards while eliminating stable jobs in communities like Wilmington.

California has already experienced several refinery closures and conversions in recent years. Continued policies that increase compliance costs for domestic energy production risk accelerating this trend and weakening the industrial base that supports thousands of working families.

The Wilmington Chamber urges CARB to revise the proposed amendments and address the structural imbalance that places in-state refiners at a disadvantage compared with imported fuels.

Climate policy should strengthen California's economy while reducing emissions. Policies that eliminate domestic production while increasing reliance on imported fuels move the state in the opposite direction.

Sincerely,

A handwritten signature in black ink, appearing to read "Monica Garcia-Diaz", with a small dot above the "i" in "Diaz".

Monica Garcia-Diaz

President and CEO

Wilmington Chamber of Commerce