



May 4, 2026

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

RE: Comments on Proposed 15-Day Changes – Cap-and-Invest

Dear Chair Sanchez:

The Glass Packaging Institute (GPI) appreciates the opportunity to submit comments on the 15-day changes published on April 14.

GPI appreciates many of the changes proposed by CARB staff. Most notably, we appreciate the proposal to increase the 2027 Cap Adjustment Factor (CAF) and to moderate subsequent declines. As we have noted previously, the container glass industry is facing enormous pressure and is in a challenging position in California. The increase in the CAF reflects that challenge.

We respectfully suggest a number of other amendments.

Cap Adjustment Factor Modifier and Manufacturing Decarbonization Incentive

GPI supports the establishment of a manufacturing decarbonization incentive and the use of a modified CAF as proposed by CARB. However, as noted previously, the list of eligible decarbonization activities is too narrow.

While GPI appreciates the inclusion of projects associated with the use of alternative materials, we continue to urge CARB to adopt an “all options available” approach to reducing carbon emissions while keeping facilities in state and subject to this program.

The goal of the program is to achieve a reduction in global carbon emissions. If there is a path to reducing those emissions, we should not forgo it. The current proposal assumes that only certain carbon emission reductions are worthy of funding. This premise is flawed.

Any technology that could meaningfully reduce emissions should be considered. At a minimum, CARB should establish a mechanism for facilities to petition for inclusion of additional qualifying project categories on a case-by-case basis.

In addition, decarbonization incentives should extend to enabling infrastructure investments necessary for electrification and measurable emissions reductions. Grid expansion, substation upgrades, and interconnection improvements are often prerequisites to furnace electrification and should be treated as directly enabling decarbonization.

Incentives Should Recognize Early Action

Giving credit for early actions has been an important feature of the program's design since its inception. GPI's members have made a number of investments in recent years that will result in reduced carbon emissions at their facilities.

As currently structured, the incentive fails to capture those investments which were made in good faith prior to the incentive's effective date but remain active on a facility's depreciation schedule. We recommend that CARB establish a lookback period that extends the eligibility window to capture all qualifying projects that remain within their active depreciation schedule.

Again, if the overall goal of the program continues to be decarbonization without the risk of leakage, accommodating and rewarding all efforts that have reduced and will continue to reduce carbon emissions is important.

Allocation Realignment from CPUC to CARB

The draft amendments propose to transfer the annual Cap-and-Invest electricity credit currently delivered to eligible facilities through CPUC-administered utility bill credits to CARB-administered annual allowance allocations.

As currently proposed, the amendment lacks sufficient detail for affected facilities to determine whether the transition preserves the economic value they receive under the existing CPUC credit structure.

GPI requests that CARB provide a detailed methodology explaining how CPUC credit value and CARB allowance value will be reconciled. Without this clarity, EITE facilities cannot accurately assess their compliance costs or make capital planning decisions.

Conclusion

As noted above and in our previous comments, keeping GPI member companies operating in California is important to the state's efforts to reduce carbon emissions. Lifecycle emissions associated with imported glass are significant. Container glass produced in China, a major competitor to domestic glass manufacturing, results in twice as much emitted carbon by the time it reaches California. At the same time, the domestic industry has never been more trade exposed and is facing record high energy prices in the state.

Our recommendations consider the state of the industry and are necessary to ensure its continued health in California. We welcome the opportunity to discuss our comments with your staff.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott DeFife", with a stylized flourish at the end.

Scott DeFife
President
Glass Packaging Institute