



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 Garden Grove Chamber of Commerce represents a diverse community of small businesses, including family-owned restaurants, service providers, retail establishments, and local contractors.

These businesses operate with narrow margins and face rising costs across nearly every aspect of their operations.

The proposed amendments to the Cap and Invest program will increase compliance costs for fuel suppliers by tightening the emissions cap and removing roughly 118 million allowances from the system between 2027 and 2030.

Those costs will ripple through supply chains in the form of higher fuel prices, freight costs, and delivery expenses.

Small businesses feel these impacts immediately. Local restaurants pay more for food deliveries. Contractors face higher transportation costs for materials and equipment. Employees must travel longer distances to work and face higher commuting expenses.

In addition, recent refinery closures have reduced California's domestic fuel production capacity. As the state becomes more dependent on imported refined products, fuel markets become more vulnerable to supply disruptions and price volatility.

Policies that further increase the cost of producing fuel in California risk accelerating this trend.

The Garden Grove Chamber urges CARB to revise the proposed amendments to ensure that California's climate policies do not unintentionally impose disproportionate economic burdens on small businesses and working families.

A balanced approach must protect both environmental goals and the economic vitality of local business communities.

Sincerely,

A handwritten signature in black ink that reads "Claudette Baldemor". The signature is written in a cursive style with a large, stylized initial "C".

**Claudette Baldemor**

President and CEO

Garden Grove Chamber of Commerce