

STATE CAPITOL
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COMMITTEES
CHAIR, ENVIRONMENTAL SAFETY
AND TOXIC MATERIALS
AGRICULTURE
BUDGET
JUDICIARY
NATURAL RESOURCES
BUDGET SUBCOMMITTEE NO. 4 ON
CLIMATE CRISIS, RESOURCES,
ENERGY, AND TRANSPORTATION

April 13, 2026

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

Re: Legislative Support for Strong Cap-and-Invest Program Regulations

Dear Chair Sanchez,

We, the undersigned legislators, write to respectfully express our support for a strong Cap-and-Invest program. As members of the State Legislature, we view the ongoing California Air Resources Board (CARB) rulemaking process as the direct implementation of the framework enacted last year through AB 1207 and SB 840 to reauthorize and strengthen the Cap-and-Invest program. That legislation was not simply an extension—it was a clear directive to improve Cap-and-Invest to deliver meaningful near-term emissions reductions, stabilize the carbon market, protect Californians from volatile energy costs, and generate sustained investments through the Greenhouse Gas Reduction Fund (GGRF).

The Legislature acted to extend the Cap-and-Invest program through 2045 and provided legislative guidance and guardrails to ensure it evolves in a way that is both ambitious and responsive to affordability concerns. We recognize the significant work CARB staff has undertaken in developing the Initial Statement of Reasons, however, we want to express that the proposal should be understood as a starting point for implementation—not the full realization of the Legislature’s vision. AB 1207 and SB 840 directs CARB to regulate the Cap-and-Invest program to meet the state’s near- and long-term climate targets. An important part of the rulemaking process is identifying where the proposal does not fully align with that trajectory and strengthening it through the Board.

It is clear that pressure is mounting to weaken the Cap-and-Invest program through delayed implementation, rollbacks, and industry demands. The Legislature’s direction, and CARB’s direction, should remain focused on strengthening and modernizing the Cap-and-Invest program while maintaining a meaningful focus on affordability. These are not competing priorities; they are part of the same framework enacted through AB 1207 and SB 840. Ignoring this framework would create uncertainty about the program’s effectiveness, weaken market confidence, and jeopardize the state’s ability to meet its climate goals.

For these reasons, we respectfully request that CARB adopt a final rule that is at least as strong as proposed—and where appropriate, stronger—while maintaining meaningful affordability protections. We also want to express that it is critical CARB finalizes these rules on schedule and implements changes this fall. The Legislature did not reauthorize this program to invite further delay—finalizing a strong rule this spring is essential. Recent market conditions reinforce the need for timely and decisive action. The final rule should send a clear and durable message that California remains committed to a strong Cap-and-Invest program that delivers real emissions reductions in the near-term and supports long-term

investment. We appreciate your leadership and look forward to continuing to work together to ensure that Cap-and-Invest delivers for California's communities, economy, and climate future.

If you need additional information in regards to this request, please email Aaron Vad at Aaron.Vad@asm.ca.gov or call (916) 319-2012.

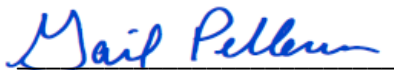
Sincerely,



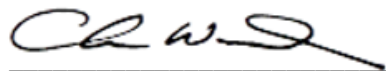
DAMON CONNOLLY
Assemblymember, 12th District




ROBERT GARCIA
Assemblymember, 50th District



GAIL PELLERIN
Assemblymember, 28th District



CHRIS WARD
Assemblymember, 78th District



GREGG HART
Assemblymember, 37th District



CHRIS ROGERS
Assemblymember, 2nd District



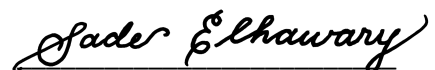
JOSH BECKER
Senator, 13th District



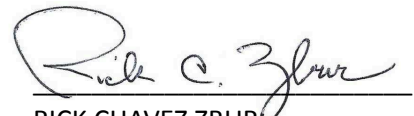
ISAAC BRYAN
Assemblymember, 55th District



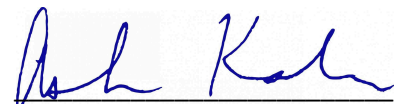
ALEX LEE
Assemblymember, 24th District



SADE ELHAWARY
Assemblymember, 57th District



RICK CHAVEZ ZBUR
Assemblymember, 51st District



ASH KALRA
Assemblymember, 25th District



HENRY STERN
Senator, 27th District



BEN ALLEN
Senator, 24th District