



May 4, 2026

The Honorable Gavin Newsom  
Governor, State of California  
1021 O Street, Suite 9000  
Sacramento, CA 95814

Chair Lauren Sanchez  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

Members of the Board  
California Air Resources Board (CARB)  
1001 I Street  
Sacramento, CA 95812

**RE: Proposed 15-Day Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation**

Dear Governor Newsom, Chair Sanchez, and CARB Board Members and Staff:

CALSTART, headquartered in California, is a nonprofit organization dedicated to the advancement of zero emission vehicle (ZEV) and infrastructure technology. Programs we administer for CARB and the California Energy Commission have delivered more than \$1 billion in clean vehicle incentive and infrastructure projects, including through the Clean Truck and Bus Voucher Incentive Project (HVIP), Clean Mobility Options (CMO), and the EnergiIIZE Commercial Vehicles Project. CALSTART works with more than 200 member companies across the clean transportation sector to advance zero-emission transportation technologies across California and the nation.

CALSTART strongly supports the Cap-and-Invest Program and the Board's work to implement the requirements of AB 1207 (Irwin). We were proud to advocate for the program's reauthorization through 2045 and remain committed to its success. Cap-and-Invest is the foundation of California's clean transportation investment, and we appreciate CARB's continued stewardship of this critical program, particularly as the state faces significant federal headwinds.

We urge the Board to carefully evaluate the proposed amendments' potential effects on Greenhouse Gas Reduction Fund (GGRF) revenues. Early analysis suggests the amendments could result in significant near-term reductions in GGRF proceeds.<sup>1</sup> Transportation represents nearly half of all California's greenhouse gas (GHG) emissions and the Greenhouse Gas Reduction Fund must keep transportation emissions reduction at its core.<sup>2</sup> The proposed amendments, combined with GGRF's new allocation framework, will dramatically reduce funds available to address the number one issue this fund targets – on-road transportation. GGRF-funded programs put Californians in clean vehicles, build charging infrastructure, and reduce pollution in the communities that need it most. The clean transportation and clean energy transition are underway and depend on stable, sufficient GGRF investment. Any amendments that reduce that revenue would put those programs, and the climate and equity commitments they deliver, at risk.

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<sup>1</sup> Meng, K., & Wingenroth, J. (2026, April). *Potential Lost Cap-and-Invest Revenue Under the Manufacturing Decarbonization Incentive*. emLab UC Santa Barbara. [https://emlab.ucsb.edu/sites/default/files/documents/2026\\_capinvest\\_manufacturing\\_decarbonization\\_incentive.pdf](https://emlab.ucsb.edu/sites/default/files/documents/2026_capinvest_manufacturing_decarbonization_incentive.pdf)

<sup>2</sup> *California greenhouse gas emissions from 2000 to 2021*. California Air Resources Board. (2023, December 14). [https://ww2.arb.ca.gov/sites/default/files/2023-12/2000\\_2021\\_ghg\\_inventory\\_trends.pdf](https://ww2.arb.ca.gov/sites/default/files/2023-12/2000_2021_ghg_inventory_trends.pdf)



The GGRF Expenditure Plan established by SB 840 (Limon) represents a framework for reliably and consistently directing Cap-and-Invest revenues to California's most critical climate priorities. CALSTART urges the Board to ensure that any amendments maintain GGRF revenue stability and consistency, sufficient to support the premise, promise, and provisions of SB 840.

CALSTART looks forward to continued engagement with CARB on this and other efforts supporting the transition to clean transportation. We remain a committed partner to CARB and the clean transportation community to build on the tremendous progress we have made thus far to realize the state's commitment to a vibrant economy, affordable transportation solutions, and clean air.

Sincerely,

Trisha Dellolacono  
Head of Policy  
CALSTART

Darryl Little Jr.  
State Policy Director  
CALSTART