



Helping dairies fuel a renewable future

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May 4th, 2026

Mr. Matt Botill
Division Chief, Industrial Strategies
California Air Resources Board
1001 I Street
Sacramento, California 95814

Re: California Bioenergy's Comments on CARB's 2026 Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms

Dear Mr. Botill,

Thank you for the opportunity to provide these comments to California Air Resources Board (CARB) relating to the 15-day Proposed Amendments released on April 14th, 2026. California Bioenergy LLC (CalBio) is appreciative of CARB's efforts over the past several years to develop the Cap and Invest program into becoming one of the most impactful policies to support the reduction of statewide greenhouse gas emissions in line with statutory climate targets.

Founded in 2006, CalBio partners with California dairy farm families, dairy co-ops, CARB, the California Department of Food and Agriculture (CDFA), the California Public Utility Commission (CPUC), the California Energy Commission (CEC), and the U.S. Environmental Protection Agency (EPA). We exist to reduce methane emissions and are committed to enhancing environmental sustainability for all Californians. CalBio's digester projects produce renewable natural gas and electricity which support California's AB 32 and SB 1383 climate goals, displace fossil fuels, improve local air quality, and create jobs and investment in disadvantaged and dairy communities.

Revisions to Section 95852.1

The draft regulation as revised in the 15-day language proposes to modify the requirements for "biomass-derived" fuels to be claimed as exempt from incurring a compliance obligation (i.e., as set forth in proposed amendments to Section 95852.1). The revised language states that:

An entity has a compliance obligation for every metric ton of CO₂e emissions from biomass-derived fuels as set forth in this subarticle, except for CO₂ emissions from exempt biomass and exempt biomass-derived fuels. An entity claiming use of an exempt biomass-derived fuel must have sole ownership or contract rights to the biomass-derived fuel and any associated emissions exemption or emissions reductions attributed to the use of the fuel such that no other entity may claim an emissions exemption to reduce a compliance obligation in the Cap-and-Invest Program or in a linked external GHG emissions trading system."

CalBio appreciates these revisions that clarify and simplify this provision in the Cap-and-Invest regulation. We understand that the intent of this language is to ensure that only one entity is able to claim an exemption for the use of biomass-derived fuels under the Cap-and-Invest regulation. We also understand that this language does not preclude the producer of the fuel from seeking offset credits under a compliance offset protocol for emission reductions attributable to the feedstock. For example, it is our understanding that a dairy can develop an offset project for methane destruction derived from manure capture at the dairy and also sell the upgraded biogas to a covered entity which is ultimately used to claim an exemption from the Cap-and-Invest regulation. We would appreciate CARB's confirmation of this understanding in the Final Statement of Reasons.

Please do not hesitate to reach out if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Andrew Craig". The signature is fluid and cursive, with the first name "Andrew" written in a larger, more prominent script than the last name "Craig".

Andrew Craig
Vice President, Greenhouse Gas Programs
California Bioenergy LLC