

April 29, 2026  
The Honorable Lauren Sanchez, Chair  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

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

Dear Chair Sanchez,

Cap-and-Invest is one of California’s most effective laws to reduce pollution, hold billion-dollar corporations accountable, and reinvest money in frontline communities across the state. But right now, Big Oil and its army of lobbyists are working tirelessly to gut it.

Put bluntly, if they are allowed to succeed, their efforts will produce a direct transfer of wealth from California’s communities and families to the pockets of oil lobbyists and the executives who pay them. Despite making record profits, oil companies have spent months engaging in an all-out lobbying blitz to divert even more money from infrastructure, health programs, electricity bill rebates, wildfire mitigation, and climate adaptation projects towards their own bottom lines.

In the past three years alone, Big Oil has spent over \$400 million to buy political influence—including \$100 million to put Trump in the White House in 2024. These dollars come with expectations: “Accept our millions, do our bidding.”

As Trump sends our tax dollars overseas to fight a war for Big Oil’s benefit, and the California Air and Resources Board (CARB) considers a proposal heavily influenced by oil executives and lobbyists, it’s clear that Big Oil is using its revenue windfalls to put profits over people. We can’t allow this to happen.

Simply put, the Big Oil-influenced proposed Cap-and-Invest regulation undermines the very integrity of the program’s cap on emissions by giving polluters a free pass and forces working people to—quite literally—pay for Big Oil’s destruction of the environment.

**But it’s not too late: CARB can save Cap-and-Invest. CARB should reject Big Oil’s proposed regulation—which it is currently considering adopting—and approve a much stronger regulation to implement this fall. Concerned Californians like me are ready to help make this happen. We can have the regulations we need and pass them on time to ensure this program's success.**

But Big Oil's distortion of our politics directly threatens working people's ability to afford life in California. Here is how.

Among other loopholes and giveaways, oil lobbyists slipped in a proposal that will mechanically gut the state's Greenhouse Gas Reduction Fund (GGRF) and the California Climate Credit. The GGRF is funded by the money California collects when it forces billion-dollar corporations to pay for their pollution at state auctions. We use that money to lower the cost of living for working families—funding everything from energy upgrades and safe drinking water to wildfire resilience programs.

But thanks to oil lobbyists, California will make accessible up to 118 million free pollution passes to industrial polluters. This is the same amount that CARB has stated needs to be taken off the market to meet our 2030 emission reduction goals. If this proposal passes as is, California risks missing our 2030 emission reduction target, which is mandated by legislative statute—all to give more free passes to fossil fuel companies.

Because these corporations get to pollute for free, they won't have to buy as many allowances at the auction. Recent analysis from UC Santa Barbara projects this backdoor giveaway will drain \$4 billion in state revenue over the next four years. That means slashing \$2.3 billion from the GGRF and cutting the California Climate Credit's direct electricity rebates by \$1.7 billion—a massive 17% cut across the board.

Defunding these programs means some of the world's richest, dirtiest companies get a discount on their pollution while shifting the financial burden directly onto working families. Nobody is stepping in to cover this \$4 billion shortfall. If CARB allows this fund to be gutted, our communities will immediately lose vital funding for:

- **Direct Electricity Rebates:** A \$1.7 billion cut to the California Climate Credit, meaning your utility bills will go up just so Big Oil's costs can go down.
- **Wildfire Resilience & Forest Health:** Critical funding to harden our communities against wildfires, which is the exact crisis causing our home insurance premiums to skyrocket out of control.
- **Housing & Low-Income Weatherization:** Cuts to programs like the Affordable Housing and Sustainable Communities Program, as well as grants that install no-cost rooftop solar and energy-efficiency upgrades for low-income families to permanently lower their utility bills.
- **Clean Water & Toxic Cleanup:** Funding stripped from the Cleanup in Vulnerable Communities program, which protects safe drinking water for neighborhoods disproportionately burdened by pollution.
- **Cheaper Commuting:** Deep cuts to the state's transit and intercity rail programs, as well as the Clean Cars 4 All rebate program, which helps everyday drivers affordably trade in gas-guzzlers to escape the high cost of fuel.

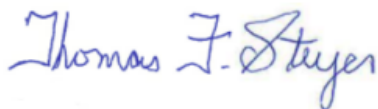
- **Protecting California Agriculture:** Cuts to the Sustainable Agricultural Lands Conservation program, putting local farmers at risk and threatening our state's food supply and rural economies.

Further, Big Oil's attempted heist would secure an additional \$800 million in free allowances—on top of the existing 100% industry assistance factor allocation. Who's paying to line the fossil companies' pockets? Californians. Not only does this proposal give fossil fuel companies a free pass to pollute; these subsidies are starving our communities of vital infrastructure and health funding. By holding our environmental regulations hostage, these lobbyists are actively derailing California's 2030 emissions goals and kneecapping our transition to clean energy—all to protect Big Oil's bottom line.

Big Oil claims that all of their free giveaways will bring prices down at the pump. Historically, we know that's untrue: this cartel manufactures supply shortages to keep gas prices exceptionally high, regardless of how many free allowances the state hands them. They use these regulatory giveaways to pad their executives' bonuses, not to provide relief to working families. And while lobbying to pollute our communities on California's dime, they are making record profits off Trump's war in Iran.

It is up to us to work together to adopt Cap-and-Invest regulations that treat Californians fairly by making polluting billion-dollar companies pay and ensuring the stability and safety of public programs that fund critical resources and infrastructure for working Californians and their communities. The future of our state—and the future of our planet—depends on it.

Sincerely,



Thomas F. Steyer