



## CALIFORNIA CARBON SOLUTIONS COALITION

Building Climate Smart Solutions for California

May 4, 2026

California Air Resources Board  
1001 I Street  
Sacramento, California 95814

Submitted Electronically

### **RE: Comments on Proposed 15-Day Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation (Cap-and-Invest Program)**

The California Carbon Solutions Coalition and undersigned labor organizations and businesses appreciate the opportunity to provide comments on the proposed 15-day amendments to California's cap and invest program.

The California Carbon Solutions Coalition is the state's leading business and labor organization working to support the rapid deployment of carbon capture, removal, utilization and sequestration (CCUS) technologies to reduce greenhouse gas emissions and provide high-quality jobs and careers for Californians.

The cap and invest program is a key component of the state's strategy to cost-effectively cut greenhouse gas emissions. California's 2022 Climate Change Scoping Plan identifies CCUS as an essential strategy to support achievement of state climate goals, and establishes a 20MMT target for 2030 and a 100MMT target for 2045.<sup>1</sup> Senate Bill 905 (Caballero, 2022) and Assembly Bill 1279 (Muratsuchi, 2022) direct CARB to implement strategies and policies to enable CCUS to support California climate goals.<sup>2</sup> SB 614 (Stern, 2025) directs the Office of the State Fire Marshal (OSFM) to adopt a comprehensive regulatory framework to ensure the safe and secure transport of captured CO<sub>2</sub> emissions via pipeline from their source to permanent storage locations.<sup>3</sup>

<sup>1</sup> See [2022 California Climate Change Scoping Plan](#)

<sup>2</sup> See [SB 905 \(2022\)](#) and [AB 1279 \(2022\)](#)

<sup>3</sup> See [Senate Bill 614 \(2025\)](#)

Our state has a multitude of industrial, manufacturing, fuel and power generating facilities that can deploy CCUS to deliver up to 60MMT/year in GHG reductions – nearly twice as much as the entire buildings sector in the state.<sup>4</sup> A number of these facilities, including many that participate in the state’s cap and invest program, are actively investing in CCUS projects and technologies. These investments are occurring as a direct result of the policy direction that California has provided to support deployment of greenhouse gas eliminating technologies like CCUS.

However, to reach the goals that Governor Newsom, CARB and the legislature have established for CCUS, we need a comprehensive regulatory framework that fully supports and accounts for the emissions reductions that these technologies can deliver under California’s cap and invest program. To this end, we provide the following comments on the proposed 15-day amendments, specifically focused on 1) the Manufacturing Decarbonization Incentive; and 2) inclusion of a full accounting methodology in the cap and investment program for CCUS.

### **I. Include Electricity Generation in the Manufacturing Decarbonization Incentive**

We support the inclusion in the proposed 15-day amendments of “sequestered or utilized captured carbon dioxide” as an eligible activity within the Manufacturing Decarbonization Incentive (MDI) that entities in the program can use to support investment in and deployment of carbon cutting technologies and projects.

The MDI is an innovative approach to support decarbonization across a number of critical industrial sectors in the state and the 15-day amendments as proposed rightly acknowledge the role that CCUS can play in these efforts. However, as currently proposed, the MDI does not allow for participation by the electricity generation sector, including natural gas-fired power plants, which the 2022 Scoping Plan identifies as a sector that can benefit from deployment of CCUS technologies to support grid reliability while California works toward decarbonization.<sup>5</sup>

A number of companies and independent power producers are actively investing to deploy CCUS at electricity generating facilities in the state and ensuring that these projects can benefit from the incentives that the MDI is specifically designed to provide is essential.

### **II. Update Cap-and-Invest to Fully Account for CCUS**

The cap and invest regulation is a central element of California’s climate policy framework that can provide a critical regulatory incentive for investment in and deployment of CCUS projects. We appreciate CARB’s ongoing recognition of the important role that CCUS will need to play as part of the cap-and-invest program moving forward. However, companies that are actively deploying these projects need a clear and comprehensive understanding of how emissions reductions from CCUS will be accounted for as part of their efforts to reduce emissions in support of state climate goals.

CARB should update the cap and invest program to include specific and comprehensive regulatory provisions that enable GHG emissions reductions that result from CCUS to be fully accounted for as part of an entity’s reduction in a compliance obligation under the program now. This will enable California to take full advantage of the emissions reduction benefits from CCUS

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<sup>4</sup> [See Stanford University/Energy Futures Initiative](#)

<sup>5</sup> [See 2022 California Climate Change Scoping Plan](#)

projects that are poised to begin capturing and sequestering emissions in the near-term and provide critically needed regulatory certainty for ongoing investment and deployment of projects moving forward. Given the state's need to affordably meet increasingly stringent climate targets, we cannot afford to delay the benefits that CCUS technologies will provide.

For these reasons, we respectfully request that CARB update the cap and invest regulation to include electricity generation in the MDI and to include specific and comprehensive regulatory provisions to fully account for CCUS in program.

We would welcome the opportunity to discuss the matter with you further.

Respectfully,

Calpine  
Carbon Terravault  
California Carbon Solutions Coalition  
California State Pipe Trades Council  
California & Nevada State Association of Electrical Workers  
Clean Energy Systems  
Coalition of California Utility Workers  
IBEW 1245  
Pacific Gas & Electric Company  
UA Local 250, Los Angeles  
UA Local 342, Oakland