

Amp Americas (Cassandra Farrant)

Amp America appreciates the opportunity to submit comments in response to the Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market- Based Compliance Mechanisms Regulation. Please see our comments attached.



March 9, 2026

Rajinder Sahota
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments on the Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (“Cap-and-Invest”) and Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (“MRR”)

Dear Ms. Sahota:

On behalf of Amp Americas (“Amp”), we appreciate the opportunity to provide feedback on the Proposed Amendments to the Cap-and-Invest regulation and MRR, and submit this letter into dockets for both rules. Amp supports MRR and Cap-and-Invest as an important element of the State’s overarching climate change framework, and generally supports the proposed amendments to update the programs in line with legislative direction and to provide ongoing market certainty.

We support and align our comments with those of the Renewable Natural Gas Coalition (“RNG Coalition”), and specifically request minor clarifying changes to ensure the opportunity and accounting for biomethane and avoided methane is clear under the rules.

About Amp Americas

Founded in 2011, Amp develops and operates RNG facilities that convert dairy waste into carbon-negative renewable energy. Over our history, Amp’s projects have prevented over 2.6 million metric tons of carbon equivalent emissions, and we plan to rapidly expand our impact over the next several years.

As a pioneer in the dairy RNG industry, Amp registered the first 5 dairy RNG-to-CNG pathways in California’s Low Carbon Fuel Standard (“LCFS”), and was the RNG supplier for the first 11 dairy RNG-to-hydrogen pathways. Our experience developing, operating, and reporting on these and other assets gives us a unique perspective on the impact CARB policy has on development of projects to reduce greenhouse gas (“GHG”) emissions. Our projects and resulting methane and CO₂ reductions have been made possible by CARB’s leadership in decarbonizing transportation, and we encourage CARB to continue to support the policy decisions that have made it so successful and build from them to reach other sectors covered under the Cap-and-Invest program.



Comments on Proposed Amendments to Mandatory Reporting Regulation

Clarify “Importer of Fuel” Definition under Mandatory Reporting Regulation

If alignment with LCFS accounting for RNG cannot be addressed in this rulemaking, we urge CARB to clarify that the definition of “importer of fuel” under MRR does not apply to transactions involving book-and-claim accounting of biomethane, where the flow of specific gas molecules cannot always be proven to cross California’s border. As currently written, the definition could be interpreted to apply whenever ownership of fuel transfers to a California end user or market participant inside the state. Under that interpretation, a book-and-claim biomethane transaction—where environmental attributes associated with biomethane produced outside the state are contractually transferred to a California purchaser—could be double counted if always treated as a fuel import. This outcome would be inconsistent with existing MRR reporting structures.

The physical end use of natural gas associated with these transactions is usually already reported under the program by natural gas utilities (primarily reporting natural gas vehicle fueling), meaning that treating the contractual transfer of biomethane attributes as an separate import would risk double counting the same underlying gas volumes under MRR. In order to avoid double counting, CARB should clarify that the importer definition explicitly excludes book-and-claim accounting where the underlying gas volume is already captured through existing reporting pathways.

Comments on Proposed Amendments to Cap-and-Invest Program

Eliminate Unnecessary Complexity by Striking § 95852.1.1

We appreciate proposed amendments to clarify biomethane eligibility and the ability for covered entities to claim the associated biogenic CO₂ benefit. These changes provide important regulatory certainty and help ensure that biomethane used in California is appropriately recognized as a biomass-derived fuel under the program.

However, we have concerns with implementation of the provisions in § 95852.1.1, especially the proposed amendments in § 95852.1.1(a)(2)(C), which would limit eligibility for biomethane injected into a common carrier pipeline based on the annual average amount of fuel delivered to California over the previous 36 months. Tying eligibility to a fixed three-year historical average is arbitrary and creates practical implementation challenges that do not reflect how biomethane markets and production operate in practice.

Biomethane production volumes fluctuate over time due to operational factors that are largely outside a producer’s control, including feedstock variability, digester maintenance cycles, pipeline outages, and seasonal production patterns. A three-year historical baseline could therefore under-represent a facility’s actual available production in any given year and artificially limit eligible volumes.



Additionally, the provision would restrict market flexibility for producers whose gas may be delivered to different jurisdictions over time. For example, a project that routed volumes to another Clean Fuel Program market (e.g., Oregon or Washington) in one year could be prevented from directing biomethane into California in a subsequent year, because the three-year historical average would cap eligible volumes below actual production. This constraint could unintentionally discourage participation in California markets and create unnecessary administrative complexity for projects operating in interconnected North American gas markets.

Finally, we note that the same 36-month historical averaging concept appears in the proposed manufacturing decarbonization incentive allocation provisions, which could create parallel implementation problems across multiple program elements and compound compliance uncertainty.

We agree with the RNG Coalition that the whole of § 95852.1.1 is unnecessary and adds administrative burden and complexity that is unwarranted based on market conditions and industry practice. We support striking § 95852.1.1 in its entirety. This would simplify implementation and improve consistency with the way biomethane markets function.

If nothing else, we urge changes to the 36-month average reporting requirements in § 95852.1.1(a)(2)(C) to allow a facility's eligible share of biomethane to be determined based on the percentage of its total production delivered to California in the prior year, applied to the facility's actual production going forward. Using a prior-year percentage would allow the program to accommodate natural production variability, operational disruptions, and stored or banked gas volumes without locking projects into an outdated baseline.

Ensure All Environmental Benefits of Biomethane are Appropriately and Consistently Valued

As described in the RNG Coalition letter, biomethane provides a wide array of GHG benefits, including CO₂ benefits from replacing fossil natural gas, as well as significant methane (CH₄) reduction benefits. It is critical that the Cap-and-Invest program recognizes the wide array of GHG benefits from biomethane production and use, allowing crediting opportunities for both CO₂ and CH₄ benefits, and consistently accounts for those benefits across sectors and biomethane end uses.

The proposed amendments appropriately account for biomethane's GHG benefits if the fuel is used in the transportation sector or to produce renewable electricity, but do not similarly account for biomethane's full array of GHG benefits if the fuel is used in another sector, to decarbonize the gas system or industry, for example. CARB has identified shifting biomethane from the transportation sector



to other sectors as a priority in the Scoping Plan, and in the Initial Statement of Reasons (“ISOR”) for these proposed Cap-and-Invest amendments itself.¹

In order to support that transition, Cap-and-Invest must provide consistent value for both CO₂ and CH₄ benefits for biomethane across all end uses. We reinforce RNG Coalition’s suggested amendments to § 95852.1, in order to ensure that any crediting regimes for industrial end uses, decarbonizing the gas system, carbon removal, or potential other uses that may emerge to support the state’s priorities are treated similarly to the LCFS or Renewable Portfolio Standard under the program. Specifically, we urge the following changes to § 95852.1(c)(2)(C),:

*...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 **biogenic carbon dioxide emissions exemption** ~~or emissions reductions~~ attributed to the use of the fuel **for purposes of compliance with this subarticle**, such that no other entity may claim an emissions exemption to reduce a **Cap-and-Invest Regulation** compliance obligation ~~or otherwise claim a reduction in emissions~~ associated with the use of the biomass-derived fuel. **Exempt biomass-derived fuels may be associated with the generation of ARB Offset Credits, recognition in Renewable Gas Standard biomethane procurement, Renewable Identification Numbers, Renewable Energy Credits, or Low Carbon Fuel Standard Credits, or other approved crediting programs and protocols that support the state’s building decarbonization, cement or other industrial decarbonization, carbon removal or other climate goals.***

Provide Additional Clarity and Expand the Manufacturing Decarbonization Incentive Allocation to All Hard-to-Abate Sectors in the Cap-and-Invest Program

We strongly support the proposed amendments to add a manufacturing decarbonization incentive allocation to the program, and specifically support inclusion of biomethane as an eligible technology. As identified in the ISOR, the cost to decarbonize many industrial facilities remains higher than allowance prices under the program.² An additional allocation to support industrial decarbonization will help develop and deploy strategies needed to decarbonize these sectors, including biomethane projects, become economically viable and be deployed more rapidly to support California’s environmental goals.

We believe the proposal would benefit from further clarification and transparency around the allocation, so that biomethane or other low carbon fuel providers have greater insight into the potential value of the incremental allocation to support project development. Further, the strategies supported under the program are the same that are needed to decarbonize other hard-to-abate sectors, including

¹ For example, see page 74 of the ISOR: “Enabling covered entities to appropriately claim exempt biomethane is aligned with the 2022 Scoping Plan, which indicated that biomethane currently used in California’s transportation section will largely be needed for hard-to-decarbonize sectors long-term (CARB 2022a).”

² See page 175 of ISOR.



refineries, hydrogen other fuel production facilities, power plants, and others. We urge CARB to expand the program to all hard-to-abate sectors and facilities covered under the program, in order to accelerate GHG reductions in the state and support more rapid development and scale of the strategies needed to support California's climate goals.

Strong Support for Incorporating CCUS and Additional Utilization and Storage Protocols

We strongly support proposed amendments to incorporate CCUS into the Cap-and-Invest program. CARB has identified CCUS and carbon removal as critical strategies to achieve the state's climate goals, and formally incorporating them into Cap-and-Invest is a necessary step to help scale deployment of these important strategies. We especially support removal of references to geologic sequestration, in order to allow a wider array of CCUS strategies to participate in the program and support California's climate goals. We look forward to working with CARB through the SB 905 process and ongoing implementation of Cap-and-Invest and other programs to more fully flesh out the CCUS framework for California, ensure eligibility and appropriate crediting for CCUS coupled with biomethane and bioenergy, and quickly develop a wide array of new utilization and storage protocols to most quickly scale this important set of technologies.

Conclusion

Thank you again for the opportunity to comment on the proposed amendments to the Cap-and-Invest Program and MRR. We support CARB in its efforts to maintain a strong Cap-and-Invest program to achieve the State's GHG goals, including more targeted efforts to decarbonize industry and enable biomethane to decarbonize stationary sources. We look forward to continuing to work with you through this process and other related efforts to achieve these outcomes.

Sincerely,

Cassandra Farrant

Cassandra Farrant
Head of Environmental Programs and Regulatory
Affairs Amp Americas