

Dear CARB Staff and Board Members,

Thank you for the opportunity to provide public comments on the proposed amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation.

Californians, especially in the Central Valley are facing the real impacts of climate disasters that are not just devastating our communities and lands, but also driving an affordability crisis.

Our families are bearing the costs of a warming climate through insurance premiums and utility bills, health expenses and hospital bills, higher prices on household goods, and are held hostage by Big Oil's price gouging at the pump. Just in 2023-2025, there was a 36% rate increase for the average FAIR Plan and 40% increase for the average State Farm premium for residents who live in the Central Valley.

Cap-and-Invest is one of our state's biggest climate programs and is a critical source of funding for close to home community investments like transit, parks, clean cars, charging infrastructure, electrifying homes, and critical disaster response. The April proposal amending the program will slow our climate progress and gut the annual program revenue by \$2 billion a year at a time when our state is cutting safety net services across the board for Californians.

The California Air Resources Board (CARB) must immediately amend the proposal to ensure that the Cap-and-Invest program will benefit Californians, not provide polluters with excessive handouts:

- **Eliminate the Manufacturing Decarbonization Incentive (MDI)**, which would provide incentives to industry while depressing the allowance auction revenue
- **Correct the bloated free allowance allocation by lowering the cap adjustment factor**
- **Protect Cap-and-Invest revenues**, rejecting any changes that would reduce funding and jeopardize investments that help Californians address climate-driven cost increases.

The consequences of this proposal to the program's Greenhouse Gas Reduction Fund (GGRF) are severe. This proposal provides handouts to the oil and gas industry with no guarantee that fuel prices or emissions will go down. Californians would still be exposed to swings in the global oil market and the strong influence these corporations have in our state. Our communities shouldn't be paying for subsidies to oil companies that don't bring prices down and take billions away from critical state fundings. We cannot afford to give corporate polluters more handouts. Now is the time for CARB to put Californians first.

Sincerely,
Pa Houa Lee