



## Matt Pennington

Manager, California State & Local Government Affairs

May 4, 2026

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

bp America Inc.  
1201 K Street, Suite 1830  
Sacramento, CA 95814  
USA  
Direct: (916) 841-4055  
matthew.pennington1@bp.com

### Subject: bp's comments on CARB's proposed 15-day package of amendments to the California Cap-and-Invest program

Dear Chair Sanchez and Members of the Board:

bp appreciates CARB's efforts to refine the proposed Cap-and-Invest amendments and provide near-term relief to emissions-intensive, trade-exposed (EITE) sectors. However, bp's core concerns from our March 9, 2026 comment letter remain.

While the 15-day package improves near-term industrial assistance, the lack of defined post-2030 cap adjustment factor (CAF) parameters creates significant uncertainty regarding long-term carbon cost exposure. Taken together, these elements do not stabilize carbon cost exposure for California-serving facilities relative to global competitors.

As a result, the risk of greenhouse gas (GHG) emissions leakage and erosion of competitiveness for domestic West Coast fuels supplied into California persists, particularly given the structural cost advantages of imported products and other less-regulated supply.

bp encourages CARB to adopt more effective approaches to address GHG leakage risk and safeguard global competitiveness, including establishing a defined and durable post-2030 CAF framework that reflects leakage risk, strengthening industrial assistance for the most exposed sectors, and accounting for the role of imports and other less-regulated competing supply. Absent such measures, tightening program stringency is likely to shift supply to higher-carbon sources and undermine the reliability and affordability of California's fuel supply.

Sincerely,

/s/ Matt Pennington

Matt Pennington  
Manager, California State & Local Government Affairs  
bp America Inc.



cc:

The Honorable Gavin Newsom, Governor, State of California

The Honorable Siva Gunda, Vice Chair, California Energy Commission