

# California Carbon Solutions Coalition (Virgil Welch)

Comments Attached



## CALIFORNIA CARBON SOLUTIONS COALITION

Building Climate Smart Solutions for California

March 9, 2026

California Air Resources Board  
1001 I Street  
Sacramento, California 95814

Submitted Electronically

### **RE: Comments on Proposed 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 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 deliver high-quality jobs for Californians.

California's cap-and-invest program is a key component of the state's strategy to cost-effectively cut greenhouse gas emissions. Assembly Bill 1207 (Irwin, 2025) extended the program to 2045, establishing that it will play an increasingly meaningful role to support achievement of California's carbon neutrality target.<sup>1</sup> As detailed in California's 2022 Climate Change Scoping Plan (Scoping Plan), CCUS technologies are an essential part of this effort and can help to ensure that California is able to continue its transition to a low-carbon economy smoothly and affordably, which the Initial Statement of Reasons (ISOR) identifies as key priorities for the proposed regulatory amendments.

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<sup>1</sup> [See Assembly Bill 1207 \(2025\)](#)

## **The Proposed Cap-and-Invest Regulation Should be Updated to Fully Account for CCUS in this Rulemaking**

As part of this cap-and-invest rulemaking, CARB should update the proposed regulation to include specific and comprehensive regulatory provisions that enable greenhouse gas (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 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.

## **Fully Accounting for CCUS in the Cap-and-Invest Regulation is Necessary to Meet State Climate Goals**

California has adopted a number of policies to support deployment of CCUS technologies as part of the state's effort to reduce greenhouse gas emissions. California's 2022 Climate Change Scoping Plan identifies carbon capture and removal technologies as key strategies to support achievement of state climate goals, including the establishment of a 20MMT target for 2030 and a 100MMT target for 2045.<sup>2</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>3</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>4</sup>

Our state has a multitude of industrial, 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>5</sup> A number of these facilities, including many that participate in the state's cap-and-invest program, are actively investing and working to deploy 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 the Scoping Plan has established for carbon capture and removal technologies, we must take the next step now by adopting a clear and comprehensive regulatory pathway for emissions reductions from CCUS projects to be fully accounted for and credited under the cap-and-invest program.

## **Fully Accounting for CCUS in the Cap-and-Invest Program Will Provide Critical Regulatory Certainty**

The cap-and-invest regulation is a central element of California's climate policy framework and can provide a critical regulatory incentive for investment in and deployment of CCUS projects. We appreciate CARB's ongoing recognition, including in the ISOR, of the important role that CCUS will need to play as part of the cap-and-invest program moving forward. However,

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<sup>2</sup> See [2022 California Climate Change Scoping Plan](#)

<sup>3</sup> See [SB 905 \(2022\)](#) and [AB 1279 \(2022\)](#)

<sup>4</sup> See [Senate Bill 614 \(2025\)](#)

<sup>5</sup> See [Stanford University/Energy Futures Initiative](#)

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. The clarity and certainty that a comprehensive regulatory structure provides is essential to ensure that existing projects can begin delivering emissions reductions as soon as possible, and to demonstrate a durable and actionable commitment by the state that will support ongoing innovation, investment, deployment and scaling of these critically needed technologies.

For these reasons, we respectfully request that CARB update the proposed regulation to include specific and comprehensive regulatory provisions that enable greenhouse gas 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.

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