



May 4, 2026

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

Re: Support for a Strong and Timely California Cap-and-Invest Program

Dear Chair Sanchez and Members of the Board:

On behalf of the Los Angeles Business Council (LABC), a business research and advocacy organization representing more than 500 members from all industry sectors who are focused on innovative public policy that strengthens our economy while improving quality of life for all, I write to express our support for a strong and timely Cap-and-Invest program that continues to reduce emissions while providing the policy certainty and investment framework needed to support California's economy.

California's leadership on climate policy has demonstrated that market-based mechanisms can drive emissions reductions while supporting economic growth. Cap-and-Invest remains a central component of that approach by establishing clear price signals, holding major emitters accountable, and generating dedicated funding for investments that improve air quality, strengthen infrastructure, and support communities across the state.

The program has also delivered measurable, on-the-ground benefits. Since 2014, Greenhouse Gas Reduction Fund investments have supported \$12.8 billion in projects statewide, including cleaner transportation, energy efficiency, renewable energy deployment, and public health improvements. These investments have been particularly important in disadvantaged communities that continue to face disproportionate exposure to air pollution, extreme heat, and climate-related risks.

Greenhouse Gas Reduction Fund investments can help businesses and communities access the resources they need to finance energy and fleet upgrades, improve efficiency, reduce exposure to fuel volatility, and become more resilient in the face of rising climate and disaster risk. These investments support the long-term competitiveness of California businesses, especially small businesses that often have the least flexibility to absorb new costs on their own.

Cap-and-Invest also plays a role in addressing affordability. Through utility bill credits and targeted investments, the program has helped offset energy costs for households and businesses while supporting the transition to more efficient and less volatile energy systems. For small businesses and working families, these benefits are material



As CARB considers the future of the program, we urge the Board to preserve the core strengths that have made Cap-and-Invest effective: long-term policy certainty, practical investment in emissions reductions, and continued support for affordability and community resilience. A strong and predictable program will help businesses plan, invest, and manage costs while ensuring auction revenues continue supporting cleaner transportation, renewable energy deployment, public health improvements, utility bill relief, and other benefits Californians rely on.

Cap-and-Invest is not only a climate policy. It is a tool for driving infrastructure investment, supporting economic resilience, and improving public health outcomes across California. A strong, stable, and timely program will be critical to maintaining progress on all three fronts.

Thank you for your leadership and consideration.

Kind Regards,

A handwritten signature in black ink that reads "Mary Leslie". The signature is written in a cursive, flowing style.

President, Los Angeles Business Council