



Central California  
Asthma Collaborative



VOTE SOLAR



May 1, 2026

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

RE: Proposed Amendments that Provide Additional MDI Allowances Guarantee the Further Devaluation of the Climate Credit– **Request for Amendments to Enhance Electricity Customers' Climate Credit**

Dear Chair Sanchez and CARB Board Members,

The Affordable Energy Campaign is a new statewide effort that brings together dozens of consumer, climate and environmental justice advocates working to make sure that Californians have an electric system that is clean, affordable, and accountable to the communities it serves.

In our [March 9th letter](#), we urged the Board to prioritize reducing high electricity bills. Although we remain opposed to the retention of 100% free allowances to the oil industry because it reduces the Climate Credit by 30% from last year, we do appreciate the revisions to the Electrical Distribution Utilities' allowances that create some relief for electricity customers, including the revisions to better comply with AB 1207 for a transition of the natural gas to electric climate credits.

Unfortunately, we are gravely concerned about the evolution of the Manufacturing Decarbonization Incentive (MDI) and the resulting impact it will have on the Climate Credit (CC) and the Greenhouse Gas Reduction Fund (GGRF). The MDI could overwhelm the benefits of the aforementioned reforms for electricity customers, because the MDI will stagnate the value of the allowance and potentially have other unintended consequences.

Decarbonization of these sectors is vital to reach our climate goals, but doing so in this format significantly reduces the value of the CC and GGRF, which are also focused on decarbonization. This proposal would instead prioritize cost-containment benefits to industry over affordability benefits to Californians, while also hindering California's decarbonization goals. It is more important to prioritize household electricity savings and remove the MDI so that the value of the allowance can increase as a result of a tighter market.

We urge you to reconsider this revision because these incentives via allowances through the MDI mechanism, above the emissions cap are expected to keep the value of the allowances at the floor and the market potentially undersubscribed. **We respectfully request that you revise the regulations yet again to eliminate the MDI and provide electricity customers greater relief through an increased value of the Climate Credit.**

Thank you for your consideration of the above comments. We look forward to working collaboratively to implement these recommendations into the final Cap & Invest regulation.

Sincerely,

**Affordable Energy Campaign**, Jose Torres, Executive Director

**Alliance of Californians for Community Empowerment (ACCE)**, Eric Lerner, Climate Director

**Brightline Defense**, Eddie Ahn, Executive Director

**California Alliance for Community Energy (CACE)**, John Smigelski, Project Director

**California Environmental Justice Alliance (CEJA)**, Feby Boediarto, Senior Energy Justice Manager

**California Public Interest Research Group (CALPIRG)**, Jenn Engstrom, State Director

**Center for Biological Diversity**, Roger Lin, Senior Attorney

**Center for Community Energy**, Jose Torre-Bueno, Executive Director  
**Central California Asthma Collaborative**, Jenna Roper, PhD, Senior Policy Associate  
**Climate Action Campaign**, Tomas Castro, Climate Equity Organizer  
**Communities for a Better Environment**, Shana Lazerow, Legal Co-Director  
**Leadership Counsel for Justice and Accountability**, Mariela Loera, Energy & Climate Policy Manager  
**NextGen California**, Chloe Ames, Policy Advisor  
**Reclaim Our Power Utility Justice Campaign**, Travis Gibrael, Research and Education Organizer  
**Sierra Club California**, Jakob Evans, Senior Policy Strategist  
**Vote Solar**, Yara Marin, Deputy Program Director