

Sheng Su

May 2, 2026

PUBLIC COMMENT: (15-day) Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation

Re: Integration of Distributed, Source-Level Organic Waste Processing as a Verified Compliance Execution Layer

Also Addressing: Proposed Amendments to the Mandatory Reporting of Greenhouse Gas Emissions Regulation (MRR)

To: Clerk of the Board, California Air Resources Board (CARB)

Submitted by: Sheng Su, Chief Executive Officer, Sustain You

Date: May 2, 2026 — Comment Deadline: May 4, 2026, 11:59 PM (US/Pacific)

Organization: Sustain You | Solano County, California | susheng2009@gmail.com | 510-925-6281

I. Introduction & Organizational Standing

Sustain You respectfully submits this public comment in response to the 15-Day Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation (Cap-and-Invest Regulation), and the related Proposed Amendments to the Mandatory Reporting of Greenhouse Gas Emissions Regulation (MRR), both released April 14, 2026, with the comment period extended to May 4, 2026, at the request of the Senate Environmental Quality Committee and Senate Budget Subcommittee No. 2.

Sustain You operates distributed circular economy infrastructure in Solano County, California. We focus on the controlled, on-site stabilization of organic waste—a process that directly prevents the uncontrolled biological decomposition responsible for biogenic methane (CH₄) emissions. Our comments address three specific provisions of the 15-Day amendments: (1) the tightened 2027–2030 allowance budgets and the implications for source-level emissions prevention; (2) the new Allowance Removals for Offset Use framework and the AB 1207 directive to develop new offset protocols; and (3) the MRR precision enhancements and the opportunity to establish a real-time, IoT-based reporting pathway for verified organic processing facilities.

Our core submission is that organic waste methane prevention—executed at the point of generation through closed-loop, monitored systems—represents one of the highest-leverage, near-term decarbonization opportunities available within California’s regulatory framework. The 15-Day amendments create specific policy openings to recognize and incentivize this approach. We respectfully urge the Board to use them.

II. Regulatory Context: Where Organic Waste Processing Intersects the 15-Day Amendments

A. Tightened 2027–2030 Allowance Budgets (Section 95841): The Case for Emissions Prevention at the Source

The 15-Day amendments confirm a reduction of approximately 118 million metric tons from the 2027–2030 allowance budgets, aligning the program-wide cap with California’s statutory 40% GHG reduction target under SB 32. As the cap tightens, covered entities face intensifying pressure to identify verifiable, near-term emissions reduction pathways. Uncontrolled anaerobic decomposition of organic waste is a major source of biogenic methane—and one that is largely invisible within the current centralized accounting framework due to emissions occurring at dispersed, pre-collection points.

Distributed, on-site processing addresses this gap by intervening before methane forms: rather than capturing or offsetting emissions downstream, it eliminates the anaerobic conditions that generate them. Under a tightening cap, prevention-based infrastructure of this kind offers verifiable, additive reductions that complement the program’s declining allowance trajectory.

B. New Offset Protocol Development Mandate (AB 1207): A Direct Policy Window

AB 1207 directs CARB to consider developing new compliance offset protocols, including for carbon dioxide removal (CDR). Controlled, on-site biological stabilization of organic waste—which suppresses CH₄ formation and can produce stable, low-emission carbon fractions—is directly relevant to this mandate. Unlike traditional offset projects that require lengthy listing, verification, and registry processes, distributed processing systems generate continuous, facility-level operational data that can support near-real-time emissions quantification.

We submit that the scoping process for new offset protocols is the appropriate vehicle to evaluate whether verified distributed organic stabilization should qualify as a recognized GHG reduction activity under the Cap-and-Invest compliance framework.

C. MRR Precision Enhancements (15-Day MRR Amendments): The Case for a Tier 3 Reporting Pathway

The 15-Day MRR amendments continue CARB’s effort to improve the accuracy and verifiability of GHG reporting across covered and reporting entities. IoT-monitored, closed-loop organic processing systems generate continuous operational data—including temperature profiles, dissolved oxygen readings, and mass balance records—that is technically superior to the periodic, sector-wide default emission factors currently used for organic waste accounting. A formal alternative reporting pathway for such facilities would improve the accuracy of California’s GHG inventory while creating a regulatory incentive for investment in monitored source-level reduction infrastructure.

III. Specific Recommendations Tied to the 15-Day Amendments

Recommendation 1 — Initiate a Scoping Study for a Distributed Organic Stabilization Offset Protocol (Re: AB 1207 Offset Protocol Development Mandate; Section 95841 Allowance Removal Framework)

We respectfully request that CARB, in conjunction with the AB 1207-directed offset protocol development process, initiate a scoping study to evaluate whether verified, source-level

biological stabilization of organic waste can qualify as a recognized GHG reduction activity under the Cap-and-Invest compliance framework—either as a new offset protocol or as a distinct compliance execution pathway within the Market-Based Compliance Mechanisms structure.

Qualifying systems would be required to demonstrate:

- Closed-loop, aerobically controlled operation that prevents uncontrolled anaerobic decomposition
- Continuous IoT-based monitoring of process parameters (temperature, oxygen, mass balance) sufficient for facility-level emissions quantification
- Independent third-party verification against a Board-approved quantification methodology

Policy Rationale: As CARB designs the implementation methodology for the Allowance Removals for Offset Use Account—on which comments are specifically solicited in the 15-Day notice—recognizing distributed processing as a verified reduction activity would expand the menu of compliance pathways available to covered entities, particularly those in the food processing, hospitality, and commercial sectors who generate substantial organic waste on-site.

Recommendation 2 — Establish an Alternative Quantification Method Reporting Pathway in the MRR for IoT-Monitored Organic Processing Facilities (Re: 15-Day MRR Amendments, Subarticle 2 Reporting Requirements)

We recommend that CARB establish a “Tier 3” or “Alternative Quantification Method” (AQM) reporting pathway under the MRR for facilities operating verified, closed-loop organic processing systems with continuous monitoring capabilities. This pathway would allow qualifying facilities to report facility-specific, real-time emissions data in lieu of sector-wide default CH₄ conversion factors.

The AQM pathway would advance the precision objectives of the 15-Day MRR amendments by:

- Enabling continuous, facility-level methane suppression documentation, replacing periodic default emission factors for organic waste streams
- Providing independently verifiable evidence of in-situ decomposition conditions sufficient for GHG inventory purposes
- Establishing a direct, auditable linkage between on-site reduction activities and compliance reporting, consistent with the verification standards in MRR Subarticle 4
- Reducing the systematic underestimation of pre-collection organic waste emissions that currently results from limited visibility into dispersed generation points

Recommendation 3 — Prioritize GGRF Funding for Decentralized Organic Processing Pilots (Re: SB 840 GGRF Spending Framework; Senate Budget Subcommittee Cost-Effectiveness Interest)

In light of the Senate Budget Subcommittee No. 2’s stated interest in cost-effective climate solutions—a factor directly cited in the comment period extension—we recommend that CARB support the allocation of Greenhouse Gas Reduction Fund (GGRF) resources toward pilot-scale

deployment of distributed organic processing infrastructure under the clean air, agriculture, or climate innovation spending categories established by SB 840.

Pilot programs would generate empirical operational and emissions data to inform the offset protocol scoping study described in Recommendation 1, validate the AQM reporting methodology in Recommendation 2, and provide CARB with a rigorous evidentiary basis for future rulemaking. Prioritizing decentralized infrastructure in GGRF allocation would also reduce systemic dependence on aging centralized facilities, lower transportation-related emissions from Class 8 organic waste hauling, and accelerate deployment in disadvantaged communities—directly consistent with CARB’s equity mandate and the GGRF’s 70% disadvantaged community investment track record.

IV. Co-Benefits: Environmental, Economic, and Equity Alignment

SB 1383 Compliance Pathway: Distributed on-site processing provides a scalable, near-term pathway to advance California’s 75% organic waste diversion mandate without dependency on new centralized facility permitting, which typically involves multi-year timelines and significant capital requirements.

Mobile Source Emissions (CARB Mobile Source Strategy): On-site processing eliminates the need to haul organic material via Class 8 trucks to remote centralized facilities, producing direct, verifiable reductions in transportation-sector VMT and associated criteria pollutant co-benefits.

Environmental Justice & Workforce: Distributed infrastructure generates skilled, locally based “Green-Collar” employment in communities such as Solano County—aligned with CARB’s environmental justice priorities and the GGRF spending mandate to direct 70% of investments to disadvantaged and low-income communities.

V. Conclusion

The 15-Day amendments to the Cap-and-Invest Regulation and MRR represent a critical juncture in California’s climate program—one that tightens the program’s near-term trajectory while opening new pathways for offset protocol development and reporting precision. Sustain You submits that distributed, IoT-monitored organic waste processing is a proven, deployable technology that is directly alignable with each of these regulatory objectives.

We respectfully urge the Board to: (1) initiate a scoping study for a Distributed Organic Stabilization Offset Protocol within the AB 1207 mandate; (2) establish an Alternative Quantification Method reporting pathway in the MRR for verified closed-loop processing facilities; and (3) direct GGRF pilot funding toward decentralized organic processing infrastructure to generate the empirical data necessary to support future rulemaking.

We further request that the Final Statement of Reasons (FSOR) include language affirming that source-level, real-time operational data from verified closed-loop organic processing systems constitutes a valid input to California’s GHG inventory—a step that would signal the Board’s commitment to outcome-based, infrastructure-supported climate governance.

Respectfully submitted,

Sheng Su

Chief Executive Officer, Sustain You

Solano County, California

susheng2009@gmail.com

510-925-6281

[linkedin.com/in/sheng-su-8a45a038](https://www.linkedin.com/in/sheng-su-8a45a038)