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

**RE: Proposed Amendments to the Regulation for the California Cap on  
Greenhouse Gas Emissions and Market-Based Compliance Mechanisms –  
Significant Concerns**

Chair Sanchez:

On behalf of the County of Monterey (County), I write to you today to voice significant concerns with the Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms (Proposed Amendments), released by the California Air Resources Board (CARB) on April 14, 2026. The Proposed Amendments are expected to be considered by CARB at its May 28-29, 2026, monthly meeting.

In 2025, the Newsom Administration and Legislature extended the Cap-and-Trade program beyond 2030. Extending the program ensured that the state continued making investments that reduce greenhouse gas emissions, deliver air quality benefits and travel costs savings, and create jobs (in manufacturing, construction, maintenance, and operations). The County understands that housing and transportation are the two largest household expenses, and as such, the state should consider investment in these programs to be part of the solution to California's affordability crisis. We were pleased to see that, consistent with our advocacy, the enacted legislation maintained continuous appropriations from the GGRF for the AHSC, TIRCP, and LCTOP while also committing – for the first time – ongoing funding for air quality initiatives in AB 617 communities.

Today, however, the County voices its concern with the Proposed Amendments' impact to the GGRF, which we believe will, in the upcoming fiscal years, zero out hard-fought annual funding for the AHSC, TIRCP, and LCTOP. More specifically, we estimate that we and the constituencies we serve will lose up to \$1.65 billion in GGRF annually – funding we have relied on for over a decade, without any plan from the state to backfill these losses. To date, these

programs have invested a combined \$6.2 billion in projects and services that delivered generational projects, like affordable transit-oriented housing developments, major transit and rail capital projects and zero-emission transit vehicles as well as quality of life improvements, like transit service expansions and discounted transit passes. Most of this investment benefited California's priority populations, with 89% of total AHSC funding and 94% of total TIRCP and LCTOP funding being directed to disadvantaged and low-income communities.

As we understand it, CARB advanced this proposal in the Proposed Amendments in response to calls from some legislators and stakeholders to further address the affordability crisis faced by Californians. In objecting to the proposal, we want to be clear: we agree that the Proposed Amendments should, as called for by AB 1207, address affordability; we believe the Proposed Amendments must apply a broader definition of affordability. To the constituencies we represent and/or serve, addressing affordability requires continued state investment that supports good paying, life-sustaining jobs and means access to affordable housing and transit options, travel timing savings that buy Californians more time with family and friends, and personal health unburdened by the harms of air pollution. Unfortunately, the Proposed Amendments fail on these fronts and regress on the state's efforts to deliver more affordable housing units, more accessible and affordable public transit, and better air quality for our vulnerable communities by gutting key climate programs. We call on the state to revisit the proposal and maintain robust funding in the GGRF for the AHSC, TIRCP, and LCTOP.

We know that CARB is balancing numerous objectives with the Proposed Amendments and is working to enact a final regulation that furthers the state's climate and air quality goals while also confronting the challenges faced by regulated industries and everyday Californians. We ask that, as CARB advances the Proposed Amendments, that you consider the importance of the GGRF-funded programs and their role in addressing affordability and incorporate this more expansive understanding in the final regulation.

Sincerely,



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Nossaman LLP