



October 6, 2025

Carbon Capture, Removal, Utilization, and Storage (CCS) Program
California Air Resources Board
1001 I Street
Sacramento, CA 95814
Email: ccs@arb.ca.gov

Via [Online Submission Portal](#)

RE: Response to CARB's *Information Solicitation to Inform Implementation of Carbon Capture, Removal, Utilization, and Storage Program: Senate Bill 905*

Dear CCS Program:

The California Metals Coalition (CMC) is the nation's largest state trade association servicing the metals sector. Our membership encompasses nearly all sectors of the metals industry, including foundries, die casters, CNC (computer numerical control) machine shops, forging operations, laser cutting, fabricators, heat treaters, metal stampers, metal formers, metal extruders, wire metal, recyclers, shredders, and suppliers and consultants to the industry. This includes California's primary manufacturers of seamless rolled rings, Carlton Forge Works (CFW) in Paramount, California, and Schlosser Forge Company (Schlosser) in Rancho Cucamonga, California. Seamless rolled rings play an indispensable role in aerospace manufacturing, meeting stringent industry and federal government specifications that enable aerospace systems to perform reliably in unforgiving conditions where there is no margin for error.

In the California Air Resources Board's (CARB) August 22, 2025 Solicitation for Information to inform its work to implement Senate Bill (SB) 905 (CCUS Information Solicitation), CARB requested input on the potential for projects developed under SB 905 to be used for compliance and reporting under other state programs, including to reduce the Cap-and-Invest compliance obligation, and whether there are other things the state could do to help scale up deployment of

SB 905 projects (Questions 22 and 23). On behalf of California's seamless rolled ring manufacturers, we offer the following input in response to these inquiries.

Question 22: The Potential Use of SB 905 Projects to Reduce Cap-and-Invest Compliance Obligations

California is home to some of the country's strictest environmental regulations. These regulations are a key part of the state's strategy to protect the environment and to ensure public health, environmental quality, and economic vitality. California is also the fourth largest economy in the world, and it leads the nation in new business starts, access to venture capital funding, manufacturing, high-tech, and agriculture.¹ The aerospace and defense sector, which includes seamless rolled ring manufacturing, is a California "strategic sector" - a critical contributor to California's economic productivity - that the state has prioritized for future growth.²

To achieve the mutual objectives of protecting human health and the environment while also supporting sustainable economic growth and the creation of good-paying jobs, the state must look at environmental regulation holistically to account for and minimize the cumulative regulatory compliance burden on California businesses. CMC appreciates and supports CARB's efforts to design the SB 905 program to work in concert with existing state programs to reduce both greenhouse gas emissions and environmental regulatory compliance obligations. We caution, however, that the efficacy of this aspect of the SB 905 program is dependent on the agreement and cooperation of state regulators that implement other environmental programs. The state must take care not to increase compliance obligations under one program based on the theoretical ability of regulated entities to undertake SB 905 projects to offset that increase. Doing so would undermine the ability of the SB 905 program to reduce cumulative compliance burdens, and may instead increase regulatory burdens for some sectors, conflicting with the state's policy of supporting jobs and sustainable economic growth.

¹ See California Governor's Office of Business and Economic Development (GOBiz), [California awards \\$80 million to drive economic growth and spur job creation across the state](#) (Aug. 29, 2025).

² The recent State Economic Blueprint described the aerospace and defense sector as "a critical part of California's economic strength and future growth, creating high-paying jobs across urban and rural regions of the state." The state's aerospace and defense economy comprises 10 percent of total U.S. defense spending as of 2022. We are home to over 11,000 aerospace engineers, more than any other state, and we rank first in total number of defense personnel. Aircraft parts, which include seamless rolled rings, were among California's top exports in 2023, accounting for \$6.8 billion in annual gross domestic product output. (California Jobs First, [State Economic Blueprint](#) (Feb. 2025), pp. 32, 35-38, available at <https://jobsfirst.ca.gov/wp-content/uploads/Economic-Blueprint.pdf>.)

SB 905 requires CARB to evaluate the “viability of carbon capture, utilization, or storage (CCUS) technologies and carbon dioxide removal (CDR) technologies and facilitate the capture and sequestration of carbon dioxide from those technologies, where appropriate.”³ While we recognize that CCUS and CDR technologies are likely to evolve over time in ways that make them more accessible and feasible for industrial applications, for many California businesses, they are not currently technologically or economically viable options for reducing facility emissions. As explained below, California’s seamless rolled ring manufacturers are among those businesses that are currently unable to deploy these technologies. For these businesses, the ability to utilize SB 905 projects to offset the regulatory burdens imposed by many other programs is very limited. CMC urges CARB to consider sector-specific limitations when crafting regulations to implement other regulatory programs, including the Cap-and-Invest Program, to ensure the regulations do not unintentionally increase compliance costs and leakage risk for industries that are unable to utilize CCUS and CDR technologies.

CMC also urges CARB to exercise the additional flexibility it now has to allocate emission allowances to industrial sectors covered by the Cap-and-Invest Program after 2030 pursuant to AB 1207 (Irwin, 2025), which was just signed by the Governor on September 19, 2025. AB 1207 amended Health and Safety Code section 38562(c)(2)(G) to shift the focus for distribution of emissions allowances to industrial sectors from a declining cap adjustment factor based on the methodology developed for the 2015-2017 compliance period to alternative approaches that minimize leakage risk and cost-effectively achieve compliance obligations. Satisfying these policy objectives for energy-intensive, trade-exposed sectors like seamless rolled ring manufacturing will necessitate changes to existing policies embedded in the current Cap-and-Trade regulation, such as expanding access to reduced cap decline factors even in cases where fuel combustion emissions constitute the majority of facility emissions.

Question 23: State Support Needed for Scaling Up Deployment of SB 905 Projects

CCUS and CDR technologies are in the early stages of development and pilot testing. These systems are not widely commercially available and are still very expensive to purchase, install, test, and operate, especially for individual facilities that would require smaller-scale systems.⁴ In addition, facilities in the seamless rolled ring sector will likely face multiple practical barriers to adoption, including limitations in physical space and access necessary for the installation and operation of CCUS and CDR systems, the cost-effectiveness of CO₂ removal based on flue gas

³ Health & Saf. Code, § 39741.1(a)(1), Ch. 359, Stats. 2022 ([SB 905 \(Caballero\)](#)).

⁴ CARB Workshop, Carbon180 presentation, US Carbon management policy and markets overview (Feb. 27, 2025), available at https://ww2.arb.ca.gov/sites/default/files/2025-03/sb905_feb27_Panel1.pdf.

concentrations from forge furnaces, and the rapidly escalating cost of electricity⁵, and the inability of the local load serving entities to support the significant additional electricity demand required to operate these systems. These factors are major barriers to the viability of CCUS and CDR technologies to reduce emissions from seamless rolled ring manufacturing facilities.

Allowing SB 905 projects to be used to reduce compliance obligations under the Cap-and-Invest Program, while potentially helpful in the long term, is not sufficient to offset the significant research and development, capital, and operation and maintenance costs early adopters will need to absorb. To incentivize and facilitate the scaling up of CCUS/CDR projects that reduce emissions from industrial facilities, adequate financial support from the state and federal government, such as tax incentives and grant funding, is vital.

CMC appreciates the opportunity to provide this input, and we thank you for your time and consideration. We look forward to further engaging with you on this issue.

Sincerely,



James Simonelli
Executive Director

⁵ The current base electricity rate in Southern California Edison service areas is 36 cents per kilowatt hour, but with time of use pricing rate structures the average rate over a 24-hour period is substantially higher than the base rate