



California Independent Petroleum Association
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***California Independent Petroleum Association Comments
on the October 29, 2025 – Informal Cap-and-Invest Workshop***

Ms. Rajinder Sahota
Deputy Executive Officer
California Air Resources Board

October 31, 2025

Via electronic submittal to: [regulatory docket](#)

Thank you for the opportunity to comment on the recent Cap-and-Invest Program (Program) Public Workshop held on October 29, 2025, on behalf of the members of the California Independent Petroleum Association (CIPA). CIPA represents nearly 300 crude oil and natural gas producers, royalty owners, and service and supply companies who all operate in California under the toughest regulations on the planet.

The mission of CIPA is to promote greater understanding and awareness of the *unique* nature of California's independent oil and natural gas producer and the marketplace in which they operate; highlight the economic contributions made by California independents to local, state and national economies; foster the efficient utilization of California's petroleum resources; promote a balanced approach to resource development and environmental protection and improve business conditions for members of our industry.

Transportation feedstocks are a global commodity. The workshop slides¹ highlight the potential leakage of the Program as it is ratcheted down. CIPA, and its members, strongly encourage CARB to develop Program amendments which support in-state crude production. California crude is produced under the strictest environmental standards in the world. Any leakage in this sector will lead to use of crude produced under less stringent environmental standards.

The goal of the Cap-and-Invest Program is to provide the most cost-effective emission reductions, while minimizing emissions leakage. Therefore, CIPA appreciates the time taken at the recent workshop to highlight this fundamental policy issue, and we look forward to reviewing the upcoming study related to leakage and California industry. The statutory intent of both AB 398² and AB 1207³ clearly intends for CARB to protect in-state industry to the greatest extent possible. CIPA supports retaining a 100% assistance factor for industrial allocation through 2030, at a minimum.

California will need petroleum and natural gas fuels for many years. During this time, California should not only prioritize in-state supply but incent its carbon intensity reduction. Any regulatory

¹ https://ww2.arb.ca.gov/sites/default/files/cap-and-trade/meetings/nc_CapInvestWorkshop_October2925.pdf

² https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201720180AB398

³ https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=202520260AB1207

proposals that run counter to the ultimate goal of reducing GHG emissions worldwide should be discarded.

The last barrel of oil used in California, should be produced in-state with all the local, regional and statewide environmental, health and safety and labor standards ensured to be used. California environmental and worker leadership cannot include looking the other way through direct or indirect promotion of foreign crude supplies.

We appreciate the continued stakeholder dialogue, and we look forward to working with CARB in the coming months to ensure these regulatory amendments include all possible cost-containment provisions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rock Zierman', with a stylized flourish extending to the right.

Rock Zierman
Chief Executive Officer
California Independent Petroleum Association