

June 4, 2026

Comment letter submitted via electronic commenting system

Clerk's Office
California Air Resources Board
1001 I Street, Sacramento, California 95814

RE: Pre-Rulemaking on Carbon Capture Utilization and Storage/Carbon Dioxide Removal Program

Dear California Air Resources Board,

The Association of California Water Agencies (ACWA) appreciates the opportunity to comment on the pre-rulemaking concepts for development of a Carbon Capture Utilization and Storage (CCUS) and Carbon Dioxide Removal (CDR) Program [Program]. ACWA represents approximately 470 public water agencies that collectively deliver approximately 90 percent of the water in California for domestic, agricultural, and industrial uses. Our members have broad interest in the opportunities that this program presents as a component of the state's environmental policies, and the necessary safeguards required to protect underground drinking water sources that CARB wishes to address.

At a high level, ACWA:

- is interested in the application and eligibility of projects
- identifies current constraints, gaps, and dependencies
- sees a need for significant funding and incentives
- agrees that significant consideration must be given to underground drinking water sources

Comment 1- Interest in broad project application and eligibility

ACWA has strong interest in the broad range of emerging CCUS and CDR applications within the water sector. These include, but are not limited to: biomass gasification with carbon capture, wastewater and agricultural sequestration projects, utilization of water district-owned lands for storage, integrated water treatment, and carbon removal systems (such as brine treatment paired with carbon capture)¹, and mineralization-

¹ Palmdale Water District's [Project Monarch](#) with Capture6 will enable water recovery from effluent brine while removing carbon dioxide from the atmosphere.

based sequestration pathways. Collectively, these project types demonstrate significant value by integrating carbon management with existing public infrastructure and environmental objectives. For example, biomass gasification projects provide co-benefits for wildfire risk reduction and watershed health, while wastewater and land-based sequestration projects align with ongoing resource management and restoration programs. Advanced treatment technologies that combine desalination or brine management with carbon capture offer dual benefits of water supply reliability and greenhouse gas reduction. Mineralization approaches further provide durable, low-risk pathways for permanent carbon storage.

Given this diversity of applications, we encourage CARB to ensure that its regulatory framework adopts broad eligibility criteria that recognize multiple CCUS and CDR pathways, including nature-based, engineered, hybrid, and co-benefit-driven approaches. Eligibility definitions should explicitly account for projects embedded within water, wastewater, agricultural, and land management systems, rather than being limited to traditional industrial capture models.

Comment 2- Address constraints and gaps that will hinder project development

Several key constraints and gaps must be addressed to enable project development at scale. First, many promising applications, particularly integrated water treatment systems and mineralization-based sequestration approaches, are not yet clearly recognized within existing or proposed regulatory frameworks, creating uncertainty regarding eligibility and compliance pathways. Second, project feasibility is highly dependent on site-specific conditions, including geologic suitability for sequestration, ownership of subsurface or mineral rights, and access to carbon transport infrastructure. These constraints are relevant for land-based sequestration opportunities on water district lands, where physical and legal limitations may restrict deployment. Third, project advancement depends on timely and predictable permitting processes, including the availability of Class VI well primacy at the state level. Delays or inconsistencies in permitting can significantly hinder investment and deployment timelines. Additionally, standardized monitoring, reporting, and verification (MRV) protocols are still evolving and are critical for ensuring project credibility and financial viability.

We recommend that CARB explicitly address these gaps by clarifying eligible project types, aligning regulatory definitions with emerging technologies, and coordinating with federal and state agencies to streamline permitting and MRV requirements.

Comment 3- Secure for funding and incentives to support CCUS and CDR program

The successful deployment of CCUS and CDR projects across sectors will require robust and sustained financial support. Many of the applications discussed, including biomass gasification, advanced treatment-integrated carbon capture systems, and land-based

sequestration, face significant upfront capital costs and uncertain revenue streams, particularly in early stages of development.

Although some projects may eventually benefit from carbon markets, renewable energy credits, or voluntary offset programs, these mechanisms alone are not currently sufficient to drive widespread adoption. It is essential to use incentive structures like existing programs (e.g., low-carbon fuel or carbon credit frameworks) that provide predictable revenue and improve project feasibility. Such support will be essential to accelerate innovation and enable water agencies and local entities to participate meaningfully in California's carbon management strategy.

We encourage CARB to consider a comprehensive funding strategy that includes:

- Direct financial incentives or grant programs for pilot and early-stage projects
- Market-based mechanisms that recognize diverse CCUS and CDR pathways
- Long-term price signals for carbon reductions and removals
- Support for infrastructure development

Comment 4- Protection of underground drinking water & US EPA standards

Protection of underground sources of drinking water must remain a central consideration in the development of any program framework. Many CCUS and CDR approaches, particularly geologic storage via underground injection, have the potential to interact with groundwater resources if not properly sited, designed, and monitored. A successful program will recognize the importance of maintaining rigorous safeguards consistent with the U.S. Environmental Protection Agency's Underground Injection Control (UIC) program, including Class VI well requirements for geologic sequestration. Ensuring proper well construction, site characterization, long-term monitoring, and contingency planning is critical to preventing unintended migration of injected carbon dioxide and protecting drinking water aquifers. It is also essential to consider further input from stakeholders to determine if further protection is needed as well.

We recommend that CARB:

- Align its framework with EPA UIC standards and best practices
- Support state-level primacy for Class VI permitting where appropriate, while maintaining stringent protections
- Require robust monitoring, verification, and reporting to detect and mitigate potential impacts
- Evaluate cumulative and long-term risks to groundwater resources across all CCUS and CDR project types

- Ensure strong protections for drinking water will be essential to maintaining public trust and enabling responsible deployment of carbon sequestration technologies
- Consider if further protections are needed as more information is collected

Conclusion

ACWA stands ready to engage in future constructive discussions through this rulemaking process with CARB. If you have any questions or would like to discuss the comments, please contact Nick Blair at nickb@acwa.com or (916) 669-2377.

Sincerely,



Nick Blair
Senior Policy Advocate
Association of California Water Agencies

cc:

The Honorable Lauren Sanchez, Chair, CARB
Mr. Marwan Khalifa, Interim Executive Director, ACWA
Ms. Chelsea Haines, Director of State Regulatory Relations, ACWA