

## Cap-and-Trade Regulation Amendment Request

NOTE: Please use this form to highlight a request to amend a specific section (or related sections) of the Cap-and-Trade Regulation. Submission of this form aids staff in tracking requests and **does not mean** staff will ultimately propose an amendment in the version of the amendments noticed pursuant to the Administrative Procedure Act. This form is intended only as an additional tool ARB will use to evaluate requested changes to the regulation. Amendment requests may be for reasons of policy, clarity, or errors, etc. Staff may contact you if we need more information. Additionally, submission of this form will be a public record, and will be included in the ultimate rulemaking file related to these amendments, but may not be specifically answered in the Final Statement of Reasons. (Government Code section 11346.9(a)(3).) Please complete this form (with as much detail as possible, though it need not be formal regulatory language) and mail or email (preferred) to:

David Allgood ([dallgood@arb.ca.gov](mailto:dallgood@arb.ca.gov))  
Stationary Source Division  
P.O. Box 2815  
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### General Information

Date:

Submitted by:  Affiliation:

Contact Phone:  E-mail:

### Section

Primary section(s):

Related section(s):

### Amendment Request

Type of amendment:  Policy  Error  Clarity

Reason for amendment:

Additional information:

Submitted via: [dallgood@arb.ca.gov](mailto:dallgood@arb.ca.gov)

August 2, 2013

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**Re: Comments from the Renewable Energy Markets Association on the July 2013 California Cap and Trade Discussion Draft and Proposed Amendments**

The Renewable Energy Markets Association (REMA) appreciates the opportunity to again provide comments on the California Air Resources Board's (ARB) revised Proposed Regulatory Order for the Cap and Trade program. REMA represents the collective interests of both for-profit and nonprofit organizations that sell or promote renewable energy products through voluntary markets, including renewable technology, renewable electricity, and renewable energy certificates (RECs), to individuals, companies and institutions throughout North America.

REMA's comments specifically address Sec. 95852(b)(3)(D) of the July 18 Discussion Draft and its potential implications of double counting RECs. As ARB is aware, once RECs are double counted, they are meaningless for compliance with federal mandates, corporate sustainability goals, or for sale to willing buyers (of which there are many). Revising the Sec. 95852(b)(3)(D) to prevent double counting necessitates that ARB consider the following three pillars.

- I. ARB should not allow null power imports to claim a specified emissions rate of zero emissions. The REC must travel with the specified electricity when imported. To allow otherwise is to allow double counting of environmental attributes.
- II. If the electricity importer is an RPS-obligated load serving entity (LSE), then REC retirement must be demonstrated.
- III. If the electricity importer is not an RPS-obligated LSE, then reporting of the REC is satisfactory so long as a subsequent party in the contract chain does not sell the REC to an out-of-state RPS or sell the power out-of-state as zero emissions. This would require, essentially, that the benefit stays within the state of California.

On this issue, REMA supports the comments of the Center for Resource Solutions (CRS), as its guidance on double counting represents broadly accepted practices for the voluntary market; its recommendations and analyses are the norm and are reflected in federal programs, regional energy registries, and building performance standards.

We encourage the ARB staff to consider the recommendations above and incorporate them into the state's strategies to promote GHG reductions, increase renewable energy, and avoid double counting. Doing so will ensure that out-of-state RECs are properly reported to prevent double counting and healthy compliance and voluntary REC markets (in and outside California) are maintained. REMA would like to thank the ARB again for allowing us to play a substantive role in its rulemaking process and hope to work closely together as this issue further develops.

For additional questions or clarification on REMA's recommendations, please contact Joseph Seymour, REMA Policy and Governmental Affairs Coordinator, at [jseymour@tcorp.com](mailto:jseymour@tcorp.com).

Sincerely,

A handwritten signature in black ink, appearing to read "Josh Lieberman".

Josh Lieberman  
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