



CRS

center for
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solutions

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California Air Resources Board
1001 I Street
Sacramento, CA 95812

* Submitted electronically at

http://www.arb.ca.gov/lispub/comm/bcsubform.php?listname=capandtrade10&comm_period=2*

Re: Comments on Second 15-Day Amendments

Dear Chair Nichols and Members of the Board:

Center for Resource Solutions (CRS) appreciates the opportunity to comment on the second 15-day amendments to the California Cap on Greenhouse Gas (GHG) Emissions and Market-Based Compliance Mechanisms proposed regulations. CRS thanks CARB staff for the consideration of our comments in the previous round, and greatly appreciates the many positive changes made in this draft.

95841.1 Voluntary Renewable Electricity

CRS thanks CARB staff for the well-designed voluntary renewable electricity (VRE) set aside, and for the many positive changes made to this provision in the last 15-day modification period. However, there are a few areas where the set aside could be improved to help promote more renewable energy development, and reduce risk to market participants.

CRS strongly agrees with the VRE set aside coalition letter submitted on behalf of CRS and other organizations. It is very important for the California renewable energy market that an arbitrary online date is not established that would exclude a large portion of the renewable energy capacity currently serving the voluntary market in California. We implore CARB staff to not set a new date that puts California capacity at a competitive disadvantage compared to the rest of the U.S. We also agree with the coalition comments regarding clarification on the exemption of small generators in renewable energy tracking systems, and on what will happen in the event of VRE set aside oversubscription. In addition to the VRE set aside coalition letter, CRS also respectfully submits the following comments:

Prevention of Double Counting

Sections 95841.1(b)(1)(D) and (b)(1)(E) both require “Contract, tracking system data, or settlement date for the purchase (and sale) of the electricity or RECs associated with the generation of the electricity...” As currently written, this enables double counting as both the REC and the underlying electricity could separately meet the requirements of the VRE set aside using the same MWh. Only the REC, and not the underlying electricity absent a REC, should be allowed to satisfy these requirements, as the REC represents the environmental attributes, including the emissions attribute, of renewable energy generation. CRS recommends striking “electricity or” in each sentence to avoid this potential for double counting.

Attestations made by Voluntary Renewable Energy Market Participants

In Section 95841.1(b)(1)(F)2, an attestation is required that states the VRE market participant has not “authorized use of, or sold, any renewable electricity credits or any claims to the emissions, or lack of emissions, for electricity for which I am seeking ARB allowance retirement, in any other voluntary or mandatory program.” CRS requests clarification that this attestation is to be signed by the VRE market participant on behalf of the end user, and that the end users of the renewable electricity credits are able participate in voluntary renewable energy purchasing programs. It is both commonplace and encouraged for renewable energy purchasers to participate in other programs, including the EPA Green Power Partnership, Green-e Marketplace, the U.S. Green Building Council’s LEED certification program, and within GHG registries where REC purchases by the end user can be recorded as zero-emissions electricity use.

95852(b) Compliance Obligations for First Deliverers

CRS greatly appreciates the addition of Section 95852(b)(3)(D) whereby RECs are required in order for electricity importers to claim a zero-emission compliance obligation for delivered electricity from a renewable resource. This requirement will prevent the double counting of renewable energy attributes, help ensure that multiple claims are not made for the same renewable energy generation, and aid in the continued growth of both voluntary and compliance renewable energy markets in the U.S. CRS applauds CARB staff for their careful consideration of this very important issue. It should be noted that while the retirement of the RECs created with electricity imported into California is necessary to prevent double counting, ARB should maintain flexibility to allow trading of the REC within California boundaries, because the final owner and user of a REC may not be the electricity importer. CRS is happy to assist CARB staff with the technical requirements pertaining to this issue.

In Section 95852(b)(4), language was added whereby firmed and shaped power used to comply with the RPS would receive an adjustment that effectively eliminated any compliance obligation for first deliverers. If CARB has determined that firmed and shaped power used to meet the RPS should have no compliance obligation, it is consistent to apply this to green pricing programs as well.

Thank you for the consideration of these comments. CRS is very satisfied with the modified regulations, and appreciates the dedication and hard work by CARB staff.

Sincerely,



Jennifer Martin
Executive Director
Center for Resource Solutions