July 2011

Subchapter 10 Climate Change, Article 5, Sections 95800 to 96022, Title 17,

California Code of Regulations, to read as follows:

**Article 5: CALIFORNIA CAP ON GREENHOUSE GAS EMISSIONS AND MARKET-BASED COMPLIANCE MECHANISMS**

Note: The July 2011 Comment text is set forth below in normal type. Changes proposed by Sustainable Energy Solutions LLC are shown in underline to indicate additions.

**Section 95852.1.1(b)**

An entity may not sell, trade, give away, claim or otherwise dispose of any of the carbon credits, carbon benefits, carbon emissions reductions, carbon offsets or allowances, howsoever entitled, attributed to the fuel production that would otherwise result in holding a compliance obligation for combustion CO2. Generation of Renewable Energy Credits is allowable and will not prevent a biomass-derived fuel that meets the requirements in this section from being exempt from a compliance obligation. Generation and sale of verified Climate Reserve Tons (CRT’s) under the Climate Action Reserve Landfill Project Protocol for voluntary capture of landfill gas and upgrading to Biomethane is allowable and will not prevent a biomass-derived fuel that meets the requirements in this section from being exempt from a compliance obligation.