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**M E M O R A N D U M**

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**TO:** California Air Resources Board

**FROM:** Modesto Irrigation District  
Redding Electric Utility  
Turlock Irrigation District

**SUBJECT:** Proposed 15-day Modifications to the Regulation for a California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms

**DATE:** August 11, 2011

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**The Utilities**

Modesto Irrigation District (“MID”), Redding Electric Utility (“REU”), and Turlock Irrigation District (“TID”), collectively the “Utilities,” appreciate the opportunity to comment on the proposed 15-day modifications to the regulation for a “California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms” released July 25, 2011 (“Revised Proposed Regulation” or “RPR”) developed by the California Air Resources Board (CARB).

MID, REU, and TID are local publicly owned electric utilities. MID and TID are irrigation districts located in the Central Valley, while REU is a municipal utility within the City of Redding. MID serves approximately 113,000 electric customers with a peak load of over 640 Megawatts (MW). REU serves 42,000 customers with a peak load of 247 MW. TID serves about 100,000 electric customers with a peak load of approximately 600 MW. The Utilities maintain similar resource mixes, including hydroelectric, eligible renewable resources and fossil fuel sources.

**Introduction**

The goal of the California Global Warming Solutions Act of 2006 (AB 32, Nuñez, Chapter 488, Statutes of 2006) is to reduce greenhouse gas (GHG) emissions in a cost-effective manner. CARB’s AB 32 Scoping Plan (adopted on December 12, 2008), lays out a comprehensive program to scale back the State’s GHG emissions to 1990 levels by 2020. The RPR sets forth CARB’s plan for implementing the cap-and-trade element of the Scoping Plan.

The Utilities support efforts to implement AB 32 in a manner that protects California’s economy and ratepayers. As stated in our December 10, 2010, comments on the “Proposed Regulation Order For A California Cap On Greenhouse Gas Emissions And Market-Based Compliance Mechanisms” (PRO), the Utilities were generally pleased with the design of the cap-and-trade program as presented in the PRO, but expressed a number of concerns that we identified and/or proposed changes to in those comments. Although the Utilities still have some concerns over these issues not addressed in this 15-day modification, in accordance with the direction set forth in the Notice of Public Availability of the

RPR issued July 25, 2011, those remaining concerns are incorporated by reference and not restated here.

The Utilities greatly appreciate staff's revisions responsive to a number of issues we previously raised regarding the PRO. In general, if not listed below, the Utilities support the many changes in the RPR that were included in an effort to streamline and clarify the requirements of the cap-and-trade program. Specifically, the Utilities support the most prominent change which delays the compliance obligation for the first compliance period to 2013. While the Utilities have all along been strong supporters for 3-year compliance periods because of their ability to assist with fluctuations in weather and hydro, the Utilities believe additional time is needed to finalize the market design tool, as well as to provide covered entities with adequate time to prepare their internal staff for compliance following finalization of the Regulation. This coincided with an adjustment in the Auction Reserve price as well as the Allowance Price Containment Reserve tier prices. The Utilities support the delay in these price offerings which we believe will minimize the financial impact to the Utilities' ratepayers who are directly impacted from these costs.

The Utilities also highlight support for adding an enforcement provision to opt-in covered entities (§96813(c)), as well as the revised voluntarily associated entities section as it more clearly outlines the roles that these entities will play within the program (§95814), and the new November 1 deadline for the annual surrender of compliance obligations.

The Utilities offer the following recommendations to the modifications set forth in the Proposed Revised Regulation.

In addition, the Utilities are members of the Joint Utility Group (JUG) and support the comments submitted by JUG. MID and REU are members of the M-S-R Public Power Agency and support the comments submitted by M-S-R. Redding is also a member of the Northern California Power Agency (NCPA) and support the comments submitted by NCPA.

## **SUBARTICLE 2: PURPOSE AND DEFINITIONS**

### §95802. Definitions

*~~(237) "Replacement electricity" means electricity delivered to a first point of delivery in California to replace electricity from variable renewable resources in order to meet hourly load requirements. The electricity generated by the variable renewable energy facility and purchased by the first deliverer is not required to meet direct delivery requirements. The physical location of the variable renewable energy facility busbar and the first point of receipt on the NERC E-tag for the replacement electricity must be located in the same balancing authority area.~~*

*~~(272) "Variable Renewable Resource" means run-of-river hydroelectric, solar, or wind energy that requires firming and shaping to meet load requirements.~~*

The Utilities disagree with the proposal to require that replacement electricity be sourced from the same balancing authority area and suggest the above change to resolve any discrepancies between the Mandatory Reporting Regulation (MRR), the State's RPS program, the Scoping Plan and the reality of power transmission constraints.

The Utilities note that there is a disconnect between the firming and shaping requirements for RPS eligible resources as defined in the California Energy Commission's RPS Guidebook and in the MRR. In the RPS Guidebook, firming and shaping agreements state that "... *delivered electricity may originate from a control area that is different from that in which the RPS-certified facility is located.*" The Utilities and many other California retail providers have contracted for out-of-state wind resources using firming and shaping agreements<sup>1</sup> and would be harmed by the inconsistencies between the State's renewable and GHG policies.

This provision to count the emissions from firmed and shaped contracts will likely result in significant changes in the nature of the renewable market, likely halting the expansion of wind generation. Due to the nature of firming and shaping agreements and the inherent lack of transmission, this provision would severely restrict California's electricity providers from the ability to import renewable power from out-of-state. This requirement could exacerbate an already constrained transmission environment between California and the Pacific Northwest. California's utilities will likely incur significant financial impacts from this provision. For example, MID and TID expects this provision could each incur an additional expense greater than \$51 million over the life of the program<sup>2</sup>. Utilities will be forced to select among very costly alternatives. Examples include: re-negotiating their firming contracts, while most likely being held hostage by the party providing them with the firming and shaping service; prematurely canceling their renewable wind generation contracts in order to find another resource, exposing them to early breach of contract penalties and potential violations of the recently passed RPS law; or expending significant capital to build and own a fossil-fueled resource to provide for the replacement electricity.

In recent collaboration between the JUG and CARB staff on the development of a methodology for allocating allowances to the electric sector, the JUG developed a model derived from the electric utility's S-2 filings required by the California Energy Commission. This model serves as the basis for staff's proposal for allocating allowances as found in Appendix A of the RPR. The model did not assign an emissions content to variable renewable energy resources, as has been the policy in existence through the MRR since reporting began for our 2008 emissions, and therefore allowances were assumed to not be needed for bringing these renewable energy contracts into California as out-of-state renewable contracts directly offset the use of fossil resources used to serve California Load and create real emissions reductions, regardless of where the replacement electricity comes from.

CARB staff has indicated that this new definition stems from the AB 32 legislation, which requires they must "*account for greenhouse gas emissions from all electricity consumed in the state*"<sup>3</sup>. The Utilities believe that the intent of this section in the statute was not to exclude renewable generation purchased by California's electrical customers. Nor do the Utilities believe it was the intent of the CARB Board to include such a provision that punishes the growth of variable renewable resources when it adopted the Scoping Plan. The Scoping Plan relies on a 33% Renewable Electricity Standard (RES) in order to reach the overall GHG reduction goals in AB 32. Absent the recommended revision to the 15-day language, the 21.3 MMT CO<sub>2</sub>e of reductions expected from the renewable energy mandates would no longer be valid. Limitations on the use of firmed and shaped products as proposed in both the cap-and-trade and MRR proposed regulations would be inconsistent with the

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<sup>1</sup> Modesto and Redding have had contractual interests in wind from Washington State since 2006. In 2009, TID purchased the Tuolumne Wind Project, which it owns and operates in Washington State.

<sup>2</sup> Cost impacts based on average allowance price of \$15/ton in 2012 increasing linearly to \$50/ton in 2020.

<sup>3</sup> Division 25.5 Health & Safety Code 35850(b)(2)

Scoping Plan and would create a barrier to achieving the relied upon reductions. The Utilities again assert that this provision is a conflict of California State policies.

The Utilities request the above changes to §95902 (237) and (272), as well as the changes to §95853(b)(3) below.

~~(245) “Resource Shuffling” means any intentional plan, or scheme, or artifice to receive credit based on emissions reductions that have not occurred, involving the delivery of electricity to the California grid, for which:~~

~~=====(A)=====  
~~An emission factor below the default emission factor is reported pursuant to MRR for a generation source that has not historically served California load (excluding new or expanded capacity). And, during the same interval(s), electricity with higher emissions was delivered to serve load located outside California and in a jurisdiction that is not linked with California’s Cap and Trade Program; or~~~~

~~=====(B)=====  
~~The default emission factor or a lower emissions factor is reported pursuant to MRR, for electricity that replaces electricity with an emissions factor higher than the default emission factor that previously served load in California; except when the replaced electricity no longer serves California load as a result of compliance with the Emission Performance Standards adopted by the California Energy Commission and the California Public Utilities Commission pursuant to Senate Bill 1368 (Perata, Chapter 598, Statutes of 2006).~~~~

The Utilities agree that an intentional act to commit resource shuffling purely to game the cap-and-trade market and avoid an emissions obligation should be discouraged. There are numerous provisions in statute that either prohibit the delivery of high emitting GHG resources (SB 1368) or encourage the delivery of zero emitting GHG resources (SBx1 2). Thus it is unnecessary to include subsections A and B and the Utilities recommend their deletion, as shown above. Further, the term “interval” is undefined and could lead to an unnecessary penalty determination. Due to transmission constraints, curtailments, and the general nature of power trading, there can be times when a higher emissions resource is sold off in place of a lower emissions resource. These activities can be “historical”, or done on a real-time basis. The Utilities additionally recommend this concept be further explored through a series of workshops and discussions.

## **SUBARTICLE 5: REGISTRATION AND ACCOUNTS**

§95832(a)(6) An attestation as follows “I certify that I have personally examined, and am familiar with, the statements and information submitted in this document and all its attachments. I also certify under penalty of perjury of the laws of the State of California that to the best of my knowledge all information required to be submitted to ARB is true, accurate, and complete.”

§95832(d) ... “I certify under penalty of perjury of the laws of the State of California that the statements and information submitted to ARB are to the best of my knowledge true, accurate, and complete.”...

The phrase “to the best of my knowledge” must be re-inserted in the attestations above. Although the Utilities understand CARB’s concern to ensure the information submitted is accurate, it is

unreasonable to require the authorized account representative to become personally liable for any incomplete or inaccurate information that the representative was not aware of after completing his or her due diligence.

## **SUBARTICLE 6: CALIFORNIA GREENHOUSE GAS ALLOWANCE BUDGETS**

### **§95841.1 Voluntary Renewable Electricity**

*(b)(1)(A) Report to ARB the quantity of renewable electricity in MWhs, and/or the number of RECs generated during the previous year from ~~an eligible renewable electricity generator~~ generation that meets the requirements of section 94841.1(b)(~~32~~) or (~~43~~), as applicable.*

As discussed in previous comments, the Utilities continue to believe that the goals of AB 32 would be better served by deferring the initiation of a voluntary renewable electricity (VRE) market until both the 33% RPS and the Cap-and-Trade programs have had time to develop. The Utilities are concerned that this VRE market will act in direct competition with the 33% RPS market, constraining all electric distribution utilities in their effort to comply with their compliance obligations under both the RPS and the cap-and-trade.

The above suggested corrections are necessary to ensure that this Section of the RPR is internally consistent. First, Section §94841.1(b) does not include any subsection (4). By the context of the section the Utilities believe the references were intended to be covered as indicated. The referenced subsections use the term “renewable electricity generation from an eligible facility.” The Utilities provide this mark up to avoid the confusion created by inconsistent terminology. Moreover, the RPR does not include any definition of eligible renewable electricity generator.

The Utilities also provide the following typographical correction:

*(b)(3) VRE Participants seeking allowance retirement for renewable electricity ~~generating~~ generation from an eligible facility...*

## **SUBARTICLE 7: COMPLIANCE REQUIREMENTS FOR COVERED ENTITIES**

### **§95850. General Requirements**

*(b) An entity’s compliance obligation is based on the emissions number for every metric ton of CO<sub>2</sub>e for which a positive or qualified positive emissions data verification statement is issued, ~~rounded to the nearest whole ton,~~ or for which there are assigned emissions pursuant to MRR.*

The Utilities request the above language be stricken requiring that the number of allowances required for submission is rounded to the nearest ton and suggest the additional compliance obligation above the whole number is carried forward into the next compliance obligation. This process is similar to that used by the Western Renewable Energy Generation Information System (WREGIS) to generate and track renewable energy credits (RECs). For example, if a generator has 10.3 Mwhrs of generation for the month of February, the generator is issued a WREGIS certificate for 10 Mwhrs, and the 0.3 is rolled over to the next months’ generation, or March. This same concept can be applied to the cap-and-trade program, whereby a covered entity’s compliance obligation above the whole number can be carried forward to their future compliance obligation. The end result will

account for all emissions without adding to an entity's compliance obligation for a specific period, which is essentially what rounding to the nearest ton does.

§95852. Emission Categories Used To Calculate Compliance Obligations

~~*(b)(1) Resource shuffling is prohibited, is a violation of this article and is a form of fraud. ARB will not accept a claim that emissions attributed to electricity delivered to the California grid are at or below the default emissions factor for unspecified electricity specified pursuant to MRR July 2011 section 95111 if that delivery involves resource shuffling. The following attestations must be submitted to ARB annually in writing, by certified mail only:*~~

The Utilities refer to their comments on §95802 (245) above.

~~*(b)(3) Replacement electricity that substitutes for electricity from a variable renewable resource qualifies for the ARB facility specific emission factor specified pursuant to MRR section 95111 of the variable renewable resource under the following conditions:*~~

~~*(A) First deliverers of replacement electricity have a contract, or ownership relationship, with the supplier of the replacement electricity, in addition to a contract with the variable renewable resource; and*~~

~~*(B) The amount of the reported replacement electricity does not exceed the amount for the reported annual variable renewable resource.*~~

~~*(C) Replacement electricity with an emission factor greater than the default emission factor for unspecified electricity specified pursuant to MRR section 95111 is not eligible to receive an emission factor of zero metric tons CO<sub>2</sub>e/MWh. For contracts that use replacement electricity for which the emission factor is greater than the default emission factor for unspecified electricity, the difference between the emission factor from the replacement electricity and the default emission factor for unspecified electricity will be used to calculate emissions with a compliance obligation.*~~

The Utilities refer to their comments on §95802(237) above.

§95856. Timely Surrender Of Compliance Instruments By A Covered Entity

~~*(g)(1) Retire the compliance instruments surrendered provided, however, in the event the number of compliance instruments contained in a compliance account at the time of retirement exceeds the compliance obligation, the Executive Officer shall retain the excess instruments in the compliance account unless the entity requests the excess instruments be retired or returned to the entity's holding account; and*~~

The Utilities urge CARB to clarify the treatment of excess compliance instruments in a compliance account that exceed the entity's compliance obligation. The Utilities are unclear as to the process where, accidentally or due to circumstances varying from forecasts, a compliance entity transfers more compliance instruments into its Compliance Account than are required to meet a compliance obligation. Subsection §95831(a)(4)(B) states that once a compliance instrument is transferred into the Compliance Account it may not be removed by the entity, and Section §95856(g)(1) states that the Executive Officer shall retire the compliance instruments surrendered once it has determined that

the covered entity has met its compliance obligation. The Utilities request the language above to be included in Section §95856(g)(1) clarifying that CARB would not retire any compliance instruments in excess of the compliance obligation unless specifically requested by the covered entity.

In addition, the Utilities request that either the term “surrender” be defined within the regulation in a manner that is consistent with §95856(c). Alternatively the term “transfer” could be used in place of “surrender” since the two terms appear to be used interchangeably and “transfer” is a defined term under §95802 (268).

## **SUBARTICLE 8: DISPOSITION OF ALLOWANCES**

### **§95870. Disposition Of Allowances**

*(c) Recognition of Voluntary Renewable Electricity Emissions Reductions. On December 15, 2012, the Executive Officer shall transfer allowances to the Voluntary Renewable Electricity Reserve Account, as follows:*

- (1) 0.510 percent of the allowances from budget years 2013-201420, and*  
*(2) 0.25 percent of the allowances from budget years 2015-2020.*

The Utilities continue to have concerns with the inclusion of a VRE component at the outset of the cap-and-trade program as such component will, by design, remove compliance instruments from the market leaving fewer allowances available for covered entities, which in effect reduces the cap below the goal set by AB 32. As stated above in our comments to §95841.1, the Utilities are also concerned that the VRE market will act in direct competition with the 33% RPS market, constraining all electric distribution utilities in their effort to meet their compliance obligations under both the RPS and the cap-and-trade programs. This would increase the overall costs of compliance and the compliance burden for covered entities. Thus, the Utilities recommend the above changes in an effort to minimize the impact from such a program.

## **SUBARTICLE 9: DIRECT ALLOCATIONS OF CALIFORNIA GHG ALLOWANCES**

### **§95892. Allocation To Electrical Distribution Utilities For Protection Of Electricity Ratepayers.**

*(e)(4) How the electrical distribution utility's disposition of the monetary value of allowances, deposited directly into its compliance account, complies with the requirements of this section and the requirements of California Health and Safety Code sections 38500 et seq.*

The Utilities recommend striking this section as it does not provide any unknown or additional information to CARB, is not needed to monitor the use of allocated allowances, and creates unnecessary uncertainty and burden to a process that already creates significant administrative work. Allowances deposited into a compliance account may only be used in a single manner – to be retired to meet an entity’s compliance obligation. Thus, no report is necessary to provide data regarding the purpose or use of such allowances or allowance value.

*(f) Prohibited Use of Allocated Allowance Value. Use of the value of any allowance allocated to an electrical distribution utility, other than for the benefit of retail ratepayers consistent*

~~with the goals of AB32 is prohibited, including use of such allowances to meet compliance obligations for electricity sold into the California Independent System Operator markets.~~

The Utilities recommend striking this section as it is duplicative of §95892(a). Further, it is unclear as to the rationale for excluding the value of free allowances from being used for electricity sold into the California Independent System Operator (“CAISO”). While the Utilities understand that the CAISO has no compliance obligation under the cap-and-trade program, it would seem difficult, if not impossible, to manage and keep an accurate accounting of this distinction. In addition, the Utilities are concerned this exclusion would create a huge problem for entities that must sell into the CAISO markets because they do not own transmission from their generation to their load. This clause would be harmful due to the nature of the CAISO markets (CAISO does not allow point to point energy deliveries, only imports/exports at various nodes). Any utility that owns remote generation and relies on the CAISO markets for energy delivery rather than utility-owned transmission would be penalized at the expense of their ratepayers who already pay significant CAISO costs.

#### **SUBARTICLE 10: AUCTION AND SALE OF CALIFORNIA GREENHOUSE GAS ALLOWANCES**

##### §95910(c)(2). Auction of Allowances from Future Budget Years.

This section designates the auction of allowances from future budget years. The Utilities are concerned that this section is somewhat ambiguous and request clarification particularly as to the early auction of 2014 allowances. The RPR indicates that in 2012 allowances from the 2015 budget will be auctioned, and in 2013 allowances from the 2016 budget will be auctioned, and so forth. It does not address the future auction of any allowances from the 2014 budget. The Utilities suggest it may be helpful for CARB to provide a matrix of what allowances are going into each auction and at what reserve price.

##### §95910. ~~Timing Of~~ Auction Of California GHG Allowances.

(d)(4)(A) For the auctions conducted in 2012, allowances designated for consignment pursuant to section 95892(c) must be transferred by the Executive Director to the Auction Holding Account at least 10 days before each auction.

(d)(4)(B) Beginning in 2013, allowances consigned to auction through a transfer by the Executive Director to the Auction Holding Account at least 75 days prior to the regular quarterly auction will be offered for sale at that auction.

The Utilities request these revisions as they are necessary to clarify that it is CARB and the Executive Director that have the authority to move allowances out of the Limited Use Holding accounts for the consignment auctions.

##### §95911. Format For Auction Of California GHG Allowances.

(b)(6)(A) For auctions conducted in calendar year 2012 and 2013 the Reserve Price shall be \$10 per metric ton for CO<sub>2</sub>e for vintage 20122013 allowance. For auctions conducted in 2012, the Reserve Price shall be ~~and \$11.58~~ \$10 per metric ton of CO<sub>2</sub>e for vintage 2015 allowances. For auctions conducted in 2013, the Reserve Price shall be \$10 per metric ton of CO<sub>2</sub>e for vintage 2016 allowances.



The Utilities request the above addition to clarify the allowance price for 2016 future allowance prices.

~~(c)(2) The auction purchase limit will apply to auctions conducted from January 1, 2012 through December 31, 2014.~~

While the Utilities are supportive of the changes to the Auction Purchase Limit, the Utilities are concerned that applying the purchase limit only to the first compliance period contradicts the intent of this provision.

*(d)(4)(B) The total quantity of allowances contained in the bids at the next lower bid price is greater than ~~or equal to~~ the number of allowances yet to be ~~awarded~~ sold...*

This revision is necessary to maintain internal consistency within this subarticle. The above quoted section refers to Section §95911(d)(5) to describe the applicable auction resolution procedures; subarticle (d)(5), however, describes only procedures for where the quantity of allowances is “greater than.” This is because if the number of allowances bid for is equal to the number of allowances available, then no resolution would be required.

#### §95912. Auction Administration And Registration.

*(c) Auction Registration Requirements. ~~An entity that intends to participate in the auction must complete an auction registration at least thirty 30 days prior to the auction.~~*

The Utilities recommend deleting the above stricken language as it is redundant to the new language in §95912(c)(2) which provides that “an entity will be required to complete an auction registration application at least 30 days prior to an auction in which it intends to participate.” This latter expression is more precise.

*(c)(3) The Executive Officer must approve an entity’s auction registration before that entity may participate in an auction; provided that if the entity submits an auction registration as set forth in 95912(c)(2) the Executive Officer shall act on the registration prior to the auction.*

This additional language is needed to ensure that an entity having a compliance obligation is not precluded from participating in an auction due to delays in CARB’s processing of a timely registration request.

#### §95914. Auction Participation And Limitations.

*(c) If the Executive Officer determines that a bidder has intentionally provided false or misleading information, or has withheld material information in its application, or has violated any part of the auction rules set forth in subarticle 10, then:*

The Utilities suggest this minor clarification above to ensure that the threshold for triggering the application of this article is not unreasonably set too low.

### **SUBARTICLE 11: TRADING AND BANKING**

§95921. Conduct Of Trade.

~~*(f)(1) Reduce the number of compliance instruments a covered entity or opt-in covered entity may have in its holding account below the amount allowed by the holding limit pursuant to section 95920.*~~

The Utilities recommend striking §95921(f)(1) as the remaining penalties outlined in this section are sufficient to dissuade a covered entity from engaging in improper market activities. In addition, removing a covered entity's compliance instruments directly from its holding account effectively results in a taking, and unnecessarily punishes those covered entities that have a surrender obligation whose costs are directly borne by ratepayers.

~~*(f)(3) Suspend or revoke the registration...pursuant to section 95830; or  
(A) If registration is revoked or suspended the entity must sell or voluntarily retire all compliance instruments in its holding account within 30 days of revocation; and  
(B) If registration is revoked or suspended and the entity fails to sell...*~~

Subsection (A) above, by its own terms, applies only to revocations. Thus, the reference there to suspended accounts is not appropriate. Subsection (B) only applies in cases where (A) applies. Moreover, it does not make sense to require a suspended account that continues in existence and will be entitled to participate in the program in the future to be emptied of all allowances. Thus the Utilities recommend the above changes.

§95922. Banking, Expiration, And Voluntary Retirement

~~*(c)(3) The instrument is retired by an approved external GHG emissions trading system ETS...*~~

“External GHG ETS” is a defined term in §95802(94). Thus, this is a conforming change.

**SUBARTICLE 13: ARB OFFSET CREDITS AND REGISTRY OFFSET CREDITS**

The Utilities are members of the Offsets Working Group (OWG) and refer to comments submitted by the OWG on items within this Subarticle.

**SUBARTICLE 15: ENFORCEMENT AND PENALTIES**

The Utilities support the clarification of the penalty amount determination provided for in this Subarticle. Unfortunately, the Utilities continue to have concerns with the way violations are calculated in §96014, as more thoroughly discussed in JUG comments.

**SUBARTICLE 16: OTHER PROVISIONS**

§96022. Jurisdiction Of California

~~*Any party that participates in the Cap and Trade Program is subject to the jurisdiction of the State of California.*~~

This section is duplicative to Section §96010. The Utilities recommend deleting this section all together since jurisdiction is fully covered in greater detail in §96010.

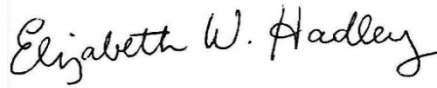
**CONCLUSION**

The Utilities appreciate the opportunity to comment on the RPR, and welcome the chance to discuss these concepts further.

Respectfully submitted,



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