



Memorandum

To: CARB Board Comments Submittal Form

From: Jay Castino, Managing Director

Date: 11/4/10

Subject: Notice of Public Hearing to Consider the Adoption of a Proposed California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation, Including Compliance Offset Protocols.

CARB Board should consider including landfill gas (LFG) destruction as an offset protocol.

It is understood that compliant entities under California's Market-Based Compliance Mechanism were initially allowed to meet up to 4% of their obligation with offsets – and that has increased to 8% (223MtCO₂e) in this final draft.

As we know, it will be hard enough sourcing 223 MtCO₂e worth of offsets from just four protocols that CARB has initially put forward (urban forestry, forestry, livestock methane and the destruction of ozone depleting substances) even if sourced from other partner jurisdictions.

When demand for offsets cannot be satisfied, their increased price will diminish their value as a least cost alternative for meeting compliance requirements; this hurts overall liquidity, increases costs of compliance, and may defeat any successful functioning of California's Market-Based Compliance Mechanism.

Including LFG destruction as a fifth protocol will help mitigate the risk of California's Market-Based Compliance Mechanism from getting a "black eye" due to the above-mentioned liquidity and cost of compliance problem introduced by not getting enough offsets into the marketplace.

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Page 1 of 2

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It is understood that within California, new air quality rules requiring LFG collection preclude most California located landfills from becoming eligible offset projects. However, there are many partner jurisdictions within WCI that could contribute greatly to California's coming offset need and great demand, by providing said offsets sourced from "CAR protocol verified and registered" LFG destruction projects.

Thanks for your consideration in adding offsets sourced from LFG destruction as a fifth offset protocol.

Sincerely,

A handwritten signature in black ink, appearing to read "Jay James Castino". The signature is fluid and cursive, with a vertical line extending downwards from the end of the name.

Jay James Castino, PE

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Page 2 of 2

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