



June 27, 2012

*Via electronic submittal*

Steve Cliff, Branch Chief  
Climate Change Program Evaluation Branch  
Stationary Source Division  
Stationary Source Division  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

Rajinder Sahota, Manager  
Climate Change Program Operating Section  
Stationary Source Division  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

**RE: TWS Comments on Proposed Amendments to Allow for Use of Compliance Instruments Issued by Linked Jurisdictions**

Dear Mr. Cliff and Ms. Sahota:

On behalf of its 90,000 California members, The Wilderness Society (TWS) is writing to provide input on the proposed amendments to the cap-and-trade regulation to allow for the use of compliance instruments from linked jurisdictions. TWS commends ARB and California for continued leadership in developing sustainable policies for reducing greenhouse gas emissions. Climate change presents serious threats to the economic well-being, public health, natural resources and environment in California. The cap-and-trade program is an important part of achieving California's greenhouse gas emissions reductions, and coordinating and integrating California's efforts with other greenhouse gas reduction programs is another critical step in fully addressing climate change.

TWS appreciates the work and public consultation that has already occurred with respect to developing the proposed amendments to allow for the use of compliance instruments from linked jurisdictions and supports California's effort to link with Quebec. Pursuant to the May 9, 2012 ARB Staff Report: Initial Statement of Reasons, TWS understands that Quebec's cap-and-trade regulation does not yet include provisions for generating compliance offsets; that any future compliance offset program in Quebec is expected to

be consistent with the criteria included in the WCI Offset System Essential Elements Final Recommendations Paper for ensuring that offsets are real, quantifiable, permanent, enforceable, additional and verifiable; Quebec's offset program may include projects that occur in Mexico; and Quebec is not currently developing a forest offset protocol.

TWS seeks further clarification regarding the process for evaluating: any protocols which may be adopted by jurisdictions after linking has occurred; any modifications to protocols which are adopted after linking has occurred; and any changes to a linked cap-and-trade program that substantially alters compliance instruments traded within such program (e.g. subsequent unilateral linking to a third jurisdiction which includes the acceptance of offsets generated pursuant to different protocols, different offset types, and/or offsets from new geographic locations that may have different policies and programs, such as UNFCCC Nationally Appropriate Mitigation Strategies, that are relevant to the evaluation of whether offsets are real, quantifiable, permanent, enforceable, additional and verifiable). As noted above, TWS supports continued integration of the California program with greenhouse gas reduction programs in other jurisdictions and supports cap-and-trade programs with the flexibility to amend features like offset protocols, to reflect evolving scientific standards and methodologies.

TWS seeks specific clarification regarding the process and any remedies for addressing findings that proposed or amended protocols for offsets available in linked jurisdictions either: (1) fail to meet the WCI Offset System Essential Elements Recommendations for ensuring that offsets are real, quantifiable, permanent, enforceable, additional and verifiable, and/or (2) have the potential for generating significant adverse, environmental impacts that are not adequately avoided or mitigated including, but not limited to, any transboundary environmental impacts or environmental impacts not otherwise subject to a NEPA-equivalent environmental impact assessment. TWS commends and supports ARB's long-standing approach to program implementation that incorporates transparency, public engagement, and on-going evaluation and adaptive management of implementation of programs and regulations, including any needed updates and adjustments.

Once again, TWS appreciates the continued leadership of ARB and California in developing sustainable policies for reducing greenhouse gas emissions. The cap-and-trade program establishes a price signal to help drive long-term investments in a sustainable energy future, and linking regional greenhouse gas emissions reduction programs is an important step in moving closer toward coordinated national and international actions that are urgently needed to address climate change and preserve our collective natural resource legacy.

We offer our assistance in working through any of the comments in this letter. If you have any questions, please contact Ann Chan at [ann\\_chan@twso.org](mailto:ann_chan@twso.org).

CC: Mary Nichols  
Ellen Peter

Virgil Welch  
Edie Chang  
Shelby Livingston  
Holly Stout