

September 15, 2014

**Comments of the Independent Energy Producers Association on  
CARB's Proposed Amendments to the California  
Cap on Greenhouse Gas Emissions and  
Market-Based Compliance Mechanisms  
(Released July 29, 2014)**

The Independent Energy Producers Association (IEP) submits these comments on the Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms, released July 29, 2014. IEP's comments focus primarily on the issue regarding the Disclosure of Corporate Associations.

IEP has been working with the CARB staff on the requirements for the disclosure of corporate associations. Staff has been very open to listening to our concerns and was particularly helpful in terms of issuing additional guidance related to the requirements for disclosing corporate associations prior to the July 31, 2014 reporting deadline.

**Clarifications Provided in the July 29<sup>th</sup> Guidance Should be Incorporated Into the Cap-and-Trade Regulations.** While IEP appreciates the guidance that CARB provided prior to the July 2014 disclosure deadline and the initial steps that CARB has taken in this 45-day process to amend the regulation, IEP is concerned that the changes in this 45-day package fail to implement key clarifications articulated in the Cap-and-Trade Regulation Instructional Guidance document issued July 29, 2014. For example, in the case of non-registered direct corporate associations, the July 29 Guidance clarified that reporting entities could focus on affiliates in carbon, energy, and/or fuel markets. However, the proposed 45-day language does not include any language in regards to this concept. In addition, the July 29<sup>th</sup> Guidance began to identify documents that could be relied upon to meet corporate disclosure filing requirements, including Securities and Exchange Commission (SEC) filings, etc. and again, the proposed regulations do not speak to this topic. While the guidance document provided a good starting point for clarification, additional language should be incorporated into the Cap-and-Trade Regulations to further address these issues.

*IEP Recommendation:* IEP recommends that CARB use a 15-day comment period, in connection with the current 45-day period, to incorporate additional language that was initiated in the guidance document, into the Cap and Trade Regulations.

**IEP Supports Narrowing the Scope of the Regulation Regarding the Disclosure of Corporate Associations.** IEP continues to be concerned that the scope of the proposed regulations is still too broad and an additional narrowing/tailoring of the regulations needs to occur. IEP is aware of and is generally supportive of the efforts of other industry groups to modify the existing regulations regarding the corporate disclosure issue. IEP is hoping to work

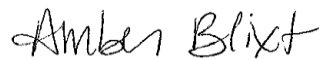
with CARB and other industry groups on additional language that could be added either through a 15-day package or a subsequent 45-day package. To the extent that changes are still needed that cannot be incorporated in this rulemaking package, IEP recommends that the CARB open another 45-day rulemaking package in early 2015 to resolve any outstanding issues/concerns.

**IEP Supports the Extended Timeline for Reporting Changes to Unregistered Corporate Associations.** IEP is pleased to see CARB's proposal to extend the timeline for reporting changes to information regarding corporate associations with non-registered entities. This change is significant in that it modifies the timeline for reporting a change from "within 30 calendar days of the change" to annually [See Appendix A.1 Proposed Regulation Order, Section 95830(f)(1)]. The original 30-day timeline was a problematic aspect of CARB's proposal because it would be very difficult for large companies, where the volume of unregistered corporate associations is high, to manage, maintain, track, and report changes within a 30-day period. The volume and size of these companies would require them to be constantly reporting changes to the CARB for unregistered, extraneous entities. Accordingly, IEP is happy to see that CARB has extended the timeline for reporting changes of non-registered corporate associations.

Respectfully Submitted,



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