

October 30, 2013

**Comments of the Independent Energy Producers Association on the
California Air Resources Board Amendments to the
Mandatory Reporting Regulation
Released October 28, 2013**

The Independent Energy Producers Association (IEP) submits these comments on the California Air Resources Board (CARB) Amendments to the Mandatory Reporting Regulation (MRR) 15-Day Language, released October 28, 2013. IEP is a trade association of non-utility, independent power producers representing over 26,000 megawatts (MW) of installed generation in California. Accordingly, IEP's concern with the Mandatory Reporting Regulations is to ensure that in-state and out-of-state resources receive comparable treatment in terms of how their emissions are reported and regulated under both the Mandatory Reporting and Cap-and-Trade Regulations.

IEP previously submitted comments on the Proposed Amendments to the Mandatory Reporting Regulation (45-day language).¹ In those comments, IEP supported CARB's proposal to more accurately define the emissions rate for unspecified system power that is imported into California. Currently, the evidence indicates that the default emission rate imputed by CARB for power imported into California from unspecified resources, so-called "unspecified system power," may not be representative of the actual GHG emissions associated with the power imported into California.² Accordingly, CARB's original proposal to calculate a specific GHG emissions rate for system power suppliers whose system emissions rate exceeds the default rate was appropriate as a means to ensure more accurate reporting.³

Unfortunately, in the most recent 15-day language, CARB deletes this provision [Section 95111(b)(5) in the 45-Day Language] altogether, without providing a counter proposal. IEP is concerned that CARB's unwillingness to include such a proposal will undermine the integrity of the cap-and-trade program, foster resource shuffling, and create an unfair advantage for in-state vs. out-of-state resources. In order to more accurately reflect the carbon content of power that is imported into California, IEP recommends that the CARB re-insert the proposal as described in the 45-day revisions. As an alternative to re-incorporating the previously proposed language, IEP recommends that the CARB insert the following language:

¹ See Comments of the Independent Energy Producers Association on the Staff Report: Initial Statement of Reasons for Rulemaking Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions, Filed October 22, 2013 <http://www.arb.ca.gov/lists/com-attach/35-ghg2013-B24BYIYnAAwCZ1U6.pdf>

² See Comments of the Independent Energy Producers Association on the Staff Report: Initial Statement of Reasons for Rulemaking Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions, Filed October 22, 2013 <http://www.arb.ca.gov/lists/com-attach/35-ghg2013-B24BYIYnAAwCZ1U6.pdf>

³ Staff Report: Initial Statement of Reasons For Rulemaking Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions Appendix A: Section 95102(a)(451); Section 95111(b)(5).

Section 95111(b)(5) Updating GHG Emissions Rates Associated with Unspecified Imports.
The Executive Officer shall calculate and publish, on the ARB Mandatory Reporting website prior to each calendar year, the emission factor to be applied to imported power that is otherwise not associated with a specific generating resource or resources.

Retaining the integrity of Section 95111(b)(5), as originally proposed in the 45-day language, is essential in order to demonstrate a commitment to monitoring the actual emission rate(s) of unspecified system power serving California and, thereby, to ensure greater accuracy in the reporting associated with all power serving California; to undermine the incentives for “resource shuffling”; and, prevent so-called leakage of GHG emissions from California’s GHG emissions reduction program.

The Independent Energy Producers Association appreciates the opportunity to comment on the Amendments to the Mandatory Reporting Regulation (15-Day Language) as released October 28, 2013.

Respectfully Submitted,



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