**Cap-and-Trade Regulation Amendment Request**

NOTE: Please use this form to highlight a request to amend a specific section (or related sections) of the Cap-and-Trade Regulation. Submission of this form aids staff in tracking requests and **does not mean** staff will ultimately propose an amendment in the version of the amendments noticed pursuant to the Administrative Procedure Act. This form is intended only as an additional tool ARB will use to evaluate requested changes to the regulation. Amendment requests may be for reasons of policy, clarity, or errors, etc. Staff may contact you if we need more information. Additionally, submission of this form will be a public record, and will be included in the ultimate rulemaking file related to these amendments, but may not be specifically answered in the Final Statement of Reasons. (Government Code section 11346.9(a)(3).) Please complete this form (with as much detail as possible, though it need not be formal regulatory language) and mail or email (preferred) to:

David Allgood ([dallgood@arb.ca.gov](mailto:dallgood@arb.ca.gov))

Stationary Source Division

P.O. Box 2815

Sacramento, CA 95812

**General Information**

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| August 2, 2013 |

Date:

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| Bill Buchan, Market Potential, Inc. |

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| Cardinal Cogen, Inc. |

Submitted by: Affiliation:

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| Buchan@mktpotential.com |

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| 510 928 5786 |

Contact Phone: E-mail:

**Section**

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| 95894(c) and (d) |

Primary section(s):

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Related section(s):

**Amendment Request**

Type of amendment: xPolicy ☐Error ☐Clarity

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| Legacy contract allowances are proposed for 2013 and 2014, but not beyond even though many legacy contract extend well beyond 2014. While we understand that ARB would like to continue to encourage negotiating as a means of settling legacy contracts, the negotiating position for involved parties will not change (with possible exception of those involving universities who are covered entities). For Cardinal Cogen, our contract host is not a covered entity, so the negotiating position will be no different now than it will be in 2014. Expecting a renegotiation between now and then is not realistic, as our contract host has no reason to accept additional fees for greenhouse gases. We ask that the ARB reconsider the limitation on legacy allowances with the realization that ARB will be supporting CHP as enumerated in state policy knowing we had no way of foreseeing greenhouse gas costs at the time the contract was entered into. |

Reason for amendment:

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| 1. Request that 95894(c) be amended to acknowledge that allowances can be provided as long as the legacy contract is valid. 2. Request that 95894(d) be amended to acknowledge that allowances can be provided as long as the legacy contract is valid. |

Additional information: