



Union of Concerned Scientists

Citizens and Scientists for Environmental Solutions

August 10, 2011

James Goldstene, Executive Officer
California Air Resources Board (CARB)
1001 'T' Street
Sacramento, CA 95814

RE: UCS comments to 15-day modified GHG Mandatory Reporting Regulation

Dear Mr. Goldstene:

The Union of Concerned Scientists (UCS) offers the following constructive comments on the modified (15-day) greenhouse gas mandatory reporting regulation.

I. Definition of Replacement Electricity – UCS suggests deleting the requirement proposed in § 95102 (336) that the “replacement electricity” associated with generation from a variable renewable energy resource be located in the same balancing authority area as the underlying renewable electricity it represents, and instead, requiring that replacement electricity be located in the Western Electricity Coordinating Council (WECC) region.

In § 95102 (336) “Replacement electricity” means electricity delivered to a first point of delivery in California to replace electricity from variable renewable resources in order to meet hourly load requirements. The electricity generated by the variable renewable energy facility and purchased by the first deliverer is not required to meet direct delivery requirements. The physical location of the variable renewable energy facility busbar and the first point of receipt on the NERC E-tag for the replacement electricity must ***both be located in the Western Electricity Coordinating Council (WECC) region*** ~~in the same balancing authority area.~~

Rationale: There are 37 balancing authority areas in the WECC and placing a restriction that any “replacement electricity” brought into California as part of a “firmed and shaped” renewable energy transaction must come from the same balancing authority as the renewable electricity generation will significantly increase the transaction costs of such a transactions and encourage the inefficient use of transmission line capacity for unclear benefits. Moreover, the California Public Utilities Commission and the California Energy Commission are currently developing proposals for what restrictions to place on “firmed and shaped” transactions as they implement SB 2(1X), which established a 33 percent Renewables Portfolio Standard (RPS) requirement and created three categories of RPS compliance products, including: “firmed and shaped eligible renewable energy resource electricity products providing incremental electricity and scheduled into a California balancing authority.”

The California Climate Action Registry calculates the emissions factor of “system power” or unspecified power based on **WECC reporting areas**, not balancing areas. We recommend that CARB require regulated entities to do the same.

II. Reaccreditation of Offsets Verifiers – We strongly recommend that the accreditation and reaccreditation procedures for verifiers be made more rigorous than currently outlined in the draft regulation. Below, we lay out minimum requirements that should be included in this regulation as well as in cap-and-trade regulation.

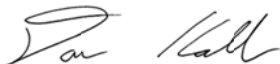
In § 95132(c)(4) we recommend adding the following language to the end of this subsection: **The applicant must pass a performance review prior to reaccreditation.**

(A) At a minimum, a performance review of a verification body shall include:

1. **review of the detailed sampling plans and verification reports from a representative sampling of geographic locations, lead verifiers and project types;**
2. **visits to a sampling of project sites;**
3. **visit to verifier primary office to review verification systems;**
4. **comparisons to other accredited verifiers who have verified projects of the same project type; (variability of verification procedures and interpretations can indicate differences in the quality of the verifications)**
5. **investigative review of the conflict of interest assessment provided by the verification body;**
6. **opportunity for public comment on verification body performance.**

(B) At a minimum, a performance review of a verifier shall involve review of the detailed verification reports and sampling plans from a representative sampling projects and documentation of any discrepancies found during the review.

Sincerely,



Dan Kalb
California Policy Manager



Laura Wisland
Senior Energy Analyst

cc: Richard Bode