

**COMMENTS OF THE ALLIANCE FOR RETAIL ENERGY MARKETS
ON MAY 17, 2010 PUBLIC WORKSHOP ON THE STATUS
OF CAP-AND-TRADE REGULATION**

The Alliance for Retail Energy Markets (AReM)¹ appreciates the opportunity to submit comments on the public workshop held by the California Air Resources Board (CARB) on May 17, 2010 to discuss the status of the Greenhouse Gas (GHG) cap-and-trade regulation.

AReM is a regulatory alliance of electric service providers (ESPs) that are active in the California retail direct access market as load-serving entities. AReM's members are also active participants in the CAISO's markets, including the buying, selling or scheduling of power on a wholesale basis. With the passage of Senate Bill 695 in 2009, California has re-opened the direct access market, increasing the megawatts served to retail consumers by ESPs, who provide such service in direct competition with the investor-owned utilities.

AReM has participated in CARB's public process on cap-and-trade regulation. The presentation provided for the May 17th meeting refers to "retail providers" in discussing allocation and use of allowances. AReM respectfully requests that CARB: (a) clarify that the term "retail provider" includes ESPs; and (b) consider effects on ESPs and retail competition when establishing cap-and-trade regulations.

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June 10, 2010

¹AReM is a California mutual benefit corporation formed by electric service providers that are active in California's direct access market. The positions taken in this filing represent the views of AReM but not necessarily those of individual members or affiliates of its members with respect to the issues addressed herein.

