Union of Concerned Scientists
Citizens and Scientists for Environmental Solutions

August 1, 2008

The Union of Concerned Scientists ("UCS") appreciates this opportunity to submit comments on the electricity and natural gas section of the California Air Resources Board ("CARB") draft Scoping Plan for Assembly Bill 32 ("AB 32"). Please note that UCS is also submitting comments within the "program design" and "transportation" sections, as well as the "general comments" section. This set of comments enthusiastically supports the draft Scoping Plan's endorsement of a 33 percent by 2020 statewide Renewables Portfolio Standard ("RPS"), urges CARB to keep the 33 percent RPS in the final AB 32 Scoping Plan, and provides brief comments regarding an "off-the-top" rule for addressing the voluntary renewable energy market.

UCS supports a 33 percent by 2020 RPS in the draft Scoping Plan

UCS is a signatory to comments submitted on behalf of ten environmental organizations that support CARB's inclusion of a 33 percent by 2020 policy in the draft Scoping Plan. UCS requests that CARB also refer to this set of joint comments for more details on why UCS strongly believes a 33 percent by 2020 RPS is essential to reaching our greenhouse gas reduction goals for 2020, as well as the much deeper emission reductions that must follow in the long-run. UCS applauds the CARB for including a 33 percent by 2020 RPS mandate in the draft Scoping Plan and urges it to include the policy in the final plan.

UCS supports an "Off-the-Top" rule to incorporate the voluntary renewable energy market in a cap-and-trade policy

A well-designed cap-and-trade system for California should ensure that GHG emission reductions achieved through the purchase of Renewable Energy Credits (RECs) from the voluntary market retain their value by linking the amount of emissions reduced through the voluntary market to the retirement of a corresponding number of allowances.

Specifically, UCS supports the "off-the-top" rule proposed by CEERT and CRS, which is similar to the approach adopted in the RGGI Model Rule. Under this approach, the amount of voluntary REC sales is projected on an annual basis. The Program Administrator converts the MWh sales projection to tons of avoided carbon dioxide and provisionally removes this quantity of allowances from the entire pool available under the cap.

Each year, actual voluntary REC sales or associated generation is documented and the Program Administrator retires a commensurate amount of allowances. At the end of the allowance compliance period, any difference between projected REC sales and actual REC sales is trued up. Finally, there should be no cap on the amount of allowances available for the voluntary renewable market.

Sincerely,

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