State of California Environment Protection Agency AIR RESOURCES BOARD

Notice of Decision

Project Title:

Amendments to the California Regulation for Cap on Greenhouse Gas

Emissions and Market-Based Compliance Mechanisms to Allow for the

Use of Compliance Instruments Issued by Linked Jurisdictions

(SCH# 2010102056)

Project Location:

Statewide

Public Meeting

June 28, 2012; Agenda Item No. 12-4-5

Dates:

April 19, 2013; Agenda Item No. 13-4-1

Project Description:

Amendments to the cap-and-trade regulation to establish common allowance auctions between California and Québec and allow acceptance of Québec compliance instruments for compliance with California's cap-and-trade regulation. These amendments include requirements for a linked compliance instrument registry and associated registration requirements. The amendments establish linkage with Québec under the framework included in the existing cap-

and-trade regulation.

Approved By:

Air Resources Board

Resolution 13-7

Dated: April 19, 2013

This notice is to advise that the Air Resource Board (ARB), as the lead agency, adopted the above described regulatory action on April 19, 2013 and has determined that implementation of the regulatory amendments has the potential to result in indirect environmental impacts on the environment (see attached Resolution 13-7).

In accordance with the California Environmental Quality Act (CEQA) and ARB's certified regulatory program, ARB prepared an environmental analysis (EA) as part of the Staff Report: Initial Statement of Reasons prepared for the proposed amendments entitled "Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms to Allow for the Use of Compliance Instruments Issued by Linked Jurisdictions" released for public comment on May 9, 2012.

ARB staff prepared written responses to public comments on the EA received during the comment period that raised significant environmental issues. The written responses to these comments are included in a document entitled Responses to Comments on the Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms to Allow for the Use of Compliance Instruments Issued by Linked Jurisdictions released April 8, 2013. The Board reviewed and approved the written responses to comments raising significant environmental issues

prior to taking final action to adopt the amendments on April 19, 2013. These written responses are also included in the Final Statement of Reasons that includes staff's written responses to all public comments prepared for purposes of the Administrative Procedures Act.

The Board adopted findings and a statement of overriding consideration for this regulatory action.

The copy of the environmental analysis included in the Staff Report and the written responses to comments included in the Final Statement of Reasons are available at the ARB rulemaking webpage at:

http://www.arb.ca.gov/regact/2012/capandtrade12/capandtrade12.htm

These rulemaking documents may also be examined in person at:

California Air Resources Board Attn: Board Administration and Regulatory Coordination Unit 1001 I Street Sacramento, CA 95814

Certified:

ARB CEQA Unit

MAY 1 0 2013

Date:

5/8/2013

Resources Agency of California

Attachments:

- Resolution 13-7
- Responses to Comments on the Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms to allow for the Use of Compliance Instruments Issued by Linked Jurisdictions