California Environmental Protection Agency

Air Resources Board

Compliance Instrument Tracking System Service (CITSS)

User Reference CITSS Version 4.0

August 2014

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CITSS 4.0 User Reference

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List of Acronyms

AAHA	Annual Allocation Holding Account
CITSS	Compliance Instrument Tracking System Service
CSV	Comma Separated Values
IOU	Investor-Owned Utility
$MTCO_2e$	Metric Ton Carbon Dioxide Equivalent
MRR	Mandatory Reporting Regulation
LUHA	Limited Use Holding Account
POU	Publicly-Owned Utility
USO	Untimely Surrender Obligation
URE	Under-Reported Emissions

CITSS 4.0 User Reference

Introduction

The Compliance Instrument Tracking System Service (CITSS) is a market tracking system that provides accounts for market participants to hold, transfer, and retire compliance instruments. CITSS records ownership of compliance instruments and account information; enables and records compliance instrument transfers; facilitates compliance verification and surrender of instruments; and supports market oversight through the collection of relevant information.

Development and implementation of CITSS has been phased, introducing new functionality in a series of application releases. CITSS releases and the primary functionality included in each release are summarized below.

Version	Date of Release	Major Functionality Introduced
CITSS 1.0	July 2012	User Registration and Entity Account Application.
CITSS 2.0	October 2012	Compliance Instrument Transfers.
CITSS 3.0	August 2013	Consolidated Account Restructuring and Holding Limits.
CITSS 3.1	January 2014	Jurisdiction Linking between California and Québec.
CITSS 4.0	August 2014	Annual Compliance Processing and Regulation Amendments.

Compliance Functionality Implemented in CITSS 4.0

This User Reference has been prepared to describe new functionality implemented in CITSS Release 4.0 (CITSS 4.0). CITSS 4.0 implements the functionality needed to prepare and process an annual compliance obligation, including entry of verified emissions, calculating compliance obligations, and processing the surrender of instruments at the compliance obligation deadline. The major CITSS 4.0 components include the following:

- Emissions module to accept and show verified emission values by facility;
- Compliance obligation functionality to calculate obligations based on verified emissions and provide users the ability to review obligations and pending compliance status before an obligation deadline;
- Eligible Instruments module that identifies the type and vintage of compliance instruments eligible for surrender for any obligation, and;
- Functionality for CITSS to process obligations, retire instruments from entity compliance accounts, and track untimely surrender obligations.

CITSS 4.0 also implements several changes that reflect amendments to the Cap-and-Trade Regulation (Regulation), including the addition of the Annual Allocation Holding Account (AAHA) and increasing the default Purchase Limit for covered entities from 15

to 20 percent. In addition, a glossary of the most common English and French equivalent terms used in CITSS when describing the California Cap-and-Trade Program and Québec Cap-and-Trade System has been added. This reference will assist users that work with entities and representatives in cross-jurisdictional situations.

Glossary

CITSS 4.0 includes the addition of “Glossary” as a new item on the main menu located at the left side of all CITSS pages. The main menu is easily identified by the light green background and provides quick access to commonly accessed actions in CITSS, such as Logout, Home, and My User Profile.

The Glossary, shown in Figure 2, lists the most common English and French equivalent terms used in CITSS when describing the California and Québec Cap-and-Trade Programs. This reference will assist users that work with entities and representatives in cross-jurisdictional situations.

Figure 1 – CITSS User Home Page

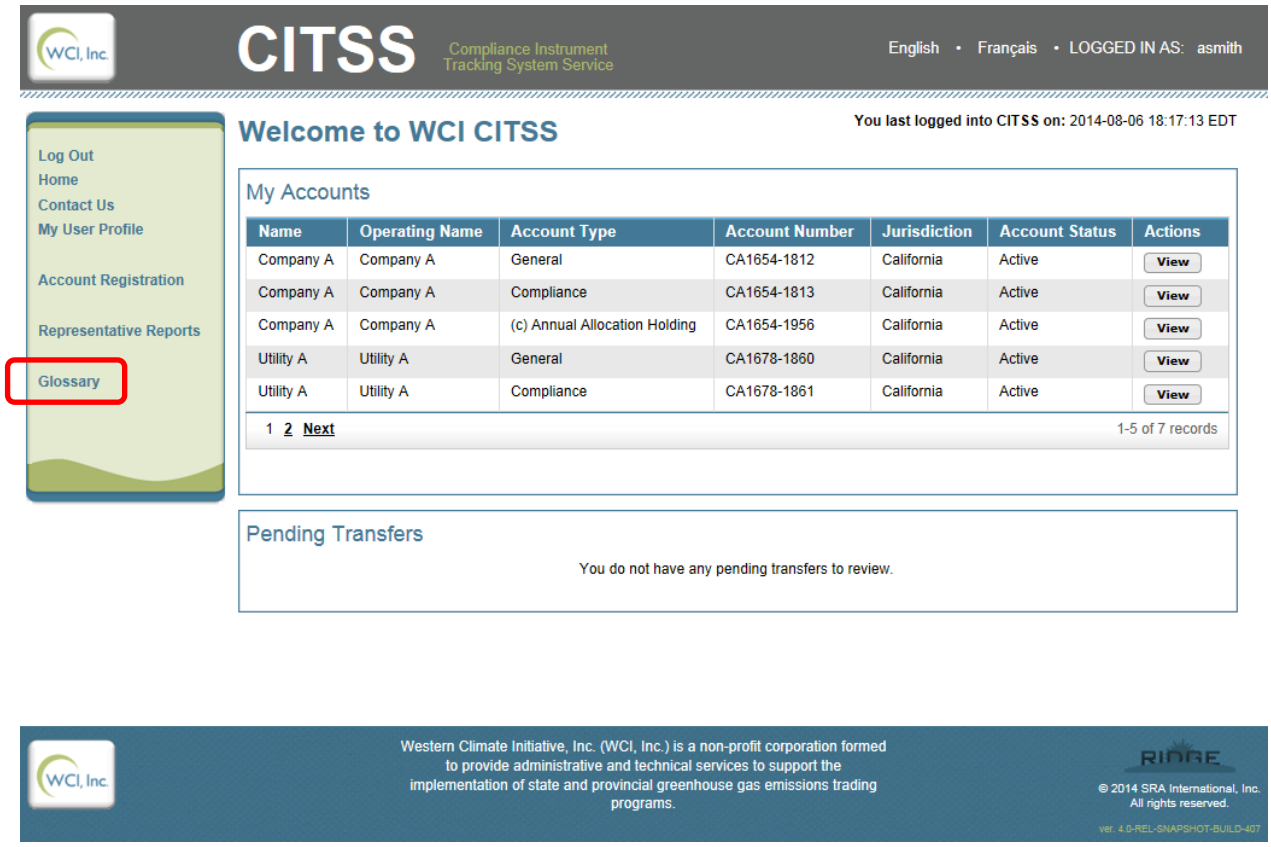
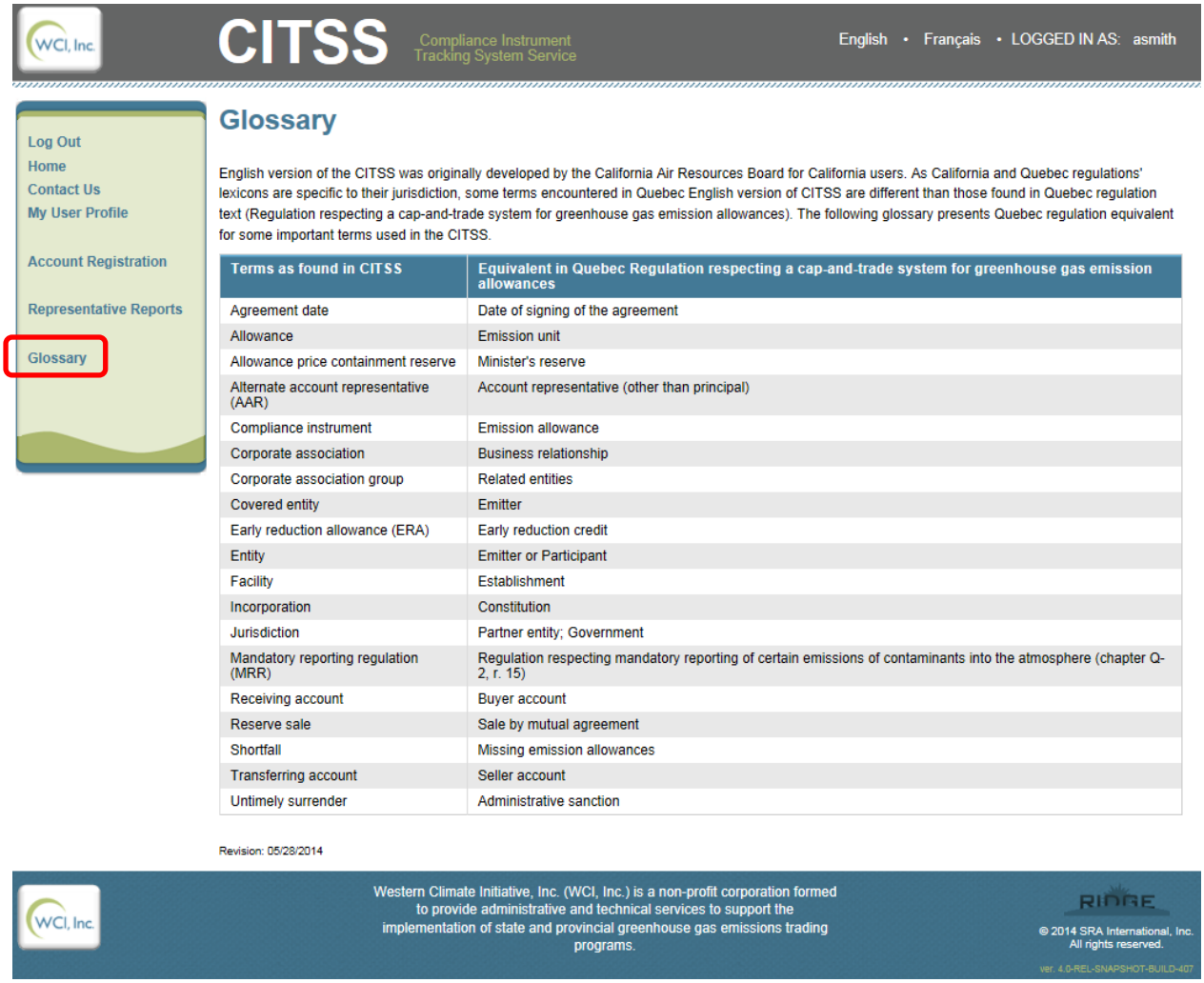


Figure 2 – Glossary Page



Glossary

English version of the CITSS was originally developed by the California Air Resources Board for California users. As California and Quebec regulations' lexicons are specific to their jurisdiction, some terms encountered in Quebec English version of CITSS are different than those found in Quebec regulation text (Regulation respecting a cap-and-trade system for greenhouse gas emission allowances). The following glossary presents Quebec regulation equivalent for some important terms used in the CITSS.

Terms as found in CITSS	Equivalent in Quebec Regulation respecting a cap-and-trade system for greenhouse gas emission allowances
Agreement date	Date of signing of the agreement
Allowance	Emission unit
Allowance price containment reserve	Minister's reserve
Alternate account representative (AAR)	Account representative (other than principal)
Compliance instrument	Emission allowance
Corporate association	Business relationship
Corporate association group	Related entities
Covered entity	Emitter
Early reduction allowance (ERA)	Early reduction credit
Entity	Emitter or Participant
Facility	Establishment
Incorporation	Constitution
Jurisdiction	Partner entity; Government
Mandatory reporting regulation (MRR)	Regulation respecting mandatory reporting of certain emissions of contaminants into the atmosphere (chapter Q-2, r. 15)
Receiving account	Buyer account
Reserve sale	Sale by mutual agreement
Shortfall	Missing emission allowances
Transferring account	Seller account
Untimely surrender	Administrative sanction

Representative Reports

Selecting Representative Reports from the main menu will take a user to the Representative Reports page as shown in Figure 3. Most of the new functionality implemented in CITSS 4.0 supports compliance functionality and is located in CITSS in a new section of the Representative Reports page titled Compliance Reports. As shown in Figure 3, Compliance Reports includes five new reports which are summarized below:

1. Emissions

   This report identifies verified emissions that have been entered into CITSS.

2. Facility True-up Quantity (for California Entities Only)

   This report shows the True-up Quantity assigned by ARB when there are changes in production or allocation not properly accounted for in a prior allocation.

3. Compliance Obligations

   This report provides a user with the ability to view details about pending and past compliance obligations.

4. Compliance Obligation Report

   This report allows a user to quickly prepare a comma separated value (CSV) or Excel format download of compliance obligations.

5. Eligible Instruments for Surrender

   This report provides a succinct list of the instruments that are eligible to surrender for a selected compliance obligation, and the order in which CITSS will surrender those instruments from an entity's Compliance Account. In addition, this report shows the number of more recent vintage allowances issued for the purpose of true-up that an entity may use to comply with the selected obligation.

Each of these new features is described in greater detail in the following sections of this User Reference.

Figure 3 – Representative Reports Page

Review of Entities and Facilities

Emissions from facilities reported and verified under the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions are the basis for calculation of compliance obligations under the Cap-and-Trade Program. Before describing the new emission module implemented in CITSS 4.0, it is important that users understand the relationship between an entity and a facility. If an entity is not associated with the correct facility or facilities, or any facility is assigned an incorrect GHG Emission Reporting ID under MRR, the calculation of the entity's compliance obligations will be incorrect.

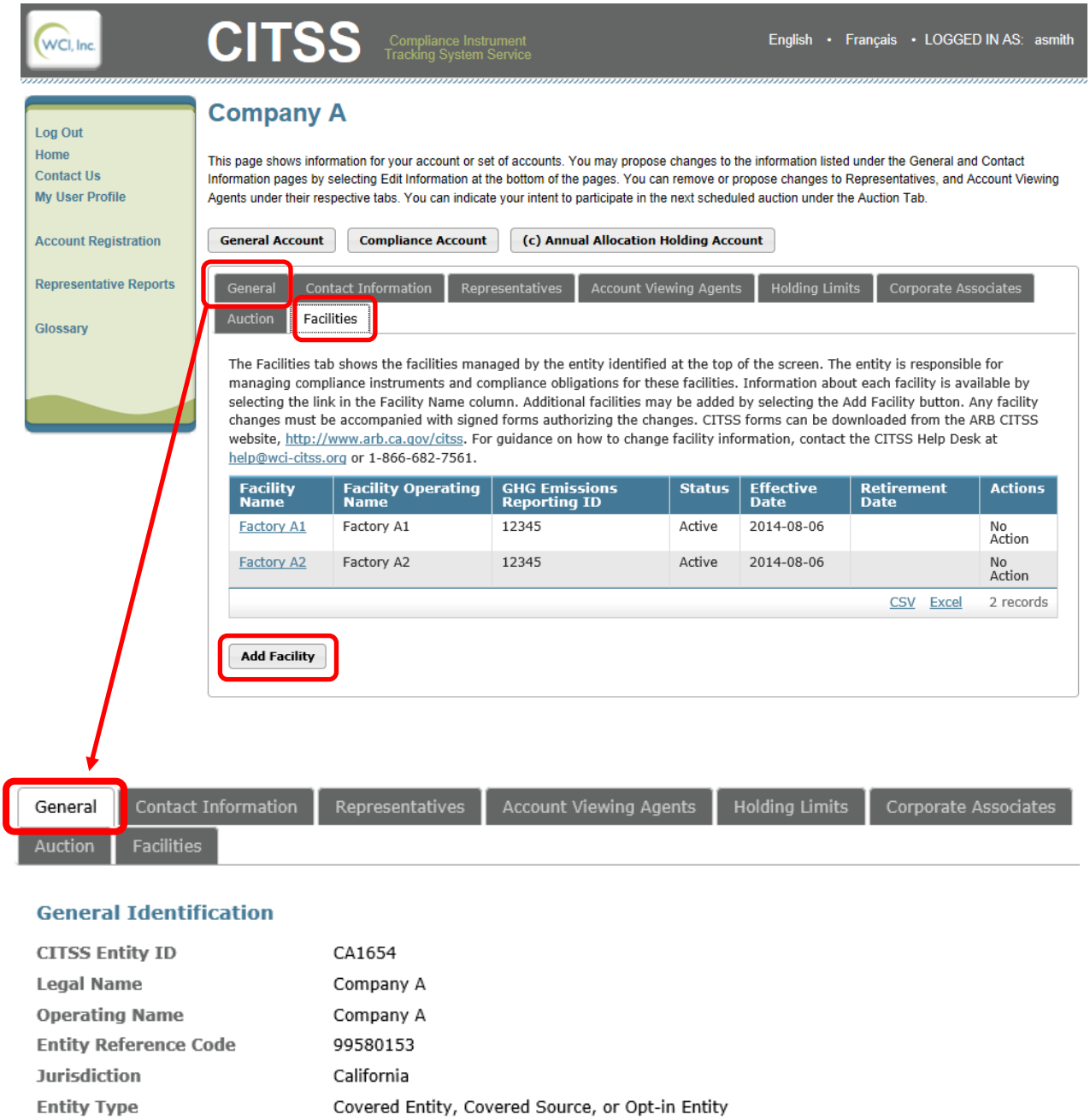
CITSS 3.0 implemented facility and corporate association management functionality. In CITSS, a participating organization is referred to as the "entity." An entity is usually a business organization such as a corporation, but can also be a non-profit organization or an individual. Covered and opt-in entities incur compliance obligations for emissions generated by facilities that are owned or operated by the entity, as well as emissions from covered sectors such as upstream natural gas or transportation fuels.

In CITSS, "facility" means the same as it is defined in MRR. Each facility has a unique GHG Emissions Reporting ID. Every covered and opt-in entity MUST be associated with at least one facility that has been assigned a GHG Emissions Reporting ID under MRR.

Because activities and other nonphysical emission sources do not have traditional facility information, such as a facility name or an address, the fields on the facility page should be completed with information replicated from the entity's General tab, an example of which is shown in Figure 4. CITSS provides a "Use Entity Data" button within the facility edit page to simplify this process. The facility page will require the GHG Emission Reporting ID and NAICS code for the covered or opt-in facility.

In CITSS, each entity provides basic business information, such as corporate name and address, which is contained under the General tab (Figure 4). Every covered entity must also provide the basic information describing each facility. Facility information is stored by facility and accessible under the Facilities tab (Figure 4). Selecting the hyperlink in the Facility Name column provides the ability to edit information about the selected facility. There is an "Add Facility" button on the Facilities tab that should be used to add a new facility that has never been previously entered into CITSS. Signed hard copy documentation is required for certain changes to facility information, such as to change facility ownership, or to retire a facility. Users can obtain forms on the ARB Cap-and-Trade Program webpage at http://www.arb.ca.gov/citss.

Figure 4 – Location of Facility Information in CITSS



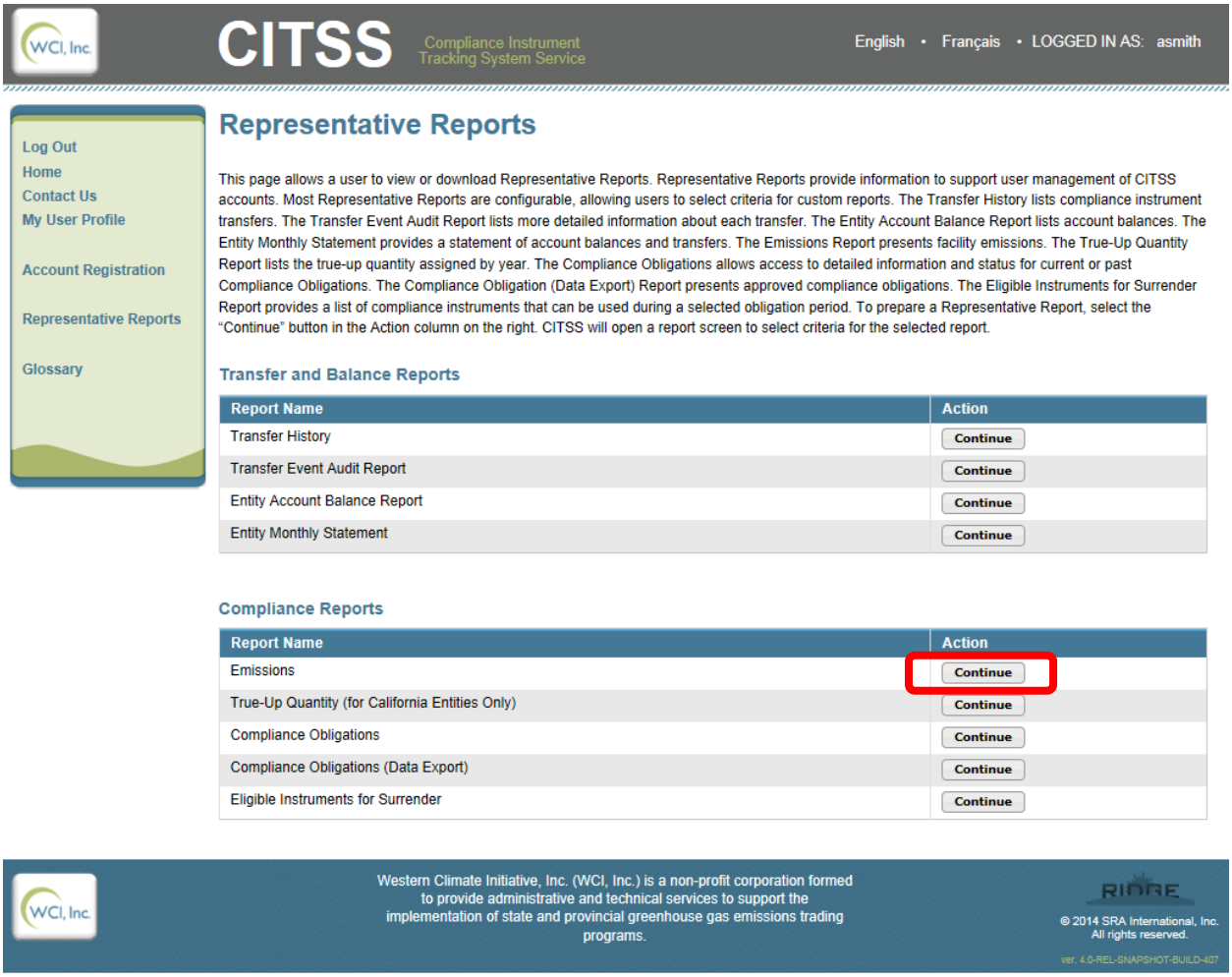
Emissions

The Emissions module implemented in CITSS 4.0 is accessed by selecting the button labelled “Continue” on the Emissions line of the Representative Reports page under Compliance Reports (Figure 5).

Emissions reported and verified under MRR are the basis of the compliance obligations for the Cap-and-Trade Program. The MRR requires reporting of specific sources of emissions within a facility boundary. Not all of the individual sources within the facility boundary will have a compliance obligation under the Cap-and-Trade Program. The sources of emissions with a compliance obligation are summed into a facility total. Every facility has a GHG Emission Reporting ID and must be associated with an entity. CITSS 4.0 provides users the ability to view the facility total emissions with a compliance obligation for each facility associated with an entity. Users are able to view emissions only for facilities that are associated with an entity that they represent.

Emissions reported under MRR are not reported and verified until after the calendar year has ended, e.g., emissions produced in 2013 are reported and verified to ARB and entered into CITSS in 2014. The obligation incurred for 2013 emissions is calculated in 2014 and compliance instruments are surrendered in November 2014. For this example, entities would surrender a sufficient number of instruments to cover 30 percent of their 2013 obligation on the annual surrender deadline of November 3, 2014, and sufficient instruments to cover the remaining 70 percent of their 2013 obligation plus instruments sufficient to cover 100 percent of their 2014 emissions obligation on the triennial surrender deadline in November 2015.

Figure 5 – Compliance Reports – Emissions



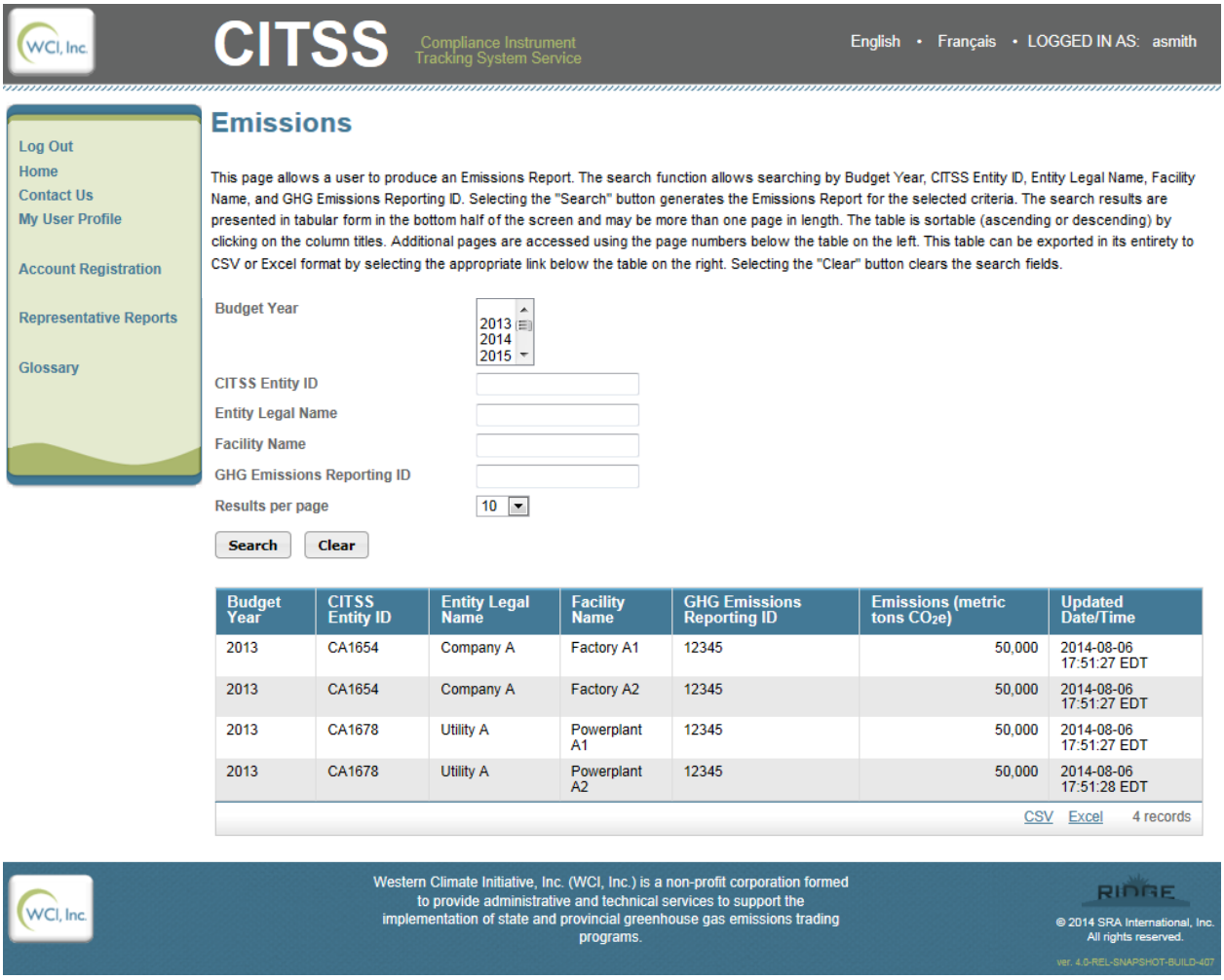
Upon selection of Emissions from the Compliance reports menu, the user is presented with the Emissions page (Figure 6). The Emissions page allows users to view verified emissions that have been entered into CITSS for their facilities. Only verified emissions are entered into CITSS, and consequently, facility emissions in CITSS are normally updated once a year following receipt of verified emissions by ARB. In limited situations, ARB may not have verified emissions for a facility and may need to assign an emissions level under MRR. In these situations, the assigned emissions level will be used to determine the compliance obligation for the facility and the assigned emissions level will be viewable in CITSS.

The Emissions page allows a user to produce an Emissions Report. The search function allows searching by Budget Year, CITSS Entity ID, Entity Legal Name, Facility Name, and GHG Emissions Reporting ID. Budget Year is the year during which the emissions were produced. For example, Budget Year 2013 would represent the amount of reported and verified emissions for calendar year 2013. When selecting values from a dropdown menu in CITSS, holding down the control key <Ctrl> on the keyboard allows a user to select multiple fields in a drop-down menu. Selecting the "Search" button generates the Emissions Report for the selected criteria.

The search results are presented in tabular form in the bottom half of the screen and may be more than one page in length. The table is sortable (ascending or descending) by clicking on the column titles. Additional pages are accessed using the page numbers below the table on the left. This table can be exported in its entirety to CSV or Excel format by selecting the appropriate link below the table on the right. Selecting the "Clear" button clears the search fields.

Compliance processing is described in later sections of this User Reference and briefly referenced here for context with emissions. The CITSS compliance module provides detailed information about compliance obligations and status. Facility emissions are the first data entered into the compliance module each year. Several pages in the compliance module require emission data to populate fields and provide meaningful information. Consequently, those pages are unavailable to view information about pending or future compliance obligations until annual emissions have been entered. Each year, ARB will open the compliance module following the entry of verified or assigned emissions, usually in late September or early October. When ARB announces the availability of the compliance module for the upcoming obligation deadline, users should consult the emissions page to review their verified or assigned emissions for the past Budget Year that will be the basis for the pending compliance obligation in November.

Figure 6 – Emissions Page



Direct Allocation and the Annual Allocation Holding Account (AAHA)

Covered and opt-in entities in designated industrial sectors are eligible for a direct allocation of allowances each year for program transition assistance. The Regulation requires distribution of the annual allocation no later than October 24 of the year preceding the Budget Year, e.g., 2015 vintage allowances for the 2015 Budget Year are allocated in fall 2014.

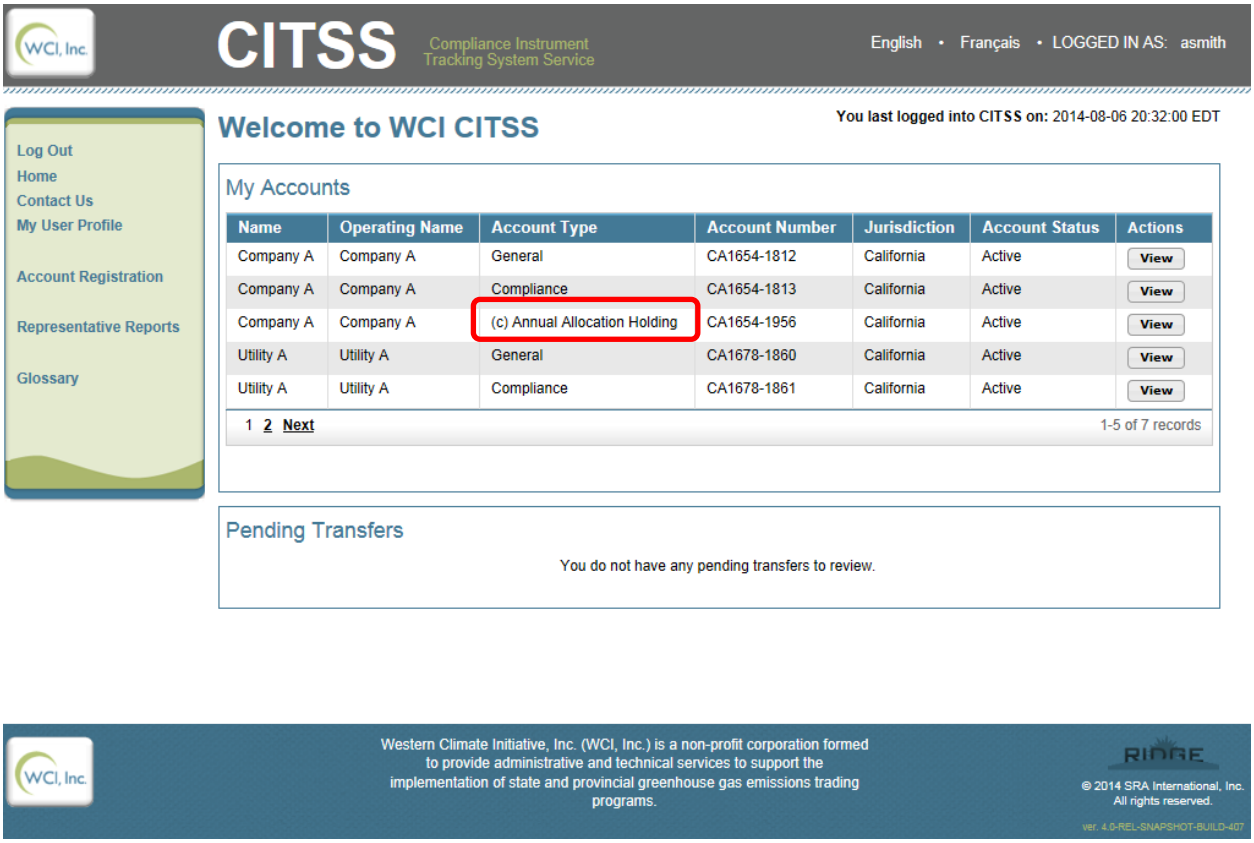
The allocation in October is an estimate based on the previous year's reported and verified data. The actual allocation that an entity is eligible to receive for a specific Budget year is not known until data reported are verified during the calendar year following the Budget Year. Based on that report, once verified pursuant to MRR, ARB is able to determine if an entity received too many or too few allowances in their past allocation.

Annual allocations are distributed into a Limited Use Holding Account (LUHA) or an AAHA. These holding account types are exempt from holding limits, allowing an entity to receive an annual allocation without risk of the allocation transfer exceeding the future holding limit. The function of each of these account types is described below.

The LUHA is an existing functionality in CITSS and described here for context with the AAHA that is introduced in CITSS 4.0. CITSS provides a LUHA to accept allowances from an annual allocation that will be consigned to auction during the upcoming year. Allowances in a LUHA can only be consigned to auction.

An AAHA account is provided to covered entities receiving allowances in an annual allocation that are not to be consigned to auction (see Figure 7). Allowances in an AAHA can be transferred to an entity's Compliance Account during the period between the allocation and January 1 of the upcoming year, but in most cases the future vintage allowances that are received are not eligible for surrender until the following year. The exception to this restriction is the surrender of allowances with vintages that are eligible under a True-up Quantity assigned for an underestimated annual allocation (see True-up Quantity in this guidance). Allowances transferred from an AAHA become subject to applicable holding limits when transferred. CITSS will not allow an entity to transfer allowances from an AHAA account if the transfer would result in violation of a holding limit.

Figure 7 – (c) Annual Allocation Holding Account



CITSS Automated Transfer from an AAHA

On January 1 of each year, CITSS automatically transfers all allowances from an entity's AAHA. Generally, allowances in the AAHA of an industrial covered entity are transferred to the entity's General Account, while allowances in the AAHA of other covered entities, such as electricity generating utilities, natural gas suppliers, or publicly-owned utilities (POUs) are automatically transferred to the entity's Compliance Account. However, there are circumstances that do not follow these general rules and entities should confirm their transfer requirements or preferences with ARB as part of the instructions for the annual allocation.

CITSS labels each AAHA to indicate the destination of the automated transfer on January 1. Those AHAA accounts with the label "(g)" are transferred to the entity's General Account. Those AHAA accounts with the label "(c)" are transferred to the entity's Compliance Account (see Figure 7). The automated transfer is a jurisdiction-initiated process that does not require acceptance by the recipient. Entities that have allowances in an AAHA account should review and adjust their holdings as may be necessary to avoid exceeding the current vintage holding limit when the transfer occurs.

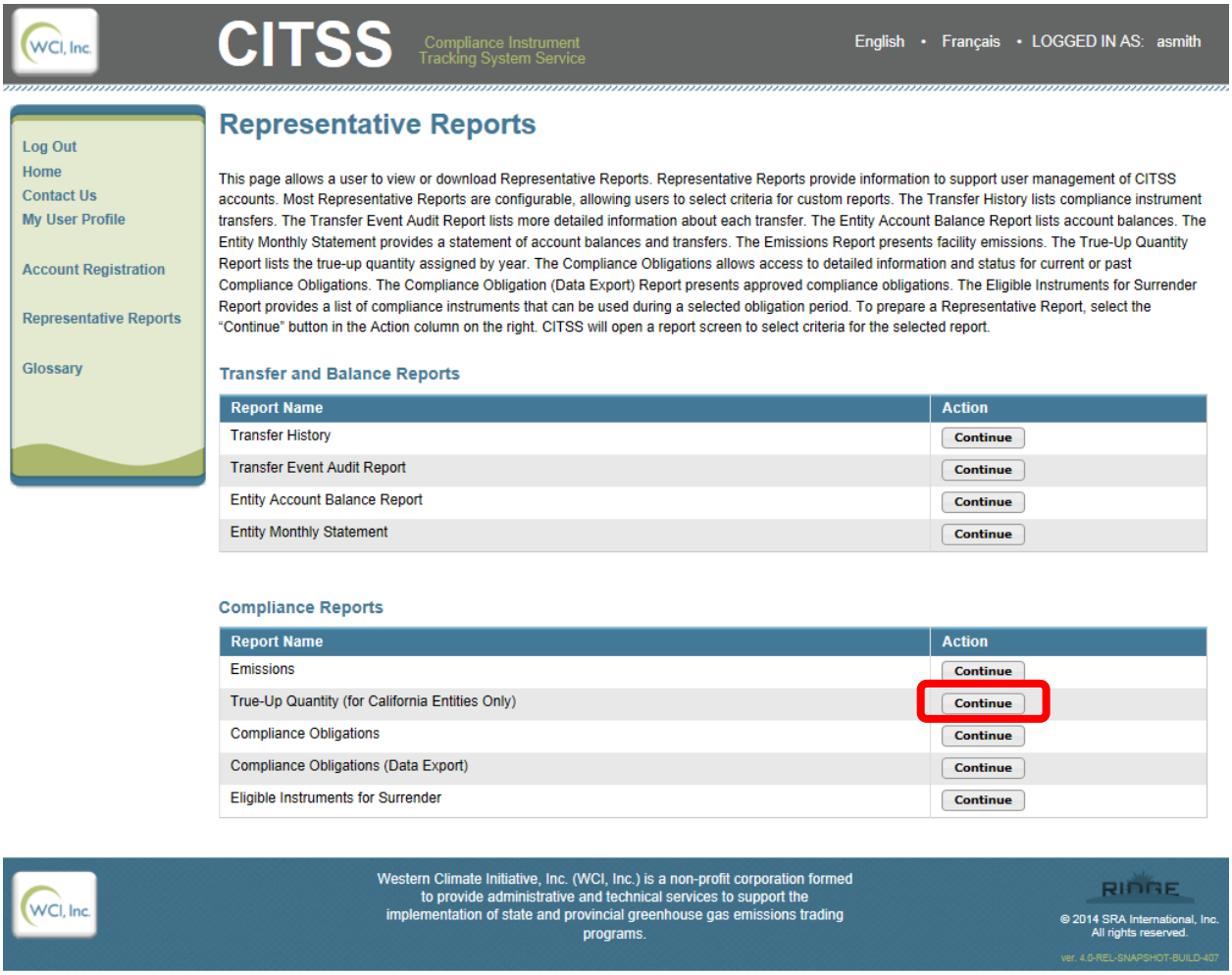
True-up Quantity

An annual allocation is provided to assist entities in certain sectors with transition assistance. The allowances received in an allocation can be used (surrendered) to satisfy an obligation incurred for the Budget Year that matches the vintage of the allocated allowances, i.e., 2013 vintage allowances can be used to satisfy the 2013 annual obligation. When true-up is calculated, allowances of the original vintage are no longer available to fulfill a prior allocation, which is updated based on newly reported and verified production or allocation data. The Cap-and-Trade Regulation addresses this situation by assigning a True-up Quantity. True-up Quantity is the number of allowances of a more recent vintage that an entity is allowed to surrender to satisfy an obligation for an earlier obligation period. Assigned True-up Quantity is the total True-up Quantity given to an entity by the jurisdiction, i.e., it is equal to the difference between a prior allocation and the actual number of allowances that an entity ultimately receives.

CITSS tracks the surrender of more recent allowances to satisfy older obligations, reports the balance as the Remaining True-up Quantity until an entity has used all of its Assigned True-up Quantity or the vintage of the allowances become current and can be surrendered without the True-up Quantity designation.

Selecting the Continue button for True-up Quantity (for California Entities Only) on the Representatives Reports page (Figure 8) takes the user to the True-up Quantity page (Figure 9).

Figure 8 – Compliance Reports - True-up Quantity

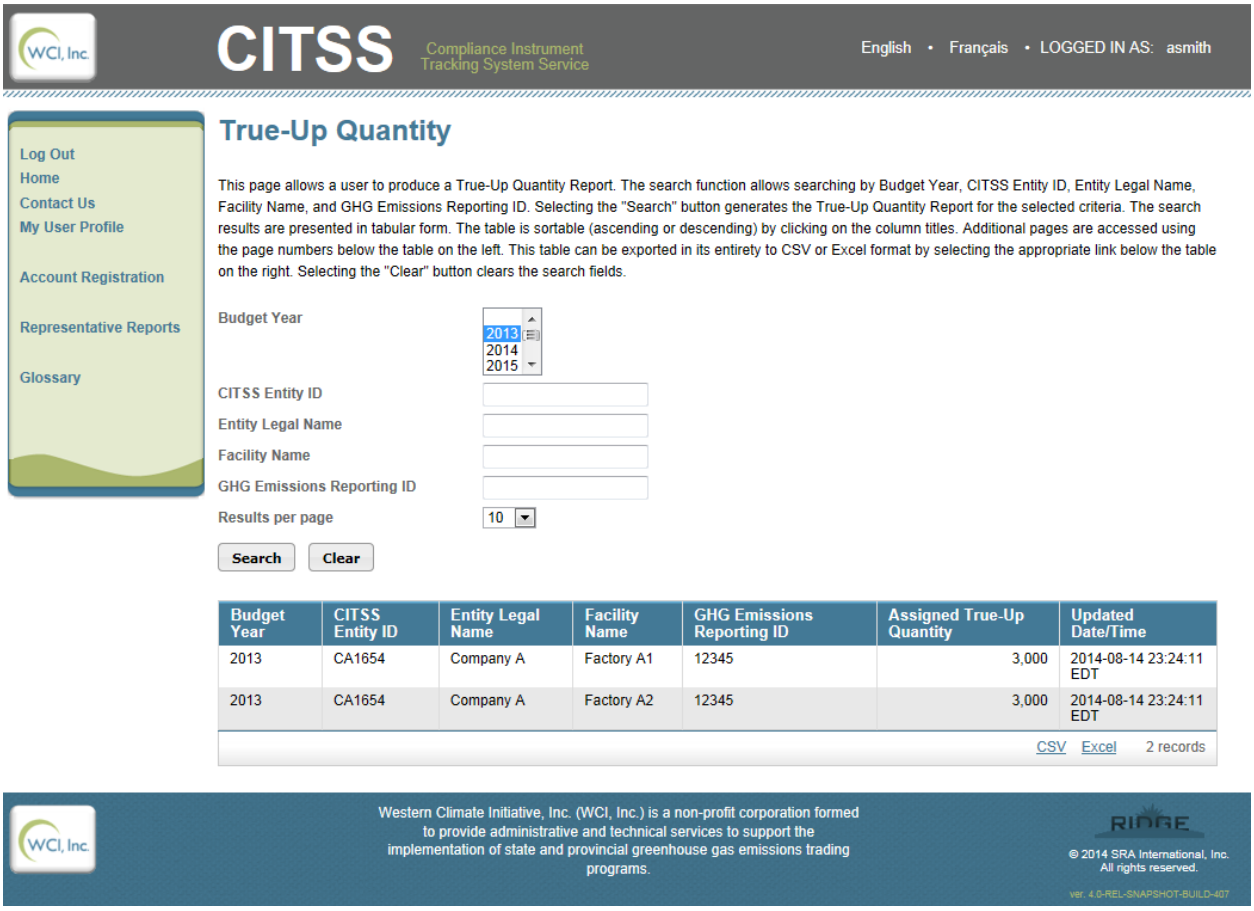


Selecting the Continue button for True-up Quantity (For California Entities Only) on the Representatives Reports page takes the user to the True-up Quantity page (Figure 9).

True-up Quantity is assigned to an entity but is calculated on a facility basis. The True-up Quantity page identifies the facility or facilities that are the source of the needed true-up. The True-up Quantity page allows a user to review the Assigned True-up Quantity by facility for any Budget Year.

The search function allows searching by Budget Year, CITSS Entity ID, Entity Legal Name, Facility Name, and GHG Emissions Reporting ID. Selecting the "Search" button generates the Facility True-up Quantity Report for the selected criteria. The search results are presented in tabular form. The table is sortable (ascending or descending) by clicking on the column titles. Additional pages are accessed using the page numbers below the table on the left. This table can be exported in its entirety to CSV or Excel format by selecting the appropriate link below the table on the right. Selecting the "Clear" button clears the search fields.

Figure 9 – True-up Quantity Page



Compliance Obligations

The Cap-and-Trade Program is based on the process that participants acquire compliance instruments (allowances and offsets) equal to their covered emissions over a period of time. Each compliance instrument represents a permit to emit one metric ton of carbon dioxide equivalent ($MTCO_2e$). A covered or opt-in entity is required to provide ARB a specified number of compliance instruments at specified deadlines (compliance obligation). At each compliance deadline, CITSS retires the required number of compliance instruments from an entity's Compliance Account (surrender process).

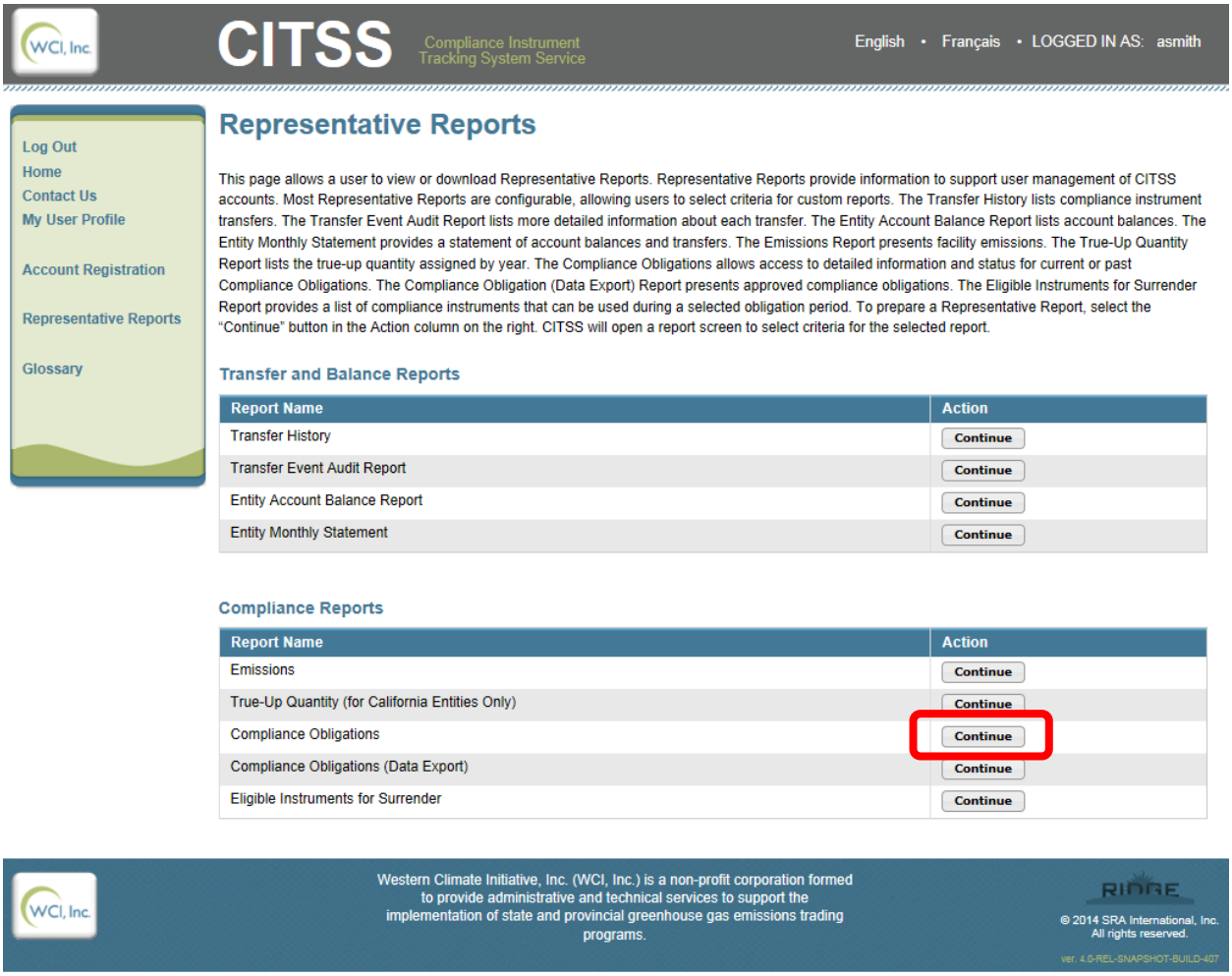
Selecting the Continue button on the Representatives Reports page (Figure 10) takes the user to the Compliance Obligations page which allows users to look up compliance obligations for any entity that they represent. There are several types of compliance obligations defined in the Regulation. For context, a brief description of each obligation type implemented in CITSS is provided below.

Triennial compliance obligations require entities to surrender compliance instruments equal to their emissions at the conclusion of each of three compliance periods. The first compliance period covers emissions in the years 2013 and 2014; the second compliance period covers emissions in the years 2015 through 2017, and the third compliance period covers emissions in the years 2018 through 2020.

The Regulation establishes the obligation deadline for triennial obligations as November 1, or the first business day thereafter if November 1 falls on a weekend or holiday. Entities are required to report emissions annually. Verification of annual reported emissions requires several months following the end of a calendar year. Consequently, the triennial obligation deadline is November of the year following the end of the compliance period, e.g., the first triennial compliance period ends on December 31, 2014, and the deadline for the triennial compliance obligation is November 1, 2015. Similarly, the triennial compliance obligation deadlines for the second and third compliance periods occur in 2018 and 2021, respectively.

The Regulation specifies an **annual compliance obligation**. An annual compliance obligation is surrendered for each year within a triennial compliance period except the last year when the triennial obligation is surrendered. An annual compliance obligation is equal to 30 percent of the covered emissions for the interim year. Compliance instruments surrendered for each annual compliance obligation within a triennial compliance period are credited towards the triennial compliance obligation. An annual compliance obligation is due on November 1, or the first business day thereafter if November 1 falls on a weekend or holiday, of the year following the annual obligation period. The annual compliance obligation deadline for the 2013 Budget Year is November 3, 2014 (November 1, 2014 falls on a Saturday).

Figure 10 – Compliance Reports – Compliance Obligations



An **Under-Reported Emissions** (URE) obligation is incurred when it is discovered that the annual emissions for a facility were under-reported for a past Budget Year. When an under-reporting error is discovered, the entity is responsible for surrendering additional allowances equal to the number of emissions that were under-reported.

An **Offset Invalidation** obligation is incurred when an entity has surrendered offset credits that were subsequently determined to be invalid. The entity is responsible for replacing retired offset credits that have been invalidated with valid instruments to maintain the environmental integrity of the program.

If an entity fails to comply with any of the above obligations, the entity will incur a **Shortfall** obligation and an **Untimely Surrender** obligation for an unmet obligation. A shortfall obligation requires the entity to surrender the balance of compliance instruments that they were deficient in an earlier unfulfilled obligation. An Untimely Surrender obligation requires an entity to surrender a number of instruments equal to three times (3x) the Shortfall obligation.

Selecting the Continue button for Compliance Obligations on the Representatives Reports page (Figure 10) takes the user to the Compliance Obligations page (Figure 11) which allows users to search for compliance obligations for any entity that they represent.

The search fields allow searching by Current or Past Obligations (tab at top), Budget Year(s), Obligation Type, CITSS Entity ID, and Entity Legal Name. The search results are presented in tabular form in the bottom half of the screen and may be more than one page in length. The table is sortable (ascending or descending) by clicking on the column titles. Additional pages are accessed using the page numbers below the table on the left. This table can be exported in its entirety to CSV or Excel format by selecting the appropriate link below the table on the right. Selecting the "Clear" button clears the search fields.

The **Obligation Period** column in the search results table identifies the Budget Year(s) and the type of compliance obligation.

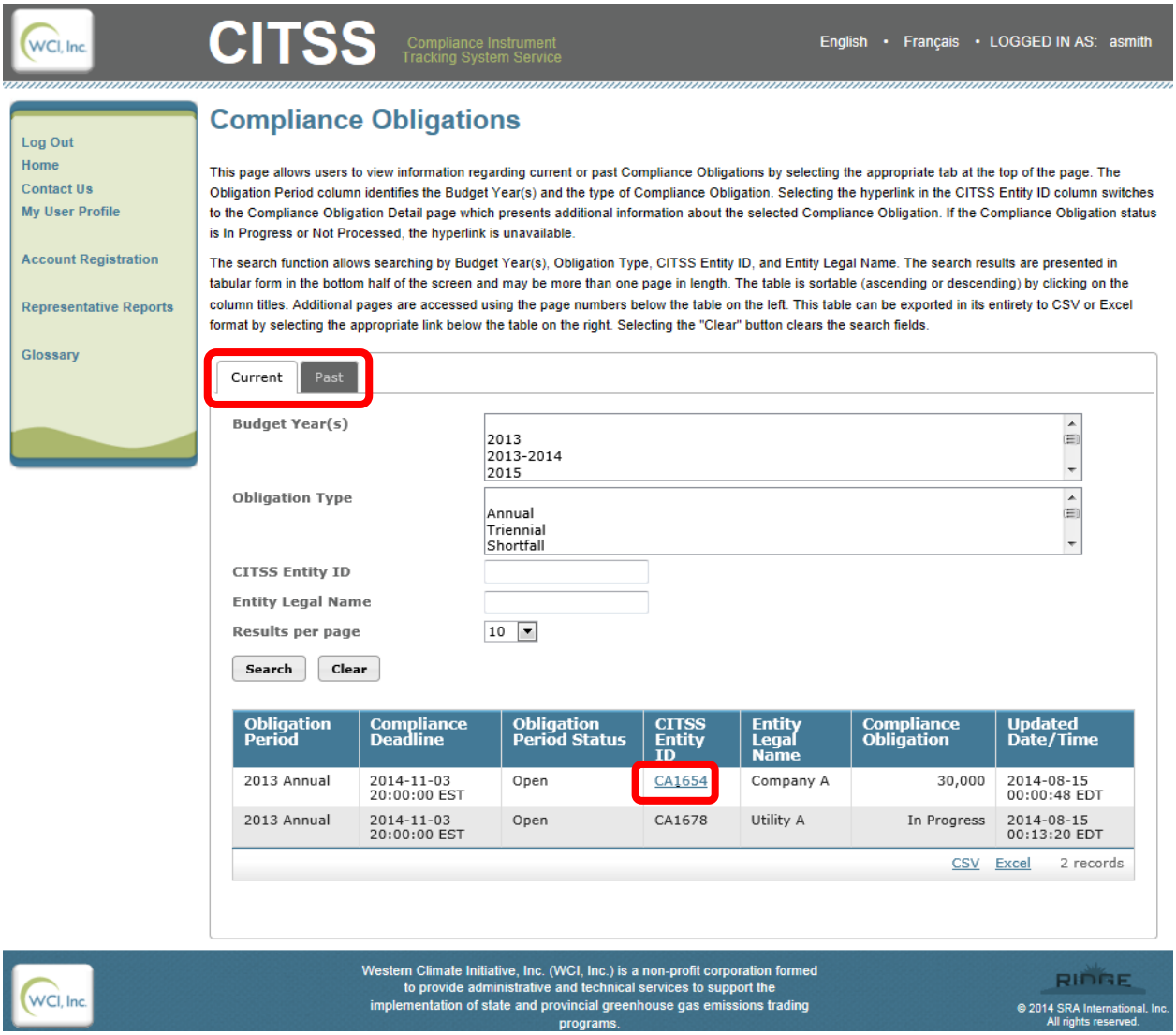
The **Compliance Deadline** column shows the date and time that the compliance obligation is/was due. CITSS automatically processes obligations at the compliance deadline including determining if there are sufficient instruments to satisfy the compliance obligation and surrendering of instruments.

The **Obligation Period Status** column identifies the current status of the obligation in CITSS. For current obligations, the Obligation Period Status of "Pending" exists for most of the year. The Obligation Period Status changes to "Open" when ARB opens the compliance module, allowing users to review their emissions and obligations. ARB opens the compliance module in the fall when verified emissions are entered and obligations calculated in CITSS. At the Compliance Deadline, the Obligation Period Status changes to "Locked" for the duration of compliance processing (surrender). This is anticipated to be less than one hour. The Obligation Period Status changes to "Final," when compliance processing completes. The Obligation Period Status is "Final" for all past obligations.

The compliance obligation applies to the entity identified by the **CITSS Entity ID, Entity Legal Name**, and the **Compliance Account Number** columns. Selecting the hyperlink in the CITSS Entity ID column takes the user to the CITSS Compliance Obligation Detail page which presents detailed information about the selected compliance obligation. If the compliance obligation status is "In Progress" or "Not Processed," the hyperlink is unavailable.

Compliance Obligation identifies the compliance obligation amount in metric tons, i.e., number of instruments. The statuses of "In Progress" or "Not Processed" indicate that a compliance obligation has not been calculated. The status will be reported as "In Progress" while ARB is entering or approving a compliance obligation.

Figure 11 – Compliance Obligations Page



Compliance Obligation Detail Page

A view of an entire Compliance Obligation Detail page is presented as Figure 12. The parts of this page (boxes) are provided in a larger size in the following figures where the contents are discussed in detail.

The Compliance Obligation Detail page provides all of the detailed information for a selected compliance obligation for a selected entity. The Compliance Obligation Detail page includes "tooltips" to assist users with understanding the page. Tooltips are identified as a magenta question mark "**?**" located at the end of a line or title. Hovering the mouse over a tooltip will provide additional explanation of the information on the line.

The Compliance Obligation Detail page is available for current or past obligations. The context of labels and information differs between a current and a past obligation. For example, the Compliance Obligation detail page for a current obligation identifies the "Instruments to be Surrendered" for a future (pending) deadline while the same line identifies "Instruments Surrendered" for a past obligation deadline.

If the jurisdiction has not opened a compliance obligation period, a Compliance Obligation Detail page is not available. Reported and verified emissions under MRR are the foundation for calculation of obligations. California receives verified emissions data early fall. California anticipates opening the CITSS compliance module in September or October, providing representatives an opportunity to review compliance obligations and pending compliance statuses before the obligation deadline.

As shown in Figure 12, the Compliance Obligation Detail page can include as many as five boxes:

1. **Compliance Obligation Information**. This box is the body of the page and provides the primary information presented on the page. The remaining four boxes are located below this box and provide supporting information.
2. **Instruments in Compliance Account to be Surrendered**. This box is present on all Compliance Obligation Detail pages.
3. **Remaining True-up Quantity**. This box is only present if the entity has a True-up Quantity.
4. **Facility Emissions**. This box is present on all Compliance Obligation Detail pages.
5. **Assigned True-up Quantity**. This box is only present if the entity has a True-up Quantity.

Each of these boxes is described in greater detail in the following pages.

Figure 12 – Compliance Obligation Detail Page

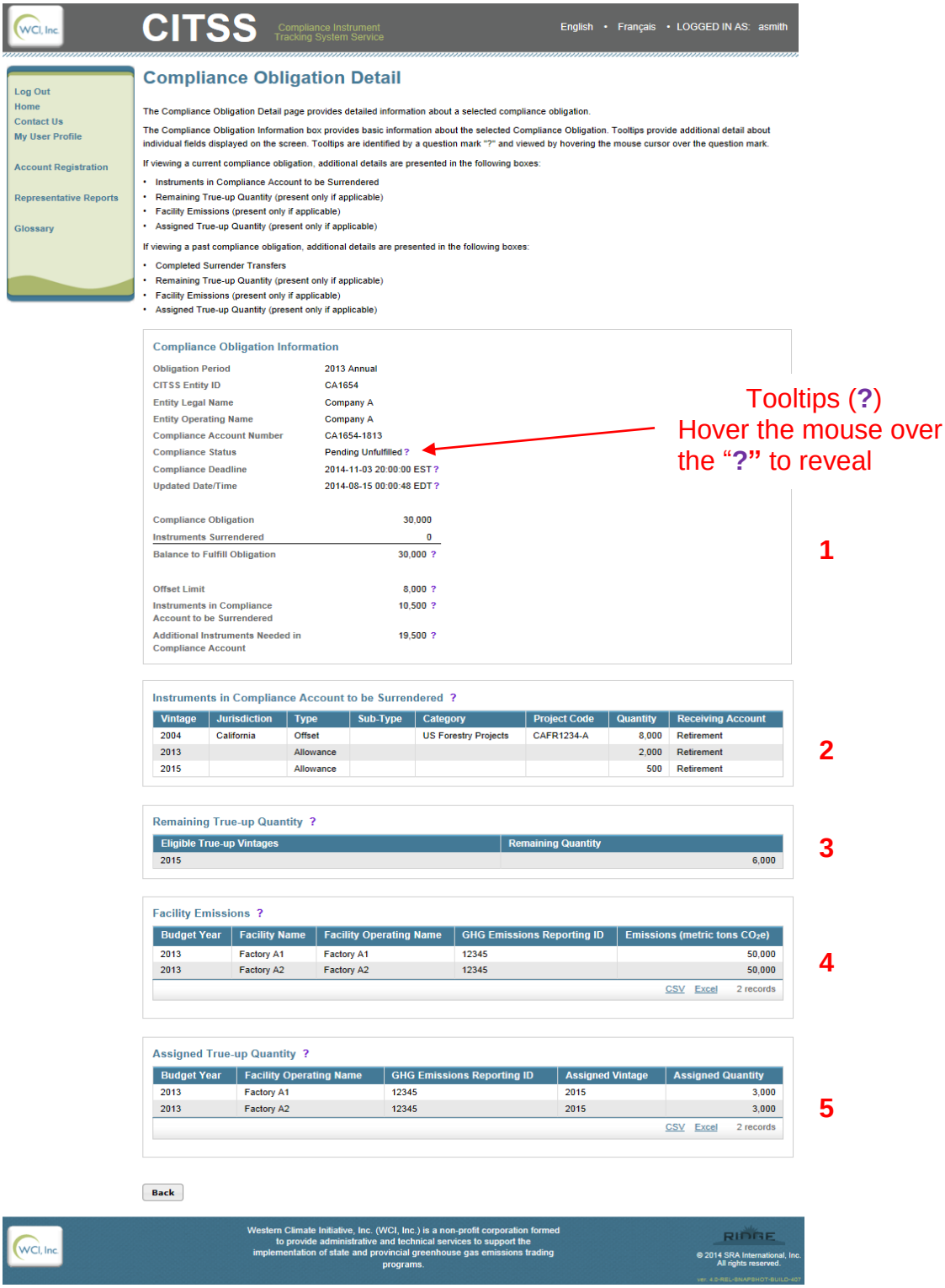


Figure 13 provides an expanded view of the Compliance Obligation Information box, the Instruments in Compliance Account to be Surrendered box, and the Facility Emissions box. These three boxes will be on the Compliance Obligation Detail page for every obligation.

The Compliance Obligation Information box provides the basic information about a past or current (pending) obligation. The information at the top of the box includes basic information identifying the obligation including the Obligation Period, CITSS Entity ID, Entity Legal Name, Entity Operating Name, Compliance Account Number, Compliance Status, Compliance Deadline, and the Updated Date/Time.

The **Compliance Status** field provides a user with the status of the obligation. When viewing a current obligation, the Compliance Status field can be Pending Fulfilled or Pending Unfulfilled. In this context, CITSS examines the Compliance Account at the time the screen is viewed and determines if there are sufficient instruments to satisfy the upcoming compliance obligation (Pending Fulfilled). If additional instruments will be required to satisfy the upcoming obligation, CITSS designates the Compliance Status as Pending Unfulfilled. When viewing a past obligation, the Compliance Status is recorded as Fulfilled or Unfulfilled indicating the status set after processing the obligation at the Compliance Deadline.

The **Compliance Obligation** is the number of compliance instruments that are required to satisfy the obligation. Although there can be exceptions, the compliance obligation is normally calculated based on facility emissions. **Facility Emissions** are provided as reference data in the Facility Emissions box at the bottom of the page.

When viewing current obligations, **Instruments Surrendered** is only applicable to a triennial obligation and identifies the number of instruments surrendered during previous annual obligations that count toward the triennial obligation. When viewing past obligations, **Instruments Surrendered** displays the number of instruments surrendered at the compliance deadline. The **Balance to Fulfill Obligation** is the difference between the obligation and any instruments that have been previously surrendered.

Offset Limit is the number of offsets that an entity is allowed to use for compliance with this obligation.

Instruments in Compliance Account to be Surrendered is the number of instruments currently in the Compliance Account that would be retired if compliance processing were initiated at this time. The instruments that CITSS would retire are identified in the “Instruments in Compliance Account to be Surrendered” detail box.

Additional Instruments Needed in Compliance Account is the difference between the “Balance to Fulfill Obligation” and the “Instruments in the Compliance Account to be Surrendered.”

Figure 13 – Details of the Compliance Obligation Detail Page

Compliance Obligation Information

Obligation Period	2013 Annual
CITSS Entity ID	CA1654
Entity Legal Name	Company A
Entity Operating Name	Company A
Compliance Account Number	CA1654-1813
Compliance Status	Pending Unfulfilled ?
Compliance Deadline	2014-11-03 20:00:00 EST ?
Updated Date/Time	2014-08-15 00:00:48 EDT ?

Compliance Obligation	30,000
Instruments Surrendered	0
Balance to Fulfill Obligation	30,000 ?
Offset Limit	8,000 ?
Instruments in Compliance Account to be Surrendered	10,500 ?
Additional Instruments Needed in Compliance Account	19,500 ?

Tooltips (?)
Hover the mouse over the "?" to reveal.

Instruments in Compliance Account to be Surrendered ?

Vintage	Jurisdiction	Type	Sub-Type	Category	Project Code	Quantity	Receiving Account
2004	California	Offset		US Forestry Projects	CAFR1234-A	8,000	Retirement
2013		Allowance				2,000	Retirement
2015		Allowance				500	Retirement

Facility Emissions ?

Budget Year	Facility Name	Facility Operating Name	GHG Emissions Reporting ID	Emissions (metric tons CO_2e)
2013	Factory A1	Factory A1	12345	50,000
2013	Factory A2	Factory A2	12345	50,000

CSV Excel 2 records

The bottom of the Compliance Obligation Detail page may include two additional boxes related to True-up Quantity. Entities that received an underestimated annual allocation are assigned a True-up Quantity. A True-up Quantity allows an eligible entity to surrender more recent allowances than would normally be allowed for an obligation of an earlier Budget Year.

As described above, one of the features of the Compliance Obligation Detail page is identification of the eligible instruments that CITSS has counted toward a compliance obligation. If an entity has a True-up Quantity, CITSS adds two True-up Quantity boxes to the bottom of the Compliance Obligation Detail page (see Figure 14). The Remaining True-up Quantity box identifies the amount of the Assigned True-up Quantity that is still available for use. The Assigned True-up Quantity box identifies the total True-up Quantity assigned when an annual allocation was calculated.

If an entity has allowances in its Compliance Account that are of the vintage identified as useable for true-up, CITSS will surrender those allowances from the Compliance Account in the prescribed order (oldest vintage allowances first).

Figure 14 – True-up Quantity on Compliance Obligation Detail Page

Instruments in Compliance Account to be Surrendered ?

Vintage	Jurisdiction	Type	Sub-Type	Category	Project Code	Quantity	Receiving Account
2004	California	Offset		US Forestry Projects	CAFR1234-A	8,000	Retirement
2013		Allowance				2,000	Retirement
2015		Allowance				500	Retirement

Remaining True-up Quantity ?

Eligible True-up Vintages	Remaining Quantity
2015	6,000

Facility Emissions ?

Budget Year	Facility Name	Facility Operating Name	GHG Emissions Reporting ID	Emissions (metric tons CO_2e)
2013	Factory A1	Factory A1	12345	50,000
2013	Factory A2	Factory A2	12345	50,000

CSV Excel 2 records

Assigned True-up Quantity ?

Budget Year	Facility Operating Name	GHG Emissions Reporting ID	Assigned Vintage	Assigned Quantity
2013	Factory A1	12345	2015	3,000
2013	Factory A2	12345	2015	3,000

CSV Excel 2 records

Back

Western Climate Initiative, Inc. (WCI, Inc.) is a non-profit corporation formed to provide administrative and technical services to support the implementation of state and provincial greenhouse gas emissions trading programs.

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ver. 4.0-REL-SNAPSHOT-BUILD-407

Compliance Obligation (Data Export)

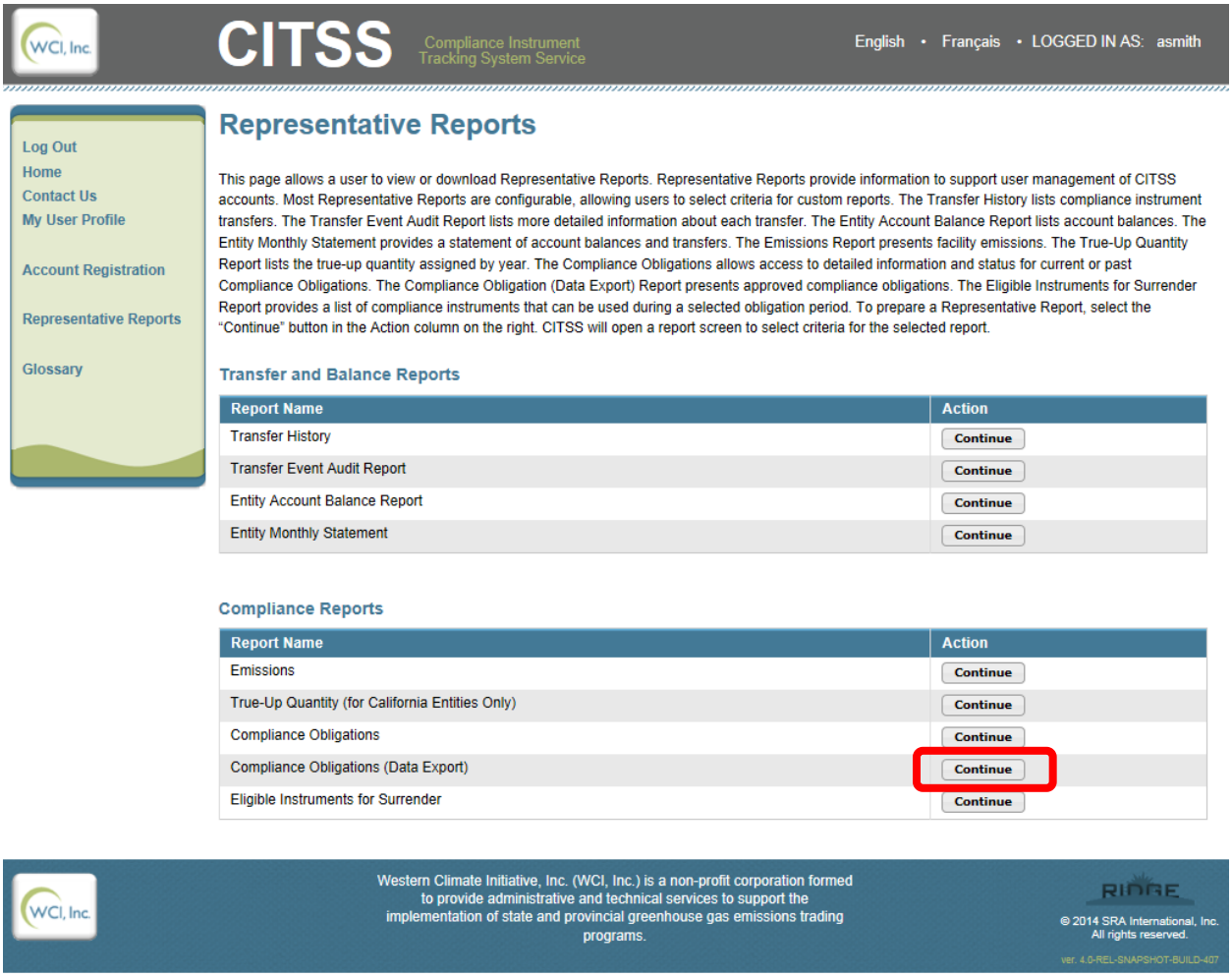
CITSS provides the Compliance Obligation Data Export option to allow users to quickly produce a CSV or Excel formatted download with all of the fields associated with a selected Compliance Obligation.

Selecting the Compliance Obligation Data Export item under the Compliance Reports menu (see Figure 15) presents the user with the Compliance Obligation (Data Export) Report page (see Figure 16).

The fields that are automatically included in the Compliance Obligation Data Export report are:

- CITSS Entity ID
- Entity Legal Name
- Entity Operating Name
- Compliance Account Number
- Budget Years
- Obligation Type
- Compliance Obligation
- Offset Limit
- Allowances Surrendered
- Offsets Surrendered
- Total Instruments Surrendered
- Allowances in Compliance Account to be Surrendered
- Offsets in Compliance Account to be Surrendered
- Balance (Shortfall)
- Compliance Status
- Compliance Deadline
- Obligation Updated Date/Time
- Date/Time Report Generated

Figure 15 – Compliance Reports – Compliance Obligations (Data Export)



Selecting the Compliance Obligation Data Export item under the Compliance Reports menu presents the user with the Compliance Obligation (Data Export) Report page (see Figure 16). The Compliance Obligation (Data Export) Report page allows a user to select the desired compliance obligation based on Budget Years. Budget Years includes multi-year values in the dropdown choices allowing a user to choose the correct compliance period for a triennial compliance obligation.

Budget Years

- 2013 – 2014
- 2015 – 2017
- 2018 - 2020

Selecting only a compliance period without addition fields will provide a report with all of the obligations that exist during that period for all of the entities represented by the user. Option fields that can be selected to narrow the report content to include Obligation Type and CITSS Entity ID.

Obligation Type

- Annual
- Triennial
- Shortfall
- Untimely Surrender
- Under-Reported Emissions
- Under-Reported Emissions Shortfall
- Under-Reported Emissions Untimely Surrender
- Offset Invalidation Shortfall
- Offset Invalidation Untimely Surrender

CITSS Entity ID

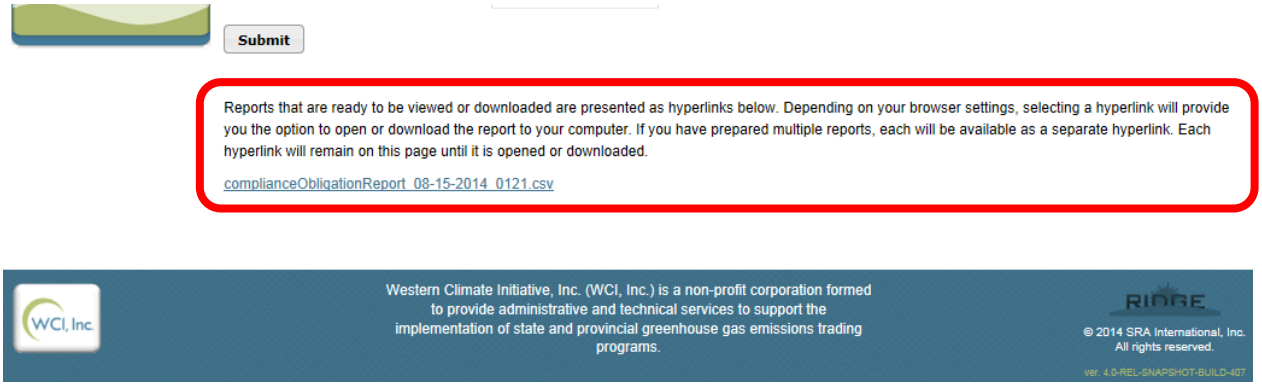
Entering a CITSS Entity ID will limit the report extract to obligations for the selected entity. This field used in conjunction with the previous search fields can be used to limit the report to a compliance obligation for an entity represented by the user.

Selecting the Submit button will initiate compilation of the requested report by CITSS. Once the report request has been submitted, CITSS will display the message “Your Compliance Obligation Report is being prepared. Please return to this page to download it” (Figure 17). The webpage can be refreshed by selecting the browser refresh button, pressing F5 on most Windows computers, or using command-R in Mac or Linux.

After the report has been produced and the CITSS page refreshed, the user will be presented with a hyperlink located below the Submit button (Figure 17) that may be selected to either open or download the requested report.

Figure 16 – Compliance Obligations (Data Export) Report Page

Figure 17 – Compliance Obligations (Data Export) Report Ready for Download



Eligible Instruments for Surrender

The Regulation specifies the number of compliance instruments by type (allowances and offsets) and vintage that may be used to satisfy any compliance obligation, and the order in which those instruments will be retired from an entity's Compliance Account surrender at the obligation deadline.

CITSS provides the Eligible Instruments for Surrender page to assist users in determining the instruments that are eligible for surrender for a specific obligation. Instruments are only retired from an entity's Compliance Account. Compliance instruments in other accounts are not counted or retired for any compliance obligation. The basic rules for determining the eligibility of instruments includes:

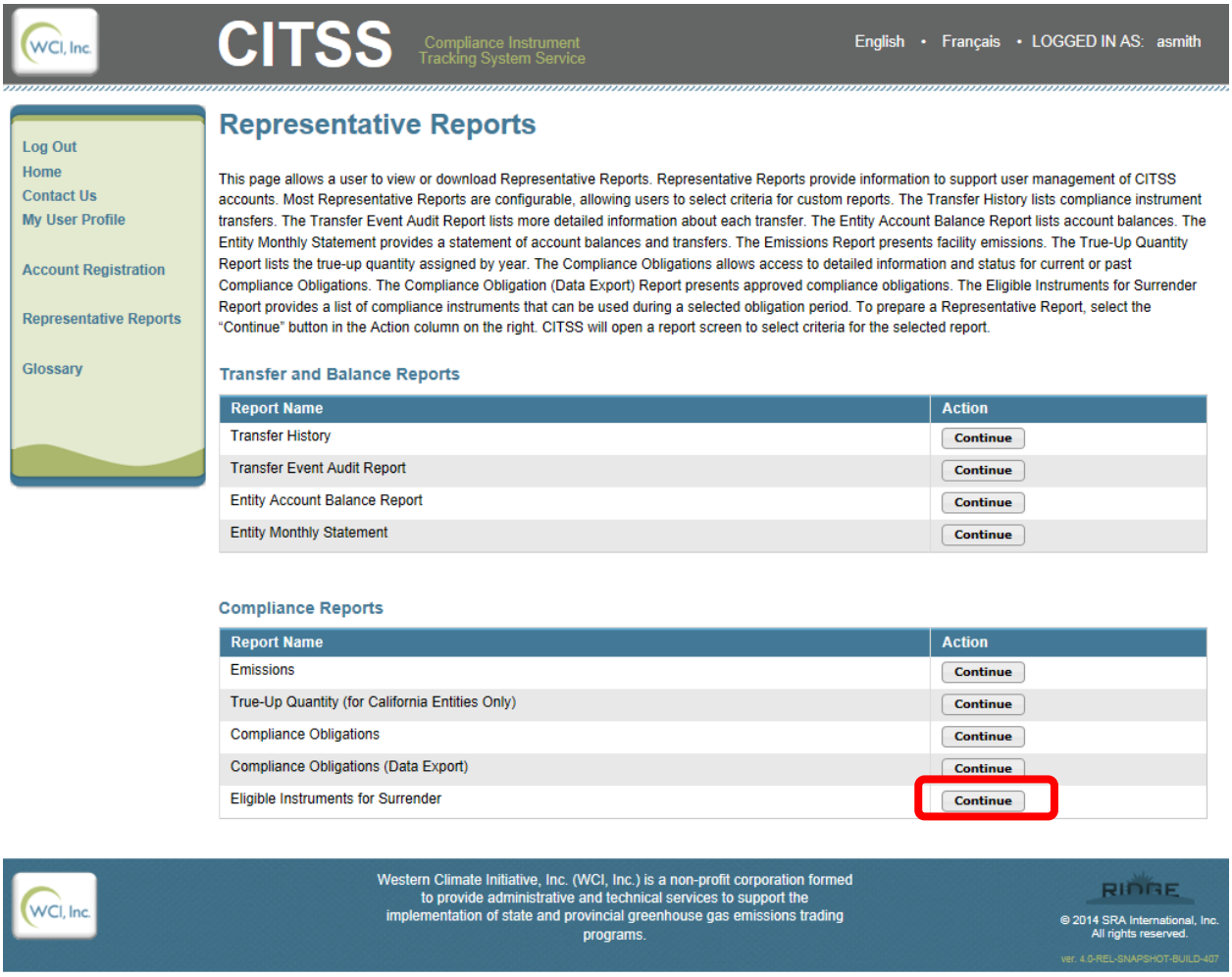
- To satisfy an annual or triennial obligation, the vintage of the allowance must be the same or earlier than the year of the obligation, unless an entity has a True-up Quantity which allows the surrender of a more current vintage. For example, allowances must be 2013 vintage or earlier to be eligible for the 2013 annual obligation. Allowances with a 2014 vintage or later cannot be surrendered for the 2013 obligation unless an entity has a True-up Quantity. Other types of obligations, such as Shortfall, Untimely Surrender, Under Reported Emissions, have differing rules regarding the eligibility of instruments. Please note, at the end of the first compliance period, when the remaining 70 percent of the 2013 compliance obligation is due, vintage 2013, 2014, or true-up allowances may be surrendered to comply with the outstanding 70 percent due at that time.
- Vintage is not a criterion for offset eligibility. Any vintage of offset can be surrendered for any obligation that allows offsets, subject to other limitations on the use of offsets, e.g., quantitative usage limit.
- The quantitative usage limit restricts the number of offsets that can be used for an annual or triennial obligation to 8 percent of the covered emissions for the obligation period. Instruments surrendered for annual obligations are credited toward the triennial obligation. The total number of offsets that can be used to satisfy the triennial obligation, including those surrendered for annual obligations, cannot exceed 8 percent of the covered emissions for the triennial compliance period.

During the surrender process for each obligation, CITSS identifies eligible instruments and retires them in the following order as applicable, i.e., if a particular instrument type or vintage is not eligible, it is skipped. If there are more instruments than required, CITSS retires the allowed or needed quantity.

1. Offsets of any vintage.
2. California Allowance Price Containment Reserve allowances.
3. Other non-vintage allowances.
4. Allowances of vintage equal to the Obligation Budget Year or earlier.
5. Allowances of current calendar year vintage or earlier allocated for the purpose of True-up.

Selecting the Eligible Instruments for Surrender item under the Compliance Reports menu (Figure 18) presents the user with the Eligible Instruments for Surrender page (Figure 19).

Figure 18 – Compliance Reports – Eligible Instruments for Surrender



The Eligible Instruments for Surrender page allows users to view a list of eligible instruments with the surrender order for an obligation period. The user must select Jurisdiction, Budget Year(s), and Obligation Type. These three fields are mandatory for CITSS to identify the desired information.

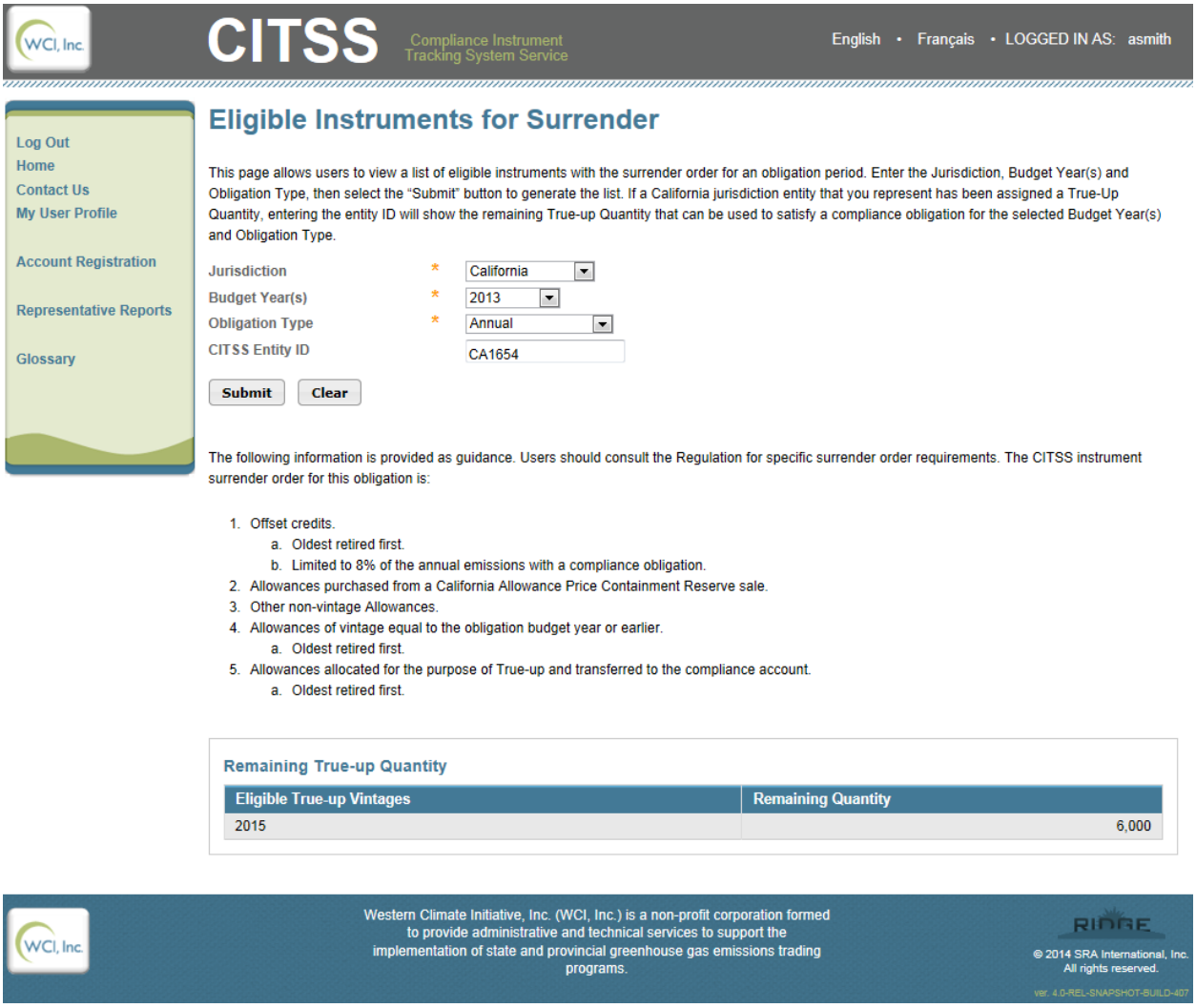
As shown in Figure 19, the eligible instruments and surrender order of those instruments for the California 2013 annual obligation is identified as:

1. Offset credits.
   a. oldest retired first.
   b. limited to 8 percent of the annual emissions with a compliance obligation.
2. Allowances purchased from a California Allowance Price Containment Reserve sale.
3. Other non-vintage allowances.
4. Allowances of vintage equal to the obligation Budget Year or earlier.
   a. oldest retired first.
5. Allowances of current calendar year vintage or earlier allocated to the Compliance Account for the purpose of True-up.
   a. oldest retired first.

The Eligible Instruments for Surrender page allows a user to enter the CITSS Entity ID for any entity that the user represents. Specifying the entity allows CITSS to check if that entity has a balance in True-up Quantity. A True-up Quantity allows an entity to use a limited number of more recent vintage allowances to satisfy an obligation for an earlier obligation period.

As shown in Figure 19, the example entity has a Remaining True-up Quantity that would allow the identified entity to use as many as 6,000 allowances with a 2015 vintage to satisfy the 2013 annual obligation.

Figure 19 – Eligible Instruments for Surrender Page



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