

California Climate Action Registry



Mary Nichols
Chairman
Air Resources Board
1001 I Street
Sacramento, CA 95812

March 27, 2009

RE: Recognizing and Crediting Early Action in a Cap-and-Trade Program

Dear Ms. Nichols,

In response to the ongoing discussion of recognizing and crediting early action in California's cap-and-trade system, I want to strongly advocate for the recognition of and provision of allowances for California Climate Action Registry (California Registry) members who have taken early actions to reduce their greenhouse gas emissions and have tracked these reductions through our public entity-level reporting program.

The California Registry's historic mission has been to provide companies with an opportunity to publicly report certified emission inventories and demonstrate emission reductions over time on an entity-wide basis. In fact, the California Registry was created by California state legislature with the specific purpose of enabling participating entities to voluntarily record greenhouse gas emissions generated after 1990 in a consistent, certified format and ensuring that sources in the state receive appropriate consideration for their certified emissions results under any future regulatory regime relating to greenhouse gas emissions.¹

Our enabling legislation stated that "mandatory greenhouse gas emissions reductions may be imposed on California sources at some future point, and in view of this, the state has a responsibility to use its best efforts to ensure that organizations that voluntarily inventory their emissions receive appropriate consideration for changes in emissions quantities made prior to the implementation of any mandatory programs." Furthermore, the state committed "to use its best efforts to ensure that organizations that establish greenhouse gas emissions baselines and register emissions results that are certified in accordance with [the California Climate Action Registry] receive appropriate consideration under any future international, federal, or state regulatory scheme relating to greenhouse gas emissions."²

The California Registry strongly believes that its members have conducted and publicly reported their emission inventories in good faith. Our members have satisfied California's request to voluntarily report and certify emission inventories on an annual basis in accordance with the California Registry's program as established pursuant to state law, using processes developed in partnership and under the direction of the State

¹ Senate Bill 527, p. 8 (October 12, 2001).

² Ibid, p. 6.

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California Environmental
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Gary Gero - Ex Officio
President,
California Climate
Action Registry

of California. We therefore feel strongly that ARB must recognize the efforts made by California Registry members to voluntarily reduce their direct and indirect emissions.

In particular we believe that, if California institutes a cap-and-trade system for greenhouse gas emissions, it should allocate emissions allowances to entities that have registered their greenhouse gas emissions with the California Registry and can thereby demonstrate a reduction in those emissions prior to the onset of an emissions cap. Allocating allowances in this manner will ensure the integrity of California's cap, while at the same time clearly recognizing the leadership and efforts of the California Registry's members.

All greenhouse gas emissions data reported to the California Registry at the entity, facility, or even source or unit level has been third-party certified in a process overseen by the State of California. The California Registry believes that real and sufficient data has been calculated, certified and maintained by its members and their certifiers to accurately quantify the emission reductions they have achieved. Where greater resolution in this data is required to establish a basis on which to allocate emissions allowances, we are certain that members would be able and willing to provide detailed, certified data to ARB.

The California Registry appreciates the opportunity to provide these comments and will support ARB in any way possible to ensure our members receive the recognition they deserve for the voluntary actions and leadership they have taken in combating climate change. If you have any questions or we can be of further assistance, please do not hesitate to call me at (213) 891-1444.

Sincerely,



Gary Gero
President