

Archive of Substantive Email Comments Received 4/28/09 during the Public Meeting on Compliance Offsets in a California Cap-and-Trade Program

Johns Manville

Should not indirect emissions reductions be encouraged and not discouraged? As long as double counting is avoided and ownership is established by contract what is the problem? Why would California accept direct reductions in foreign countries but not indirect reductions in California from, e.g., energy efficiency retrofits that would improve the health and comfort of Californians and create green jobs in California?

Thanks.

Bruce Ray

Evolution Markets, Inc

Why was the CAR Landfill Gas Protocol NOT adopted by CARB as an early voluntary reduction offset project? What is CARB's view on the general additionality of landfill gas carbon offset projects?

Thank you.

John Battaglia

California Trucking Association

Other GHG accounting standards do not define "direct" and "indirect" emissions geographically, but rather, by ownership and control of the emission sources, regardless of location.

There seems to be an additional conflating of ownership, control, and primary/secondary effects in defining *project boundaries* by locations. Other accounting standards allow, for instance, fuel switch projects (*Note: This is just an example, notwithstanding, low carbon fuel standards.*). Such a project would not be bound by geographical location, but could produce reductions which would otherwise meet offset criteria outlined in the presentation. If an otherwise robust accounting standard could be established for such a project, what would be the logic behind not generating a California offset for it?

Thank You,

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Other than CARB, how will CARB actually rely on enforcement by another agency? It seems the intention is to accept other offsets that meet CARB AB 32 criteria, but in practice will this goal fall down on the issue of enforcement? Is this a contradiction? I don't understand how CARB will enforce offsets sourced outside of California without reliance on the linked agency of jurisdiction. Is that what is envisioned?

Gabe Petlin
Director, Regulatory Affairs and Carbon Markets
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Wendel, Rosen, Black & Dean, LLP

With regard to the double-counting concern, can you please explain why double-counting couldn't be avoided simply by reducing the cap on the electricity sector by an amount equal to the quantity of offsets issued?

Isn't this same action required anyway in order to ensure we don't double count indirect reductions achieved through CPUC-funded energy efficiency activities?

Thank you,

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Center for Resource Solutions

As Mike Hertel suggests, the distinction between direct and indirect emission reductions seems overblown to me. In your discussion of leakage, you observe that indirect effects will have to be considered for direct emission reduction projects if the counting is to be done correctly. So, a preference for direct emission reduction projects doesn't eliminate the need to consider indirect effects. As for ownership of an emission reduction claim, shouldn't the entity making the investment get credit for the reduction? Does your preliminary thinking against counting indirect benefits mean that for livestock methane projects you would not anticipate counting emissions avoided due to electricity generated from biogas captured from such projects?

Chris Busch
Center for Resource Solutions