

Guidance for
Compliance Instrument Tracking System Service (CITSS) Registration
for Offset Project Operators and Authorized Project Designees

Background

All Offset Project Operators (OPO) and Authorized Project Designees (APD) are required in section 95975(a) of the Cap-and-Trade Regulation (Regulation) to register in the Compliance Instrument Tracking System Service (CITSS). OPOs must register in CITSS (have an approved CITSS Account) before an offset project may be listed by an approved Offset Project Registry or before ARB offset credits can be issued for an early action offset project. If an OPO is designating an APD before the offset project is listed, the OPO and the APD must both be registered in CITSS before the APD may submit an offset project for listing on behalf of an OPO.

This instructional guidance document has been developed to support individual and entity representatives that are participating in California's Cap-and-Trade Program as they complete activities in CITSS. CITSS is a market tracking system that will support the implementation of California's greenhouse gas (GHG) cap-and-trade programs. CITSS provides accounts for market participants to hold and retire compliance instruments and to participate in transactions of compliance instruments with other account holders. CITSS will be used to: record ownership of compliance instruments and information related to accounts; enable and record compliance instrument transfers; facilitate compliance verification; and support market oversight through the collection of relevant information.

ARB has developed a website to support the CITSS registration process (<http://arb.ca.gov/citss>). In addition to the information provided on the CITSS webpage, this guidance document is specifically applicable to OPO and APD registration requirements.

Setting Up an Account in CITSS

Note: *To protect your privacy, ARB will only communicate with the individuals requesting a CITSS account. Third parties may facilitate the process but ARB will not discuss applicant status or information with anyone other than the person applying for a CITSS account.*

To act as an OPO or APD of an offset project, the OPO or APD must follow a two-step process to obtain an account in CITSS. An individual must first complete the user

registration to receive a CITSS User ID¹. Following approval as a user, the user may then apply for compliance instrument accounts for themselves or on behalf of an entity which has authorized them to do so.²

Step 1: User Registration (Apply for a CITSS User ID)

Detailed instructions for obtaining an account in CITSS can be found in ARB's CITSS User Guide – Volume I, User Registration and Profile Management (<http://www.arb.ca.gov/cc/capandtrade/markettrackingsystem/vol1citssguide-12-20.pdf>).

Important: When reading this document, OPOs and APDs are considered “General Market Participants” and should follow any instructions specific to that account type. A general market participant applying as an individual only requires a single Account Representative. Also OPOs and APDs are considered Voluntarily Associated Entities (VAE) so under Section 2.2 - Covered and Opt-in Entity KYC Documentation Options, VAEs can only use Option 1.

Step 2: Account Application (Set Up an Account)

Note: *If the OPO or APD has a direct corporate association (see below) with another entity in CITSS, contact the CITSS Help Desk at the number at the bottom of the document to discuss options for setting up accounts.*

After an individual has been approved as a CITSS User and the User ID is active (i.e. Step 1 is complete), that CITSS User will be able to apply for accounts for the OPO or APD as themselves or on behalf of an entity³ which has authorized them to do so.⁴

Detailed instructions for setting up a CITSS User can be found in ARB's CITSS User Guide – Volume II, Account Application and Account Management (<http://www.arb.ca.gov/cc/capandtrade/markettrackingsystem/vol2citssguide-12-20.pdf>).

Important: OPOs and APDs must select the “General Market Participant” account type, by either selecting the “General Market Participant – Individual” or “General Market Participant – Organization”⁵ from the entity type drop down menu. Please refer to Sections 3.3 (Individual) and 3.4 (Organization) of the CITSS User Guide Volume II for more information. If anything other than a

¹ CITSS User IDs are only issued to natural persons, not entities.

² Two approved users, a Primary Account Representative and an Alternate Account Representative, are required to apply for a compliance instrument account on behalf of an entity.

³ Only entities and individuals located in the United States can have a CITSS account.

⁴ Two approved users, a Primary Account Representative and an Alternate Account Representative, are required to apply for a compliance instrument account on behalf of an entity.

⁵ If the OPO or APD is not an individual and is acquiring a CITSS account on behalf of an entity, the entity will also need to submit information on disclosure of corporate associations and structure to ARB. These requirements are discussed later in this instructional guidance document.

“General Market Participant” category is selected, the account will not be approved and the individual or organization will need to reapply for a new account. *This could cause significant delays in the account registration process.*

Disclosure of Corporate Associations and Structure

Section 95833 of the Regulation requires all entities, including OPOs and APDs, to disclose their corporate associations and direct corporate associations. This information is needed to consolidate accounts and monitor the market program when multiple entities in the program have a financial interest in each other.

All OPOs and APDs applying for a CITSS account must fill out the Corporate Associations and Structure Form. This form can be found at the following webpage or generated and printed after completing the electronic submission for an account application:

<http://www.arb.ca.gov/cc/capandtrade/markettrackingsystem/markettrackingsystem.htm>.

Detailed instructions for filling out the Corporate Association and Structure Form can be found in ARB's Guidance for Compliance Instrument Tracking System Service (CITSS) Account Application Corporate Associations and Structure Form (http://www.arb.ca.gov/cc/capandtrade/markettrackingsystem/corp_assoc.pdf).

Consolidating Accounts

Section 95833 of the Cap-and-Trade Regulation (Regulation) requires ARB to provide a consolidated set of accounts to entities that have a direct corporate association. The Regulation provides entities with corporate associations the option of not being part of a consolidated set of accounts. Entities must formally request this opt-out option.

If the OPO or APD has identified a direct corporate association they must fill out the Consolidated Entity Account Form. This form can be found at http://www.arb.ca.gov/cc/capandtrade/markettrackingsystem/forms/corp_assoc_consol_form.pdf.

Detailed instructions for filling out the Consolidated Entity Account Form can be found at http://www.arb.ca.gov/cc/capandtrade/markettrackingsystem/consol_accounts.pdf.

For more information

Additional information may be obtained at ARB's CITSS website: www.arb.ca.gov/cc/capandtrade/markettrackingsystem/markettrackingsystem.htm or contact the CITSS Help Desk at 916-324-7659 or CACITSSHelpDesk@arb.ca.gov.