

The California Air Resources Board
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Via email: ccplan@arb.ca.gov

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Re: EcoSecurities Comments on CARB Policy Statement on Voluntary Early Actions to Reduce Greenhouse Gas Emissions

Dear Chairwoman Nichols and Honorable Members of the California Air Resources Board,

On behalf of EcoSecurities, a world leader in the development of international and domestic greenhouse gas (GHG) emission reduction projects, thank you and your staff for your work on the "Policy Statement on Voluntary Early Actions to Reduce Greenhouse Gas Emissions" (the Statement). In prior comments submitted to the Board, EcoSecurities (along with numerous other entities) has highlighted the need for greater regulatory certainty leading up to the implementation of AB 32. We have noted that such reassurance is crucial to both the achievement of important GHG reductions as soon as possible, as well as the development of a robust carbon market in California. The Statement is an important first step towards providing this regulatory certainty, and we would like to take this opportunity to recognize and commend CARB's responsiveness to stakeholder comments like those we and others have submitted.

Appreciating and acknowledging the language included in the Statement, we would like to encourage the Board to strengthen the final language to be even more explicit regarding how "credit" for early action will be given. Specifically, we support granting tradable early action credits ("TEACs") for all real, additional, verifiable, permanent, and enforceable reductions that are made. Experience in other systems shows that granting TEACs to early movers not only

sends the signal that companies will not be penalized for acting today; it also provides companies with greater flexibility, since credits can be sold onto the voluntary market in the short term, or banked for future use under the compliance market. We would also note that the importance of providing credits for early action is acknowledged on page 9 of CARB's "Proposed Early Actions to Mitigate Climate Change in California," which states that, "Eventually, ARB will define the process for translating voluntary emission reductions into *creditable reductions* (emphasis added) consistent with the broader AB 32 implementation strategy. ARB intends to adopt rules for awarding GHG reduction credit and the process for submitting credit requests."

We appreciate that, as the Statement notes, "...there can... be no guarantees about how voluntary early actions will be recognized." However, we feel that a commitment to the general concept of TEACs does not unnecessarily predetermine how credit will be given. Rather, it provides structure and certainty to the carbon market, while still leaving open a number of important design components whose subsequent definition provides the appropriate opportunity for promoting desired policy outcomes. For example, if CARB is interested in promoting the early deployment of specific technologies through TEACs, such projects could be given preference through an expedited project protocol development and/or approval process.

In closing, thank you again for your efforts towards improving regulatory certainty in California's carbon markets through the "Policy Statement on Voluntary Early Actions to Reduce Greenhouse Gas Emissions." EcoSecurities appreciates ARB's continued commitment to accepting and considering public comment, and we look forward to your final Statement on this important issue.

Respectfully submitted,

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