

# LCFS Credit Trading Issues

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## Overview

- Background
- Guiding Principles
- Issues
- Next Steps
- Questions & Discussion

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## Background

- Board Resolution 09-31
  - Propose amendments by Dec. 09 if appropriate
- LCFS designed around credit issuance, sales, retention
- Section 95488 placeholder

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## Guiding Principles

- Simplicity
- Transparency
- Enforceability
- Security & Certainty
- Minimal Barriers
- Enhance Trades

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## Issue # 1

### What should the credit trading provision accomplish?

#### Examples

- Simplify trading
- Track trades accurately
- Identify bad players

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## Issue # 2

### What is ARB's role?

#### Examples

- Clearinghouse
- Trade facilitator
- Enforcer

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## Issue # 3

### What trading data should ARB collect?

#### Examples

- Who are the buyers and sellers
- Amounts of credits bought and sold
- Dates of transactions
- Prices

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## Issue # 4

### What data should be disclosed?

#### Examples

- Public Records Act
- Aggregate reporting
- Other means to provide meaningful data without breaching confidentiality
- Balance transparency vs. competitiveness

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## Issue # 5

Should the provisions facilitate trades?

- Voluntary use
- Eliminate middleman
- Free service to bring buyers and sellers together

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## Issue # 6

What safeguards to consider?

Example

- Alert staff of market manipulations

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## Next Steps

- Consider comments
- Develop concepts
- Create proposal
- Discuss at next workshop (mid September '09)

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# Questions & Discussion

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