

**Comment 1 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Mike

Last Name: Sandler

Email Address: mike@climateprotection.org

Affiliation: Climate Protection Campaign

Subject: Cap & Dividend

Comment:

Please see the attached comments.

Attachment: <https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/1-cpccommenttoarb5-17-10pdf.pdf>

Original File Name: CPCcommenttoARB5-17-10pdf.pdf

Date and Time Comment Was Submitted: 2010-05-24 10:15:54

No Duplicates.

## **Comment 2 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Jim

Last Name: Cowell

Email Address: jim.cowell@caltech.edu

Affiliation:

Subject: Caltech Comment for Allowance Allocation

Comment:

Please see the attached letter of support of the University of California's position regarding CARB's pending regulation of institutions of higher education that operate combined heat and power plants.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/4-caltech\\_uc\\_carb\\_comment.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/4-caltech_uc_carb_comment.pdf)

Original File Name: Caltech UC CARB Comment.pdf

Date and Time Comment Was Submitted: 2010-06-02 10:25:52

No Duplicates.

### **Comment 3 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Grant

Last Name: Davis

Email Address: grant.davis@scwa.ca.gov

Affiliation: Sonoma County Water Agency

Subject: Allowance Value Allocation

Comment:

Please see our comment letter concerning Allowance Value Allocation and impacts on local agency climate protection programs as attached.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/5-scwa\\_carb\\_allowance\\_allocation\\_comment\\_letter\\_060410.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/5-scwa_carb_allowance_allocation_comment_letter_060410.pdf)

Original File Name: SCWA CARB Allowance Allocation Comment Letter 060410.pdf

Date and Time Comment Was Submitted: 2010-06-04 12:53:31

No Duplicates.

**Comment 4 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

This comment was posted then deleted because it was unrelated to the Workshop item or it was a duplicate.

## **Comment 5 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Bill

Last Name: Buchan

Email Address: buchana@mktpotential.com

Affiliation: Graphic Packaging Int., Inc.

Subject: Cost containment/Trade Exposure

Comment:

GPI is glad to see that ARB is sensitive to the impacts of California businesses recognizing issues on one's ability to pass along GHG costs, emissions leakage, and the ability to reduce GHG while still remaining competitive. As we operate a paperboard mill in Santa Clara, California, our primary competition comes from China and US plants east of the Mississippi, where no similar GHG regulatory policy exists. Our industrial sector is a trade exposed, highly competitive, low margin business. We are glad to see these considerations come into play as the ARB considers whether certain industries can reach 100% auction or may even require free allocation. GPI will be glad to share additional information about our facility and industry as appropriate.

Attachment:

Original File Name:

Date and Time Comment Was Submitted: 2010-06-07 08:52:19

No Duplicates.

## **Comment 6 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Bill

Last Name: Buchan

Email Address: buchana@mktpotential.com

Affiliation: Graphic Packaging Int., Inc.

Subject: Transition Assistance

Comment:

GPI is glad to see that ARB is considering transition assistance for the first compliance period. For CHP operations, there are not many small changes a facility can make to reduce GHG from these complex operations. Our facility may be faced with a major capital investment to replace the turbine, duct burners, HRSG, or all of the above. All very expensive investments. Time will be needed to plan, budget, purchase, and install necessary changes to our facility, requiring several years to execute.

Attachment:

Original File Name:

Date and Time Comment Was Submitted: 2010-06-07 08:56:59

No Duplicates.

**Comment 7 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Bill

Last Name: Buchan

Email Address: buchana@mktpotential.com

Affiliation: Graphic Packaging Int., Inc.

Subject: GHG Reductions Costs

Comment:

For CHP and other independent power producers, there is uncertainty as to whether we can pass along the costs of GHG reductions under AB32 within our rates (contract with PG&E).

Attachment:

Original File Name:

Date and Time Comment Was Submitted: 2010-06-07 08:58:40

No Duplicates.

## **Comment 8 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Bill

Last Name: Buchan

Email Address: buchana@mktpotential.com

Affiliation: Graphic Packaging Int., Inc.

Subject: Use of Offsets Too Limited

Comment:

GPI is glad to see that ARB is incorporating cost containment mechanisms within the Cap and Trade program. Banking of allowances, the three year compliance period, the allowance reserve, and the use of offsets are important mechanisms for the program. We, however, remain concerned that the offset mechanism is far too limited, as 51% reduction is anticipated to come from onsite. For CHP, this is a rule that drives facilities to consider only big capital investments they can make in the turbine, for example. It locks out CHP from inexpensive investments they could make to reduce GHG in other sectors. For this reason, GPI recommends that CHP be exempted from the 51% rule. If this was done, offsets would provide a significant mechanism, where projects can be performed throughout the partner jurisdictions of WCI.

Attachment:

Original File Name:

Date and Time Comment Was Submitted: 2010-06-07 09:00:51

No Duplicates.



## **Comment 9 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Bill

Last Name: Buchan

Email Address: buchana@mktpotential.com

Affiliation: Graphic Packaging Int., Inc.

Subject: Allocation Approach

Comment:

GPI is glad to see that ARB is thinking about GHG allocation based on output-based GHG efficiency. We also think that cost-effectiveness of technology required to meet efficiency targets should be considered. In this way, ARB can adjust the allocation standard downward over time only when it is cost-effective retrofits are justified. This is how retrofit regulations have been implemented in California, and we would hope that ARB does not deviate from this approach for AB32.

Attachment:

Original File Name:

Date and Time Comment Was Submitted: 2010-06-07 09:02:48

No Duplicates.

## **Comment 10 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Bill

Last Name: Buchan

Email Address: buchana@mktpotential.com

Affiliation: Graphic Packaging Int., Inc.

Subject: Auction Proceeds for R&D

Comment:

GPI is glad to see that some of the proceeds from auction will go toward research and development of low GHG technologies. For CHP, it is not certain how we will achieve lower GHG goals. Research and development is necessary in order to help CHP achieve the goals of AB 32. . If these research funds are not provided, the auction costs suffice only to tax industry over GHG emissions, rather than a means of improving our climate.

Attachment:

Original File Name:

Date and Time Comment Was Submitted: 2010-06-07 09:05:25

No Duplicates.

**Comment 11 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Bill

Last Name: Buchan

Email Address: buchana@mktpotential.com

Affiliation: Graphic Packaging Int., Inc.

Subject: Electricity Delivers Concept Too Broad

Comment:

ARB appears to be thinking very broadly about "electricity delivers", whereas the impacts of AB32 and cap and trade are different to electric utilities versus CHP and other independent power producers. We ask that ARB consider each group separately in its assessment of impacts of cap and trade.

Attachment:

Original File Name:

Date and Time Comment Was Submitted: 2010-06-07 09:07:09

No Duplicates.

## **Comment 12 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Andrew  
Last Name: Coghlan  
Email Address: andrew.coghlan@ucop.edu  
Affiliation: UC Office of the President

Subject: University of California response to allowance allocation workshop, 5.17.2010  
Comment:

California Air Resource Board staff:

On behalf of the University of California system (the University) the following comments are provided in response to proposals discussed at the May 17, 2010 cap-and-trade status update workshop.

As the State of California's premiere research institution, the University applauds ARB's plan to use allowance value to create the California Carbon Trust to fund research, development, and deployment projects for zero or low-greenhouse gas technologies. Addressing global warming requires technological innovation at scale and the University urges ARB to allocate allowance value commensurate to this research challenge.

Based on current practices and ARB draft regulations, it appears that five University of California campuses and one medical center will be regulated under the proposed "narrow scope" cap-and-trade. Beginning in 2012, the University anticipates that its annual compliance costs will be between \$6 million and \$18 million, assuming allowance prices in the range of \$10 to \$30. The University supports the goals of AB 32 and will comply with all regulatory obligations, but wishes to point out that absent increased funding from the state, the costs of cap-and-trade compliance will be born directly or indirectly by students, faculty, and researchers, to the detriment of teaching and research activities.

The University suggests that the negative impacts that cap-and-trade compliance costs will have on teaching and research at state-funded universities could be partially or wholly mitigated if ARB were to allocate some allowance value to state-funded universities for the express purpose of investing in carbon reduction projects. Projects like energy efficiency retrofits and renewable energy installations directly contribute to the State's environmental goals and also reduce campus operating costs, allowing universities to redirect funds toward teaching and research activities. Given public higher education's importance to the long term economic and cultural health of State, the University feels that this proposal is worthy of ARB's consideration.

As a large direct access customer, the University urges the Air Resources Board (ARB) to allocate allowance value in a consistent manner to all Load Serving Entities that are required to meet the

Renewable Energy Standard (RES), including utilities and Energy Service Providers. Staff comments during the May 17 workshop lead us to believe that this is ARB's intention, but the University would appreciate clarification on this point.

Lastly, the University supports limited allocation of allowance value to merchant generators so that they can recover cap-and-trade compliance costs that cannot be passed along to current customers under the terms of preexisting power purchase agreements. Absent some allocation of allowance value, it stands to reason that regulated merchant generators will be forced to pass all cap-and-trade compliance costs along to future customers. If this happens, it will create an advantage for utility companies that can spread compliance costs throughout their rate base and will discourage new participants in the wholesale power market/direct access. ARB policy should not undermine competition in California's electricity market, particularly at a time when environmentally motivated entities are beginning to use Community Choice Aggregation or similar strategies to enter wholesale power markets in order to procure cost-competitive electricity portfolios.

Thank you for this opportunity to provide feedback.

Sincerely,

Nathan Brostrom  
Executive Vice President, Business Operations  
University of California

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/14-evp\\_brostrom\\_carb\\_6\\_7\\_10.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/14-evp_brostrom_carb_6_7_10.pdf)

Original File Name: EVP\_Brostrom\_CARB\_6\_7\_10.pdf

Date and Time Comment Was Submitted: 2010-06-07 11:12:58

No Duplicates.

## **Comment 13 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: JOHN  
Last Name: BUSTERUD  
Email Address: JWBB@PGE.COM  
Affiliation: PACIFIC GAS AND ELECTRIC COMPANY

Subject: PG&E'S COMMENTS ON MAY 17, 2010 WORKSHOP  
Comment:

June 7, 2010

E-Filing  
ARB's Cap-and-Trade Website

Kevin M. Kennedy, Ph.D.  
Assistant Executive Officer - Climate Change  
CALIFORNIA AIR RESOURCES BOARD  
1001 "I" Street  
Sacramento, CA 95814-2828

Re: Pacific Gas and Electric Company's Comments on the Air  
Resources Board's May 17, 2010 Workshop on the Greenhouse Gas  
Cap-and-Trade Regulation Status Update

Dear Dr. Kennedy:

Pacific Gas and Electric Company ("PG&E") is pleased to submit these comments on the Air Resources Board's ("ARB") May 17, 2010 Workshop on the Greenhouse Gas Cap-and-Trade Regulation Status Update.

### **A. Cap-and-Trade Regulation Status Update**

PG&E appreciates ARB staff's update on the cap-and-trade regulation provided during the May 17th workshop. We agree with the program design principles outlined by staff and believe that AB 32 can be implemented in a manner that will achieve the goals of taking us to a lower carbon future while minimizing the impact on Californians and the California economy. Additionally, we support staff's plan to gather further stakeholder feedback on key topics and hold workshops on key issues such as cost containment mechanisms, offset demand and supply, offset protocols, compliance scenario studies, monitoring and enforcement and mandatory reporting.

We believe that key issues to address in the cost containment workshop include the extent to which the various alternatives being considered maintain environmental integrity and provide allowance price and quantity certainty to the marketplace to limit gaming or market manipulation. In the offset workshops, we believe it will be important to assess the projected supply of offsets and how various policies being considered may affect supply, especially in the early years of the program. PG&E also believes it is important to discuss the lead time associated with offset protocol

development since timely approval of protocols and linking to established programs such as the Climate Action Reserve are critical to create a viable offset market in time for the start of the cap and trade program.

#### B. Allowance Allocation

PG&E agrees with the allowance allocation recommendations stated in the Joint Utilities March 26, 2010 letter to ARB Chair Mary Nichols. The Joint Utilities noted that "some of the Scoping Plan measures will be costly." In order "to contain this disproportionate economic burden on electricity consumers and to manage the transition to a low carbon economy, the Joint Utilities recommend an administrative allocation of cap-and-trade allowances to local distribution companies ("LDCs") on behalf of their customers."

PG&E generally supports staff's overarching allowance allocation goals as expressed during the workshop, including their goal to "strive for a gradual transition." We also support staff's efforts to look for ways to use allowances to further the goals of AB 32, including use to mitigate the impact of the more costly AB 32 measures, such as above-market costs associated with renewable energy. We are concerned, however, that the allowances dedicated to LDCs for the benefit of their customers are presented as a subordinate use or in the 2nd tier of staff's allowance value diagrams. We believe that the electricity sector will play a key role in the State's transition to a low carbon economy, and that a sufficient quantity of allowances should be allocated to our sector to help facilitate that transition and provide assistance to California consumers and businesses. We support the Joint Utilities' recommendation that the quantity of allowances administratively allocated to the electricity sector be based on the sector's proportionate share of total capped sector emissions.

#### C. Allowance Reserve for Price Mitigation

PG&E also supports staff's goal of mitigating "unexpectedly high or low allowance prices." We support a price collar that preserves environmental integrity, with a price floor to encourage investment in low-carbon technology, and a price ceiling to protect customers from unexpectedly high prices for allowances. We believe a price collar should also include an allowance "window," similar to the Federal Reserve Bank's discount window, from which any complying entity, at any time, can purchase an allowance or offset at a pre-announced price. This "open-window" feature is important for electricity markets. If market trading of allowances ceases or produces volatile prices, generators may be unable to submit electricity bids that reflect allowance prices. In such a circumstance, these entities could submit electricity bids that reflect the penalty payable for emitting CO2 without an allowance. Because the wholesale electricity market clears every ten minutes, this behavior could rapidly lead to high prices in wholesale electricity markets. Therefore, PG&E encourages staff to implement an allowance "window" that is always open.

Thank you for the opportunity to present these comments. Please do not hesitate to contact me at (415) 973-6617 if you have any questions regarding these comments or if we may be of further assistance.

Very truly yours

/S/

John W. Busterud

JWB:kp:bd

cc: Mr. Steve Cliff, Manager - Program Development Section, Office  
of Climate Change

Ms. Lucille Van Ommering, Manager - Program Evaluation Branch,  
Office of Climate Change

Mr. Sam Wade, Air Pollution Engineer - Program Evaluation Branch,  
Office of Climate Change

Attachment:

Original File Name:

Date and Time Comment Was Submitted: 2010-06-07 12:15:53

No Duplicates.



**Comment 14 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Kyle

Last Name: Boudreaux

Email Address: kyle.boudreaux@fpl.com

Affiliation:

Subject: Comment on the May 17th Workshop

Comment:

Attached are the comments of NextEra Energy Resources related to the ARB GHG cap and trade workshop.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/16-comments\\_of\\_nextera\\_energy\\_to\\_may\\_17\\_2010\\_arb\\_workshop\\_.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/16-comments_of_nextera_energy_to_may_17_2010_arb_workshop_.pdf)

Original File Name: Comments of NextEra Energy to May 17 2010 ARB workshop .pdf

Date and Time Comment Was Submitted: 2010-06-07 13:02:33

No Duplicates.

**Comment 15 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Shelly

Last Name: Sullivan

Email Address: ssullivan@onemain.com

Affiliation: AB 32 Implementation Group

Subject: AB 32 Implementation Group Comments on the Cap-and-Trade Workshop of May 17, 2010

Comment:

Attached please find comments submitted on behalf of the AB 32 Implementation Group regarding CARB's cap-and-trade workshop conducted on May 17, 2010.

If you have any further questions, please feel free to contact me at (916) 858-8686.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/17-ab32ig\\_comments\\_c-t\\_6-7-10.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/17-ab32ig_comments_c-t_6-7-10.pdf)

Original File Name: AB32IG Comments C-T\_6-7-10.pdf

Date and Time Comment Was Submitted: 2010-06-07 13:12:30

No Duplicates.

**Comment 16 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: John

Last Name: Larrea

Email Address: john@clfp.com

Affiliation: CA League of Food Processors

Subject: Cap and Trade Comments June 2010

Comment:

comments on the May 17 Workshop on GHG Cap-and-Trade Regulation  
Status Update

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/18-june\\_2010\\_clfp\\_comments\\_re\\_arb\\_cap\\_and\\_trade.docx](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/18-june_2010_clfp_comments_re_arb_cap_and_trade.docx)

Original File Name: JUNE 2010 CLFP COMMENTS RE ARB CAP AND TRADE.docx

Date and Time Comment Was Submitted: 2010-06-07 13:28:18

No Duplicates.

**Comment 17 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Nidia

Last Name: Bautista

Email Address: [nidia@coalitionforcleanair.org](mailto:nidia@coalitionforcleanair.org)

Affiliation: Coalition for Clean Air

Subject: Comments on May 17 CARB staff presentation on cap-and-trade

Comment:

Attached our group comments related to the CARB staff cap-and-trade presentation on May 17.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/19-c\\_t\\_comments.doc](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/19-c_t_comments.doc)

Original File Name: C&T Comments.doc

Date and Time Comment Was Submitted: 2010-06-07 13:32:03

No Duplicates.

**Comment 18 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Mitzi

Last Name: Lucas

Email Address: mlucas@tid.org

Affiliation: MID - REU - TID

Subject: May 17, 2010 Workshop Comments

Comment:

Comments on cap-and-trade update workshop on May 17, 2010.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/20-captrade\\_update\\_comments\\_by\\_mid\\_reu\\_tid\\_6-7-10.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/20-captrade_update_comments_by_mid_reu_tid_6-7-10.pdf)

Original File Name: CapTrade Update Comments by MID\_REU\_TID 6-7-10.pdf

Date and Time Comment Was Submitted: 2010-06-07 14:02:16

No Duplicates.

**Comment 19 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Jennifer

Last Name: Stettner

Email Address: jen.c.stettner@conocophillips.com

Affiliation: ConocoPhillips

Subject: ConocoPhillips Comments – May 17, 2010 Workshop CA GHG Cap-and-Trade regulation status

Comment:

Attached are ConocoPhillips comments regarding the May 17, 2010 Workshop CA GHG Cap-and-Trade regulation status update.

Please provide copies to Mr. James Goldstene and all Air Resources Board Members.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/21-conocophillips\\_comments\\_\\_ca\\_cap\\_and\\_trade\\_update\\_final\\_\\_2\\_.doc](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/21-conocophillips_comments__ca_cap_and_trade_update_final__2_.doc)

Original File Name: ConocoPhillips Comments\_ CA Cap and Trade Update\_Final (2).doc

Date and Time Comment Was Submitted: 2010-06-07 14:48:21

No Duplicates.

**Comment 20 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Sofia

Last Name: Parino

Email Address: [sparino@crpe-ej.org](mailto:sparino@crpe-ej.org)

Affiliation: Center on Race, Poverty & the Environmen

Subject: Comments on workshop

Comment:

Please see attached letter. Letter was also emailed to Kevin Kennedy.

Attachment: <https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/22-capandtradeletter.pdf>

Original File Name: CapandTradeLetter.pdf

Date and Time Comment Was Submitted: 2010-06-07 15:17:16

No Duplicates.

**Comment 21 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Gregg

Last Name: Morris

Email Address: gmorris@emf.net

Affiliation: Green Power Institute

Subject: Comments on the Preliminary Draft Regulation: Allocation of Allowances

Comment:

Please see attached Comment

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/23-comments\\_of\\_the\\_green\\_power\\_institute\\_on\\_allocation\\_jun\\_10.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/23-comments_of_the_green_power_institute_on_allocation_jun_10.pdf)

Original File Name: Comments of the Green Power Institute on allocation Jun 10.pdf

Date and Time Comment Was Submitted: 2010-06-07 15:19:32

No Duplicates.



**Comment 22 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Catherine

Last Name: Reheis-Boyd

Email Address: joey@wspa.org

Affiliation:

Subject: WSPA Comments on May 17, 2010 Cap-and-Trade Regulation Public Workshop  
Comment:

Please see attached WSPA Comments on May 17, 2010 Cap-and-Trade Regulation Public Workshop. Thank you.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/24-cap\\_and\\_trade\\_workshop\\_comments.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/24-cap_and_trade_workshop_comments.pdf)

Original File Name: Cap and Trade Workshop Comments.pdf

Date and Time Comment Was Submitted: 2010-06-07 15:56:30

No Duplicates.

**Comment 23 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Cynthia

Last Name: Walker

Email Address: [cynthia.walker@cpuc.ca.gov](mailto:cynthia.walker@cpuc.ca.gov)

Affiliation: CPUC Division of Ratepayer Advocates

Subject: Comments on Staff's Cap-and-Trade Proposal

Comment:

Please accept attached comments from DRA.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/25-dra\\_comments\\_arb\\_staff\\_proposal.doc](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/25-dra_comments_arb_staff_proposal.doc)

Original File Name: DRA Comments ARB Staff Proposal.doc

Date and Time Comment Was Submitted: 2010-06-07 15:12:42

No Duplicates.

## **Comment 24 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Robert

Last Name: Lucas

Email Address: bob.lucas@calobby.com

Affiliation:

Subject: Comment letter on Cap-and-Trade Allowances Allocation Issues

Comment:

Resending letter as I received an error message. Attached is a comment letter from CCEEB re Cap-and-Trade Allowances allocation Issues. If you have any questions, please contact Bob Lucas at 444-7337. Thank you.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/26-cceeb\\_comment\\_letter\\_re\\_5\\_17\\_2010\\_workshop\\_on\\_cap-and-trade\\_allowances\\_allocation\\_issues.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/26-cceeb_comment_letter_re_5_17_2010_workshop_on_cap-and-trade_allowances_allocation_issues.pdf)

Original File Name: CCEEB comment letter re 5:17:2010 workshop on Cap-and-Trade Allowances Allocation Issues.pdf

Date and Time Comment Was Submitted: 2010-06-07 16:02:04

No Duplicates.

**Comment 25 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Bill

Last Name: Yanek

Email Address: byanek@glasswebsite.com

Affiliation: Glass Association of North America

Subject: May 17 Allocation Workshop Comments

Comment:

Attached are the Glass Association of North America's Flat Glass Manufacturing Division comments from the May 17 allocation workshop.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/27-gana\\_comments\\_-\\_may\\_17\\_allocation\\_workshop.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/27-gana_comments_-_may_17_allocation_workshop.pdf)

Original File Name: GANA Comments - May 17 Allocation Workshop.pdf

Date and Time Comment Was Submitted: 2010-06-07 15:33:35

No Duplicates.

**Comment 26 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

This comment was posted then deleted because it was unrelated to the Workshop item or it was a duplicate.

**Comment 27 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Rock

Last Name: Zierman

Email Address: rock@cipa.org

Affiliation: CIPA

Subject: Comments on Cap and Trade

Comment:

Please find attached comments of the California Independent Petroleum Association on the proposed Cap and Trade Program.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/29-cipa\\_cap\\_and\\_trade\\_comments\\_6-2-10.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/29-cipa_cap_and_trade_comments_6-2-10.pdf)

Original File Name: CIPA Cap and Trade Comments 6-2-10.pdf

Date and Time Comment Was Submitted: 2010-06-07 16:26:32

No Duplicates.

**Comment 28 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Mark

Last Name: Byron

Email Address: mbyron@gwfpower.com

Affiliation: GWF Power Systems

Subject: comments on allowances under the potential California cap-and-trade program

Comment:

Please see the attached letter (pdf) of regarding allowances under the potential California cap-and-trade program.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/30-2010\\_06\\_07\\_gwf\\_letter\\_to\\_arb.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/30-2010_06_07_gwf_letter_to_arb.pdf)

Original File Name: 2010 06 07 GWF letter to ARB.pdf

Date and Time Comment Was Submitted: 2010-06-07 16:32:18

No Duplicates.

**Comment 29 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Tamara

Last Name: Rasberry

Email Address: [trasberry@semprautilities.com](mailto:trasberry@semprautilities.com)

Affiliation:

Subject: Sempra Energy utilities Comments

Comment:

Attached are comments from Sempra Energy Utilities in response to the May 17 workshop on Cap and Trade allowances.

Tamara Rasberry

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/31-seu\\_comments\\_cap\\_and\\_trade\\_allowance\\_allocation\\_060710.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/31-seu_comments_cap_and_trade_allowance_allocation_060710.pdf)

Original File Name: SEu Comments\_Cap and Trade Allowance Allocation 060710.pdf

Date and Time Comment Was Submitted: 2010-06-07 16:42:29

No Duplicates.



**Comment 30 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Chris

Last Name: Busch

Email Address: [chris@resource-solutions.org](mailto:chris@resource-solutions.org)

Affiliation: Center for Resource Solutions

Subject: Center for Resource Solutions comment on allocation

Comment:

Please find attached our comments on the topic of allowance distribution. Thank you.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/32-crs\\_on\\_allocation\\_7\\_7\\_2010.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/32-crs_on_allocation_7_7_2010.pdf)

Original File Name: CRS\_on\_allocation\_7\_7\_2010.pdf

Date and Time Comment Was Submitted: 2010-06-07 16:55:58

No Duplicates.

**Comment 31 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Michelle

Last Name: Passero

Email Address: mpassero@tnc.org

Affiliation: The Nature Conservancy

Subject: Allocation of Allowance Value - 5/17

Comment:

please review and post the attached comments. thank you.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/33-tncauddef\\_allowance\\_value\\_letter.doc](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/33-tncauddef_allowance_value_letter.doc)

Original File Name: TNCAUDDEF Allowance value letter.doc

Date and Time Comment Was Submitted: 2010-06-07 16:57:12

No Duplicates.

## **Comment 32 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Chris

Last Name: Busch

Email Address: [chris@resource-solutions.org](mailto:chris@resource-solutions.org)

Affiliation: Center for Resource Solutions

Subject: Coalition for off-the-top treatment of Voluntary Renewables

Comment:

Please find attached a coalition letter that supports the set aside and retirement of allowances to recognize emission reductions from voluntary renewable energy purchases. Thank you.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/34-nonprofit\\_and\\_clean\\_energy\\_coalition\\_7\\_7\\_2010.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/34-nonprofit_and_clean_energy_coalition_7_7_2010.pdf)

Original File Name: nonprofit\_and\_clean\_energy\_coalition\_7\_7\_2010.pdf

Date and Time Comment Was Submitted: 2010-06-07 16:58:05

No Duplicates.

**Comment 33 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Steven

Last Name: Kelly

Email Address: steven@iepa.com

Affiliation: Independent Energy Producers Association

Subject: Comments of IEP on CARB Wkshp May 17, 2010: Allowance Allocations

Comment:

Please find attached the IEP comments to CARB re the Workshop on May 17, 2010 related to GHG Allowance Allocation

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/35-iep\\_ltr\\_to\\_carb\\_re\\_allowance\\_allocation\\_-\\_final\\_6-07-10.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/35-iep_ltr_to_carb_re_allowance_allocation_-_final_6-07-10.pdf)

Original File Name: IEP Ltr to CARB re Allowance Allocation - FINAL 6-07-10.pdf

Date and Time Comment Was Submitted: 2010-06-07 16:58:45

No Duplicates.

## **Comment 34 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Jeanne

Last Name: Merrill

Email Address: [jmerrill@calclimateag.org](mailto:jmerrill@calclimateag.org)

Affiliation: California Climate & Agriculture Network

Subject: 17th Cap-and-Trade Workshop – Investments in California Agriculture

Comment:

On behalf of the organizations and businesses listed in the attached letter, we welcome the opportunity to comment on the May 17th ARB staff workshop on cap-and-trade program design. We are concerned that agricultural GHG emissions reduction activities were not included in the description of target activities under the Community Benefits Fund and the Carbon Trust. This runs counter to the recommendations from three advisory committees to ARB. Moreover, we do not support placing the Community Benefits Fund and the Carbon Trust in the second tier of allowance allocation. This will delay much needed resources to support GHG emission reduction strategies in the state.

Please see the attached letter.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/36-arb\\_comment\\_letter\\_-\\_6-7-10.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/36-arb_comment_letter_-_6-7-10.pdf)

Original File Name: ARB Comment Letter - 6-7-10.pdf

Date and Time Comment Was Submitted: 2010-06-07 16:58:30

No Duplicates.

## **Comment 35 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Vien

Last Name: Truong

Email Address: vien@greenforall.org

Affiliation: Green For All

Subject: Greenhouse Gas Cap-and-Trade Regulation

Comment:

June 7, 2010

Mr. Kevin Kennedy  
Office of Climate Change  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

RE: Greenhouse Gas Cap-and-Trade Regulation: Ensuring an  
Equitable and Sustainable Implementation for California's Workers  
and Residents

Dear Mr. Kennedy,

We thank you and your staff for the detailed update on the status  
of the Cap-and-Trade Regulation on May 17, 2010, and for providing  
us with an opportunity to share our feedback.

Green For All is a national organization working to build an  
inclusive green economy strong enough to lift all people out of  
poverty. Our organization proudly works with leaders in civil  
rights, faith, labor, environmental, and community groups in  
shaping and winning green jobs legislation at the federal, state,  
and local levels across the country. We are submitting comments  
because California's cap-and-trade program will have significant  
impact on the future of our nation.

California's policies directly affect policymakers in other  
states and at the federal level. California's adoption of  
low-emission vehicle standards, for example, has led to other  
states and the U.S. legislature adopting similar policies. Indeed,  
President Obama has announced federal support for California's  
stringent standards and noted that the federal government would set  
national standards modeled after California.

California's leadership in clean energy now has heightened  
significance as federal legislators now debate climate legislation.

As such, we urge you to keep California as the national leader on  
issues related to climate change. We believe the following  
provisions are important steps towards that end:

Invest allowance revenues into programs supporting renewable  
energy, energy efficiency, and low-income consumers. California  
should build upon and learn from the Regional Greenhouse Gas  
Initiative (RGGI) by investing proceeds generated from allowances

into programs that reduce greenhouse gas emissions, increase investments into in-state renewable energy and green jobs, and help low-income consumers mitigate potential price increases and meet needs through the Community Benefits Fund (as discussed below). In particular, it is essential that these funds be invested in renewable energy projects in California to ensure that our state's economy and workers benefit from our environmental leadership.

Move the Community Benefits Fund to the "tier one" category of allowance value flow. Climate change threatens all people, but it is impoverished communities who suffer the most. From heat-related deaths to floods, lost jobs and air pollution, low income communities and communities of color are the first to be devastated when climate disaster strikes. The Community Benefits Fund will ensure that communities most vulnerable to climate change will receive the needed programs to reduce greenhouse gas emissions, water and energy efficiency, and provide programs to protect against the rising dangers of climate change. By capitalizing the Fund, public support for AB 32 will also increase.

Include California's workforce as "impacted stakeholders" in developing the cap and trade program. Pursuant to California's Health and Safety Code Sec. 3857(b)(3), the Board must "maximize additional environmental and economic benefits" in the implementation of market-based compliance mechanisms. We ask that the ARB consider California's workforce in weighing the various programmatic options for cap and trade. For example, in the American Clean Energy and Security Act (ACES), the House of Representatives added provisions (1) allowing the Secretaries of Labor and Energy to target employment and training opportunities in green construction to workers and communities who traditionally have had little access to career-track jobs with high-road contractors in the building trades; and (2) providing funds to training workers facing obstacles to employment for career-track jobs. California may look to include similar provisions into its AB 32 programs. This ensures that communities most harmed by climate change will be able to benefit from the economic and environmental gains that AB 32 aims to provide.

Thank you for considering these comments. Please feel free to contact me directly if you have any questions or would like to discuss further ideas on how to ensure low-income communities are protected in climate change mitigation programs. I can be reached at [vivian@greenforall.org](mailto:vivian@greenforall.org) or (510) 271-9830.

Sincerely,

Vivian Chang  
Green For All

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/37-arb\\_letter\\_greenforall\\_060710.docx](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/37-arb_letter_greenforall_060710.docx)

Original File Name: ARB Letter\_GreenForAll\_060710.docx

Date and Time Comment Was Submitted: 2010-06-07 16:15:58

No Duplicates.



**Comment 36 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Dorothy

Last Name: Rothrock

Email Address: ombcomm@arb.ca.gov

Affiliation:

Subject: submittal to May 17 Cap and Trade workshop

Comment:

See attachment.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/39-final\\_june\\_7\\_cmta\\_c\\_t\\_comments.doc](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/39-final_june_7_cmta_c_t_comments.doc)

Original File Name: Final June 7 CMTA C&T comments.doc

Date and Time Comment Was Submitted: 2010-06-08 13:52:38

No Duplicates.

**Comment 37 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Avis

Last Name: Kowalewski

Email Address: ombcomm@arb.ca.gov

Affiliation: Calpine Corp

Subject: Comments to CARB on May 17 Allowance Allocation Workshop

Comment:

See attachment.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/40-jun\\_7\\_10\\_comments\\_to\\_carb-2.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/40-jun_7_10_comments_to_carb-2.pdf)

Original File Name: Jun\_7\_10\_Comments\_to\_CARB-2.pdf

Date and Time Comment Was Submitted: 2010-06-08 13:56:08

No Duplicates.

**Comment 38 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Chris

Last Name: Busch

Email Address: ombcomm@arb.ca.gov

Affiliation: Center for Resource Solutions

Subject: Comments to CARB on May 17 Allowance Allocation Workshop

Comment:

See attachment.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/41-nonprofit\\_and\\_clean\\_energy\\_coalition\\_7\\_7\\_2010.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/41-nonprofit_and_clean_energy_coalition_7_7_2010.pdf)

Original File Name: nonprofit\_and\_clean\_energy\_coalition\_7\_7\_2010.pdf

Date and Time Comment Was Submitted: 2010-06-08 14:04:02

No Duplicates.

**Comment 39 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Norman A.

Last Name: Pedersen

Email Address: ombcomm@arb.ca.gov

Affiliation: SCPPA

Subject: SCPPA Comment

Comment:

see attachment.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/42-300226001lmm06071001\\_may\\_17\\_workshop\\_comments\\_final.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/42-300226001lmm06071001_may_17_workshop_comments_final.pdf)

Original File Name: 300226001lmm06071001 May 17 workshop comments final.pdf

Date and Time Comment Was Submitted: 2010-06-08 14:11:59

No Duplicates.

**Comment 40 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Clare

Last Name: Breidenich

Email Address: ombcomm@arb.ca.gov

Affiliation: Western Power Trading Forum

Subject: PTF Comments on Allocation Issues

Comment:

see attachment

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/43-6-07-10\\_wptf\\_comments\\_to\\_arb\\_on\\_allocation.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/43-6-07-10_wptf_comments_to_arb_on_allocation.pdf)

Original File Name: 6-07-10 WPTF Comments to ARB on allocation.pdf

Date and Time Comment Was Submitted: 2010-06-08 14:15:13

No Duplicates.

**Comment 41 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Nancy

Last Name: Allred

Email Address: ombcomm@arb.ca.gov

Affiliation: Southern California Edison

Subject: Comment for May 14 workshop

Comment:

see attachment.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/44-sce-comments\\_to\\_the\\_carb\\_on\\_its\\_greenhouse.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/44-sce-comments_to_the_carb_on_its_greenhouse.pdf)

Original File Name: SCE-Comments\_to\_the\_CARB\_on\_its\_Greenhouse.pdf

Date and Time Comment Was Submitted: 2010-06-08 14:18:39

No Duplicates.

**Comment 42 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Joseph

Last Name: Cattaneo

Email Address: ombcomm@arb.ca.gov

Affiliation: Glass Packaging Institute

Subject: Glass Packaging Institute Comments on Cap & Trade Comment:  
Comment:

see attachment

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/45-gpi\\_letter\\_to\\_carb\\_-\\_comments\\_on\\_cap\\_\\_trade\\_\\_2\\_.doc](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/45-gpi_letter_to_carb_-_comments_on_cap__trade__2_.doc)

Original File Name: GPI Letter to CARB - Comments on Cap Trade (2).doc

Date and Time Comment Was Submitted: 2010-06-08 14:21:55

No Duplicates.

**Comment 43 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Susie

Last Name: Berlin

Email Address: ombcomm@arb.ca.gov

Affiliation: The Northern California Power Agency

Subject: comments on May 17 Cap-and-Trade Workshop

Comment:

see attachment

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/46-comments\\_re\\_may\\_17\\_cap\\_and\\_trade\\_wks\\_\\_6-7-10\\_.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/46-comments_re_may_17_cap_and_trade_wks__6-7-10_.pdf)

Original File Name: Comments re May 17 cap and trade wks \_6-7-10\_.pdf

Date and Time Comment Was Submitted: 2010-06-08 14:26:40

No Duplicates.



## **Comment 44 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: James

Last Name: Fine

Email Address: ombcomm@arb.ca.gov

Affiliation: EDF

Subject: Comments on AB32 Cap-and-trade Allocation Proposal

Comment:

Dear Mr. Kennedy,

Thank you for providing the opportunity to comment on the initial allocation proposal ("staff proposal") for the cap-and-trade program to be implemented under the Global Warming Solutions Act of 2006 (Assembly Bill 32). Environmental Defense Fund (EDF) considers the proposal to be a positive step forward for this cornerstone piece of California's long-range clean energy plan. EDF supports a program design that minimizes economic leakage, promotes job growth, reduces waste, caps air pollution, and spurs investments inspired by long-term thinking that is inclusive of the social costs of global warming pollution.

EDF agrees with staff that administrative allocation of allowances can be implemented in ways that inspire innovation and investment by regulated entities while providing these same firms with the means and clear regulatory guidance to protect consumers. CARB is justified in emphasizing leakage minimization, clean energy and efficiency investments, as well as community investments that help transition California's economy.

There is an unavoidable relationship between the stringency of the cap, allowance prices, and various other cost containment mechanisms. EDF is concerned that Phase I and II caps may be set at levels that do not drive genuine emissions reductions -- manifested in very low equilibrium allowance prices. The preferred outcome in such a case would be to tighten the targets. However, EDF agrees with consideration of a price floor as an alternative mechanism to maintain a price signal to producers and consumers.

EDF supports the staff proposal for a reserve pool, recognizing many important cost containment functions that it can be used to perform. We agree with the principle of augmenting the fund with high-quality offsets. Of course, the market for allowances ought to be sufficiently unconstrained to send clear price signals to producers and consumers, and should generate impetus for investments in low-carbon technologies. It would be helpful for staff to provide clarity on what is meant by "unexpectedly high prices," and to offer more details about how the reserve pool will be structured and used.

EDF does not support the idea of a price valve for reasons we have detailed extensively in prior letters and public testimony. Other cost containment strategies, including banking, multi-year compliance periods, and offsets are more appropriate instruments as

they ensure environmental integrity (the primary goal of the AB32).

Short term allowance price management will be facilitated by the reserve pool, furthering obviating the need for a price valve.

EDF strongly supports inclusion of a community benefits fund, and shares the concerns of many stakeholders that the staff proposed allocation scheme creates little assurance that available funds for community benefits and to mitigate co-pollutant impacts will be sufficient. Similarly, while EDF is pleased that the staff proposal includes dividends to the people of California, we are concerned about time delays since staff envision providing these dividends in the "later years" of the program. What will low income communities do to manage price increases in the interim? One way to increase funds for community benefits and mitigations is to place these on the same priority tier as price volatility management, leakage prevention and transition assistance for the uses of allowance value. Nowhere in AB32 does the law indicate that leakage prevention is a superior goal to other program priorities.

EDF is pleased that staff propose an output based allocation scheme with a performance benchmark to calculate allowance allocations. EDF observes that less or no leakage assistance would be needed if regional, national or international policy levels the playing field, a reality that ought to be reflected in the equation proposed by staff.

In our view, an appropriate balance between assisting commercial interests and funding direct investments in community benefits, such as a community benefits fund, will involve two specific modifications to the staff proposal.

1. Put community benefit funds in the superior tier for allocating allowance value, and provide more specificity about how sufficient funds will be generated
2. Eliminate plans for a price valve; while the reserve pool can be used to maintain a price floor, it may not be financially viable to maintain a price ceiling using allowance reserves. Raising the cap is not an acceptable option for limiting allowance prices because it undermines the programs' environmental goals. Cost containment measures should be carefully designed to permit allowance price signals to become stronger over time.

Moving forward in advance of completed analysis is necessary to keep the program development on track. However, EDF is concerned about the transparency of the leakage risk categorization methodology and is not confident that robust data will be available in a timely manner to provide analytical support for categorizing sectors. It will be hard for EDF to support a final staff proposal if we do not clearly and completely understand its analytical justification.

Thank you for requesting our input and for considering these comments.

Sincerely,

James Fine  
Environmental Defense Fund

Attachment:

Original File Name:

Date and Time Comment Was Submitted: 2010-06-08 14:29:58

No Duplicates.

**Comment 45 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: William

Last Name: Westerfield

Email Address: ombcomm@arb.ca.gov

Affiliation: Sacramento Municipal Utility District

Subject: SMUD's Comments on Allowance Allocation in a California Cap-and-Trade Program  
Comment:

Filing in above matter from the Sacramento Municipal Utility District.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/48-smud\\_carb\\_comments\\_on\\_allocation.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/48-smud_carb_comments_on_allocation.pdf)

Original File Name: SMUD CARB Comments on Allocation.pdf

Date and Time Comment Was Submitted: 2010-06-09 16:10:30

No Duplicates.

**Comment 46 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Seema

Last Name: Srinivasan

Email Address: ombcomm@arb.ca.gov

Affiliation:

Subject: Comments on Cap and Trade Workshop

Comment:

Attached are the comments of the Cogeneration Association of California

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/49-2-cac\\_comments.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/49-2-cac_comments.pdf)

Original File Name: 2-cac\_comments.pdf

Date and Time Comment Was Submitted: 2010-06-10 08:22:27

No Duplicates.

**Comment 47 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Seema

Last Name: Srinivasan

Email Address: ombcomm@arb.ca.gov

Affiliation:

Subject: Comments on Cap and Trade Workshop

Comment:

Attached are the comments of the Energy Producers & Users Coalition

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/50-3-epuc\\_comments.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/50-3-epuc_comments.pdf)

Original File Name: 3-epuc\_comments.pdf

Date and Time Comment Was Submitted: 2010-06-10 08:32:35

No Duplicates.

**Comment 48 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Sue

Last Name: Mara

Email Address: ombcomm@arb.ca.gov

Affiliation: Alliance for Retail Energy Markets

Subject: brief comments of the Alliance for Retail Energy Markets (AReM

Comment:

See attachment.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/51-arem\\_carb\\_comments-cap-trade.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/51-arem_carb_comments-cap-trade.pdf)

Original File Name: AReM CARB Comments-Cap-Trade.pdf

Date and Time Comment Was Submitted: 2010-06-10 14:02:07

No Duplicates.

**Comment 49 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Nicholas

Last Name: van Aelstyn

Email Address: ombcomm@arb.ca.gov

Affiliation: Carbon Offset Providers Coalition

Subject: comments of the Carbon Offset Providers Coalition

Comment:

See attachment.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/52-copc\\_letter\\_to\\_carb\\_re\\_cap-and-trade\\_pdr\\_\\_2010.06.07\\_.doc.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/52-copc_letter_to_carb_re_cap-and-trade_pdr__2010.06.07_.doc.pdf)

Original File Name: COPC Letter to CARB re Cap-and-Trade PDR (2010.06.07).DOC.pdf

Date and Time Comment Was Submitted: 2010-06-10 14:04:57

No Duplicates.



**Comment 50 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Jason

Last Name: Barbose

Email Address: ombcomm@arb.ca.gov

Affiliation:

Subject: May 17th workshop comments

Comment:

see attachment

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/53-gwac\\_on\\_allocation\\_final.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/53-gwac_on_allocation_final.pdf)

Original File Name: GWAC\_on\_allocation FINAL.pdf

Date and Time Comment Was Submitted: 2010-06-15 13:19:57

No Duplicates.

**Comment 51 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Victoria

Last Name: Evans

Email Address: ombcomm@arb.ca.gov

Affiliation: URS Corporation

Subject: Comments to the California Air Resources Board on the Greenhouse Gas Cap-and-Trade P

Comment:

See attachment.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/54-urs\\_arb\\_comment\\_memo\\_ve.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/54-urs_arb_comment_memo_ve.pdf)

Original File Name: URS ARB Comment Memo\_VE.pdf

Date and Time Comment Was Submitted: 2010-06-16 13:43:56

No Duplicates.

**Comment 52 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: John

Last Name: Bloom Jr.

Email Address: ombcomm@arb.ca.gov

Affiliation: Coalition for Sustainable Cement Manufac

Subject: Comments on Carb's May 17th Public Meeting

Comment:

See attachment.

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/55-ar-m455n\\_20100616\\_150805.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/55-ar-m455n_20100616_150805.pdf)

Original File Name: AR-M455N\_20100616\_150805.pdf

Date and Time Comment Was Submitted: 2010-06-17 09:46:19

No Duplicates.

**Comment 53 for Cap & Trade Public Meeting (may-17-allocation-ws) - 1st Workshop.**

First Name: Dale

Last Name: Backlund

Email Address: ombcomm@arb.ca.gov

Affiliation:

Subject: Electronic Copy of Dow Chemical comments on Cap and Trade

Comment:

See Attachment

Attachment: [https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/57-responsible\\_care\\_comments\\_051710\\_meeting\\_\\_2\\_.pdf](https://ww2.arb.ca.gov/sites/default/files/BARCU/barcu-attach-old/may-17-allocation-ws/57-responsible_care_comments_051710_meeting__2_.pdf)

Original File Name: Responsible Care\_comments\_051710\_meeting (2).pdf

Date and Time Comment Was Submitted: 2010-07-01 14:25:42

No Duplicates.

**There are no comments posted to Cap & Trade Public Meeting (may-17-allocation-ws) that were presented during the Workshop at this time.**