

Association of Carbon Market Participants



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VIA ELECTRONIC POSTING

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Subject: ACMP Comments on CARB Modified Text for the Proposed California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation

Comment List: [capandtrade10](#)

Clerk of the Board:

The Association of Carbon Market Participants (ACMP) is a California-based association dedicated to promoting the effective design and operation of greenhouse gas (GHG) market-based emission reduction schemes in California. ACMP supports the use of cap and trade as a component of California's comprehensive plan to reduce GHG emissions and appreciates the opportunity to comment on the proposed modifications "Modifications" to the pending Cap and Trade Regulation "Regulation".

It should be initially noted that CARB's commitment to developing a cap and trade program as a primary component of its efforts to reduce greenhouse gas emissions in the State of California in the face of widespread skepticism shows the leadership and vision that has accompanied California environmental policy for many decades. We appreciate the work shown by CARB's staff in their continued work to put together an integrated market-based program which seeks to minimize compliance costs while ensuring lower emissions.

As has been shown in other arenas, market-based mechanisms are a very effective way of including the innovation and capital of the private sector as a partner with the regulated community in reducing emissions. This multiplier effect should be highlighted whenever the merits of a market-based approach are debated.

ACMP is also very pleased to see that CARB has incorporated many of the recommendations brought up by the stakeholders with respect to market operations and oversight. We believe that these changes improve the Regulation and will provide a more stable and transparent GHG marketplace. In terms of public process, ACMP understands that external forces shorted the public discussion and debate about many of these details,

but ACMP would recommend additional and well-noticed public process as the Regulation is finalized and subsequently modified in future years.

As this Regulation is just one of several market-based GHG reduction programs that California has established to achieve its AB 32 goals, ACMP believes that the key to successfully implementing any market-based GHG program, be it cap and trade, renewable electricity, low-carbon fuel standard, and/or others, lies within the regulatory details that ensure a transparent, stable, liquid and enforceable marketplace. ACMP is committed to working with CARB and other California agencies on the various programs and their unique market parameters. ACMP is committed to viable markets and the idea that each one is connected to the other.

We appreciate the opportunity to provide our comments on CARB's Proposed 15-Day Modifications to the Cap and Trade Regulation. CARB staff and management are to be commended for their hard work on these complex and critical components to implementing AB 32.

Respectfully submitted,



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Executive Director

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