**CAP-AND-TRADE REGULATION AMENDMENTS WORKSHOP**

The Climate Solutions Group Limited (CSG) is engaged in the business of bringing capital to bear on activities that fight climate change using the mechanisms created by the cap and trade (C and T) laws of California, Quebec and now Ontario as well as the offset creation and trading opportunities created in the Provinces of Alberta and British Columbia. We hope to expand our operations to other jurisdictions as similar systems and opportunities are adopted/created.

Some of the principals of CSG have deep experience with emissions trading in international markets, the existing WCI markets, the Alberta and British Columbia markets and voluntary offset markets. As such, we appreciate the consultation undertaken by the California Air Resources Board (ARB) with respect to the existing California C and T system.

Our experience and analysis leads us to the conclusion that:

**Offsets are an essential part of a C and T system and that the creation and expanded use of offsets should be fostered by ARB.**

Offsets reach outside the covered sectors to find low cost greenhouse gas (ghg) emission reductions that reduce the cost of compliance for covered sectors and provide opportunities for participation in the fight against climate change to economic and other sectors (like forestry, agriculture, ranching and other animal husbandry and chemical and organic waste management that otherwise find participation challenging. Offset creation and use engages with business training and capacities throughout the economy and directs creative initiatives using those skills and resources into enterprises that are intended to be profitable and which are directed specifically to ghg emission reduction activities.

We strongly support the continuation of at least the current permitted use and ability to create offsets but also the expansion of the limit on emissions that can be covered with offsets to 20% or more (from the current 8%) and of the number of science-based and environmentally robust protocols for offset creation, for example ,to be more in with Alberta where over 30 protocols are available.

We would be pleased to expand on our views and our role in introducing capital into the C and T markets, particularly into offset creation and use.

Thank you for the opportunity to be heard.

Yours sincerely,

Gray Taylor, General Counsel and a Principal