STATES OF AME

Department of Energy

Bonneville Power Administration P.O. Box 3621 Portland, Oregon 97208-3621

May 10, 2018

Via Electronic Submission: http://www.arb.ca.gov/cc/capandtrade/meetings/meetings.htm

Clerk of the Board California Air Resources Board 1001 I Street Sacramento, CA 95812

Dear Chairwoman Nichols and Members of the Air Resources Board:

The Bonneville Power Administration (BPA) appreciates the opportunity to comment on the possible revisions to the California Air Resource Board's (ARB) Cap and Trade Regulation presented at the ARB's April 26, 2018 workshop. BPA's comments are limited in scope to the alignment of the ARB's GHG accounting and the EIM.

The ARB has requested comments on recommendations for implementation of the ARB's previously proposed "EIM Purchaser" option as well as other potential regulatory options. BPA does not currently have a position on the regulatory option the ARB should pursue. However, BPA urges the ARB to consider the unique features of an Asset Controlling Supplier (ACS) as it relates to secondary dispatch in the EIM. Specifically, BPA seeks to clarify that it is not the ARB's intention to attribute emissions associated with the secondary dispatch in the EIM to ACS emission rate.

BPA is registered as an ACS entity with the ARB and is reviewing participation in the EIM. As an ACS entity, any emissions attributable to secondary dispatch imports into BPA's system are accounted for in BPA's ACS emissions rate. BPA would like to ensure that the approach the ARB takes does not result in attributing the emissions associated with the secondary dispatch in the EIM to an ACS more than once. BPA believes this potential exists because the emissions could be attributed to an ACS in the calculation of the ACS's emission rate and then again attributed to an entity (whether the ACS, an EIM Purchaser, or other entity that the ARB determines) in the assignment of the emissions attributed to the EIM secondary dispatch. BPA believes that as the ARB considers potential amendments to its cap and trade program the approach taken to account for these GHG emissions should consider the unique features of an ACS to ensure the emissions are attributed to an ACS only once.

Feel free to contact me if you have questions regarding BPA's comments or if further clarification is needed.

Sincerely,

Alisa Kaseweter

Climate Change Specialist, Intergovernmental Affairs