**COMMENTS OF NV ENERGY**

**ON PROPOSED AMMENDMENTS TO THE CALIFORNIA CAP ON GREENHOUSE GAS EMISSIONS AND MARKET-BASED COMPLIANCE MECHANISMS REGULATION**

**DATED DECEMBER 21, 2016**

**January 20, 2017**

NV Energy appreciates the opportunity to comment on the California Air Resource Board (“ARB”) December 21, 2016 proposed amendments to the California cap-and-trade program and mandatory greenhouse gas reporting rule. The proposed amendment offers an interim solution to account for GHG emissions within the Energy Imbalance Market footprint while the California Independent System Operator (“CAISO”) develops new methods for GHG accounting. ARB proposes to utilize the unspecified electricity rate for all generation produced to serve California load that is served through the Energy Imbalance Market dynamic transfers rather than the resource specific electricity rate that is determined per the market optimization GHG awards. This proposal would capture any generation that was increased outside of California to serve non-Californian load that is needed to replace any Energy Imbalance Market renewable production that was transferred to California. NV Energy believes this interim solution is a just and reasonable solution to address the potential emissions leakage within the Energy Imbalance Market.