

November 30, 2018

***Via Electronic Submission***

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

**Re: Powerex Comments on the November 15 Proposed Amendments to the Regulation for Mandatory Reporting of Greenhouse Gas Emissions (“MRR”) and to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation (“CTR”)**

Dear Chairwoman Nichols and Members of the California Air Resources Board (“CARB”),

Powerex thanks CARB for the opportunity to provide comments on the November 15, 2018 Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation and the November 15, 2018 Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (the “Proposed Amendments”).

Powerex is greatly appreciative of CARB Staff’s support of improving the approach to the highly complex issue of accounting for and retiring allowances in connection with greenhouse gas (“GHG”) emissions that support electricity transfers to California in the Energy Imbalance Market (“EIM”).

As the EIM continues to grow its footprint, Powerex encourages CARB Staff to continue to monitor the issue. Should a better solution to account for GHG emissions within the CAISO market be developed, and/or if the CAISO’s newly adopted EIM GHG accounting methodology is not sufficiently effective, CARB Staff may need to re-evaluate this issue.

While Powerex appreciates the efforts to date, Powerex reiterates its concern that the current approach to calculating and allocating emissions in the EIM is not workable in the context of a potential regional day-ahead market. A regional day-ahead market, with far greater volumes of electricity transfers, including into California, and thus potentially far greater GHG emissions, would pose an even greater challenge to achieving California’s policy objectives absent the development and application of a more robust GHG attribution framework.

Therefore, as Powerex discussed in its previous comments,<sup>1</sup> when CARB conducts its rulemaking to implement SB100, Powerex urges CARB to consider undertaking a comprehensive review of its rules and requirements related to electricity imports into California.

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<sup>1</sup> October 22, 2018 Comments of Powerex Corp. on California Air Resources Board Proposed Amendments to the Regulation for Mandatory Reporting of Greenhouse Gas Emissions at page 8 (available at <https://www.arb.ca.gov/lists/com-attach/6-ghg2018-VWdTZQY2UToLIFJj.pdf>).

Powerex would like to thank the Members of the Board as well as the CARB Staff for their consideration of these comments and for their continued efforts to improve the Cap-and-Trade Program. If you have any questions, please do not hesitate to contact the undersigned.

Kind regards,

/s/

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