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Hon. Mary D. Nichols, Chairman
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments On The Public Workshop Regarding Cap-And-Trade Compliance & Information Requirements

Dear Madame Chairman:

Calpine Corporation (hereinafter, "Calpine") appreciates the opportunity to provide these written comments on California Air Resources Board ("CARB" or the "Board") staff's presentation entitled "Cap-and-Trade Workshop Compliance & Information Requirements"[1] and related issues that arose at the June 25, 2013 public workshop.

I. INTRODUCTION AND SUMMARY

Calpine applauds CARB for the progress that has been made towards demonstrating the feasibility of implementing an economy-wide greenhouse gas ("GHG") reduction program through the successful launch of its Cap-and-Trade Program Regulation, Cal. Code Reg., tit. 17, §§ 95800 *et seq.* ("Regulation"). The results of the three Cap-and-Trade auctions that have been conducted to date demonstrate that the market for GHG emissions allowances is strengthening.

Calpine participated in both the January 25 and June 25, 2013 public workshops regarding the information disclosure requirements of the Regulation. While we agree with CARB's proposed approach with respect to disclosure of market information in some instances, we have significant remaining concerns with CARB's proposed approach for releasing confidential information that could jeopardize a large covered entity's market position and make it susceptible to potential price gouging and manipulation by other market participants.

In brief, Calpine provides the following comments on the June 25, 2013 CARB workshop:

[1] *See* CARB, Presentation re: Cap-and-Trade Workshop Compliance & Information Requirements (June 25, 2013), *available at*: http://www.arb.ca.gov/cc/capandtrade/meetings/062513/arb-cr-mrr-present.pdf (hereinafter, "June 2013 Cap-and-Trade Information Presentation").

- Holding Account Information: The Regulation protects holding account information from being publicly released. Calpine is heartened that CARB appears to have dropped its earlier suggestion that holding account information might be published but reasserts here that CARB should continue to protect holding account information from public disclosure, as the Regulation currently provides.

- Compliance Account Information: The Regulation requires CARB to release certain information on the compliance instruments contained in compliance accounts in a timely manner. Although the Regulation does not dictate exactly how and when such information must be released, CARB indicated in the June 25, 2013 workshop that it is considering releasing individual compliance account information quarterly. Given the low value of individual compliance account information to the public and the potential harm that releasing this information would have on market participants, Calpine urges CARB to only publicly disclose compliance account information *in the aggregate*. Alternatively, if CARB decides to release information on the number of compliance instruments in each covered entity's and/or consolidated entities' compliance account, it should do so only after the surrender date for each triennial compliance period. Regardless, where an entity violates the Regulation by cornering the market or engaging in manipulative trading practices, CARB could nonetheless release information on the quantity of compliance instruments involved in such unlawful practices as part of its enforcement of the Regulation.

- Transaction Agreement Information In CITSS: In the June 2013 Cap-and Trade Information Presentation, CARB suggested requiring entities to report information regarding specific types of transactions in the Compliance Instrument Tracking System Service ("CITSS"). The Regulation does not require entities to report this information to complete transactions in CITSS. Indeed, we are unaware of any precedent in analogous programs that require an entity to report on the specific means by which it has obtained compliance instruments. Calpine believes that the Cap-and-Trade market can be robustly monitored without requiring entities to report sensitive transaction-specific information within CITSS. Moreover, it may be practically impossible for covered entities to provide the required information with respect to exchange-traded contracts, where several buy and sell transactions are often settled against one another at different prices, before an allowance is finally delivered and an actual transfer occurs in CITSS. Asking the recipient to report the price at the close of trading of the contract makes no sense, both because the reported price may not accurately reflect the actual cost to the entity resulting from its multiple buy and sell transactions and because such pricing information is not generally recorded in association with any individual allowance. Instead, information on pricing in the secondary and derivatives markets may be better obtained from those markets themselves than through adding an additional reporting requirement within CITSS. Before requiring reporting of sensitive information that may prove impossible for covered entities to provide and may be of limited value to CARB in any event, CARB

should carefully define the type of transactions it is seeking to police and then tailor the required information to support its market monitoring efforts.

- The Fate Of Offsets That Exceed The Quantitative Usage Limit: CARB stated in the June 2013 Cap-and-Trade Information Presentation that, if at the end of a compliance period, the offset credits surrendered to satisfy a covered entity's annual compliance obligation collectively exceed the eight percent (8%) quantitative usage limit for the triennial compliance period, then all those in excess of 8% would be "excluded". CARB should not extinguish valuable offsets in such circumstances, particularly where the covered entity would have otherwise had sufficient allowances in its compliance account to avoid any shortfall. At the same time as CARB is considering how to extend the Regulation's cost-containment mechanisms and as market projections suggest offset supply will fall short of demand, it makes no sense to force the retirement of offsets that could be later used to meet a compliance obligation. Accordingly, CARB should return any excess surrendered offsets to the covered entity's compliance account for later surrender. Alternatively, CARB could allow covered entities to specify the retirement order of compliance instruments in their compliance accounts, so as to avoid the situation from occurring in the first place.

These comments are discussed in more detail below.

II. DISCUSSION

A. Holding Account Information Should Remain Confidential

CARB, in its January 2013 workshop presentation, stated that it was considering whether to require the publication of holding account balances.[2] In the June 2013 workshop, CARB provided no indication that it was still considering a requirement that holding account information be disclosed. Given the clear consensus of the regulated community that holding account information should remain confidential[3], Calpine hopes that CARB's silence on this issue means CARB is no longer contemplating regulatory amendments to publicly disclose holding account balances, whether in aggregate or on an individual basis.

The Regulation currently provides that CARB will "protect confidential information to the extent permitted by law by ensuring that the accounts administrator…[p]rotects as confidential the quantity and serial numbers of compliance instruments contained in holding

[2] *See* CARB, Presentation re: Public Information Sharing in California's Cap-and-Trade Program, at 11 (Jan. 25, 2013), *available at*: http://www.arb.ca.gov/cc/capandtrade/meetings/01252013/presentation.pdf ("January 2013 Cap-and-Trade Information Presentation").

[3] This consensus is reflected in the public comment submissions on the January 2013 Cap-and-Trade information-sharing workshop. *See, e.g.*, International Emissions Trading Association ("IETA"), IETA Comments On California Air Resources Board's Market Data Sharing Proposal, at 4 (Feb. 8, 2013), *available at*: http://www.arb.ca.gov/lists/jan-25-info-share-ws/5-ieta_comments_on_arb_market_data_sharing_proposal_8feb2013.pdf.

accounts."[4] CARB correctly prioritized the protection of holding account information over the putative market transparency benefit of releasing such information when it finalized the Regulation in 2011. Calpine reiterates here that holding account information should remain confidential in order to prevent the release of commercially sensitive information, which, in turn, may facilitate the vulnerability of market participants to price gouging.[5]

B. Compliance Account Information Should Be Released In Aggregated Form Only

In the June 2013 workshop, CARB staff proposed a calendar of information release dates that includes the quarterly release of compliance account balances.[6] CARB stated that it was considering alternatives to releasing individual compliance account balances, including releasing only aggregated compliance account data.[7] CARB posed similar alternatives at the January 2013 workshop regarding the frequency and granularity of compliance account information that CARB will publicly release.[8]

Calpine appreciates that CARB staff remains amenable to different approaches regarding the appropriate form and frequency of releasing compliance account information. As Calpine argued in its comments on the January 2013 workshop and reiterates here, compliance account information should only be released in aggregated form.

Calpine notes that the Regulation states that CARB will require the accounts administrator to "[r]elease[] information on the quantity and serial numbers of compliance instruments contained in compliance accounts in a timely manner."[9] The use of the plural form for "compliance accounts" supports Calpine's recommended approach of only releasing compliance account information on an aggregated basis.[10] CARB must ensure that its approach does not empower potential market manipulators to take advantage of some of the largest compliance entities, which, due to the strictures of the holding limit, will need to

[4] Regulation § 95921(e)(3).

[5] Kassandra Gough, Calpine, Comments on Public Information Sharing in California's Cap-and-Trade Program, at 2-6 (Feb. 8, 2013), *available at*: http://www.arb.ca.gov/lists/jan-25-info-share-ws/9-calpine_comments_on_public_information_sharing.pdf ("February 2013 Calpine Comments"); *see also* CARB, Final Statement of Reasons, Response to Comment L-11, at 1658 (Oct. 2011).

[6] June 2013 Cap-and-Trade Information Presentation, at 23.

[7] *See id.* at 30 and accompanying oral statement from CARB staff.

[8] January 2013 Cap-and-Trade Information Presentation, at 11.

[9] Regulation § 95921(e)(4).

[10] Indeed, if CARB had intended to release every individual covered entity's compliance account information, then section 95921(e)(4) should have read "information on the quantity and serial numbers of compliance instruments contained in *each* compliance account." Other sections of the Regulation demonstrate CARB's ability to point specifically to "each" account when that was its intention. *See*, *e.g.*, Regulation § 95831(a)(1) (providing that the Executive Officer shall not create more than one holding account, limited use holding account, compliance account or exchange clearing holding account for each registered entity).

place accumulated allowances in their compliance accounts far in advance of any surrender deadline.

CARB posed the following question at the June 2013 Cap-and-Trade information workshop: "Does revealing an individual compliance account balance expose a covered entity to manipulation?"[11] Calpine believes the answer to this question is clearly "yes".

The publication of individualized compliance account information would allow potential manipulators to estimate whether covered entities are short and need to buy more allowances, leaving them susceptible to gouging. This is particularly true for the largest covered entities whose total compliance obligations exceed the applicable holding limit. Such entities will need to move accumulated allowances into their compliance accounts well in advance of the Regulation's actual surrender deadlines and, as such, would be uniquely susceptible to manipulation by other market participants, who could easily reverse engineer their respective positions by subtracting the amounts shown in their compliance account, plus the holding limit, from their anticipated total obligation.

On the other hand, CARB has stated that one of the purposes of sharing this kind of information is for the "public [to be] able to see how [the] market is working and that covered entities…are complying."[12] Calpine believes the benefits of increased transparency can be obtained while reducing the risk of anticompetitive consequences through three practical safeguards, as recently suggested by the U.S. Department of Justice ("DOJ"): "aggregation, masking, and lagging".[13] Only requiring disclosure of aggregate compliance account information would utilize the first two of these safeguards in tandem to mask each individual entity's position, while providing the information the public and market need to assess both the volume of instruments awaiting retirement in compliance accounts and progress towards achieving the Regulation's declining cap.

A broad spectrum of the regulated community clearly supports the aggregation approach to releasing compliance account information.[14] This is also the approach reflected by other well-developed functioning carbon markets; neither the European Union ("EU") Emissions Trading Scheme ("ETS") nor the Regional Greenhouse Gas Initiative ("RGGI") publicly discloses each entity's compliance account information before the termination of a compliance period.[15] Further, the public interest in receiving information on covered

[11] June 2013 Cap-and-Trade Information Presentation, at 31.

[12] January 2013 Cap-and-Trade Information Presentation, at 6.

[13] *See* February 2013 Calpine Comments, at 8; *see also* Comment of the U.S. Department of Justice, re: Enhanced Natural Gas Market Transparency, FERC Docket No. RM13-1-000, at 7 (Feb. 1, 2013).

[14] *See, e.g.*, Nancy Chung Allred, Comments Of Southern California Edison Company To The California Air Resources Board On The January 25, 2013 Information Sharing Workshop, at 3-7 (Feb. 5, 2013), *available at*: http://www.arb.ca.gov/lists/jan-25-info-share-ws/1-2013-02-05_sce_comments_on_arb_information_sharing_workshop.pdf.

[15] *See, e.g.*, RGGI Compliance Report, https://rggi-coats.org/eats/rggi/Docs/ArchivedSourceSubmittedComplianceReport.pdf (providing a summary of covered

entities' compliance status could be fulfilled by, after the date when any annual or triennial compliance obligation is due, releasing a compliance report, summarizing the compliance status of each entity and any excess emissions obligation satisfied or yet to be satisfied.

Withholding disclosure of individual entities' compliance account information is consistent with the requirements of the California Public Records Act ("CPRA"), which generally prohibits the government from disclosing "trade secrets".[16] A covered entity's individualized compliance account information easily falls with the bounds of a non-disclosable trade secret.[17] Even if it did not, the CPRA's "catch-all" exemption provides that government agencies can withhold information where, "on the facts of the particular case the public interest served by not disclosing the record clearly outweighs the public interest served by disclosure of the record."[18] Here, the public interest in not disclosing individualized compliance account balances clearly outweighs the public interest in disclosure because of the unique risks posed by releasing each covered entity's compliance account information and the fact that the aggregated disclosure would serve the same public awareness function as disaggregated entity-specific disclosure.

Alternatively, if CARB contends that section 95921(e)(4) of the Regulation requires the release of each covered entity's (or consolidated set of entities') individual compliance account information, Calpine recommends that CARB release this information no earlier than the date by which each covered entity must surrender the triennial compliance obligation.[19] Just as the existing Regulation provides CARB the authority to only require release of compliance account information in the aggregate, it also allows CARB to interpret what constitutes the "timely" release of such information. The phrase "in a timely manner" is purely contextual and CARB therefore has significant discretion in determining when to release compliance account information. In this case, given the risks associated with

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source compliance information for first control period, which information includes source-specific emissions, each source's compliance obligation, and the number of allowances each source has banked and is published *after* the control period reconciliation is completed); *see also* European Commission, Climate Action, EUTL, Operator Holding Account, http://ec.europa.eu/environment/ets/oha.do?languageCode=en (publishing covered entities' compliance account information regarding surrendered allowances *after* each compliance cycle).

[16] "Trade secrets" include, non-exclusively, "any formula, plan, pattern, process, tool, mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within a commercial concern who are using it to fabricate, produce, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it." Cal. Gov. Code § 6254.7(d).

[17] While the CPRA includes an express exception for "all air pollution emission data, including those emission data which constitute trade secrets" (Cal. Gov. Code § 6254.7(e)), a covered entity's compliance account balance is not "air pollution emission data".

[18] Cal. Gov. Code § 6255(a). This catchall exemption "contemplates a case-by-case balancing process…Where the public interest in disclosure of the records is not outweighed by the public interest in nondisclosure, courts will direct the government to disclose the requested information." *Am. Civil Liberties Union of N. Cal. v. Superior Court*, 202 Cal. App. 4th 55, 68 (2011) (internal citations omitted).

[19] *See* Regulation §§ 95856(a), (f)(1).

releasing compliance account information before the surrender date for each triennial compliance period, releasing individual compliance account information on or immediately after the surrender date for each triennial compliance period would certainly be timely.[20] Such an approach would employ the "lagging" strategy suggested by DOJ, while providing for increased public disclosure of market positions.[21]

The above notwithstanding, CARB could always release information on compliance instruments held by entities or individuals who have been found to violate the Regulation's general prohibitions on trading.[22] DOJ recently suggested such a strategy as a means for increasing the transparency of natural gas markets, while avoiding the anticompetitive impacts of releasing information on all market participants.[23] For example, if the Market Surveillance Committee or Market Monitor were to identify violations of the prohibition on trades involving "[a] corner or an attempt to corner the market for a compliance instrument",[24] it might be appropriate for CARB to release information on the quantity of compliance instruments in the accounts of the entities implicated in such a "corner" of the market. Such a release of information could be accomplished pursuant to CARB's inherent enforcement and market surveillance authority, providing the public with the information it needs to understand the unlawful behavior without also jeopardizing the position of entities operating in compliance with the Regulation.

C. CARB Should Not Require The Disclosure Of Additional Transaction Agreement Information In CITSS

Currently, the Regulation only requires reporting of a limited amount of transaction-related information in CITSS in order to complete a transfer request. For instance, before any transfer of allowances can be completed in CITSS, a transacting party must report the date of the transaction agreement for which the transfer request is submitted; the actual or expected settlement date, if not the same as date of the transaction agreement; and, the price of the compliance instrument in U.S. dollars.[25] CARB may request that parties to a transfer request provide documentation about a transaction for which a specific transfer request was submitted, but this information is not *per se* required.[26]

[20] *See* February 2013 Calpine Comments, at 8-9.

[21] *See supra* note 13.

[22] Regulation, § 95921(f).

[23] *See supra* note 10, at 7 ("rather than release all firm- and transaction-specific information it collects, the Commission could release such information only if it has reason to believe the market participants have violated its market manipulation rules.").

[24] Regulation, § 95921(f)(2)(B)

[25] Regulation §§ 95921(b)(4)-(6).

[26] *Id.* § 95921(b).

At the June 2013 workshop, CARB staff proposed requiring parties to report information on the specific transaction agreement underlying each transfer request in CITSS.[27] CARB stated that the specific transaction agreements that would entail additional reporting in CITSS are: "Spot Bilateral" contracts (i.e., no longer than 3 days from signing until delivery); "Customized Bilateral" contracts (i.e., no less than 4 days from signing until delivery); and, "Exchange-Traded Contracts" (i.e., spot and futures).[28]

Calpine is strongly opposed to any requirement whereby parties to a transfer request would need to divulge sensitive contract information in CITSS to complete a transfer request. The Regulation currently requires parties to a transfer request to provide all the information CARB and the accounts administrator need to ensure that CITSS—and the overall Cap-and-Trade market—are functioning properly. Moreover, CARB has not explained why this additional information on the specific types of transactions used to procure compliance instruments is necessary for it to appropriately monitor and regulate the status of the developing California carbon markets.

While CARB might indeed be interested in the development of the market for compliance instruments, Calpine is aware of no analogue in any similar compliance program where the regulator requires an entity to provide so much information concerning the actual form or contents of an agreement used by an entity to procure the necessary compliance instruments. Presumably, CARB is interested in understanding market participants' behavior and in observing trends, e.g., migration away from one exchange towards another. But the best source for information in this regard is the market itself, not through information submitted upon ultimate transfer of the compliance instruments in CITSS, which will, in many instances, be well after the form of agreement and price have been fixed.

For example, for "Exchange-Traded Contracts", what possible value is there to require reporting of the "[d]ate of close of trading for the contract" or the "[p]rice at close of trading",[29] when such information is irrelevant to whether the transaction satisfied the criteria for CARB's approval of it under the Regulation and might better be obtained by reference to information published by the relevant exchange? Moreover, it may be practically impossible for covered entities to provide the required information for exchange-traded contracts in the first place, where several buy and sell transactions are often settled against one another at different prices, before an allowance is finally delivered and an actual transfer occurs in CITSS. Thus, the price reported at the close of trading for the contract may not in any way be reflective of the actual cost to an entity resulting from its multiple buy and sell transactions. Additionally, covered entities are not regularly in the habit of recording information on the price at the close of trading or of any particular price in association with any individual allowance. Thus, we would submit that information on pricing in the secondary and derivatives markets may be better obtained from the data published by those

[27] June 2013 Cap-and-Trade Information Presentation, at 40.

[28] *Id.*

[29] *Id*. at 43.

markets than through the addition of a burdensome reporting requirement for each CITSS transfer request.

Likewise, for "Customized Bilateral Agreements", what interest does CARB have in collecting information on the other types of products "(e.g. natural gas)" that may be purchased along with the compliance instruments in a "bundled" contract?[30] CARB provides no explanation for why this information is necessary or even desirable to assure the sound functioning of the carbon markets. Calpine submits that it is not and that covered entities should not be required to provide such information pursuant to the Regulation.

Calpine does not dispute the importance of strong market oversight but contends that, before requiring submittal of information on the form of transaction in CITSS, CARB should articulate what type of improper market behavior it is trying to ferret-out and how each piece of requested information will facilitate CARB's effective policing of such behavior. Calpine urges CARB to rethink its proposal and not require the production of specific transaction information for every CITSS transfer request.

D. Retired Offsets That Exceed The Quantitative Usage Limit Should Be Returned To The Covered Entity's Compliance Account; Alternatively, CARB Should Allow Covered Entities To Specify Which Instruments They Want to Retire

In the June 2013 Cap-and-Trade Information Presentation, CARB staff correctly stated that the 8% quantitative usage limit does *not* apply to the annual compliance obligation, but only to the triennial compliance obligation.[31] CARB then proposed amending the Regulation to specify the order by which compliance instruments would be retired from each compliance account, with offsets being retired first.[32] Thus, if a covered entity happens to have offsets that will ultimately exceed 8% of its total triennial compliance obligation in its compliance account as of the annual surrender date, CARB would retire those offsets first under its proposal.

If at the end of a compliance period, the offsets surrendered to satisfy the annual compliance obligation collectively exceed the 8% quantitative usage limit for the triennial compliance period, CARB proposes that all offsets in excess of 8% would be "excluded".[33] If the covered entity failed to have enough allowances in its compliance account to satisfy what CARB's example calls the "shortfall",[34] the excess emissions obligation would apply, notwithstanding that the entity would have surrendered enough offsets in excess of the 8% quantitative usage limit to cover that shortfall.

[30] *Id.* at 42.

[31] *See* Regulation § 95854; *see also* June 2013 Cap-and-Trade Information Presentation, at 7.

[32] *Id.* at 15.

[33] *Id.* at 12.

[34] *Id*.

We note that the example used by CARB in its presentation contemplates that there would be a shortfall, i.e., that the covered entity would not have otherwise had sufficient allowances in its compliance account to make-up for any offsets surrendered in excess of the 8% limit.[35] In that case, such an entity would be subject to the excess emissions obligation associated with any shortfall and possibly any other penalties associated with violating the quantitative usage limitation. Nothing in the Regulation would suggest that CARB also has the authority to force the retirement of those offsets in excess of the quantitative usage limitation, with no application of them to any compliance obligation and without otherwise returning their value to the entity in whose account they were located. The cancellation of such offsets would seem particularly illogical and unfair in the case where the covered entity had sufficient allowances of the appropriate vintage in its compliance account as of the surrender deadline for the triennial compliance obligation and could have fully met that compliance obligation without exceeding the quantitative usage limit, were it not for the mandatory retirement order imposed by CARB.

CARB has affirmed on several occasions that, to avoid the strictures of the holding limit, entities are free to "bank" allowances in their compliance accounts by depositing more allowances there than are needed to meet any forthcoming compliance obligation. Notwithstanding that offsets are not subject to the holding limit, it makes no sense for CARB to take a contrary approach for offsets and risk extinguishing valuable offsets. Further, CARB is creating the circumstances that demand such an unduly punitive result through its unwillingness to provide functionality in CITSS for covered entities to specify which compliance instruments in their compliance accounts they would like to retire. CARB's unwillingness in this respect is apparently due to its wishes to make the Regulation consistent with Quebec's trading program.[36]

CARB's proposal to extinguish such offsets makes even less sense when considered against the realities of the offsets market today, wherein supply likely falls short of demand to meet covered entities' needs at up to 8% of their total obligation. By proposing to extinguish those offsets accidentally over-surrendered, CARB would only put further pressure on the nascent offsets markets, making it even less likely that supply will meet demand and further limiting the important cost-containment role that offsets may play in the program.

It is ironic that CARB would propose such a punitive result, at the same time as it is considering additional means of cost containment and acknowledging that the circumstances that could result in prices exceeding those of the allowance price containment reserve include "[o]ffsets less available than expected".[37] It is doubly ironic that CARB should propose such a harsh result instead of allowing covered entities to specify which compliance instruments

[35] *See id.*

[36] *Id*., at 14.

[37] *See* California Cap-and-Trade Cost Containment Workshop, June 25, 2013, available at: http://www.arb.ca.gov/cc/capandtrade/meetings/062513/arb-cc-present.pdf.

they want to retire, at the same time as CARB is also proposing to expand the required fields in CITSS to mandate reporting of sensitive transaction-specific information within CITSS.

Calpine urges CARB to reconsider its proposal and not to extinguish over-surrendered offsets and remove them from the program. Rather, such offsets should remain within or be returned to the compliance account of the appropriate covered entity for surrender at a later date.

At the very least, CARB should develop a principled approach that distinguishes between circumstances where the purported "over-retirement" is due, not to a covered entity's failure to have adequate allowances on hand, but to CARB's imposition of a mandatory retirement order. Where a covered entity would have otherwise had sufficient allowances in its compliance account to meet its triennial compliance obligation, CARB cannot and should not take such offsets from the covered entity. Further, where a shortfall exists, the covered entity will already be subject to the excess emissions obligation and additional potential liability associated with violation of the quantitative usage limit; CARB should reconsider whether it is fair either to that entity or to other compliance entities to extinguish the value of those offsets forever and thereby place additional upwards pressure on an already constrained offsets market.

Alternatively, CARB could maintain its suggested approach of extinguishing excess surrendered offsets, but provide covered entities the ability to specify which compliance instruments in their compliance accounts they are retiring prior to each annual and triennial surrender deadline.

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Please feel free to contact me with any questions or concerns regarding these comments. Thank you for the opportunity to submit these comments.

Sincerely,

/S/

Kassandra Gough
Director, Government and Legislative Affairs

cc: Richard Corey, Executive Officer
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