



WASTE MANAGEMENT

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February 11, 2014

Dr. Steven Cliff
Climate Change Program Evaluation Branch
California Air Resource Board
1001 I Street
Sacramento, California 95812

Via Email: scliff@arb.ca.gov

Subject: Comments of Waste Management and Wheelabrator Technologies, Inc. on California Air Resources Board (ARB) Discussion Draft – January 31, 2014; Potential Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms

Submitted via website: <http://www.arb.ca.gov/cc/capandtrade/comments.htm>

Dear Dr. Cliff:

On behalf of Waste Management (WM) and its subsidiary Wheelabrator Technologies, we wish to comment on the Discussion Draft of Potential Amendments to the California Cap on Greenhouse Emissions and Market-Based Compliance Mechanisms released January 31, 2014. Our comments are focused on proposed amendments impacting legacy contracts. We strongly support the ARB Staff's proposed revisions to the legacy contract provisions. Providing for transitional assistance through two triennial compliance periods is necessary to ensure that Legacy Contract generators do not face an untenable financial situation due to their inability to pass through GHG costs.

Furthermore, we support the use of 2012 as the base year used for calculating allowances for facilities such as Wheelabrator Norwalk that sells electricity to a utility purchaser. Facilities such as Norwalk understandably have been uncertain of their ability to recover the cost of compliance with the Cap and Trade program, resulting in a decision by Norwalk to curtail operations in 2013 rather than operate at a loss. Therefore, the use of 2012 as the base year for determining GHG emissions will correctly reflect the resumption of full operations and is the proper year for use in the regulation.

We appreciate ARB's proposal to provide recovery by assigning allowances to the Norwalk facility and other similarly situated power plants without cost recovery. Thank you for this opportunity to provide comments. We look forward to working with you to resolve this important issue.

Sincerely,

A handwritten signature in blue ink, appearing to read "Charles White", with a long horizontal flourish extending to the right.

Charles White
Director of Regulatory Affairs, West

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