



California Council for Environmental and Economic Balance

101 Mission Street, Suite 1440, San Francisco, California 94105
415-512-7890 phone, 415-512-7897 fax, www.cceeb.org

September 19, 2016

Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

RE: Potential 2016 Amendments to Mandatory Reporting

Dear Board Members:

On behalf of the members of the California Council for Environmental and Economic Balance (“CCEEB”), we thank the California Air Resources Board (“ARB”) for this opportunity to comment on the proposed regulation for potential amendments to the Cap-and-Trade Program, Mandatory Reporting Rule (“MRR”), and integration or compliance with the Clean Power Plan (“CPP”).

CCEEB is a coalition of business, labor, and public leaders that works together to advance strategies to achieve a sound economy and a healthy environment. Founded in 1973, CCEEB is a non-profit and non-partisan organization.

Verification Deadline/Declining Pool of Verifiers

While we understand ARB’s rationale in terms of supporting the Cap-and-Trade allocation process, acceleration of the deadline poses several issues for compliance covered entities and their verifiers. There may be substantial unintended consequences from accelerating the deadline under these circumstances ranging from impacts to data quality to increasing the risk of unintentional noncompliance due to lack of qualified verifiers. To explore the issues and root causes and enhance the stakeholder process, CCEEB would like work with the ARB to host a technical workshop to work through the impacts the verification deadline change could bring, and other issues this proposal brings forth.

CCEEB would like to better understand the reasons for the diminishing pool of verifiers. The pool of ARB-accredited verifiers has declined annually since the MRR verifications were first required in 2010. In 2015, 25 companies verified over 500 MRR reports. With its proposal to advance the verification date to August 1st, ARB would further exacerbate the present challenges associated with completing the verification process in a timely manner. We are also concerned with the reduction in the pool of accredited verification companies as there may be insufficient skilled personnel available to perform verifications. ARB should explore ways to prevent further decline in the number of verifiers and bring additional verification bodies into the program. We believe it would be worthwhile if ARB invited some of the verifiers no longer in the market to provide input to help understand why they made the decision to discontinue providing these services. This information could help address the root cause of why companies are leaving the California programs and make adjustments, as appropriate. ARB should also reach out to the current pool of verifiers to hear their perspective on what changes might be needed to ensure the feasibility of any modifications to the verification deadline.

Before considering changes to the verification deadline, CCEEB would like to discuss, in a dedicated technical workshop, additional ways to streamline the verification process. For example, we think staff should consider upgrades to software, timing of reporting tool availability, extending the 6-year limit for verifiers, ARB and verifier issue arbitration the release of guidance documents during the verification process, and how certain decisions impact the MRR process.

Software upgrades to Cal-eGGRT system could ease the burden associated with reporting and verification for entities reporting on behalf of multiple subsidiaries and affiliates. This might include allowing for batch review and certification for multiple facilities, removal of the redundant password request for each report certification, data loading from the previous year's report, elimination of duplicate reporting from the Subparts, and the ability to upload one Excel sheet for gas-insulated switchgear (SF6) reporting for multiple affiliates and subsidiaries.

Additionally, covered entities have EPA reporting deadlines and even earlier than the April 10th deadline that require resources to meet. These reporting deadlines coupled with the earlier verification deadline compresses the schedule too much for all the intermediate steps to occur without complication. With regard to EPA, unfortunately the reports are not similar enough to benefit from concurrent data collection. CCEEB believes all parties would benefit greatly from a technical working group to discuss this proposal from all angles.

Conclusion

CCEEB thanks the ARB for considering our comments on the proposed amendments to the mandatory reporting regulation. We represent a broad cross-section of the covered entities in California. As such, CCEEB is in a position to represent diverse industry sectors and would like to assist ARB in developing these ideas further.

CCEEB looks forward to playing an integral role in the future development and operability of California's Cap-and-Trade Program. Please contact me or Jackson R. Gualco, Kendra Daijogo or Mikhael Skvarla, CCEEB's governmental relations representatives at The Gualco Group, Inc. at (916) 441-1392 should you have any questions.

Thank you for considering our comments.

Sincerely,


GERALD D. SECUNDY
President

cc: Mr. Richard Corey
Ms. Edie Chang
Mr. Steve Cliff
Mr. William J. Quinn
Ms. Janet Whittick
The Gualco Group, Inc.