

Climate Change Program  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

**COMPLIANCE OFFSET DEVELOPERS ASSOCIATION**

**Contact:**  
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Date: February 13th 2013

Subject: Discussion Draft – January 31, 2014 Potential Amendments to the California Cap and Trade Program

To whom it may concern:

The Compliance Offset Developers Association (CODA) appreciates the opportunity to comment on the proposed 15-day changes to the California Cap and Trade Program as described in the Discussion Draft dated January 31 2014.

CODA is an association comprised of six of the leading developers of emission reduction projects designed for compliance in the California Cap and Trade program. CODA's membership has substantial experience in the implementation of projects designed to result in emission reduction offsets, and represents a majority of the projects listed as ARB-Early Action projects. CODA's comments below deal primarily with SUBARTICLE 13 of the draft, "ARB Offset Credits and Registry Offset Credits."

Establishing a Timeline for ARB Review of Early Action Project Desk Reviews

Consistent with the timelines set out in 95981 for the Issuance of ARB Offset Credits CODA supports the addition of a timeline for ARBs review of early-action projects. Currently there is no timeline for, or official means of determining an offset projects progression, through ARBs review process. It is important that OPOs and APDs, are able to plan for issuance of ARB offsets from early action projects and budget accordingly. Setting an outside date, which could be effective going forward from the date the regulatory amendments are adopted, would provide greater certainty to OPOs and APDs and greater confidence in the efficacy of the review process. In addition, the end user can also better plan for the usage of the EAOCs in their compliance reporting.

95975(m)

ARB has added this regulation to make listing information final. Some flexibility has been provided in the case that the OPOs details change but what happens if the APD changes during a projects crediting period? In this case it would seem necessary to update the APD information on the Listing form. CODA requests that this addition be removed or a provision added which permits a project to modify the APD information under certain circumstances.

95990(e)(3)

ARB has added language that would require developers of early-action offset projects to issue offsets from a reporting period prior to listing that reporting period. This addition would require developers to pay issuance fees immediately on verification of a project. Currently CODA members are experiencing delays of upto a year between a reporting period being listed and ARB completing its review of project information. Requiring developers to pay issuance fees without any guidance on when offsets will be approved by ARB and ultimately be able to be sold into the market requires developers to make additional payments much earlier than they need to for no apparent purpose. CODA is confused as to why ARB deems it necessary to change the current system where developers can wait until a project had

completed ARB review, and is thus close to issuing offsets, before paying issuance fees. The current process helps to reduce out-of-pocket costs for developers, which is helpful given the current issuance timelines. CODA would like to see this language removed.

95990(f)(3)(F)

This new provision states that ARB may decide to reject the findings of a verification body and require a full verification without any engagement with the OPO or APD. Given the significant costs and time of undertaking a full re-verification CODA requests that ARB notifies the OPO and APD of its decision and provide for a period of time of the OPO or APD to work with ARB to address the reasons for rejecting a desk reviewer's statement.

Thank you for your efforts to continue to improve this landmark program.

Sincerely,

A handwritten signature in black ink, appearing to read 'C. Purshouse', written in a cursive style.

Charles Purshouse, Camco International Group, Inc.

CC: Jonathan Stack, CoolGas, Inc.  
Peter Feed, TerraPass  
Scott Warner, A-GAS RemTec  
Derek Six, Environmental Credit Corp.  
Paul Caponigri, Diversified Pure Chem, LLC