



Panoche Energy Center, LLC  
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Firebaugh, CA 93622

January 23, 2018

Ms. Rajinder Sahota  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95819

Sent via email to: [rsahota@arb.ca.gov](mailto:rsahota@arb.ca.gov)

**RE: Support for Timely Implementation of Upcoming Cap-and-Trade Regulation Amendments**

Dear Ms. Sahota:

Thank you for the opportunity to submit comments as the California Air Resources Board (CARB) begins its regulatory update to the Cap-and-Trade Regulations. These amendments focus on implementation of AB 398 as well as addressing outstanding Third Compliance Period issues. As a peaking power plant, Panoche Energy Center, LLC (PEC) is designed to support the efficient integration of intermittent renewable energy into California's energy portfolio and supports the overarching objective of the ARB to reduce greenhouse gas (GHG) emissions in California.

**We are writing to encourage the Board and staff to move forward as expeditiously as possible in finalizing the upcoming amendments as directed by the Board in Resolution 17-46.** As an AB 32 Legacy Contract holder, PEC is directly impacted by the regulation. The current regulatory status continues to cause market uncertainty and unintended environmental and power market consequences that impact PEC's ability to effectively participate in the AB 32 auction process. PEC appreciates that many details of the implementation of AB 398 that need to be worked out, but our overarching comment is that we recommend that CARB move forward with a prompt regulatory schedule.

Again, thank you for providing the opportunity for stakeholders to comment on the Post-2020 Cap-and-Trade Regulations as well as unresolved Third Compliance Period matters. PEC supports CARB's objective in providing a transparent and thorough regulatory process, and efforts to engage stakeholders to ensure the most equitable approach in allocating allowances to help mitigate cost impacts of the program.

If you have any questions, please do not hesitate to contact me at [wmacgillivray@aresmgmt.com](mailto:wmacgillivray@aresmgmt.com)  
Thank you for your consideration of these comments.

Sincerely,

Warren MacGillivray