



July 31, 2013

Mary Nichols
Chair
California Air Resources Board
1001 I Street
Sacramento, CA 95812

RE: Comments to Air Resources Board on Cap-and-Trade Regulatory Revisions

Dear Chair Nichols,

Thank you for the opportunity to comment on ARB's cap and trade regulatory revisions. We appreciate you and your staff's willingness to discuss modifications to the regulation and look forward to working with you in the future to create a credible cap and trade program with integrity. Below are our comments on the proposed modifications.

Under the revised section 95974(a)(2)(B), an Authorized Project Designee (APD) must be registered as an account representative for the Offset Project Operator (OPO). An OPO may, however, have multiple projects that involve various contractual and confidentiality commitments. By specifying that an OPO designate an APD as a CITSS account representative, ARB would inadvertently force an OPO to either violate confidentiality or not use an APD. For example, OPOs often have multiple offset projects in various stages of development. If only one of these projects has an APD, the project developer cannot give the APD access to certain information for another project due to confidentiality concerns. There appears to be no apparent reason that the APD needs or should have access to OPO CITSS information not specific to that APD's project, regardless of whether there are contractual confidentiality obligations. Unfortunately, CITSS is not able to distinguish between projects. Therefore we request that the revised section 95974(a)(2)(B) be deleted.

Please do not hesitate to contact us if we can answer any questions or clarify any of our comments above.

Sincerely,

Harold Buchanan
Chief Executive Officer