

April 15, 2016

Ms. Rajinder Sahota  
Branch Chief  
Cap and Trade Program  
California Air Resources Board  
PO Box 2815  
Sacramento, CA, 95814

Dear Ms. Sahota,

Thank you for the workshop conducted on March 29, 2016 reviewing the staff proposals for Cap and Trade Regulation 2016 Amendments. Aaron Klemm California State University's (CSU) Chief of Energy and Sustainability attended in person on behalf of the CSU.

CSU contains three covered entities that each meet the criteria for University/Public Service Allowances, But-for Allowances and Legacy Contract allowances. In addition, several CSU campuses are subject to ARB's mandatory reporting requirements. As a result, CSU submits the following comments for ARB's consideration.

CSU supports the ARB staff recommendation for University and Public Service Facilities allowances.

CSU supports the ARB staff recommendation for the Legacy Contract allowances for Generator's with industrial counter-parties such as CSU Channel Islands.

CSU recommends in the But-for allowance case that ARB staff target Option 3 for full carbon cost pass-through in NG rates by 2024.

Additionally, CSU recommends that ARB restore the administrative remedies in the allowance allocation process so that relatively minor, inadvertent infractions incur appropriate commensurate penalties.

CSU recommends that the value of the allowances granted to electric load serving entities for increased electrification be passed through to the ratepayers at the facilities where electric vehicle chargers are installed. This will ensure that ratepayers that install large scale workplace electric vehicle charging enabling transportation GHG reductions are not subsidizing GHG compliance costs across all ratepayers.

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**CSU Campuses**  
Bakersfield  
Channel Islands  
Chico  
Dominguez Hills  
East Bay

Fresno  
Fullerton  
Humboldt  
Long Beach  
Los Angeles  
Maritime Academy

Monterey Bay  
Northridge  
Pomona  
Sacramento  
San Bernardino  
San Diego

San Francisco  
San José  
San Luis Obispo  
San Marcos  
Sonoma  
Stanislaus

CSU responds to ARB staff request for information on low participation rates in Voluntary Renewable Energy Program (VREP) with the following comments. Early participation in the VREP program was hampered by covered entities like the three CSU campuses (San Diego, Channel Islands and San Jose) being focused on the major compliance issues related to the cap and trade regulation. Some covered entities like CSU have installed over 40 MW of voluntary on-site solar systemwide but lacked the internal accounting mechanisms and CITTs entities to register these projects and participate in the VREP program. CSU is currently evaluating the potential of registering its voluntary on-site solar projects in ARB's VREP program.

Should you have questions or need additional information before our scheduled meeting at ARB's offices on Monday November 23, 2015 at 11:00 a.m., please do not hesitate to call me at (562) 951-4090 or Aaron Klemm, Chief of Energy and Sustainability at 562-951-4122.

Sincerely,

 for:

Elvyra F. San Juan  
Assistant Vice Chancellor

ESJ:AK:hk

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