



SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

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*Electronic
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2015

December 4, 2015

Thomas M. Blalock, P.E.
PRESIDENT

Tom Radulovich
VICE PRESIDENT

Grace Crunican
GENERAL MANAGER

Mr. David Mallory
California Air Resources Board
1001 I Street
Sacramento, CA 95812

Re: BART comments on the ARB Adaptive Management Plan for the GHG
Cap-and-Trade Regulation

DIRECTORS

Gail Murray
1ST DISTRICT

Joel Keller
2ND DISTRICT

Rebecca Saltzman
3RD DISTRICT

Robert Raburn, Ph.D.
4TH DISTRICT

John McPartland
5TH DISTRICT

Thomas M. Blalock, P.E.
6TH DISTRICT

Zakhary Mallett, MCP
7TH DISTRICT

Nicholas Josefowitz
8TH DISTRICT

Tom Radulovich
9TH DISTRICT

Dear Mr. Mallory:

Thank you for the opportunity to provide comments regarding the Cap-and-Trade Adaptive Management process. As you may know, the San Francisco Bay Area Rapid Transit District (BART) is the backbone of the Bay Area transit system, providing more than 430,000 daily passenger trips throughout Alameda, Contra Costa, San Francisco, and San Mateo Counties. Over the past 5 years, BART's ridership has grown by more than 25%. BART's all-electric trains provide reliable and efficient transit service – a critical alternative to driving – that reduces the Bay Area's carbon footprint by nearly 4.5 million pounds of CO₂ a day. BART is engaged in significant and ongoing efforts to procure more renewable energy to meet its needs and further reduce the local carbon footprint.

BART has recently discovered that some of the Greenhouse Gas (GHG) allowances provided to PG&E under §95870 of the regulation order¹ include allowances for BART power purchased pursuant to Public Utilities Code (P.U.C.) Section 701.8(b). PG&E has stated that they are neither the "Purchasing" or "Selling" entity (PSE) for BART's power, and they assert that they should therefore not appear on the e-Tag as a "PSE" for BART power imports. Under §95852(b), the first PSE on the e-Tag on the California side of the import is where The Air Resources Board (ARB) looks for GHG surrender obligation pursuant to §95852. In BART's case, the complex methodology developed for determining allocations resulted in a perverse outcome which the ARB can repair.

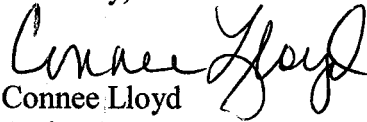
We have examined the ARB regulation order in conjunction with the intent of AB32, and concluded that the easiest remedy is to estimate the BART portion of the allowances provided to PG&E and reallocate these to BART. This can be accomplished simply by adding a line in the "Annual Allocation to Electrical Distribution Utilities (EDU) under the Cap-and-Trade Regulation" table (<http://www.arb.ca.gov/cc/capandtrade/allowanceallocation/edu-ng->

¹ All references refer to CALIFORNIA CAP ON GREENHOUSE GAS EMISSIONS AND MARKET-BASED COMPLIANCE MECHANISMS TO ALLOW FOR THE USE OF COMPLIANCE INSTRUMENTS ISSUES BY LINKED JURISDICTIONS except where noted.

allowancedistribution/electricity-allocation.pdf) to add BART, and include a footnote, similar to the one noted for the City of Shasta Lake, that the BART allowances are not subject to the calculation methodology in §95853 but rather are allocated pursuant to self-provision allowed by P.U.C. §701.8(b). Given the relatively small number of allowances involved, there would seem to be little benefit from modifying other parts of the compliance sections of the regulation order.

Please feel free to contact me at (510) 464-6186 or clloyd@bart.gov with any questions regarding these comments. Thank you for your attention to this matter.

Sincerely,


Connee Lloyd
Acting Manager, Energy Division

Attachment: CARB Annual Allocation to Electrical Distribution Utilities (EDU) under the Cap-and-Trade Regulation

cc: Rajinder Sahota, Branch Chief, Cap-and-Trade Program
Robert Powers, BART
Kerry Hamill, BART
Val Menotti, BART
Paul Fadelli, BART
Tim Schott, Schott & Lites Advocates

Annual Allocation to Electrical Distribution Utilities (EDU) under the Cap-and-Trade Regulation

Rev. 2/5/2015

Utility Name	Utility Type	Annual Allocation to Electrical Distribution Utilities									
		2013	2014	2015	2016	2017	2018	2019	2020		
PG&E	IOU	24,947,243	24,786,927	23,993,415	23,691,151	24,113,145	23,347,893	23,102,417	22,639,600		
LADWP	POU	13,593,819	13,349,971	12,919,678	13,045,027	13,216,214	13,258,028	12,704,003	11,680,195		
SCE	IOU	32,603,468	31,594,859	31,399,111	29,550,281	26,868,834	25,889,683	25,017,535	24,704,540		
SDG&E	IOU	6,919,341	6,549,142	6,426,430	6,406,805	6,460,042	6,288,321	6,186,937	6,143,947		
SMUD	POU	3,145,322	3,088,654	2,963,662	2,983,621	3,055,558	3,099,494	3,145,755	3,187,816		
City of Anaheim	POU	1,989,064	1,995,301	1,949,302	1,981,598	1,958,040	1,970,170	1,958,156	1,957,462		
City of Azusa (Azusa Light & Water)	POU	173,046	173,954	173,926	175,341	178,283	178,331	178,989	180,927		
City of Banning	POU	93,659	95,676	95,245	96,211	98,132	98,332	98,749	100,187		
City of Burbank	POU	626,377	621,216	613,617	606,653	605,198	592,720	584,011	576,628		
City of Cerritos	POU	17,511	17,754	17,939	18,111	18,521	18,463	18,560	18,624		
City of Colton	POU	234,674	236,954	238,652	239,804	243,130	241,976	242,470	243,625		
City of Glendale (Water and Power)	POU	631,131	623,201	609,633	606,852	611,871	603,764	580,649	582,324		
City of Pasadena (Pasadena Water and Power)	POU	768,101	759,361	746,316	741,570	742,443	754,349	746,079	741,550		
City of Riverside	POU	1,081,740	1,069,456	1,043,302	1,066,387	1,067,638	1,082,987	1,079,121	1,088,787		
City of Vernon	POU	396,650	395,290	396,464	390,916	392,347	383,244	364,745	353,166		
Imperial Irrigation District	POU	1,698,744	1,707,231	1,687,197	1,717,584	1,748,184	1,739,282	1,743,449	1,759,275		
Modesto ID	POU	1,211,714	1,207,442	1,173,972	1,179,569	1,190,865	1,173,545	1,160,992	1,164,813		
City of Alameda	POU	50,999	54,062	52,340	55,489	55,411	62,848	62,853	62,865		
City of Biggs	POU	6,518	6,859	6,217	6,155	6,496	6,169	6,028	5,995		
City of Gridley	POU	14,540	14,593	14,490	14,469	14,622	14,376	14,043	13,852		
City of Healdsburg	POU	31,533	30,776	28,831	30,049	31,609	32,769	33,019	34,879		

Notes:

- 1) This list neither substitutes for nor supplements the provisions of the Cap-and-Trade Regulation, and is intended to provide information about allowance allocation to EDUs based on the best available information as of the creation date indicated in the header. This is not a regulatory document.
- 2) Annual Allocation to Electrical Distribution Utilities is calculated pursuant to section 95892 of the Cap-and-Trade Regulation (Regulation). With the exception of the City of Shasta Lake for budget years 2016-2020, the annual allocation of allowances for each EDU is calculated by multiplying the percentage of the allocation budget allocated to each EDU (Table 9-3 of the Regulation) by the annual allocation budget to all EDUs (97.7 MMTCO₂e; pursuant to section 95870(d) of the Regulation) and by the cap adjustment factor given in Table 9-2 for the relevant budget year. The allowance allocation to City of Shasta Lake for budget years 2016-2020 is outlined in Table 9-3A.

Annual Allocation to Electrical Distribution Utilities (EDU) under the Cap-and-Trade Regulation

Rev. 2/5/2015

Utility Name	Utility Type	Annual Allocation to Electrical Distribution Utilities									
		2013	2014	2015	2016	2017	2018	2019	2020		
City of Lodi	POU	159,254	157,875	151,117	151,284	154,357	151,982	148,527	149,616		
City of Lompoc	POU	47,501	46,902	45,073	46,416	47,852	47,179	46,204	46,851		
City of Palo Alto	POU	340,533	336,044	322,285	320,461	324,673	317,776	310,204	310,979		
City of Redding	POU	428,901	472,891	462,122	461,379	469,504	473,541	463,621	464,876		
City of Roseville	POU	468,015	471,583	469,085	479,499	492,774	475,432	463,757	458,208		
City of Ukiah	POU	33,891	32,959	30,113	32,083	34,604	36,456	36,848	37,082		
Plumas-Sierra Rural Electric Cooperation	COOP	61,475	61,711	61,517	61,119	61,401	60,063	58,531	57,302		
Port of Oakland	POU	31,408	31,472	31,460	31,071	30,936	30,079	29,300	28,535		
Silicon Valley Power	POU	1,084,232	1,080,276	1,050,440	1,091,908	1,148,649	1,156,740	1,134,664	1,151,011		
Truckee-Donner Public Utility District	POU	115,866	116,807	117,583	118,090	119,452	119,049	119,295	119,776		
Turlock Irrigation District	POU	901,046	914,103	910,963	915,393	934,372	926,598	907,086	903,421		
Anza Electric Cooperative, Inc.	COOP	19,438	19,777	44,298	44,482	45,132	44,759	44,862	44,781		
Golden State Water Company	IOU	58	57	56	64	63	61	60	59		
City of Needles	POU	9,844	10,218	10,588	10,692	11,060	10,845	10,902	10,942		
City of Rancho Cucamonga	POU	24,527	24,961	25,391	25,504	25,947	25,689	25,760	25,808		
City and County of San Francisco	POU	95,164	109,327	123,910	138,948	154,455	170,418	186,860	200,848		
City of Shasta Lake (Shasta Dam Area Public Utility District)	POU	49,667	50,430	50,717	129,197	72,923	72,523	72,814	73,697		
Lassen Municipal Utility District	POU	48,680	49,668	50,653	50,953	51,981	51,422	51,578	51,707		

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Annual Allocation to Electrical Distribution Utilities (EDU) under the Cap-and-Trade Regulation

Rev. 2/5/2015

Utility Name	Utility Type	Annual Allocation to Electrical Distribution Utilities								
		2013	2014	2015	2016	2017	2018	2019	2020	
Merced Irrigation District	POU	163,941	166,409	168,484	169,630	173,019	171,702	172,223	173,228	
Moreno Valley Utilities	POU	37,657	38,321	38,986	39,168	39,832	39,449	39,539	39,618	
Kirkwood Meadows Public Utility District	POU	2,933	2,983	3,035	3,046	3,102	3,072	3,074	3,068	
Port of Stockton	POU	5,157	5,250	5,341	5,369	5,459	5,405	5,417	5,388	
Power and Water Resource Pooling Authority	POU	63,737	64,910	64,727	66,560	70,714	70,430	71,131	72,559	
California Pacific Electric Company	IOU	216,847	220,658	224,485	225,543	229,404	227,253	227,867	226,639	
Surprise Valley Electrical Corporation	COOP	51,574	52,481	29,209	29,381	29,987	29,663	29,758	29,441	
Trinity Public Utility District	POU	-	-	-	-	-	-	-	-	
WAPA	POU	318,882	333,965	349,050	353,321	368,741	360,235	362,665	357,847	
Valley Electric Association, Inc.	COOP	116	113	120	118	125	122	119	117	
Victorville Municipal	POU	22,859	23,258	23,666	23,778	24,183	23,954	24,019	23,887	
Hercules	POU	6,288	6,342	6,337	6,426	6,620	6,603	6,640	6,760	
City of Industry	POU	8,722	8,892	9,057	9,110	9,278	9,179	9,212	9,155	
Corona	POU	57,986	58,785	59,377	59,836	61,118	60,722	60,926	60,952	
Pittsburg Power (Island)	POU	3,901	4,037	4,169	4,212	4,360	4,286	4,305	4,266	
Eastside	POU	4,668	4,912	5,147	5,215	5,459	5,319	5,358	5,280	
PacificCorp	IOU	723,726	728,106	730,526	737,440	745,624	752,553	759,349	767,732	

IOU = Investor Owned Electric Utility, POU = Publicly Owned Electric Utility, COOP = Electric Cooperative

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