

Cap-and-Trade Regulation Amendment Request

NOTE: Please use this form to highlight a request to amend a specific section (or related sections) of the Cap-and-Trade Regulation. Submission of this form aids staff in tracking requests and **does not mean** staff will ultimately propose an amendment in the version of the amendments noticed pursuant to the Administrative Procedure Act. This form is intended only as an additional tool ARB will use to evaluate requested changes to the regulation. Amendment requests may be for reasons of policy, clarity, or errors, etc. Staff may contact you if we need more information. Additionally, submission of this form will be a public record, and will be included in the ultimate rulemaking file related to these amendments, but may not be specifically answered in the Final Statement of Reasons. (Government Code section 11346.9(a)(3).) Please complete this form (with as much detail as possible, though it need not be formal regulatory language) and mail or email (preferred) to:

David Allgood (dallgood@arb.ca.gov)
Stationary Source Division
P.O. Box 2815
Sacramento, CA 95812

General Information

Date: August 2, 2013

Submitted by: Claire Halbrook

Affiliation: PG&E

Contact Phone: 415-973-0012

E-mail: cehu@pge.com

Section

Primary section(s): 95921(f)

Related section(s):

Amendment Request

Type of amendment: ☐ Policy ☐ Error ☒ Clarity

Reason for amendment:

Better clarification of which trading activities are prohibited and which are allowed; in addition, the new subsection "C" should be applicable to the general prohibition, not just the two activities described in (A) and (B)

Additional information:

(1) An entity cannot acquire allowances and hold them in its own holding account on behalf of another entity. ~~Including~~ **This prohibition shall restrict the following restrictions activities:**

(A) An entity may not hold allowances in which a second entity has any ownership or financial interest.

(B) An entity may not hold allowances pursuant to an agreement that gives a second entity control over the holding or planned disposition of allowances while the instruments reside in the first entity's accounts, or control over the acquisition of allowances by the first entity.

~~(C) These~~ **This prohibitions does** not apply to agreements that only specify a date or time period to deliver a specified quantity of allowances and that **do not** include no terms applying to allowances residing in another entity's account.

~~(C)~~ **(D)** An entity may purchase and hold allowances for later transfer to members of a direct corporate association.