**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**

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| August 2, 2013 |

Date:

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| Braydon Boulanger |

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| TransAlta  |

Submitted by: Affiliation:

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| Braydon\_boulanger@transalta.com |

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| 4032675833 |

Contact Phone: E-mail:

**Section**

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| Cap and Trade 95852 (b) (2) |

Primary section(s):

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| MRR New Subsection 95111 (b)(5) |

Related section(s):

**Amendment Request**

Type of amendment: [ ] Policy [ ] Error [x] Clarity

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| TransAlta requests that ARB provide further clarity on energy marketing activities that reside within the confines of safe harbor 10 that could be considered a Resource Shuffling violation.  |

Reason for amendment:

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| RE: July 18, 2013 Workshop TransAlta is encouraged to see that ARB is moving to codify “Appendix A” into official regulatory text. TransAlta requests that ARB provide further clarity on energy marketing activities that reside within the confines of safe harbor 10 that could be considered a Resource Shuffling violation. This request is focused on two particular areas of concern. TransAlta understands from staff comments, that safe harbor 10 does not apply to short-term transactions that are linked to selling off or assigning a contract for power from a power plant which does not meet the EPS with which a California Electricity Distribution Utility has a contract, or in which a California Electricity Distribution Utility has an ownership share. We further understand that such linked transactions, if they are not covered under safe harbors 11, 12, and 13, could be Resource Shuffling. Despite this description, it remains unclear as to what constitutes a linked transaction. 1. Please provide additional clarity on what ARB considers “linked” transactions.

Separately, staff has proposed amending the MRR to apply system emission factors to electricity which is imported, with the following language: *for system power imports above the default emission factor for unspecified electricity imports, electricity that is not tagged as originating from unique specified sources of generation but is instead tagged as system power cannot be claimed as an unspecified source*. We understand that for some transactions, this provision may apply and result in a higher emission factor and if reported incorrectly, a Resource Shuffling violation may occur. In previous conversations with ARB, we understood that Resource Shuffling was limited to impermissible substitutions, not incorrect reporting. 1. Please provide a clear definition of a “system”, which indicates how they are identified or verified, and disclose how incorrect reporting of system transactions, could be considered Resource Shuffling.

TransAlta thanks you for considering these clarifying amendments and requests that ARB hosts another workshop to discuss Resource Shuffling, prior to submitting draft regulations for final approval.Sincerely,Braydon Boulanger |

Additional information: