

**Comments of the Western Power Trading Forum
to the California Air Resources Board
on 45-day Proposed Cap and Trade Regulation Amendments
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The Western Power Trading Forum¹ (WPTF) welcomes the opportunity to provide input to the California Air Resources Board (CARB) on the 15-day proposed amendments to the Cap and Trade Regulation. WPTF's comments below address CARB's revised proposal to address outstanding emissions associated with electricity imports via the Energy Imbalance Market (EIM).

WPTF and other stakeholders expressed serious concerns with staff's "EIM Purchaser" proposal in the 45-day amendment package. That approach would not have yielded significant benefits over the existing bridge solution, and problematically would have created compliance obligations for several new categories of electricity participants, without providing those entities with any means to control those carbon obligations.

In response to these concerns, staff have substantively revised the EIM Purchaser proposal in the 15-day package. This new proposal, as WPTF understands it, would limit the definition of EIM Purchaser to California utilities that participate in the real-time market operated by the California Independent System Operator (CAISO) and rather than assigning emission obligations to individual entities, would result in the retirement of utility-allocated allowances. Additionally, outstanding EIM emissions would now be calculated annually for the year, and distributed across these utilities proportional to retail sales, rather than on the basis of CAISO imbalances (i.e. unscheduled deviations) in each 5-minute interval.

WPTF appreciates the responsiveness of staff to stakeholder concerns regarding the original EIM Purchaser proposal, and supports the proposal as amended in the 15-day package.

¹ WPTF is a diverse organization comprising power marketers, generators, investment banks, public utilities and energy service providers, whose common interest is the development of competitive electricity markets in the West. WPTF has over 80 members participating in power markets within California and elsewhere across the United States.