



November 30, 2018

Ms. Rajinder Sahota  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Submitted electronically via:

[https://www.arb.ca.gov/lispub/comm/bcsubform.php?listname=ct2018&comm\\_period=1](https://www.arb.ca.gov/lispub/comm/bcsubform.php?listname=ct2018&comm_period=1)

RE: Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation – 15 Day Package

Dear Ms. Sahota:

Thank you for the opportunity to provide these brief comments on the updated proposed amendments to the cap-and-trade regulation, and we appreciate the consideration of our previously-submitted comments.

EDF applauds the modifications made to the proposed amendments to clarify the expansion of the cap and trade's application in the Western Energy Imbalance Market. In particular, the clarification of EIM purchaser now gives EDF comfort with our earlier concerns about reconciling this language with First Jurisdictional Deliverer. These clarifications will give regulatory certainty to market participants as they both buy and sell electricity. The EIM is a critical first step to reduce the amount of curtailment of fossil free resources, such as solar and wind, during periods of over-generation. Having this EIM clarification will allow for more trading certainty in this market.

EDF continues to encourage the Board to consider how these rules might need to be revised given the planned expansion of Energy Imbalance Market with the Energy Day Ahead Market. EDF suggests that from the perspective of the issuance of allowances and compliance with the carbon market, this language is important to consider now since market participants will see very little difference between the spot market and an expanded day ahead market. The new

language on page 6, indicating 2021 in subsequent years directing the executive officer to annually retire allowances may need to be modified to accommodate this EIM expansion into the EDAM.

Once again, thank you for this opportunity to provide additional comments.

Sincerely,

Michael Colvin  
Senior Manager, California Energy Market Policy & Regulation