

Kari Smith
08-10-2
11/20/08

November 20, 2008

California Air Resources Board Members,

As the Air Resources Board (ARB) moves closer to adopting a Scoping Plan for capping and reducing global warming emissions, we urge ARB to include specific language that supports a cap and trade system designed to recognize the ability of voluntary renewable energy purchases to reduce global warming emissions below the level of the cap.

Many organizations, households, farms, and other businesses voluntarily install on-site solar generation or purchase renewable electricity or renewable energy certificates (RECs) as part of their commitment to reducing their global warming footprint.

As long as California has been without a fixed cap on global warming emissions, these purchases have displaced fossil generation and resulted in emission reductions. However, when a fixed cap on emissions is established under AB 32, starting in 2012, voluntary purchases of renewable energy will still displace fossil generation, but unless allowances are retired on behalf of this renewable generation, the number of emission allowances—and hence the level of emissions produced—will be unaffected. As a result, any emission reduction claims from these voluntary purchases will become problematic. Unless allowances are retired commensurate with voluntary renewable energy purchases, starting in 2012, renewable energy purchases will no longer be able to make emissions reductions claims. Ignoring the emissions benefits of voluntary renewable energy purchases is a policy outcome we hope the State of California will agree is unacceptable.

AB 32 implementation should not undercut customer motivation to invest in clean renewable solar and wind with their private funds. AB 32 implementation rules should be designed so individual, business, and non-profit investment in renewable power delivers on its promise to reduce actual emissions—not simply make it cheaper for someone else to comply with the cap.

The Scoping Plan currently contains no explicit direction for the cap-and-trade program to include the emission reduction value of voluntary renewable power purchases. Since the Scoping Plan is widely recognized as the “roadmap” for future rulemaking, we are gravely concerned that the valuable emission reduction efforts that many stakeholders make by voluntarily purchasing renewable energy will be thereby discouraged. Those purchases that may still occur will not have the effect of reducing emissions, thereby eliminating any emission reduction claims, slowing California’s progress toward reducing greenhouse gas emissions and undermining California’s growing renewable power industry.

We ask, therefore, that the Scoping Plan clearly recognize voluntary purchases of renewable energy, renewable energy certificates and on-site renewable generation for the global warming emissions reduction benefits that they provide. The Scoping Plan should explicitly acknowledge that the role of the voluntary renewable energy market will be developed and described in the cap-and-trade formal rulemaking.

Blair Swezey
Nancy Rader
Sue Kately
Rachel McMahon

Applied Materials
California Wind Energy Association
CALSEIA
CEERT

-Over-

Arthur O'Donnell
Shankar B. Prasad
Bernadette del Chiaro
Dr. Daniel M. Kammen

Denny Larson

Kim Fiske
David Felix
Elliott Hoffman
Alan Whiting
Ben Collingwood
Julia Curtis
Brian F. Keane
Sara Birmingham
Renee Guild
David Hochschild
JP Ross
Kari Smith
Polly Shaw
Cliff Chen
Peggy Hock
Annie Carmichael

Center for Resource Solutions
Coalition for Clean Air
Environment California
Founding Director, Renewable and Appropriate Energy
Laboratory, UC Berkeley and Union of Concerned Scientists
Technical Board Member*
Global Community Monitor, National Refinery Reform Campaign
& National Bucket Brigade Coalition
Iberdrola Renewables
MMA Renewable Ventures
New Voice of Business
Open Energy Corporation
Sanyo Energy
Sharp Solar Energy
SmartPower
Solar Alliance
Solar City
Solaria
Sungevity
SunPower Corporation
Suntech America, Inc.
Union of Concerned Scientists
United Solar Ovonic
Vote Solar

**Listed for identification purposes only*