



# CALIFORNIA RETAILERS ASSOCIATION

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November 17, 2008

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Ms. Mary Nichols, Chair  
California Air Resources Board  
1001 'I' Street  
Sacramento, CA 95814

Re: Climate Change Proposed Scoping Plan – Renewable Energy Certificates (RECs)

Dear Ms. Nichols:

Our members are very concerned that the current Scoping Plan to reduce carbon emissions is going to negatively impact the current voluntary renewable energy marketplace. We strongly encourage the Board to include specific language that supports the ability of voluntary purchasers of renewable energy to reduce greenhouse gas (GHG) emissions below the level of the set cap. Doing so will allow the voluntary markets to continue to thrive and help California exceed its goals for renewable energy development and GHG reductions.

Many of California Retailers Association (CRA) members participate in the EPA's Green Power Partnership Program voluntarily purchasing renewable energy certificates (RECs), have on-site solar generation or purchase renewable electricity from a clean generator. Their commitment to reduce the greenhouse impact of their operations precedes CARB's current noble efforts and has had a positive impact on the global environment. CRA refer to these purchases generically as renewable energy.

In the past, without a fixed cap on GHG emissions, CRA's members felt confident about their purchases of renewable energy and the corresponding displaced GHG emissions. They are comfortable making public statements about their success in managing their carbon footprint and the claims can easily be substantiated.

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 the number of emission allowances—and hence the level of emissions produced—will be unaffected, and corresponding emission reduction claims will become problematic. Unless allowances are retired commensurate with renewable energy purchases, starting in 2012, renewable energy purchases will no longer reduce GHG emissions. This is a result we hope the State of California will agree is unacceptable.

CRA strongly believes that the Scoping Plan should contain specific direction to include the emissions reduction value of voluntary renewable power purchases before the rules of the cap-and-trade are developed in 2009 and 2010. Since the Scoping Plan is widely recognized as the "roadmap" for future rulemaking, we are concerned that important market-based emission reductions created by our members and other voluntary stakeholders will be left off the table.

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We ask, therefore, that the Scoping Plan clearly recognize voluntary purchases of renewable energy, renewable energy certificates and on-site renewable generation for the GHG emissions reduction benefits that they provide. The Scoping Plan should explicitly acknowledge the emission reductions created by voluntary renewable purchases by companies such as our members and state that the role of voluntary renewable purchases in achieving California's goal will be developed and described in the cap-and-trade formal rulemaking.

Thank you for considering our comments.

Sincerely

A handwritten signature in black ink, appearing to read "Bill Dombrowski". The signature is fluid and cursive, with a large initial "B" and "D".

Bill Dombrowski  
President & Chief Executive Officer

cc: CARB Board Members:  
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