



**Australian Government**  
**Clean Energy Regulator**

**California Environmental Protection Agency**  
 **Air Resources Board**

## **MEMORANDUM OF UNDERSTANDING**

**Between**

**The Clean Energy Regulator**

**And**

**The California Air Resources Board**

## 1. PURPOSE

- 1.1 The purpose of this Memorandum of Understanding (MoU) is to guide the collaboration between the Australian Government's Clean Energy Regulator (CER) and the California Air Resources Board (CARB), hereafter referred to as "the Participants", relative to mutually addressing the global issue of climate change.
- 1.2 This MoU identifies areas of collaboration that can be undertaken from primarily a market-based program operational perspective that will mutually benefit each Participant in its efforts to address climate change.
- 1.3 The Participants acknowledge that this MoU is only intended to provide for collaboration between the Participants and does not create any legally binding rights or obligations. To the extent any other provision of this MoU is inconsistent with this paragraph, this paragraph will prevail.
- 1.4 There are no funding arrangements or costs involved in this MoU.

## 2. AGENCY ROLES

- 2.1 Clean Energy Regulator: The CER is established under the *Clean Energy Regulator Act 2011* and is charged with administering a range of climate change laws to encourage the use of clean energy; encourage the generation of electricity from renewable sources; provide for the reporting and dissemination of information related to greenhouse gas emissions, energy consumption, and energy production of corporations; provide for projects to remove carbon dioxide from the atmosphere and projects to avoid emissions of greenhouse gases; and provide for the Australian National Registry of Emission Units.
- 2.2 California Air Resources Board: The CARB is a part of the California Environmental Protection Agency, an organization which reports directly to the California Governor's Office. The CARB has a wide range of responsibilities as the lead agency for addressing air pollution and climate change in California. CARB is specifically responsible for administering the Global Warming Solutions Act of 2006 (AB 32). This Act sets forth a framework that CARB must follow to reduce the emissions of greenhouse gases in California to 1990 levels by 2020. In implementing AB 32, CARB is to work with other California regulatory agencies, as appropriate, and

“...shall consult with other states, and the federal government, and other nations to identify the most effective strategies and methods to reduce greenhouse gases, manage greenhouse gas control programs, and to facilitate the development of integrated and cost-effective regional, national, and international greenhouse gas reduction programs.”<sup>1</sup>

- 2.3 CER and CARB may consult with other regulatory agencies in the course of their collaboration under this MoU. To enhance collaboration, CER and CARB may facilitate contact for the other with relevant agencies in their respective jurisdictions. CER and CARB acknowledge that direct liaison will continue to occur between Australian agencies and their counterparts in California and elsewhere in the United States in respect to climate policy matters, including the development of international carbon market activity.

### **3. INFORMATION SHARING**

- 3.1 Each agency is subject to statutory obligations of secrecy or confidentiality that govern the disclosure and use of confidential or protected information.
- 3.2 CER and CARB affirm that this MoU is not intended to involve the exchange of any confidential or protected information. Any confidential or protected information that is inadvertently exchanged will be promptly returned by the recipient Participant to the owner Participant.
- 3.3 If the Participants mutually decide that the exchange of specified confidential or protected information is necessary in the future and permitted by legislation, then both Participants will cooperatively develop a separate arrangement concerning the exchange of this information.
- 3.4 If any information provided pursuant to this MoU becomes the subject of a subpoena, freedom of information request, or other legal demand for access, the recipient Participant will notify the owner Participant of the request. Prior to the release of any information by the recipient agency, the owner agency will provide its views on the intended action relating to the release, disclosure, publication, or production of such information.

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<sup>1</sup> Assembly Bill 32, Chapter 488, Statutes of 2006, Health and Safety Code section 38564

## 4. AREAS OF COLLABORATION

Areas of collaboration include, but are not limited to, the following:

### 4.1 Market-Based Programs to Reduce Greenhouse Gas Emissions

4.1.1 The Participants will share information related to the implementation of their respective market-based programs to reduce greenhouse gas emissions.

4.1.2 The shared information may include, but is not limited to:

- Implementing carbon pricing mechanisms in the context of a market-based program;
- Designing and operating systems for managing compliance instruments in a market-based program;
- Designing and managing auctions and auction systems;
- Managing the impacts on/implications for the competitiveness and trade-exposure of industries and sectors included in a market-based program;
- Implementing carbon offsets schemes, including the use of methodologies for quantifying and verifying emissions offsets;
- Monitoring, overseeing or facilitating carbon markets and ensuring market integrity; and
- Measuring the performance of regulatory operations.

### 4.2 Opportunities to encourage carbon market development

4.2.1 The Participants will exchange information on complementary actions (including harmonisation of reporting and technical standards) with the potential to expand carbon markets and lower overall costs, while preserving the environmental integrity of both programs.

4.2.2 The Participants will share and discuss information regarding:

- the technical implementation of agreements to link their respective programs to other emissions trading systems; and
- technical collaboration with existing and emerging carbon markets.

#### 4.3 Complementary Efforts that Support Market-Based Programs

4.3.1 The Participants will share information related to the development and implementation of complementary programs to reduce greenhouse gas emissions.

4.3.2 The shared information may include, but is not limited to:

- Implementing methodologies for measuring, quantifying, and verifying greenhouse gas emission emissions inventories from sources covered by the respective market programs; and
- Sharing information on regulations and programs for renewable energy and energy efficiency programs.

#### 4.4 Capacity Building

4.4.1 The Participants will promote communication among Australian and Californian experts to further the knowledge base of approaches to reduce greenhouse gases and supporting mechanisms and systems. Such promotion may include, but is not limited to, the conduct of seminars, webinars, and workshops.

4.4.2 The Participants will consider, subject to the availability of resources, temporarily exchanging personnel for the purposes of thoroughly understanding each other's market-based program.

### 5. ADMINISTRATION OF THIS MOU

5.1 Each Participant will designate a contact for coordinating the communication and exchange of information between the Participants under this MoU.

5.2 The contacts will be mutually responsible for ensuring that there are regular liaison meetings and exchange of information.

5.3 This MoU may be reviewed and updated, as necessary, but will expire on January 1, 2016, unless renewed.

- 5.4 Either Participant may terminate this MoU by giving 30 days' written notice to the other Participant. The termination will take effect on the expiry of the notice unless otherwise arranged by the Participants.
- 5.5 This MoU will take effect on the date the second signatory signs it.

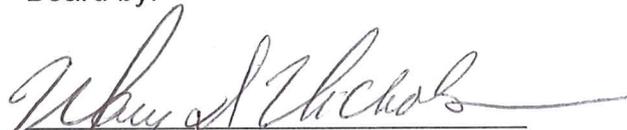
## SIGNATURES

Signed for the Clean Energy Regulator  
by:



Chloe Munro  
Chair, Clean Energy Regulator

Signed for the California Air Resources  
Board by:



Mary D. Nichols  
Chairman, California Air Resources Board

Date: 30/07/2013

Date: July 30, 2013