

REQUEST FOR AN EARLY EFFECTIVE DATE

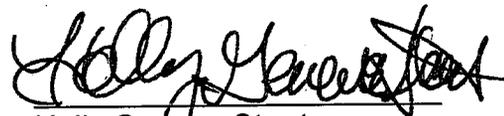
Pursuant to Government Code section 11343.4(c), the Air Resources Board (ARB or Board) requests that the Office of Administrative Law (OAL) prescribe an "earlier effective date" for the California Cap-and-Trade program that was considered by the Board at a December 16, 2010 public hearing and approved at an October 20, 2011 public hearing. ARB believes the following demonstrates "good cause" for OAL to prescribe an earlier effective date of January 1, 2012.

DEMONSTRATION OF GOOD CAUSE

In this rulemaking, the Board adopted regulations to implement the California Cap-and-Trade program to implement a fundamental provision of AB 32. These regulations will ensure that California reaches its goal of reducing greenhouse gas emissions to 1990 levels by 2020. An early effective date will ensure that an integral part of the regulation, a market to trade and purchase allowances in the program, will be able to commence on time. Although the first compliance period does not begin until January 1, 2013, the market is anticipating that ARB will meet its statutory deadline to begin the program on January 1, 2012. Failure to begin the program on January 1, 2012 may adversely affect the market. Additionally, starting the program on January 1, 2012 will ensure that the support systems required for the regulation, including market monitoring, tracking and auction systems, will be in place in time for the first auction in August, 2012. Finally, by starting the program on January 1, 2012, ARB will meet its statutory deadline to commence the program. (Health and Safety Code section 38562(c).)

For these reasons, ARB hereby requests that OAL approve an earlier effective date of January 1, 2012.

Date: October 25, 2011



Holly Geneva Stout
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