

REQUEST FOR EARLY EFFECTIVE DATE

AMENDMENTS TO THE REGULATION FOR THE AB 32 COST OF IMPLEMENTATION FEE REGULATION

Pursuant to Government Code section 11343.4(c), the Air Resources Board (ARB) requests that the Office of Administrative Law (OAL) prescribe an "early effective date" for the adoption of amendments to division 3, chapter 1, subchapter 10, article 3, sections 95201, 95202, 95203, and 95204, title 17, California Code of Regulations (CCR). ARB believes the following demonstrates "good cause" for OAL to prescribe an early effective date of January 1, 2015.

DEMONSTRATION OF GOOD CAUSE

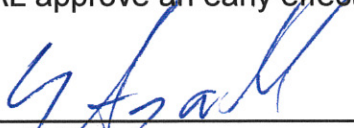
In this rulemaking, ARB adopted targeted amendments to the AB 32 Cost of Implementation Fee Regulation (title 17, CCR, sections 95200 *et seq.*) (Fee Regulation). The amendments integrate the reporting requirements of the Fee Regulation into the more comprehensive Mandatory Reporting of Greenhouse Gas Emissions (title 17, CCR, sections 95100 *et seq.*) (reporting regulation) and make other clarifications which enhance the clarity and effectiveness of the regulation while minimizing burdens on affected entities. The Fee Regulation funds the State's greenhouse gas programs, including the implementation of the separate California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation (title 17, CCR, sections 95800 *et seq.*) (cap-and-trade regulation). Both the reporting regulation and the cap-and-trade regulation have also just been amended, and their amended versions will go into force in 2015; ARB has requested early effective dates for those amendments as well.

There is good cause for the amended Fee Regulation to go into force on January 1, 2015, along with the reporting and cap-and-trade regulation. Entities may begin reporting emissions covered by the Fee Regulation as early as January 1, 2015, and must begin collecting data for those reports well beforehand. Moreover, the Fee Regulation's amended requirements are linked to the recently-amended reporting regulation, meaning that it will be easiest for entities to comply with the regulations, and for ARB to administer them, if they go into effect on the same timeline. Given the impending reporting dates, and the need for clarity, there is good cause for an early effective date for these regulatory amendments to assist entities to completely and accurately meet the Fee Regulation reporting requirements. The early effective date provides certainty and clarity to the covered entities as soon as possible.

Further, because the Fee Regulation supports ARB greenhouse gas regulatory programs, it is imperative that the amended regulation go quickly into force in order to minimize any transition challenges that could otherwise complicate the fee collection process if the amendments were delayed.

For these reasons, ARB hereby requests that OAL approve an early effective date of January 1, 2015.

Date: November 14, 2014



Craig Segall
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