

Archive of Email Comments Received 7/27/09 during the Public Meeting on Linking California's Cap-and-Trade Program to Other Greenhouse Gas Trading Programs

Daniel M. Ihara, Ph.D.

Question 1: Since Waxman-Markey that passed the US House of Representatives has significant implications for California Cap Trading Programs and while Waxman-Markey bill prohibits issuance of allowances by states for 2012 – 2017 (slide 31), according to Beveridge & Diamond's legal analysis, the Bill contains an exception that allows the bill to give "states the express authority to adjust [the states] allowance budget set by Congress". Has the staff considered how such California initiated adjustments may affect California in relation to the Waxman-Markey bill?

(full text included in attachment -- <http://www.bdlaw.com/news-626.html> –

Question 2: Alternatively, has a safety value mechanism for Waxman-Markey been considered, such that if some price threshold (or ideally some objective threshold such as an unemployment rate) is reached, this opens trading of allowances internationally?

Question 3: In general, to address "stringency" (slide 37) has the staff considered harmonizing allowance trades through allowing fractional emission allowance trading? While one ton trading for one ton would work between programs for the same targets, if there were different targets some formula would appear needed to adjust for differences in "stringency". For example if one entity's allowance were to count 1/3 of an allowance, it would take 3 of this entity's allowances to equal one allowance of another entity.

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Wilson Sonsini Goodrich & Rosati

I know ARB will be conducting a meeting in August to discuss this in greater detail, but can you please give us your initial thoughts on how AB 32 will or will not link with ACES? I understand ACES has a lot of preemptory language, and I wonder if any of AB 32's cap-and-trade program will be left standing if ACES passes through the Senate.

Thank you,

Stacey Fish

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3Degrees

Subject: Federal Moratorium

We're not asking CARB to comment on federal regulation. We are asking CARB to comment on how AB 32 cap and trade would be affected by the federal moratorium on cap and trade. It would help to hear a more robust answer than was given to the previous questioner.

Gabe Petlin
Director, Regulatory Affairs and Carbon Markets
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Daniel M. Ihara, Ph.D.

Subject: problems with multiple bilateral agreements...

Clarifying Question: You've discussed problems with multiple bilateral agreements, would this be remedied somewhat, if there were one internationally recognized body, a Harmonization Panel, in place to make decisions regarding harmonization of greenhouse gas emission markets.

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