

# California's Cap-and-Trade Program

## Publicly Available Information



The California Air Resources Board (CARB) is committed to providing a wide range of information to the public on every aspect of the Cap-and-Trade Program. We do this because it supports the operation of the program which is built on transparency to ensure efficient market operation.

The information we provide ranges from the bedrock reporting and third-party verification of greenhouse gas (GHG) emissions through allocation, offsets, compliance, auction announcements and results, market data, and enforcement. In addition, we provide extensive information on the overall GHG inventory, which utilizes verified GHG data, (indicating progress to achieving overall reductions) and a full accounting of the expenditure of the proceeds of the cap-and-trade quarterly auctions.

Because the Cap-and-Trade Program deals with multiple private and public companies, certain types of information – such as those related to Confidential Business Information – may be protected from disclosure pursuant to the California Public Records Act (PRA) and other applicable privacy laws.

### Cap-and-Trade Auctions

CARB posts information about each auction to ensure market participants and the public are provided with *simultaneous access* to information via public web postings about available supply, requirements for participating, summary results statistics, and proceeds. For market sensitive information such as auction results, notifications of the posting time of that information are announced in advance.

All reports related to the cap-and-trade auction are accessible from this page:

[www.arb.ca.gov/cc/capandtrade/auction/auction.htm](http://www.arb.ca.gov/cc/capandtrade/auction/auction.htm)

- **Auction Notice:** The Notice includes deadlines, the number and vintages of allowances available, descriptions of participation requirements, and other relevant information. A sample notice is for the recent February 2019 auction:  
[www.arb.ca.gov/cc/capandtrade/auction/feb-2019/notice.pdf](http://www.arb.ca.gov/cc/capandtrade/auction/feb-2019/notice.pdf)
- **Annual Auction Reserve Price Notice:** This notice specifies the California and Québec Annual Auction Reserve Prices and the number of allowances to be auctioned in a year for the quarterly Current and Advance auctions. A sample Annual Auction Reserve Price Notice is for 2019:  
[www.arb.ca.gov/cc/capandtrade/auction/2019\\_annual\\_reserve\\_price\\_notice\\_joint\\_auction.pdf](http://www.arb.ca.gov/cc/capandtrade/auction/2019_annual_reserve_price_notice_joint_auction.pdf)
- **Joint Auction Summary Results Report:** This report includes summary statistics of allowances offered for sale, allowances sold, allowance numbers by origin (California-owned, Québec-owned, and utility consigned allowances), a list of qualified bidders, and other market statistics. A sample from the February 2019 auction is available here:  
[www.arb.ca.gov/cc/capandtrade/auction/feb-2019/summary\\_results\\_report.pdf](http://www.arb.ca.gov/cc/capandtrade/auction/feb-2019/summary_results_report.pdf)
- **Post-Auction Public Proceeds Report:** This report includes the exact amount of proceeds from current and past auctions that are deposited into the California Greenhouse Gas Reduction Fund for appropriation by the Legislature and the Governor through the annual budgeting process. A sample from the February 2019 auction is available here:  
[www.arb.ca.gov/cc/capandtrade/auction/proceeds\\_summary.pdf](http://www.arb.ca.gov/cc/capandtrade/auction/proceeds_summary.pdf)
- **Reserve Sales:** Similar information as posted for auctions is posted regarding Allowance Price Containment Reserve Sales. To date, no Reserve Sale has been conducted.  
[www.arb.ca.gov/cc/capandtrade/reservesale/reservesale.htm](http://www.arb.ca.gov/cc/capandtrade/reservesale/reservesale.htm)

## Auction Proceeds/California Climate Investments

CARB maintains a comprehensive accounting of how auction proceeds are invested. The California Climate Investment webpage includes detailed information on funds expended from the Greenhouse Gas Reduction Fund, including an annual report, a funding map, and the Annual Report to the Legislature.

- **California Climate Investments page:**  
[ww2.arb.ca.gov/our-work/programs/california-climate-investments](http://ww2.arb.ca.gov/our-work/programs/california-climate-investments)
- **California Climate Investments map:**  
[webmaps.arb.ca.gov/ccimap/](http://webmaps.arb.ca.gov/ccimap/)
- **California Climate Investments Annual Report to the Legislature:**  
[www.caclimateinvestments.ca.gov/annual-report](http://www.caclimateinvestments.ca.gov/annual-report)

## Greenhouse Gas Emissions Reporting

CARB posts annual reports showing previous years' verified greenhouse gas (GHG) emissions data for individual reporting facilities, electric power entities, and fuel suppliers. In general, emissions must be reported if they exceed 10,000 metric tons of carbon dioxide equivalent (MTCO<sub>2e</sub>) per year. If a facility, electric power entity, or fuel supplier exceeds 25,000 MTCO<sub>2e</sub> per year, the report must also be verified by a CARB-accredited, third-party verification body and the reporting entity would be covered by the Cap-and-Trade Program and would be required to submit compliance instruments to match its annual, verified GHG emissions. These instruments include allowances and offset credits issued by CARB.

**Mandatory Greenhouse Gas Reports:** Annual entity-specific GHG emissions data, including verification status if required, is available here: [ww2.arb.ca.gov/mrr-data](http://ww2.arb.ca.gov/mrr-data)

**CARB Pollution Mapping Tool:** Allows users to choose individual sources and facilities – with emissions data – on a map using Google Earth, including presenting facility images in 'Satellite' mode: [www.arb.ca.gov/ei/tools/pollution\\_map/pollution\\_map.htm](http://www.arb.ca.gov/ei/tools/pollution_map/pollution_map.htm)

**GHG Verification information:** Displays information on Third-Party Verification of reported emissions, [ww2.arb.ca.gov/verification](http://ww2.arb.ca.gov/verification) including information on Accreditation of Verifiers at: [www.arb.ca.gov/cc/reporting/ghg-ver/faq-2018.pdf](http://www.arb.ca.gov/cc/reporting/ghg-ver/faq-2018.pdf)

## California Greenhouse Gas Emissions Inventory Program

The Cap-and-Trade Program is one of a suite of measures designed to achieve the goals of AB 32 and SB 32. Progress toward achieving the State's targets is primarily tracked through the Inventory Program and reflects the impact of all climate mitigation measures.

The Inventory Program accounts for the state's overall annual emissions. (Note: It does not subtract cap-and-trade offset credit used for the Cap-and-Trade Program from the statewide inventory.)

**GHG Inventory Page:** The GHG Inventory offers a wealth of information on overall GHG emissions in California, including tools to determine all aspects of the Inventory: by sector, by greenhouse gas, by Scoping Plan designation etc. using spreadsheets, or also treemap presentations. [www.arb.ca.gov/cc/inventory/inventory.htm](http://www.arb.ca.gov/cc/inventory/inventory.htm)

**Treemap and other Graphic Presentations of GHG Inventory:**  
[www.arb.ca.gov/cc/inventory/data/graph/graph.htm](http://www.arb.ca.gov/cc/inventory/data/graph/graph.htm)

**Inventory Trends:** This annual document presents an analysis of trends in the state's GHG Inventory showing reductions of changes from one year to the next, or over a period of years, by sector, dating back to 2000. [www.arb.ca.gov/cc/inventory/pubs/reports/2000\\_2016/ghg\\_inventory\\_trends\\_00-16.pdf](http://www.arb.ca.gov/cc/inventory/pubs/reports/2000_2016/ghg_inventory_trends_00-16.pdf)

## Allocation Information

CARB provides for allowance allocation to some entities covered by the Cap-and-Trade Program in order to prevent leakage and to provide some transition assistance. This means that, pursuant to requirements and formulas in the Cap-and-Trade Regulation (Regulation), CARB provides allowances directly to certain entities. Allocation information is discussed in sections 95870-95895 of the Regulation.

- **Allocation Percentages for Electrical Distribution:** Table 9-3 of the Regulation shows allocation percentages for the electrical distribution utilities. Allowance allocation numbers for each electrical distribution utility allocation is available in greater detail here: [www.arb.ca.gov/cc/capandtrade/allowanceallocation/edu-ng-allowancedistribution/electricity-allocation.xlsx](http://www.arb.ca.gov/cc/capandtrade/allowanceallocation/edu-ng-allowancedistribution/electricity-allocation.xlsx)
- **Industrial Benchmarks, Assistance Factors, Cap Adjustment Factors:** Industrial benchmarks are shown in Table 9-1 of the Regulation. These factors are used in combination with assistance factors (Table 8-1), cap adjustment factors (Table 9-2), and entity-specific production data to calculate product-based industrial allocation. Facility production data is exempted from the PRA. Since this data could be determined from individual entities' product-based allocation, CARB does not disclose entity-specific allocation numbers. CARB has provided information regarding all allocation for each year here: [www.arb.ca.gov/cc/capandtrade/allowanceallocation/publicallocation.htm](http://www.arb.ca.gov/cc/capandtrade/allowanceallocation/publicallocation.htm)

For an example of a specific year's data, see:

[www.arb.ca.gov/cc/capandtrade/allowanceallocation/v2019allocation.pdf](http://www.arb.ca.gov/cc/capandtrade/allowanceallocation/v2019allocation.pdf)

- **Use of Allocations:** Reporting on the use of allocated allocation value is required by the Regulation, and reports are made available, along with all allocation information, here: [www.arb.ca.gov/cc/capandtrade/allowanceallocation/allowanceallocation.htm](http://www.arb.ca.gov/cc/capandtrade/allowanceallocation/allowanceallocation.htm)

For example, a summary report on vintage 2014-2016 electricity distribution utility use of allocation allowance value is available here: [www.arb.ca.gov/cc/capandtrade/allowanceallocation/edu-v2014-2016-allowance-value-report.pdf](http://www.arb.ca.gov/cc/capandtrade/allowanceallocation/edu-v2014-2016-allowance-value-report.pdf)

## Voluntary Renewable Electricity Program

CARB posts information on the annual retirement of allowances under the Voluntary Renewable Electricity (VRE) Program. This program supports purchases of renewable electricity and renewable energy credits (REC) that are not mandated by the Renewables Portfolio Standard, and provides a mechanism for the recognition of voluntary purchases of renewable electricity or RECs in the Cap-and-Trade Program. Retirement amounts are available at [www.arb.ca.gov/cc/capandtrade/renewable/renewable.htm](http://www.arb.ca.gov/cc/capandtrade/renewable/renewable.htm) and a list of entities on behalf of whom allowances have been retired is available here: [www.arb.ca.gov/cc/capandtrade/renewable/vreparticipants.htm](http://www.arb.ca.gov/cc/capandtrade/renewable/vreparticipants.htm)

## Offsets

In addition to allowances, CARB also issues offset credits to projects that meet stringent eligibility and quantification requirements specified in the Regulation and in approved Compliance Offset Protocols (e.g., U.S. Forest Projects Protocol, Ozone Depleting Substances Protocol, Livestock Digester Protocol, Mine Methane Capture Protocol, Urban Forestry Protocol, and the Rice Cultivation Protocol). Offsets represent real emissions reductions that occur outside of covered sectors. Offsets are eligible for entities to use to meet up to 8% of their covered emissions for emissions from 2013-2020. As per AB 398, the offset usage limit will decrease to 4% for 2021-2025 emissions, and then increase to 6% for 2026-2030 emissions. Starting with 2021 emissions, no more than one-half of the quantitative offset usage limit may be sourced from projects that do not provide direct environmental benefits in California. Offset credits must be real, additional, permanent, verifiable, quantifiable, and enforceable.

- **Offsets Issued:** CARB posts detailed information about the offset credits it has issued. This includes an overview page that is updated every two weeks. [www.arb.ca.gov/cc/capandtrade/offsets/offsets.htm](http://www.arb.ca.gov/cc/capandtrade/offsets/offsets.htm)

- **ARB Offset Credit Issuance Table:** This detailed table is updated every two weeks which includes project information, links to project documentation, and full transparency on all aspects of projects from project location, project listing, issuance, and invalidation timeframes.  
[www.arb.ca.gov/cc/capandtrade/offsets/issuance/arb\\_offset\\_credit\\_issuance\\_table.pdf](http://www.arb.ca.gov/cc/capandtrade/offsets/issuance/arb_offset_credit_issuance_table.pdf)
- **Verification Bodies and Accredited Verifiers:** CARB posts a list of all accredited verification bodies and accredited verifiers.  
[www.arb.ca.gov/cc/capandtrade/offsets/verification/verification.htm](http://www.arb.ca.gov/cc/capandtrade/offsets/verification/verification.htm)

## Market Data

Every compliance instrument (allowance or offset) CARB issues has a unique serial number and is tracked from generation to its retirement. CARB posts information regarding the status of current registered entities, aggregated reports on the quantity of compliance instruments in specific account types, and other data to provide the market with necessary information on the program.

- **Market Transfers:** CARB posts (along with our linked partner, Québec) reports with aggregated transfer data. We have 2017 transfers reported here:  
[www.arb.ca.gov/cc/capandtrade/2017transferssummaryfinal.xlsx](http://www.arb.ca.gov/cc/capandtrade/2017transferssummaryfinal.xlsx)  
By way of comparison, the Regional Greenhouse Gas Initiative (RGGI) posts transfer reports on a more frequent time basis than California currently does. RGGI reports are also masked of any entity names or other entity-specific data. Like California, RGGI does not disclose counterparties to a trade, holdings, positions, or auction winnings at the individual entity level. Data on futures and options transactions involving California allowances that occur on the Intercontinental Exchange (ICE) are available from third-party sources.
- **List of Cap-and-Trade Companies (CITSS Registrant Report):** On a quarterly basis, CARB posts an updated list of all entities registered in our tracking system. For the latest one, see here: [www.arb.ca.gov/cc/capandtrade/citssregistrants03.29.19.pdf](http://www.arb.ca.gov/cc/capandtrade/citssregistrants03.29.19.pdf)
- **Compliance Instrument Report:** This report shows, on a quarterly basis, the number of instruments aggregated by instrument type, account type and vintage. This report shows what market participants and jurisdictions have in their accounts as of the report release. This data can be used to understand the quantity of compliance instruments in circulation, among other market trends.  
[www.arb.ca.gov/cc/capandtrade/complianceinstrumentreport.xlsx](http://www.arb.ca.gov/cc/capandtrade/complianceinstrumentreport.xlsx)

## Compliance With Cap-And-Trade Program

**Compliance Report:** CARB posts a compliance report each year, reflecting the annual (or multi-year) emissions for each covered entity, and the types and quantities of compliance instruments surrendered by each entity for compliance. (All entities that were required to surrender compliance instruments for the second compliance period met their obligations). This report has additional detail regarding the types of offset credits and specific offset projects those credits are from, and the total number of allowances that were surrendered per entity. For the second full compliance period (2015-2017) report, see here: [www.arb.ca.gov/cc/capandtrade/2015-2017compliancecitereport.xlsx](http://www.arb.ca.gov/cc/capandtrade/2015-2017compliancecitereport.xlsx)

## Enforcement Actions

CARB posts all settlement agreements from enforcement actions, including those related to the Cap-and-Trade Program and the Mandatory Greenhouse Gas Reporting Program here:  
[www.arb.ca.gov/enf/casesett/casesett.htm](http://www.arb.ca.gov/enf/casesett/casesett.htm)

## General Information On Cap-And-Trade

All information regarding the development of the Program, including regulatory adoption, amendments, stakeholder comments, guidance documents, frequently asked questions, market notices, and public meetings, can be accessed on our main webpage here:  
[www.arb.ca.gov/cc/capandtrade/capandtrade.htm](http://www.arb.ca.gov/cc/capandtrade/capandtrade.htm)