REQUEST FOR EFFECTIVE ON FILING 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 Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms that were approved for adoption by the Board at the September 18, 2014 public hearing and submitted to OAL for review and approval on November 14, 2014. The following demonstrates “good cause” for OAL to allow the regulations to be effective on January 1, 2015.

DEMONSTRATION OF GOOD CAUSE

In this rulemaking, the Board adopted amendments to the Cap-and-Trade Regulation (Regulation) to clarify how ARB will allocate compliance instruments to several covered entities, amend three existing compliance offset protocols, provide greater certainty to covered entities regarding the types of information required about corporate associations, and bolster ARB’s market monitoring requirements. Given the time needed by ARB to ensure an effective implementation of the information submittal and determination process related to upcoming corporate association reporting and auction deadlines, as well as to ensure harmonization with the calendar-year reporting of greenhouse gas emissions data, the amendments must be in effect by January 1, 2015.

Similarly, the amendments must be in place by January 1, 2015 to ensure that covered entities that receive additional transition assistance under the Regulation can make informed, timely decisions regarding their compliance obligations, including whether to participate in the upcoming February 2015 auction. The amendments also provide market certainty for all participants in the Cap-and-Trade Program. In addition, ARB must be able to immediately implement the amended market monitoring requirements to ensure effective oversight of the market and market participants. Delaying the effective date past January 1, 2015 will constrain ARB’s ability to effectively oversee participation in the market, and would cause uncertainty among covered entities and other market participants regarding their compliance with the program. Such a delay, and the resulting uncertainty caused, would adversely impact the functioning of this critically important regulatory program.

For these reasons, ARB hereby requests that OAL approve these amendments to be effective on January 1, 2015.

Date: November 14, 2014

Holly Geneva Stout
Senior Attorney