STATE OF CALIFORNIA--OFFICE OF ADMINISTRATIVE LAW

REGULAR

NOTICE PUBLICATION/REGULATION SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER	REGULATORY ACTION NUMBER	EMERGENCY NUMBER
	Z-2018-0119-01	2018-0417-02S	

For use by Office of Administrative Law (OAL) only

2018 APR 17 P 12:52

OFFICE OF ADMINISTRATIVE LAW

NOTICE

REGULATIONS

ENDORSED - FILED
in the office of the Secretary of State of the State of California

MAY 30 2018
1:41 PM

AGENCY WITH RULEMAKING AUTHORITY
California Air Resources Board

AGENCY FILE NUMBER (If any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE

TITLE(S)

FIRST SECTION AFFECTED

2. REQUESTED PUBLICATION DATE

3. NOTICE TYPE
☐ Notice re Proposed Regulatory Action ☐ Other

4. AGENCY CONTACT PERSON

TELEPHONE NUMBER

FAX NUMBER (Optional)

OAL USE ONLY — ACTION ON PROPOSED NOTICE
☐ Approved as Submitted ☐ Approved as Modified ☐ Disapproved/ Withdrawn

NOTICE REGISTER NUMBER: 2018, 05-Z

PUBLICATION DATE: 2/2/2018

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S)
Cap and Trade Regulation

1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)

2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)

ADOPT

AMEND
95835 and 95911

REPEAL

TITLE(S)
17

3. TYPE OF FILING

☒ Regular Rulemaking (Gov. Code §11346)
☐ Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)
☐ Emergency (Gov. Code, §11346.1(b))
☐ Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.
☐ Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)
☐ Emergency Readopt (Gov. Code, §11346.1(h))
☐ File & Print
☐ Other (Specify) _____
☐ Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
☐ Print Only

per agency request JE, 5/30/2018

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)
N/A

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)
☐ Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a)) ☒ Effective on filing with Secretary of State ☐ §100 Changes Without Regulatory Effect ☐ Effective other (Specify) _____

6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY
☐ Department of Finance (Form STD. 399) (SAM §6660) ☐ Fair Political Practices Commission ☐ State Fire Marshal
☐ Other (Specify) _____

7. CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional)
Bradley Bechtold, Regulations Coordinator	916-322-6533		bradley.bechtold@arb.ca.gov

8. **I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.**

SIGNATURE OF AGENCY HEAD OR DESIGNEE

DATE 4/9/18

TYPED NAME AND TITLE OF SIGNATORY
Edith Chang, Deputy Executive Officer

For use by Office of Administrative Law (OAL) only

ENDORSED APPROVED

MAY 30 2018

Office of Administrative Law

FINAL REGULATION ORDER
CALIFORNIA CAP ON GREENHOUSE GAS EMISSIONS AND MARKET-BASED COMPLIANCE MECHANISMS REGULATION

Amend Subchapter 10 Climate Change, Article 5, sections 95835 and 95911, title 17, California Code of Regulations, to read as follows:

Article 5: California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms

Note: The pre-existing regulation text is set forth below in normal type. The proposed amendments are shown in underline to indicate additions and ~~strikethrough~~ to indicate deletions. "***" indicates that sections of regulation not printed are not changed.

***

§ 95835. Changes to Entity Type and Reassignment of Facilities Already Registered to Different Entity Accounts.

***

(b) Change of Facility Ownership. When the ownership of a facility changes, whether by merger, acquisition, or any other means, the successor entity after the change in ownership is expressly liable for the unsurrendered compliance obligation of the predecessor covered entity that is party to the change in ownership transaction. For the avoidance of doubt, the unsurrendered compliance obligation of the predecessor covered entity consists of the quantity of verified reported emissions, assigned emissions, and emissions that have been released from the subject facility but not reported yet for which the covered entity would be required to submit compliance instruments to CARB absent the change of ownership, but that the covered entity has not surrendered to CARB at the time of the change of ownership. Subarticle 7 compliance requirements are interpreted and enforced in light of the successor entity being expressly liable for the unsurrendered compliance obligation of the predecessor covered entity. When the ownership of a facility changes, the following information must be submitted to CARB within 30 calendar days of finalization of the ownership change:

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NOTE: Authority cited: Sections 38510, 38560, 38562, 38570, 38571, 38580, 39600 and 39601, Health and Safety Code. Reference: Sections 38530, 38560.5, 38564, 38565, 38570 and 39600, Health and Safety Code.

***

§ 95911. Format for Auction of California GHG Allowances.

***

(c) Method for Setting the Auction Reserve Price.

***

(3) The Auction Administrator will calculate the Auction Reserve Price using the following procedure:

***

(D) The Auction Reserve Price in Canadian dollars shall be the highest of the minimum prices set and published or posted in Canadian dollars in any jurisdiction operating an External GHG ETS to which California has linked pursuant to subarticle 12.~~Canadian dollar Auction Reserve Price for the previous calendar year increased annually by 5 percent plus adjusted in the manner provided for in section 83.3 of the Financial Administration Act (R.S.Q., c. A-6.001) of Quebec.~~

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NOTE: Authority cited: Sections 38510, 38560, 38562, 38570, 38571, 38580, 39600 and 39601, Health and Safety Code. Reference: Sections 38530, 38560.5, 38564, 38565, 38570 and 39600, Health and Safety Code.