

REQUEST FOR AN EARLY EFFECTIVE DATE
Amendments to the Regulation for the
Mandatory Reporting of Greenhouse Gas Emissions

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Pursuant to Government Code Section 11343.4(b)

The California Air Resources Board (CARB or Board) formally requests, under Government Code section 11343.4(b), that the Office of Administrative Law (OAL) prescribe an early effective date for the amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions (MRR), title 17, California Code of Regulations, sections 95101, 95102, 95103, 95111, 95115, 95118, 95152, and 95153. Specifically, CARB requests that the amendments become effective on April 1, 2019. The Board approved the adoption of these amendments at its hearing on December 13, 2018 (Resolution 18-52). The following demonstrates good cause for OAL to allow the amendments to be effective on the date requested.

DEMONSTRATION OF GOOD CAUSE

In this rulemaking, the Board considered and adopted amendments to MRR. The Board also considered and adopted amendments to the California Cap on Greenhouse Gas Emissions and Market Based Compliance Mechanism (Cap-and-Trade Regulation), title 17, California Code of Regulations, sections 95800 et seq. MRR ensures that reported GHG data are accurate, in order to support the Cap-and-Trade Regulation.

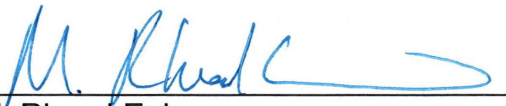
These amendments to MRR require affected facilities to report annually their greenhouse gas (GHG) emissions to the State using methods prescribed within the regulation. The amendments to MRR require a change in reporting and the calculation of emissions beginning April 1, 2019. Specifically, section 95111(h)(1) requires that Energy Imbalance Market (EIM) Participating Resource Scheduling Coordinators calculate EIM Outstanding Emissions separately for the time period of January 1, 2019 to March 31, 2019, and April 1, 2019 to December 31, 2019. Also, section 95111(h)(2) stipulates that CARB must calculate EIM Purchaser Emissions, in a manner consistent with the requirements of that section, beginning on April 1, 2019. The EIM is a critical part of California's electricity market, and participants in EIM have planned for this April 1, 2019 effective date.

In addition, these changes are needed to support revisions to the Cap-and-Trade Regulation, section 95852(l), which dictate how EIM Purchaser Emissions are handled with regard to allowance allocation and retirement. Those revisions in the Cap-and-Trade Regulation become effective April 1, 2019. Thus, amendments in reporting and calculation of emissions in support of the Cap-and-Trade Regulation must also be effective April 1, 2019.

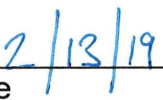
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If an early effective date for these amendments to MRR is not granted, regulated entities would likely face confusion in the Cap-and-Trade market and EIM, which could destabilize both markets. OAL has previously recognized the importance of market certainty in providing early effective dates for the Cap-and-Trade Regulation, as well as CARB's analogous Low Carbon Fuel Standard (LCFS) Regulation.

For these reasons, CARB hereby requests that OAL approve an early effective date of April 1, 2019.



M. Rhead Enion
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California Air Resources Board



Date