



SoCal Climate Solutions Exchange

Technical Advisory Group Meeting

May 22, 2008

Meeting Topics

- Summary of comments from last meeting
 - Ownership issues
 - Registration options
 - Staff proposals for initial concepts
 - Open discussion
 - Next steps/schedule
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Key Comments from Last Meeting

- Add to principles that early reductions should be recognized, not just without penalty
 - Do not presuppose that reductions would be used for CEQA
 - Do not focus on pound for pound mitigations, consider energy efficiency
 - Need projects with inner-city benefits
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Key Comments, (Cont.)

- Give priority to protocols that involve projects in EJ areas
 - Use “additional”, not “surplus”
 - This program needs different thinking than traditional programs using “surplus”
 - Opinions varied about when reductions would be additional
 - Up to date of regulation
 - More reductions than required
 - Different lengths of time before implementation dates
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Ownership Issues

- Important to establish clear rules and policies to avoid problems
 - Examples
 - Initial ownership
 - AQMD pilot credit rules – no credit if any public funding, project proponent
 - ERCs – Permitted facilities
 - RTCs – RECLAIM facilities
 - All credits tradable to 3rd parties
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Key Issues - Ownership

- Double Counting
 - Owner/operator of emission sources or designees
 - Potential regulated parties
 - Utilities
 - Local governments
 - Projects paid by public funding
 - Co-benefits of SIP reductions
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Ownership in SoCal Climate Solutions Exchange (Proposed)

- Certified reduction issuance
 - Owner of emission source or designee
 - Subsequent trades through registration
 - No certified reductions for the portion paid by public funding
 - No certified reductions for co-benefits of SIP measures unless otherwise authorized
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Registration Options

- Possible models
 - 1: Information registry
 - 2: SCAQMD trade exchange
 - 3: Other
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Information Registry

- SCAQMD role
 - Verify reductions
 - Certify reductions follow protocol and quantified correctly
 - Record data
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SCAQMD Trade Exchange

- SCAQMD role
 - Verify reductions
 - Certify reductions follow protocol and quantified correctly
 - Register reductions
 - Track trades
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Other

- Could be combinations of approaches described above or other models
 - For discussion...
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Staff Proposals for Initial Concepts

- Projects
 - Participation
 - Ownership
 - Additionality
 - Incentives for EJ areas
 - Registration options
 - Oversight
 - Protocols
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Staff Initial Concept - Projects

- In-Basin projects can generate reductions
 - Follow AQMD Board-approved protocols
 - Facilities with or without permits
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Staff Initial Concept - Participation

- Generation – as described above
 - Purchasing and use of reductions – no restrictions
 - AQIP part of program design
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Staff Initial Concept - Ownership

- Certified reduction issuance
 - Owner of emission source or designee
 - Subsequent trades through registration
 - No certified reductions for the portion paid by public funding
 - No certified reductions for co-benefits of SIP measures unless otherwise authorized
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Staff Initial Concept - Additionality

- Definition of additional will be consistent, but application could vary for specific application to a source category, per protocol
 - Option 1 – projects implemented X years prior to mandatory compliance to generate reductions until the compliance date
 - Option 2 – certified reductions sunset X months prior to mandatory compliance date
 - Additional discussion during rulemaking to be consistent with CARB policy
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Staff Initial Concept – Incentives for EJ Areas

- EJ area currently defined relative to poverty level, and cancer risk or PM levels based on MATES II data
 - May update based on MATES III data
 - AQIP projects directed to EJ areas
 - Other incentives to be explored
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Staff Initial Concept – Registration Options

- As discussed in previous slides
 - Needs additional evaluation
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Staff Initial Concept - Oversight

- Public review for quantification, certification and registration
 - Periodic performance audit
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Staff Initial Concept - Protocols

- Intent to develop as many as possible, with broad applicability and project proponents
 - Coordination and cooperation between CAPCOA, CARB, CCAR
 - Split list based on resources and expertise
 - Work toward consensus
 - Protocols would have wider applicability in state
 - SoCal Climate Solutions Exchange to use AQMD Board-approved protocols
 - CARB approval or concurrence
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Next Steps/Schedule

- Add today's discussion to White Paper
 - Climate Change Committee
 - Wednesday, May 28th 10 – 11 am
 - June 6th Board meeting
 - Discussion of initial concepts and stakeholder comments
 - Direction re rule development
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