

PROPOSED RULE 2701. SoCAL CLIMATE SOLUTIONS EXCHANGE

(a) Purpose

The purpose of this rule is to establish a voluntary program to encourage, quantify, and certify voluntary, high quality, greenhouse gas reductions in the District.

(b) Applicability

- (1) Projects in the District that follow pre-approved quantification protocols pursuant to Rule 2700 paragraph (a)(9) are eligible to generate certified emission reductions, regardless of whether the project involves equipment or a facility that is required to have a District permit.
- (2) Projects in other parts of California may also be allowed provided the project follows a protocol pursuant to Rule 2700 paragraph (a)(9) and there is an agreement between AQMD and another California local air district that they will act as verifiers.
- (3) Any party may purchase certified emission reductions created pursuant to this regulation.
- (4) There are no restrictions from the District regarding use of certified reductions generated pursuant to the Rule.

(c) Generation of Certified GHG Emission Reductions

Any party may elect to voluntarily reduce GHG emissions and apply for certified emission reductions if all of the following provisions are met:

- (1) The reductions will follow a protocol that has been approved pursuant to Rule 2700 paragraph (a)(9).
- (2) A plan is submitted that details:
 - (A) the nature of the reductions, including the type of GHG and amount of reductions projected;
 - (B) the funding source, i.e. parties providing funding;
 - (C) the protocol that will be followed;
 - (D) the date that the reductions are projected to start occurring;
 - (E) the location of the project or activity;
 - (F) the length of time the project or activity is anticipated to continue;
 - (G) the responsible party; and
 - (H) the initial owner of the certified emission reductions once reductions have been verified and certified by The Executive Officer.

PR 2701 (Cont.)

- (3) The party notifies the Executive Officer within 30 days of commencing the activity that will generate greenhouse gas emission reductions.
 - (4) Records required pursuant to the protocol being used, and any other records required by the Executive Officer shall be maintained for at least five years and made available to the Executive Officer on request.
 - (5) Within 60 days of the end of each calendar year, submit information pursuant to the applicable protocol to quantify reductions for that calendar year.
- (d) Issuance of Certified GHG Emission Reductions
- (1) The Executive Officer will evaluate a complete Plan submitted pursuant to paragraph (c)(2) and approve or deny a Plan within 60 days of its receipt.
 - (2) Issuance of certified GHG emission reductions will occur after verification of annual data by the Executive Officer within 90 days of receipt of complete information received to paragraph (c)(5).
 - (3) Certified GHG emissions reductions will be issued in metric tons of CO₂E and will be rounded to the nearest ton.
 - (4) Certified emission reductions will be issued a unique number for every metric ton of CO₂E for tracking purposes.
 - (5) Certified emission reductions will be issued to the funding party unless the funding party specifically authorizes another party to be the owner.
 - (6) Co-benefits of other pollutants that are also reduced as a result of the greenhouse gas emission reduction will be eligible to generate emission reductions for those pollutants only to the extent that the underlying greenhouse gas protocol authorizes it.
 - (7) If public funding is involved in all, or a portion of a project, certified emission reductions will be issued as authorized by the agency providing funding.
- (e) Use of Certified Emission Reductions
- (1) Certified greenhouse gas emission reductions uses may include, but are not limited to, CEQA or other mitigation, retirement to reduce or eliminate a carbon footprint by an individual, household, facility, corporation, community, city, or other group, as a gift, or any other use authorized by a local, state, federal or international program.
- (f) Registration of Certified Greenhouse Gas Emission Reductions
- (1) Once certified greenhouse gas emission reductions are issued, they will be listed on the AQMD electronic bulletin board.
 - (2) Certificates are non-transferable unless the Executive Officer is notified and reissues a certificate to reflect the new owner.
 - (3) A party may list the certified greenhouse gas emission reductions on other sites, as well, to the extent authorized.

PR 2701 (Cont.)

- (4) If certified greenhouse gas emission reductions are transferred or sold to another party, or if they are used or retired, the owner of the reductions shall notify the Executive Officer within 5 days so the electronic bulletin board can be updated.
- (g) Public Information and Program Annual Report
 - (1) AQMD will maintain an electronic bulletin board to list certified emission reductions issued and available for sale, holder contact information, and information about the type of project, location, emission reductions, and other pertinent information.
 - (2) Each year, beginning March 2009, staff will bring an Annual Report to the Governing Board. The report will include, but not be limited to:
 - (A) what protocols have been approved by the Governing Board; and
 - (B) information pertaining to paragraphs (g)(2) and (g)(3).