CALIFORNIA
AIR RESOURCES BOARD

EIM Outstanding Emissions

Under Assembly Bill 32, CARB must account for all statewide GHG emissions, including all emissions resulting from electricity imported to and consumed in California, and minimize emissions leakage. In 2015, CARB found that the design of the California Independent System Operator Energy Imbalance Market (EIM) does not account for the full GHG emissions experienced by the atmosphere from electricity imported under EIM and results in emissions leakage. This is referred to as EIM Outstanding Emissions in the Mandatory Reporting Regulation and the Cap-and-Trade Regulation.

EIM Outstanding Emissions are calculated annually pursuant to section 95111(h)(1) of the Mandatory Reporting Regulation. To address leakage during 2016 through March 2019, CARB directly retired allowances that remained unsold at auction for more than 24 months in an amount equal to EIM Outstanding Emissions. Starting April 1, 2019, electrical distribution utilities that, for a given year, both receive Cap-and-Trade Program allowance allocation and purchase electricity through EIM, have the responsibility for addressing EIM Outstanding Emissions for that year. CARB directly retires a portion of the allowances that are freely allocated to these utilities to address EIM Outstanding Emissions pursuant to sections 95892(a)(3) and 95852(l)(3) of the Cap-and-Trade Regulation. This allowance retirement supports the environmental integrity of the Cap-and-Trade Program.

EIM Outstanding Emissions ($MTCO_2e$) by Year (Released: August 15, 2025)

2016	527,460
2017	664,046
2018	1,072,431
2019	549,658
2020	977,520
2021	1,283,597
2022	1,201,541
2023	1,094,706
2024	1,067,067