

August 11, 2011

Mary Nichols, Chairman  
James Goldstene, Executive Officer  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95812

**Re: PCAPCD Comment regarding Proposed 15-day Changes to the Rulemaking Packages for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms and Amendments to the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions**

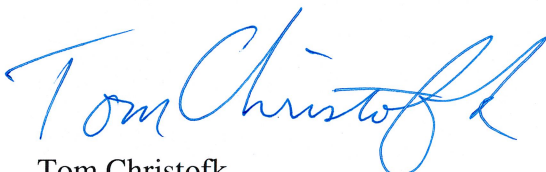
Dear Ms. Nichols and Mr. Goldstene:

The Placer County Air Pollution Control District (PCAPCD) is in full support of the CAPCOA letter on the same subject submitted on August 11, 2011, and would like to add one additional comment related to the use of offset credits outside of the context of the ARB Cap and Trade program. Currently, the regulation requires a facility to surrender the offset credits used for the compliance obligation so that reductions under the program are real. PCAPCD agrees that offset credits used by a facility for its compliance obligation under the ARB Cap and Trade Regulation should not be used to satisfy the GHG mitigation requirement from any other mandatory program.

CEQA, however, should be explicitly distinguished within the regulation because it is not a law that in and of itself imposes reductions requirements. Public Resources Code Section 21004 states that "a public agency may exercise only those requirements or implied powers provided by law other than [CEQA]." We recommend that the regulation recognize that offset credits used by a facility for the compliance obligation under the CARB Cap and Trade Regulation should be a part of any CEQA analysis that may be required for that same facility. Offset credits should be taken into account either early on within the setting of the baseline for a project, or as mitigation. The recognition of the purchase of offset credits within the CEQA process is not 'double dipping' because CEQA is required only that project discloses its impacts; it does not independently provide the legal authority to impose any legal obligation.

PCAPCD hopes that CARB will choose to make this clear within its new regulation package,

Sincerely



Tom Christofk  
Air Pollution Control Officer