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Mr. Kevin Kennedy  
Program Evaluation Branch  
Office of Climate Change  
Air Resources Board  
1001 I Street  
Sacramento, CA

Re: Sempra Energy Comments on Reporting, Verification  
and Enforcement

Dear Mr. Kennedy:

Sempra Energy submits the following comments concerning the questions posed in the workshop held June 3, 2008 concerning Reporting, Verification and Enforcement.

1. Should reporting and verification periods be shorter than compliance periods?

Yes. Sempra supports multi-year compliance periods as critical to smoothing the annual GHG fluctuations that occur in the energy industry due to weather and hydro conditions. The annual reporting requirements in the Mandatory Greenhouse Gas Emissions Reporting regulations will monitor progress both at the facility level and for analysis of state goals and objectives. If there is a carbon market, annual reporting will provide valuable information to market participants. Annual reporting also fits well with The Climate Registry reporting requirements under the WCI and annual reporting will most likely be required in any national program.

2. What other changes would need to be made to the existing reporting and verification procedures created by the 2007 Greenhouse Gas Reporting Regulation to accommodate a cap and-trade system?

One potential modification that may be a necessary part of a cap-and-trade reporting requirement is how to report reductions in response to electrification. If a firm chooses electric equipment to replace natural gas or petroleum using equipment, would the reporting protocols give all the reduction to the entity or only the net reduction (difference between the emissions before and after recognizing the emissions associated with electricity)? In the electric sector,



