

May 8, 2024

Rajinder Sahota
Deputy Executive Officer
California Air Resources Board

Subject: Cap-and-Trade Consultants/Advisors CAG Limited Exemption

Rajinder and Team,
Tradesman Advisors, Inc (Tradesman) appreciates the opportunity to comment on the April 23, 2024, Cap-and-Trade Program workshop. One of the issues discussed was that of Cap-and-Trade Consultant/Advisors, and the possibility of including a limited exemption from Corporate Association Groups, or CAGs, triggers. On slide number 19, a potential exemption was outlined as such:

Potential exemptions from triggering a CAG for certain Cap-and-Trade Consultants/Advisors, if the consultant/advisor:

- *Does not have direct access to the tracking system account and can demonstrate one of the following conditions:*

- 1. Does not have decision-making authority or legally binding authority over any entity's market position; or*
- 2. Provides Cap-and-Trade consulting services to covered entities only*

Tradesman supports this limited exemption. As currently drafted, the Cap-and-Trade and Mandatory Reporting Regulations have a very broad scope of what constitutes services by a Consultant/Advisor, including "expert services". These programs are complex and there are many expert services that can be, and usually are provided without the Consultant/Advisor having knowledge, let alone access to, a clients' market position. It is a reasonable exemption to include in the upcoming rulemaking.

Demonstrating compliance with #1 and #2 above should be a straightforward process that can be easily attested to by either the Consultant/Advisor or the client.

If you have questions on this, please reach out to me at jon@tradesmanadvisors.com

/s/

Jon Costantino
Principal, Tradesman Advisors