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California Air Resources Board  
1001 I Street  
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**RE: Comments on April 23, 2024, Workshop on Potential Amendments to the Cap-and-Trade Regulation**

The California Municipal Utilities Association<sup>1</sup> (CMUA) appreciates the opportunity to provide these comments on the California Air Resources Board's (CARB's) April 23, 2024, Cap-and-Trade (Regulation or Program) workshop (Workshop).

CMUA represents California's local publicly owned utilities (POUs), which are governed by locally elected boards and are accountable to the communities which they serve. CMUA's member agencies are committed to maintaining safe, reliable, and affordable electric service in a manner that supports the state's climate goals. Beyond providing safe, affordable, and reliable electric service, POUs provide a range of community benefits, including programs and services that support their local communities. In this capacity, POUs are partners in the efforts to meet the state's clean energy and greenhouse gas reduction (GHG) goals.

**Comments**

**Compliance Periods**

CMUA understands CARB's objective to align Program compliance periods with GHG emission reduction target years. However, CMUA opposes shortening the compliance periods. The three-year compliance periods were established to balance multiple goals, including providing information on the state's progress toward meeting its GHG reduction goals, minimizing administrative costs, and recognizing the variable nature of zero- and low-carbon emitting generation, such as hydroelectric power. For these reasons, CARB should not consider Option 2 as presented in the Workshop since it would unreasonably shorten the compliance periods.

Additionally, CARB should consider the impacts of a change in the compliance periods. Such a change would cause misalignment with reporting and audit processes in the

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<sup>1</sup> The California Municipal Utilities Association is a statewide organization of local public agencies in California that provide electricity and water service to California consumers. CMUA membership includes publicly owned electric utilities that operate electric distribution and transmission systems. In total, CMUA members provide approximately 25 percent of the electric load in California.

Mandatory Reporting Regulation. This misalignment would likely affect the timeline for third party verification contracts and could result in additional costly site visits. CMUA also notes that extending compliance periods will necessitate review of and potential changes to other program requirements, such as holding limits.

### **Conclusion**

CMUA appreciates the opportunity to provide these comments in response to the Workshop. We look forward to working with CARB as it considers further changes to the Regulation.

Respectfully submitted,

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