



Memorandum

TO: State Initiatives Task Force

DATE: June 27, 2008

The BCSE State Initiatives Task Force met by conference call June 18. The following is a brief summary of the meeting.

California Voluntary Offsets Legislation

The Council was asked to send a letter to the offices of California Assembly Member Pedro Nava, Members of the Senate Environmental Quality Committee and Members of the Senate Energy, Utilities & Communications Committee regarding AB 1851, a bill regulating the voluntary offset market in California.

A letter was drafted and circulated to Task Force members for comment prior to being sent. The BCSE letter urged lawmakers to clarify which types of offsets and commercial entities are regulated, allow the Air Resources Board discretion to certify offset standards and accredit third party verifiers, and finally to avoid any citizen-suit provisions or inadvertent statutory precedents.

Maryland RGGI Implementation

The Maryland Department of the Environment (MDE) is conducting a series of stakeholder meetings to work out issues dealing with how allowances are to be allocated. On June 9th, MDE held a meeting to discuss the Voluntary Renewable Energy Set-Aside. On Friday, June 20th, MDE held a follow-up meeting to discuss the Clean Generation Set-Aside Account. Council staff attended the meetings. Attached is a document containing draft language of the Voluntary RE Account and a fact sheet for the Clean Generation Account.

New Jersey RGGI Meeting

The State of New Jersey was expected to hold a stakeholder meeting on June 18 to provide an overview of rulemakings related to climate change. That meeting was postponed, however, and has not yet been rescheduled. Council staff intends to attend the meeting and will notify our members when we receive word about the new date.

Western Climate Initiative

The Council submitted comments on June 17 on the WCI draft design recommendations on offsets and allocations. The Comments were consistent with the comments the Council submitted to the WCI Allocations Subcommittee and the Offset Subcommittee in April. Copies of the Council comments can be found on the Council's website.

The WCI Draft Initial Design Recommendations are scheduled to be released July 22, and a stakeholder meeting has been scheduled for July 29 in San Diego. The "final" design recommendations are due to be released on September 8, however, there will be continued refinements made to the design between September and December. The Council will continue to monitor the release of the document and provide comment to WCI.

California AB32

The California AB32 scoping plan was released July 26. A copy of the scoping plan can be found at <http://www.arb.ca.gov/cc/scopingplan/scopingplan.htm>

Key features of the plan of importance to Council members include:

- Expansion of and strengthening of existing energy efficiency programs and building and appliance standards;
- Expansion of the Renewables Portfolio Standard to 33 percent;
- Development of a California cap-and-trade program that links with other WCI Partner programs to create a regional market system.

Council staff will review the document and provide a more detailed analysis. We will coordinate with State Initiatives Task Force members on an appropriate response, and will schedule another conference call to discuss our strategy.

House Climate Change Caucus June 27 Briefing on State and Regional Programs

The Business Council is co-presenting a briefing with the House Climate Change Caucus and the World Resources Institute (WRI) on state and regional climate change initiatives. The briefing will be held Friday, June 27 from 2:30 p.m. until 4:00 p.m. in room 2318 of the Rayburn House Office Building. The briefing is intended to educate congressional staff about state and regional efforts, including RGGI, the Mid-West Accord, WCI, and California AB32.

Presenters include: Janice Adair, the Chair of the Western Climate Initiative, Doug Scott, Director of the Illinois Environmental Protection Agency, and Franz Litz, Senior Fellow with WRI and former chair of RGGI. A copy of the presentations from the briefing are attached.

The Council intends to schedule a follow up briefing in the next couple of weeks to specifically focus on California AB32