



## Environmental Innovation Solutions (EIS)

**December 14, 2010**

The California Air Resources Board (CARB) staff is proposing a [regulation](#) that would establish the framework and requirements for California's GHG cap-and-trade program. A [public hearing](#) is being held on December 16 and 17th. Following the public hearing, the Board could adopt the regulatory language as originally proposed.

Starting in 2012, the proposed regulation would include covered entities emitting more than 25,000 MTCO<sub>2</sub>e (metric tons of carbon dioxide equivalent emissions). This includes emissions from electricity generation, including imports; industrial combustion at large stationary sources; and industrial process emissions for which adequate quantification methods exist.

Initially, 165 million allowances - permitting the emission of one metric ton each - will be issued. The program will expand in 2015 to include fuel distributors to address emissions from transportation fuels, and from combustion of other fossil fuels not covered directly at large sources in the initial phase of the program. This expansion of the program will result in the issuance of 395 million allowances in 2015.

Why is this important to companies operating in California? While a projected initial value of \$10 per allowance would create significant liabilities, it is anticipated much of the economic impact will be cushioned by free allocation of allowances in the early years of the program. However, this free allocation does not relieve companies of the responsibility to receive, maintain, reporting and tender their allowances for compliance purposes.

Why is this important for companies outside of California? The proposed regulation includes "importation" features in Section 95852 that could impact electricity suppliers, fuel companies and other entities. It also discusses the potential for linkages to other regional compliance schemes.

When considering how your firm can institute operational procedures to accommodate these new requirements we encourage you to contact BNY Mellon. Our experience in providing the infrastructure to securities markets makes us well suited to assist you in achieving your environmental compliance unit administration goals.

Disclaimer: The material contained herein is for informational purposes only.



## Resources

[EPA's Center for Environmental Finance](#)

[Glossary of Terms](#)

[Carbon Disclosure Project](#)

[BNY Mellon CSR 2009 Highlights](#)

[World Bank's State and Trends of the Carbon Market 2010](#)



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[Previous EIS eBulletins](#)

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# Center for Environmental Finance (CEF)



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## Center for Environmental Finance

### Helping to answer the "how to pay" question.



EPA's Center for Environmental Finance (CEF) evolved from the Public Private Partnership Program in 1993. The CEF assists the public and private sectors in their search for creative approaches to funding environmental programs, projects and activities. The CEF uses leveraging and partnerships to extend the reach and impact of its activities.

The center has three closely related components that provide financial outreach services to Agency customers and the regulated community. These components include:

- [The Environmental Financial Advisory Board \(EFAB\)](#) - a federally chartered advisory committee
- [The Environmental Finance Center \(EFC\) Network](#) - the network consists of ten university-based programs in all ten EPA regions
- [The Environmental Financing Information Network \(EFIN\)](#) - information from the network is available via the web site and the phone-in reference line at the EFIN Library

If you require assistance or would like more information, please feel free to contact us.

#### News, Meetings & Events

- Request for Nominations to the Environmental Financial Advisory Board  
[Federal Register Notice](#)
- Environmental Financial Advisory Board (EFAB) Meeting, August 9-10, 2010 in San Francisco, CA  
[Federal Register Notice](#)  
[Meeting Summary \(PDF\)](#) (31 pp, 176K)
- The University of Maryland (UMD) School of Public Policy, in conjunction with the UMD Environmental Finance Center (EFC), is pleased to announce [two graduate classes in environmental finance](#).  
[EXIT Disclaimer](#) These courses will be taught on-site at the USEPA beginning August 31, 2010.
- Environmental Financial Advisory Board (EFAB)

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Center for Environmental Finance (CEF) Overview

Environmental Financial Advisory Board (EFAB)

Environmental Finance Center Network (EFCN)

Environmental Financing Information Network (EFIN)

Environmental Financial Tools and Funding Sources

Publications

CEF Contacts

Meeting, March 16-17, 2010  
in Washington, DC  
[Federal Register Notice](#)  
[Meeting Summary \(PDF\)](#) (33  
pp, 230K)

#### Documents and Publications

- [EFAB - Strategic Action Agenda 2010-11 \(PDF\)](#) (5 pp, 90K)
- [CEF September Newsletter \(PDF\)](#) (2 pp, 396K)
- [Carbon Capture & Sequestration Report \(PDF\)](#) (10 pp, 454K)
- [Innovative Finance Report \(PDF\)](#) (9 pp, 1MB)
- [Water Loss Reduction Report \(PDF\)](#) (47 pp, 712K)
- [Commercial Insurance Report \(PDF\)](#) (20 pp, 385K)
- [Voluntary Environmental Improvement Bonds Reports \(PDF\)](#) (18 pp, 446K)
- [2007-2008 Environmental Finance Program Annual Report](#)
- [Guidebook of Financial Tools](#)
- [All Documents & Publications](#)

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