

# Western Climate Initiative



## Western Climate Initiative

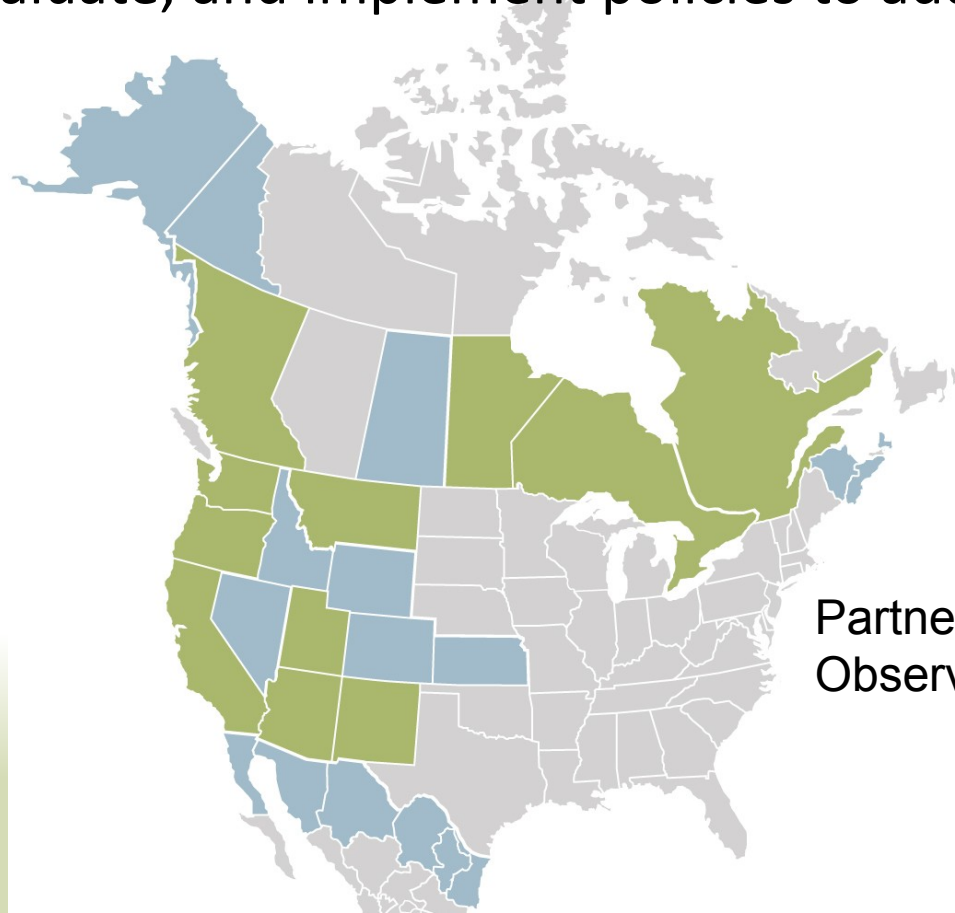
NACAA Global Warming Committee

9/14/11

[www.westernclimateinitiative.org](http://www.westernclimateinitiative.org)

# Western Climate Initiative

- Collaboration of 7 US states and 4 Canadian provinces to identify, evaluate, and implement policies to address climate change



Partner jurisdictions in green  
Observers in blue

# A Comprehensive Initiative

- Advancing core policies and programs
  - Energy efficiency
  - Renewable energy
  - Addressing transportation emissions
  - Performance benchmarks
  - Best practices for workforce development

# Emissions Trading Design Elements

- High-quality emissions data from mandatory reporting
- Allowance budgets set by Partner jurisdictions
- High-quality offset credits
- Compliance flexibility and price certainty
- Maintaining competitiveness and preventing emissions leakage
- Electricity sector: Uniform treatment of in-state and imported generation

# Approach to Regional Program

- Individual state/provincial programs
  - Each state/province adopts its own rules
  - Harmonized around essential elements
  - Linked to create a regional trading market
    - Recognize each others' compliance instruments

# Linking Benefits

- WCI jurisdictions' programs developed in concert to allow linking
- Linking formalized once programs are in place
- Potential benefits to linking:
  - Greater reductions
  - Lower costs for reductions and administration
  - Higher liquidity
  - Reduction in competitiveness concerns

# Emissions Trading Implementation

- Tracking system development underway
- In collaboration with WCI Partners, California ARB released RFPs September 9, 2011
  - Auction and Reserve Sale Operator
  - Financial Services for Auction and Reserve Sale
  - Independent Market Monitor
  - Market Monitor Trainer

# Emissions Trading Implementation Status

- California endorsed regulation December 16, 2010; two packages of changes to regulation; Complete by October 28, 2011
  - Program starts January 1, 2012; system testing, auctions, allocation and trading
  - Compliance obligation starts January 1, 2013
- Québec published draft regulation July 4, 2011; planned final regulation this fall
- British Columbia, Manitoba have completed public consultation periods
- Ontario is collecting mandatory reporting data before writing regulation



# For More Information

- Mark Wenzel, Climate Change Adviser, Cal/EPA  
[mwenzel@calepa.ca.gov](mailto:mwenzel@calepa.ca.gov)
- Website and WCI listserv  
[www.westernclimateinitiative.org](http://www.westernclimateinitiative.org)
- WCI Project Management  
Lee Alter, Western Governors' Association  
520-628-3173  
[lalter@me.com](mailto:lalter@me.com)