

Mary Nichols, Chair of California Air Resources Board

----- Original Message -----

From: Nichols, Mary D. @ARB

To: Jim Phelps

Sent: Tuesday, December 10, 2013 9:49 AM

Subject: Re: No-burn day solution

Whatever they are doing, it has nothing to do with AB32 or air regulations it may be consumer fraud, but that's not my jurisdiction.

Sent from my ARB iPhone

----- Original Message -----

From: Jim Phelps

To: Nichols, Mary D. @ARB

Sent: Tuesday, December 10, 2013 9:45 AM

Subject: Re: No-burn day solution

Hi Mary --

I am confused and would appreciate your clarification. You write that RECs in California are not used for GHGs. However, the use of RECs is exactly how our local clean energy company "out-greens" everyone. For instance, the clean energy company waits for PG&E to declare its annual emission rate, then the company purchases applicable vintage RECs and retroactively retires them in order to report a lower-than-PG&E emission rate. The clean energy company reports those retroactive RECs rather than the actual system power that it purchases for consumers. The clean energy folks refer to this process as a "true-up."

Am I missing something?

Thanks,
Jim Phelps