



Air Resources Board



Matthew Rodriguez
*Secretary for
Environmental Protection*

Mary D. Nichols, Chairman
1001 I Street • P.O. Box 2815
Sacramento, California 95812 • www.arb.ca.gov

Edmund G. Brown Jr.
Governor

September 9, 2014

Ms. Xueman Wang
Team Leader
Partnership for Market Readiness Secretariat
1818 H Street, NW
Washington, D.C. 20433

Dear Ms. Wang:

Thank you for your letter extending an invitation from the World Bank Partnership for Market Readiness (PMR) to the California Air Resources Board (ARB) to become a PMR Technical Partner. ARB is interested in further engaging with the PMR and submits this request for the PMR Partnership Assembly to consider ARB's interest in becoming a PMR Technical Partner.

In 2006, the California Legislature passed the Global Warming Solutions Act (also called Assembly Bill 32, or AB 32), which set the 2020 greenhouse gas (GHG) emissions reduction goal into law. AB 32 directed ARB to prepare a scoping plan to identify how best to reach the 2020 limit, and also requires ARB to consult with the federal government and other nations to identify the most effective strategies and methods to reduce GHGs, manage GHG control programs, and to facilitate the development of integrated and cost-effective regional, national, and international GHG reduction programs. The Scoping Plan identified a Cap-and-Trade program as one of the strategies for California to reduce GHG emissions.

ARB has designed and implemented an economy-wide California Cap-and-Trade Program (Program) that is enforceable and meets the requirements of AB 32. This Program will help put California on the path to meet its goal of reducing GHG emissions to 1990 levels by the year 2020, and ultimately achieving an 80 percent reduction from 1990 levels by 2050. The Program is built upon ARB's Mandatory Greenhouse Gas Emissions Reporting Regulation (GHG Reporting Regulation), which provides a solid foundation for emissions reporting with third-party verification. The Program started on January 1, 2012, with an enforceable compliance obligation beginning with the 2013 GHG emissions.

The energy challenge facing California is real. Every Californian needs to take immediate action to reduce energy consumption. For a list of simple ways you can reduce demand and cut your energy costs, see our website: <http://www.arb.ca.gov>.

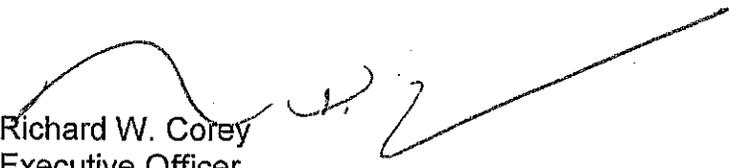
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Sharing our experience of developing and implementing the California Cap-and-Trade and GHG Emissions Reporting Programs and learning about others carbon market mechanisms will be mutually beneficial for California and PMR Participants. We look forward to formally engaging with the PMR Secretariat and PMR Participants in technical workshops, training, bilateral meetings, analysis work, and other collaborative activities.

If you have any questions, please contact Ms. Edie Chang, Deputy Executive Officer, at (916) 324-2302 or echang@arb.ca.gov.

Sincerely,


Richard W. Corey
Executive Officer

cc: Edie Chang
Deputy Executive Officer