

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