

TransAlta

Thank you for the opportunity to comment.

Overall, the final choice of eligible carbon market credits should consider the integrity of the cap and trade program that the CAR will link to, the simplicity now and in the future for regulated entities to purchase, track and submit credits and the relevance of the market to the local market/environmental regulation conditions. Otherwise changing conditions/policies/regulations in linked jurisdictions could have significant adverse local effects with a limited ability for Washington state to have sufficient standing to influence those other markets.

The Western Climate Initiative's (WCI) carbon credits/offsets would likely be the best fit for compliance with the Clean Air Rule. This cap and trade regime has had wide input from the Western U.S. region either through observer status during WCI's early development and/or participation by entities in the state. For instance, Washington already has indirect exposure to the WCI as electricity imported into California from Washington state already pays for carbon emission costs associated with electricity generation.

Linkages should generally be limited to keep carbon market compliance simple and flexible. CAR should only link with one other market as each market's credits are subject to dissimilar standards generally resulting in credits are not being of equal value due to differing quantification methodologies and other regulatory/policy requirements.

Thank you