

Caiazza Technical Response to the Invitation for Public Input Following the September 16, 2020 Transportation and Climate Initiative Webinar

I have prepared these technical comments in response to the Transportation Climate Initiative (TCI) to the latest invitation for public input. I have two types of comments. I have comments on the public input process and technical comments that address implementation issues.

I am a retired air quality meteorologist with extensive relevant experience. I became familiar with transportation planning and modeling when I modeled the air quality impacts of transportation projects including the Ted Williams tunnel in Boston. I have extensive experience with air pollution control theory and implementation having worked every cap and trade program affecting electric generating facilities in New York including the Acid Rain Program, Regional Greenhouse Gas Initiative and several Nitrogen Oxide programs. The opinions in these comments do not reflect the position of any of my previous employers or any other company I have been associated with, these comments are mine alone.

Public Input

During the webinar the point was made that there had been many comments. The problem that I have is that there has been no response to the comments. Earlier this year TCI asked for comments on three questions:

- What factors should TCI jurisdictions consider when setting the starting level and the trajectory for a regional cap on carbon dioxide emissions from transportation fuels?
- How should the compliance period be structured to provide needed flexibility, while ensuring environmental integrity?
- What factors should TCI jurisdictions consider when designing stability mechanisms for managing uncertainties regarding future emissions and allowance prices?

I think it would be very useful, despite the level of effort, to document the comments received and eventually provide a response. In the absence of any response the only thing the public has to try to understand your current thinking is the contents and discussion at your public meetings.

For example, the September 16 webinar addressed the stability mechanisms but did not disclose anything pertinent to the other questions. I agree with the use of an emission containment reserve and a cost containment reserve as stability mechanisms. On the other hand, the other two issues are also important and should also be addressed before you release the final memorandum of understanding later this year.

Technical Comments

One of the points made at the September 16 webinar was that the lessons learned by the participating states in the Regional Greenhouse Gas Initiative (RGGI) could be applied for the TCI. I agree. RGGI successfully showed how a cap and dividend auction program could be setup, figured out the mechanisms needed to control allowance prices and determined an appropriate way to monitor the market. However, it is also important to consider the differences between RGGI and TCI.

I think the most important difference between RGGI and TCI is the difference between the affected sources. The RGGI affected sources had participated in cap and trade programs for years so they had the monitoring and reporting structure in place. I also think that it is important that the staff at the affected companies had experience operating with a market cap compliance requirement. On the other hand, I doubt that the state fuel suppliers who will be the affected sources as currently proposed have any experience with cap and trade programs or have any requirements to report GHG emissions.

In order to address this difference, I make the following recommendations. First, because the State fuel suppliers have no expertise reporting CO₂ emissions, they should be only required to submit whatever fuel quantity data they already have. The conversion between fuel quantity and GHG emission rate is going to be dictated by the TCI regulations. It does not matter who calculates the mass emissions. There will be less infrastructure required if the TCI reporting system does the calculation. I would not be surprised if the only additional reporting burden for the state fuel suppliers would be a certification requirement. I still have nightmares about the implementation process for emissions monitoring nearly 30 years ago. It serves no purpose to make this component more difficult.

The advantages that RGGI had using the EPA emissions monitoring infrastructure should not be discounted. TCI is going to have to invent its own system and I believe it would be best to keep it simple. For example, it could be as simple as a portal submittal for certified fuel quantities for the fuel suppliers. Your feedback could acknowledge receipt and provide the calculated CO₂ mass. That calculation must be transparent so if the fuel suppliers decide they need to keep track of the CO₂ mass quantities let them decide how to do it. When they can match your numbers then they will know they have it right. Most importantly that is their problem. Do not make it yours.

Off hand I believe that the RGGI mechanisms will work for the TCI auction process as well. The auction itself can be set up the same way. The only issue is whether the auction is for tons of CO₂ or fuel quantities but as long as everyone knows the conversion factors CO₂ will work for

the fuel suppliers. The marketing monitoring component would also be very similar so would need little change.

Conclusion

It is frustrating to not know how comments on specific issues are being considered. More importantly it precludes meaningful comments. In my particular case I think I have something to offer the TCI when it comes to implementing an emissions reporting system. After taking the time to make comments to try to improve the reporting program it is disappointing to not receive any feedback.

The biggest lesson that can be learned from the EPA's Acid Rain Program emissions monitoring system is that simpler is better. The simplest way for the affected sources to report their data is to have them report fuel quantity, have TCI calculate the tons, and have the feedback confirmation report include the official tonnage for affected source use.

Roger Caiazza
Liverpool, NY
(315) 529 -6711