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Linked California and Québec Cap-and-Trade Programs Carbon Market Compliance Instrument Report - Aggregated by Type and Account

This report summarizes the number of compliance instruments held in Compliance Instrument Tracking System Service (CITSS) accounts in the California (CA) and Québec (QC) Cap-and-Trade Programs. The data are presented by instrument type (allowances by vintages and offset credits by project type), and is aggregated for each type of account. Unless denoted with the issuing jurisdiction in parentheses (CA) or (QC), instrument types are issued by California, Québec or Ontario (see note-1). For program participants in California and Québec, the accounts include: General (Holding) Accounts; Compliance Accounts; Limited Use Holding Accounts (California entities only). The California and Québec jurisdiction accounts include: Voluntary Renewable Electricity Account; Auction, Issuance and Allocation Accounts; Allowance Price Containment Reserve Account; Retirement Account; Invalidation Account; Environmental Integrity Account; and the Forest Buffer Account. The information is aggregated by allowance type, regardless of the issuing jurisdiction. The account holdings of any entity may contain allowances (emission units and offsets) issued by multiple jurisdictions (see note-2). This information was pulled from the Compliance Instrument Tracking System Service (CITSS) as of 9:00 am (Pacific) and noon (Eastern) on October 3rd, 2018. The report includes all allowances issued in the linked Québec and California Cap-and-Trade Programs and the Ontario allowances currently remaining in the program. This report is typically updated on the third business day of each calendar quarter.

| Vintage | Entity Accounts | | | Jurisdiction Accounts | | | | | All Accounts | |
|--|--------------------|--------------------|----------------------------------|--------------------------------------|---------------------------------|--------------------|---------------|--------------------|---------------------------------|----------------------|
| | General | Compliance | Limited Use Holding Account (CA) | Voluntary Renewable Electricity (CA) | Auction + Issuance + Allocation | Retirement * | Invalidation | Reserve** | Intégrité environnementale (QC) | Total |
| 2013 | 2 894 305 | 1 289 926 | 0 | 74 053 | 820 | 179 876 050 | 0 | 0 | 4 846 | 184 140 000 |
| 2014 | 9 735 535 | 9 056 297 | 0 | 798 500 | 78 150 | 161 395 393 | 0 | 7 125 | 0 | 181 071 000 |
| 2015 | 63 437 097 | 233 082 328 | 0 | 986 250 | 114 055 | 143 770 997 | 0 | 17 273 | 0 | 441 408 000 |
| 2016 | 101 418 234 | 265 680 979 | 0 | 956 000 | 18 350 259 | 12 178 454 | 0 | 20 908 983 | 0 | 419 492 909 |
| 2017 | 107 446 147 | 271 542 307 | 0 | 926 000 | 42 462 379 | 525 278 | 0 | 0 | 0 | 422 902 111 |
| 2018 | 172 048 090 | 154 266 338 | 14 376 | 895 750 | 67 618 653 | 144 388 | 0 | 0 | 0 | 394 987 595 |
| 2019 | 11 852 000 | 152 177 | 0 | 865 750 | 361 999 750 | 0 | 0 | 0 | 0 | 374 869 677 |
| 2020 | 24 629 600 | 147 152 | 0 | 835 500 | 338 613 700 | 0 | 0 | 0 | 0 | 364 225 952 |
| 2021 | 23 862 500 | 0 | 0 | 0 | 342 878 523 | 0 | 0 | 0 | 0 | 366 741 023 |
| 2022 | 0 | 0 | 0 | 0 | 350 059 200 | 0 | 0 | 0 | 0 | 350 059 200 |
| 2023 | 0 | 0 | 0 | 0 | 336 678 400 | 0 | 0 | 0 | 0 | 336 678 400 |
| 2024 | 0 | 0 | 0 | 0 | 323 188 000 | 0 | 0 | 0 | 0 | 323 188 000 |
| 2025 | 0 | 0 | 0 | 0 | 309 897 600 | 0 | 0 | 0 | 0 | 309 897 600 |
| 2026 | 0 | 0 | 0 | 0 | 296 416 800 | 0 | 0 | 0 | 0 | 296 416 800 |
| 2027 | 0 | 0 | 0 | 0 | 283 026 400 | 0 | 0 | 0 | 0 | 283 026 400 |
| 2028 | 0 | 0 | 0 | 0 | 269 745 600 | 0 | 0 | 0 | 0 | 269 745 600 |
| 2029 | 0 | 0 | 0 | 0 | 256 255 200 | 0 | 0 | 0 | 0 | 256 255 200 |
| 2030 | 0 | 0 | 0 | 0 | 242 874 400 | 0 | 0 | 0 | 0 | 242 874 400 |
| Non-Vintage Québec Early Reduction Credits (QC) | 50 531 | 38 818 | 0 | 0 | 0 | 1 950 677 | 0 | 0 | 0 | 2 040 026 |
| Non-Vintage Emission units from the reserve account | 828 040 | 424 960 | 0 | 0 | 52 447 454 | 0 | 0 | 160 396 646 | 0 | 214 097 100 |
| Emission units Subtotal | 518 202 079 | 935 681 282 | 14 376 | 6 337 803 | 3 892 705 343 | 499 841 237 | 0 | 181 330 027 | 4 846 | 6 034 116 993 |
| California - Offset Credits | | | | | | | | | | |
| U.S. Forest Project Offset Credits+ | 44 367 469 | 14 379 927 | 0 | 0 | 892 345 | 16 244 169 | 0 | 0 | 0 | 75 883 910 |
| Urban Forest Project Offset Credits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Ozone Depleting Substances Offset Credits | 4 485 989 | 3 362 086 | 0 | 0 | 360 427 | 9 429 192 | 88 955 | 0 | 0 | 17 726 649 |
| Livestock Manure Digesters Offset Credits | 2 369 677 | 963 659 | 0 | 0 | 80 768 | 1 749 787 | 0 | 0 | 0 | 5 163 891 |
| Mine Methane Capture Offset Credits | 2 667 056 | 390 217 | 0 | 0 | 0 | 2 805 735 | 0 | 0 | 0 | 5 863 008 |
| Rice Cultivate Project Offset Credits | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Québec - Offset Credits | | | | | | | | | | |
| Destruction of Ozone Depleting Substances Offset Credits | 0 | 474 764 | 0 | 0 | 0 | 0 | 0 | 0 | 9 689 | 484 453 |
| Landfill Site Methane Destruction Offset Credits | 28 873 | 110 371 | 0 | 0 | 0 | 0 | 0 | 0 | 4 321 | 143 565 |
| Offset Credits Subtotal | 53 919 064 | 19 681 024 | 0 | 0 | 1 333 540 | 30 228 883 | 88 955 | 0 | 14 010 | 105 265 476 |
| TOTAL | 572 121 143 | 955 362 306 | 14 376 | 6 337 803 | 3 894 038 883 | 530 070 120 | 88 955 | 181 330 027 | 18 856 | 6 139 382 469 |

Note-1: Ontario joined the linked Cap-and-Trade Program with Québec and California on January 1st, 2018. Since then, allowances have been fully fungible for compliance purposes and transferrable across all partner jurisdictions. However, as of June 15th, following the Government of Ontario's announcement to end its Cap-and-trade program, the Compliance Instrument Tracking System Service (CITSS) has been modified to prevent transfers of compliance instruments between entities registered in Ontario and entities registered in either California or Québec.

Note-2: The linked cap-and-trade program offers entities the ability to freely determine the timing of allowance procurement, either through auctions or bilateral trades. On July 3rd, 2018, the Government of Ontario filed a regulation that revoked the Ontario cap-and-trade regulation. As of that date, there are 13 186 967 more compliance instruments held in California and Québec accounts than the total number of compliance instruments issued by those two jurisdictions alone. This represents approximately 1 % of the total allowances in California and Québec entity accounts for vintage years through 2021.

Additional note : The California post-2020 allowance budget numbers reflect the regulatory provisions approved by the California Air Resources Board (CARB) that went into effect on October 1st, 2017. Pursuant to Assembly Bill 398 (AB 398; Chapter 135, Statutes of 2017), CARB must conduct an evaluation regarding the Board's determination of the allowance numbers as part of a new rulemaking to determine if any changes to these numbers are necessary. Pursuant to Board Resolution 17-21, in adopting amendments to the Cap-and-Trade Regulation that took effect on October 1st, 2017, the Board directed CARB's Executive Officer to initiate a new rulemaking process to implement the AB 398 requirements. This rulemaking is scheduled to be considered by the Board at the first of two hearings on October 25th, 2018.

* Voluntarily surrendering compliance instruments to the Retirement Account is permanent and does NOT fulfill any compliance obligations.

** Pursuant to section 95911(g) of the Regulation, CARB has transferred to the Reserve all current vintage emission units that remained unsold in the Auction Holding Account for more than 24 months and that were not retired to compensate for electricity imports outstanding emissions.

+ There are an additional 14,103,294 Forest Project Offset Credits in the ARB Forest Buffer Account.