

Workgroup Status Report

Workgroup: Trading

Status Report Date: May 22, 2006

Team Leader(s): John Hines and Andy Zemba

Team Members: Rich Adams, Andrea Sharetts, Ben Feldman, Bill Achor, Brenda Shambaugh, Doug Brennan, Brian Hill, Karl Brown, Ed Corriveau, Cory Miller, Bill Cumings, Mark Dubin, Elam Herr, Stu Gansell, Jeff Wendle, Jim Elliott, Keith Ashley, Paul Marchetti, Matt Ehrhart, Pete Slack, Bob Koroncai, Scott Van de Mark, Jim Spontak, Susan Marquart, John Wetherell, Sue Wilson, John Bell, Emily Wade, George Wolff, Suzie Greenhaugh, Mindy Selman, Cedric Karper, Jeff Hartranft, Kristen Ebersole, Susan Boynton, Cory Adams, Patricia Gleason

Issue (s) Addressed:

At the workgroup meeting on May 5th the group discussed:

- Old Business – Revision made to notes from March's Mtg
- Workgroup Updates
- Governor's Grant Announcement Discussion
- Trading Program Guidance Document
- Definitions:
 - Certifier, Credit, Registry, Threshold- Changes made based on comments received.
 - Should there be another term for Exchange? If so, any suggestions.
- Review Guidance Document
- Next Meeting and Proposed Agenda Items

At the last workgroup meeting, held on May 18th, the group discussed:

- Old Business
- Reviewed comments submitted on the Draft Trading Program Guidance Document
- Reviewed the types of exchanges (exchange, registry etc)
- Walked through proposal submission for credits and trade flow diagrams for DEP's exchange and registry
- Next Meeting and Proposed Agenda Items

Status Report and Recommendations:

May 5th Meeting:

- Discussion occurred about the different mechanisms being considered for credit certification (DEP certification and other party certification), and whether a market would accept credits that did not go through DEP. J. Hines asked that information be prepared for the next meeting to walk through different types of exchanges.

- J. Hines walked through a draft Trading Guidance document, explaining that is a first attempt to add more details on procedures. It also was developed as an attempt to support the need that developers have for credits. Two items in the document were: 1) Procedure to certify credits; and 2) Identifying key points when credits are needed.
- J. Hines asked P. Slack to work with the point source workgroup to get their thoughts on Section III of the document. He also asked Keith Ashley to determine if some members of the building sector could review it. K. Ashley also mentioned questions that the stormwater/development group is considering.

May 18th Meeting:

- The group worked towards having a common understanding on the registry, interim exchange and marketplace. This included what each would be and how they would be used.
- The comments submitted were combined into one document and the group was told that the trading program guidance document would be revised to take in those comments and clarifications that are needed.
- Suzie Greenhalgh, from WRI, presented to the group a brief presentation on what the marketplace and registry could look like for the trading program. She also offered to the group WRI's interpretation of the exchange (in the interim DEP will be the host and all credits and transactions will be through DEP and the final exchange would be a hodgepodge of posting and interaction methods for trades to occur).
- K. Ashley asked if there would be any methods included in the interim and final versions to restrict speculative buying from occurring. A short discussion took place on whether it is a bright line or a gray line of speculative buying and how that would affect the market, credit availability and aggregators.
- The group then walked through a presentation on DEP's registry and exchange, which detailed out to the group what each was and how it could work.
 - During the walk through a discussion on public participation took place on when and how it should happen in relationship to certified credits and trades. One suggestion was to public notice (for comment) methods or procedures used to quantify credits. Additional clarification is needed.
 - A discussion took place on what would be appealable in regards to a trade and a permit. Additional clarification is needed.
 - At the end, there was comfort on the registry concept and exchange concept.
- For the next meeting, there will be report-outs regarding the 537 planning and permitting subgroup meeting, a real world example will be plugged into the flow diagrams and the in-house team will meet to discuss the public participation aspect of trades and certifying proposals. The next meeting is scheduled for June 27th.