

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE FEDERAL ENERGY REGULATORY COMMISSION
AND
THE CALIFORNIA AIR RESOURCES BOARD

I. PURPOSE

1. In recognition of the regulatory responsibilities and common interests of both the Federal Energy Regulatory Commission (FERC) and the California Air Resources Board (CARB) and the benefits to both organizations that result from sharing information about the markets they oversee and their regulatory experiences and practices, FERC and CARB hereby declare their intent to cooperate and share information pursuant to this Memorandum of Understanding (MOU).

II. THE PARTIES

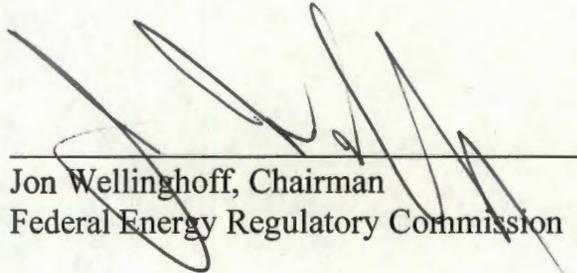
2. This MOU is entered into by and between FERC and CARB (collectively referred to as "the Parties"). The MOU will become effective as of the latest date shown on the signature page(s) which are attached to this MOU and incorporated herein.

III. ACTIVITIES

3. Cooperation under this MOU may include, but is not limited to, the following:
 - a. Sharing by CARB, at FERC's request, of information related to:
 - i. emissions allowances, including, but not limited to, transactional data from CARB's quarterly and reserve auctions for emissions allowances and bilateral purchases and sales of emissions allowances;
 - ii. offset credits, including, but not limited to, purchases and sales of offset credits;
 - iii. factors affecting supply and demand for compliance instruments;
 - iv. the Cap and Trade Program, generally;
 - v. CARB's surveillance and investigative processes and methods; and

- vi. CARB's market monitoring and oversight activities, including, but not limited to, staff insights and analyses.
- b. Sharing by FERC, at CARB's request, of information related to:
 - i. western gas and electricity markets;
 - ii. FERC's surveillance and investigative processes and methods;
 - iii. FERC's market monitoring and oversight activities, including, but not limited to, staff insights and analyses.
 - c. Discussion of energy issues of mutual interest related to the California and western energy markets.
 - d. Joint visits that could include FERC, CARB, and other regulatory entities.
 - e. Meetings, webinars, workshops, teleconferences, training activities, and/or email exchanges.
 - f. Referrals of suspicious activity or issues of concern related to the respective markets regulated by CARB and FERC.
- 4. FERC and CARB acknowledge that any information furnished in accordance with this MOU should be kept confidential and non-public, and should not be disclosed or made available to any other person except pursuant to the applicable laws and regulations of the United States and/or the State of California, or by consent of the parties to this agreement.
 - 5. If any data or other information furnished in accordance with this MOU is subsequently requested by a third party to be disclosed or otherwise produced, the entity receiving the request should consult with the entity that furnished the information prior to responding to the third-party request.
 - 6. This MOU is not intended to be a binding contract enforceable in a court of law or in an administrative forum. It is intended only to establish a process for further cooperation between the governmental entities signing this document.
 - 7. Nothing contained in this MOU requires either FERC or CARB to take any action that would be inconsistent with any existing or future laws, regulations, and policy directives applicable to it.

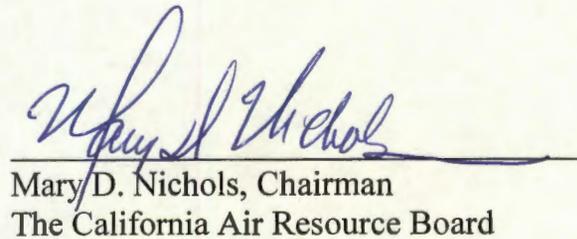
8. FERC and CARB, unless otherwise agreed upon, will bear their own respective shares of financial costs of participating in the activities under this MOU. All activities are subject to approval of funding by each entity involved.
9. This MOU will take effect when signed by all the parties hereto. This MOU may be modified at any time by the mutual written agreement of the parties. FERC or CARB may terminate the MOU upon thirty (30) days written notice to the other. During this period, the parties shall make good-faith efforts to resolve any disagreement.



Jon Wellinghoff, Chairman
Federal Energy Regulatory Commission

10/28/2013

Date



Mary D. Nichols, Chairman
The California Air Resource Board

10/24/2013

Date