

**PRELIMINARY CAP-AND-TRADE PROGRAM SCOPE RECOMMENDATION**

<p><b>Design Elements (with percentage share of gross regional emissions)</b></p>	<p><b>Preliminary Recommendation</b></p>
<p>1. Electric Sector</p>	<p>X</p>
<p>1A. Cover emissions from in-region generation (33%)</p>	<p>X</p>
<p>1B. Cover emissions attributable to power imported</p>	<p>Leaning toward inclusion pending discussion of how best to cover imports</p>
<p>2. Other large stationary combustion sources (13%)</p>	<p>X</p>
<p>3. Liquid ground transportation fuels (24%)</p>	<p>Still considering whether to include transportation in the cap or when, based on modeling, and consideration of impact of complementary measures</p>
<p>4. Industrial process emissions (4%)</p>	<p>Data Subgroup to provide Information for Identification of Sources</p>
<p>5. Waste management emissions (2%)</p>	<p>Refer to Offsets and complementary measures</p>
<p>6. Residential and commercial natural gas combustion (11%)(CO<sub>2</sub> only)</p>	<p>Still considering whether to include, or refer to Offsets and complementary measures</p>
<p>7. Residential and commercial stationary combustion of fuel oil and other liquid fuels (2%)</p>	<p>Still considering whether to include, or refer to Offsets and complementary measures</p>
<p>8. Forestry</p>	<p>Refer to Offsets and Complementary Measures</p>
<p>9. Agriculture (9%)</p>	<p>Refer to Offsets and Complementary Measures</p>
<p>Portion of Regional Emissions Inventory Included</p>	<p>~46%, plus offsets reductions</p>