May 21, 2010

Gary Gero
President
Climate Action Reserve
523 W. Sixth Street, Suite 428
Los Angeles, CA 90014

Subject: RRI Energy, Inc. Comments on the Forestry Project Aggregation Proposal

Dear President Gero:

RRI Energy, Inc. (RRI) appreciates the opportunity to provide these comments to the Climate Action Reserve (CAR) regarding its April 22, 2010 proposal, *Forest Project Protocol Proposed Guidelines for Aggregation*. RRI is one of the leading providers of electricity in competitive markets in the United States and is strongly committed to caring for the environment while providing reliable, affordable power to its customers. As a company, we are dedicated to efficiency and effectiveness and are committed to taking actions that improve plant efficiency and reduce emissions through operational excellence and the development and application of cost effective technology.

As such, RRI would like to present its commitment as a leading industry example of developing inventive, market-based answers to energy and environmental challenges.

Aggregation of Different Project Types
RRI supports CAR's proposal to allow forestry projects of all three types (i.e., reforestation, improved forest management, and avoided conversion) in a single aggregate. For Aggregators that have the opportunity to assist in the development of smaller projects in multiple categories, the opportunity to aggregate different project types will increase the ability of the Aggregator to maximize their investment in forestry projects and will lead to the greatest increase in high-quality offsets from the forestry sector.

Ability to Aggregate Two Projects
The proposed guidelines for aggregation state that no single project may comprise more than 50 percent of the total combined acreage in an aggregate. This requirement would make it difficult to aggregate a small number of projects, and would exclude the possibility of aggregating two projects unless the projects are equal in size. Therefore, this requirement is too restrictive. RRI believes that it would be beneficial to both the Aggregator and the Forest Owners if aggregates with a small number of projects (e.g., 2 or 3) would be excluded from meeting this requirement.

Geographic Limitations for Projects in an Aggregate
RRI supports the ability to aggregate projects from any geographic area without limitation. Many entities that would choose to become Aggregators through CAR have national and international assets and as such have engaged in projects across state and national boundaries. Aggregators with smaller projects across geographic boundaries should be allowed to aggregate these projects together.

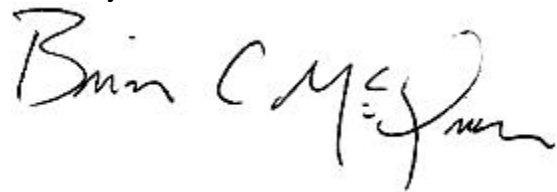**Limit on Number of Participants in an Aggregate**

CAR should not put a hard limit on the number of participants allowed into an aggregate in addition to limiting the acreage from each Forest Owner to 5,000 acres per aggregate. Limiting the number of participants would be a disincentive for an Aggregator to generate offsets in the forestry sector beyond that limit.

Transfer of CRTs from Forest Owner to Aggregator

RRI supports CAR's proposed methodology for allowing transfer of Climate Reserve Tonnes (CRTs) from Forest Owners to Aggregators. Allowing the transfers to be completed without the normal transactions fees will be especially beneficial for aggregates with a large number of projects.

Thank you for the opportunity to submit these comments. We look forward to working with CAR to develop a forestry project aggregation protocol that makes forestry offsets accessible to a larger number of landowners and increases the supply of high-quality offsets from the forestry sector. Please contact me at (702) 407-4861 if you have any questions regarding this matter.

Sincerely,

Brian McQuown
Senior Air Quality Specialist
RRI Energy, Inc.