

Commentary on CARB Compliance Offset Protocol Task Force Draft Report

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By ACT Commodities

▶ Introduction

As a member of IETA (International Emission Trading Association), ACT Commodities (ACT) is a global leader in trading energy and environmental commodities. We provide solutions to over 5000 clients worldwide who need to meet environmental compliance requirements and voluntary sustainability goals. With over a decade of experience, ACT is a knowledgeable and active participant in the global carbon market, including emission trading mechanisms in Europe, South America, Africa, Asia, and voluntary standards such as the Verified Carbon Standard (Verra). ACT is active in California's RPS and LCFS as well as the Federal Renewable Fuels Standard.

ACT would like to take this opportunity to comment on the **Compliance Offset Protocol Task Force Draft Report**, released in October 2020.

▶ Diversion/conversion of cattle manure storage from anaerobic systems to aerobic systems (avoids or reduces emissions of methane, a GHG)

ACT is supportive of an offset protocol for Alternative Manure Management Program (AMMP) projects that reduce methane emissions by avoiding their creation in the first place. The CARB Livestock Protocol includes extensive information needed for calculating emissions from any manure management source on a dairy. The Protocol attributes composting as a method to **reduce methane emissions 160 times compared to warm temperature anaerobic storage lagoons**. Additionally, CDFA commissioned UC Davis research provides evidence for **solid separators as a method to reduce methane up to 83.4 %**. However, neither composting nor solid-separators are reliably economic or broadly adopted. By engaging with swine, dairy, and cattle farms, ACT has seen first-hand that existing unrewarded AMMP qualified practices have prevented the advancement of additional methane reductions. Considering our experience, ACT is confident a CARB Livestock Protocol aerobic offset would be adopted by livestock (dairy, swine, and cattle) farms throughout North America in addition to the direct environmental benefits of the 845 possible dairies in California.

Offsets derived from composting and solid separation are an interesting case with sound economics, additionality, permanence, and proven science (Table A5 of CARB Livestock Protocol) for quantifiable emission reductions. ACT echo's the subgroup recommendation to pursue this offset option and further suggests CARB extends the avoided emissions crediting into the LCFS program.

▶ Conclusion

We thank you for your time and attention to the development of offset protocols as it pertains to California GHG regulations. Please reach out if you would like to discuss further.

