The Misconception of the unreliability of offsets is damaging to the program for several compounding reasons the least of which is the excessive cost’s associated with successful verification. The biggest problem is the invalidation risk. The invalidation risk represents an assumption that offsets are inherently unreliable which contradicts the assertion that verification is a legitimate process. The threat that an offset must be verified 3 times before they are considered reliable, or 8 years must go buy before they are irrevocable, makes offsets a fanatical risk, no matter how reliable the verification process is. Unfortunately because the implication is that verification is unreliable this means that the risk of offset purchasing is extremely high. Understandably most business don’t want to buy any offsets. The only companies that do are ones that can spend the time and money writing up contracts that guarantee replacements or refunds for any lost offsets, and has the manpower to protect those contracts.

The rhetoric around offsets holds that they are unreliable at best. Even if a company did not believe the more extreme claims about offsets, they can tell offsets are at least a controversial subject. Because the rhetoric and the policy both seem to agree that offsets are unreliable, this will send a clear message that in fact they are. In order to build confidence in the offset market, I think ARB should send a clear signal that they have great faith in their verification process. I believe the length of time offsets can be invalidated should be greatly reduced, as well as the number of times a re-verification is required to reduce this number. Issued violations from any number of jurisdictional agencies that are unrelated to the destruction of GHG’s or the operations of the destruction facility should not have a bearing on invalidation. ARB Enforcement action for violations issued by a state agency that are related to the destruction facility should be maintained. However there should be an opportunity to have this action waived if the regulatory agency issuing the violation writes a letter clearly insisting that it is not the agencies desire to have the offsets invalidated. These risks should be further reduced in the case of the smallest compliance entities who, even in the case of greater certainty, don’t want to buy “risky” offsets. I also believe that with the program history available, ARB should be able to identify places in the verification process where more or less rigor is necessary. And where unnecessary safeguards can be removed.