



November 30, 2018

Rajinder Sahota, Asst. Division Chief  
Industrial Strategies Division  
California Air Resources Board (CARB)  
1001 I Street  
Sacramento, CA 95814

RE: Proposed Amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation – 15-day package

Dear Ms. Sahota:

The American Carbon Registry (ACR), a CARB-approved Offset Project Registry (OPR) for the California cap-and-trade program, welcomes the opportunity to offer brief comments on the most recent iteration of proposed amendments to the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms Regulation. We appreciate CARB's careful and deliberate endeavor to translate AB 398 into a regulation that will continue to support an effective cap-and-trade program.

Our comments herein pertain to the requirements for Direct Environmental Benefits in State (DEBS). We note the proposed language for Section 95989(b):

*Any project located outside the State of California may submit the following information to ARB to enable a determination of whether the project provides direct environmental benefits in the State. Such determination must be based on a showing that the offset project or offset project type provides for the reduction or avoidance of emissions of any air pollutant that is not credited pursuant to the applicable Compliance Offset Protocol in the State or a reduction or avoidance of any pollutant that is not credited pursuant to the applicable Compliance Offset Protocol that could have an adverse impact on waters of the State.*

ACR's concerns center on the proposal to limit the scope of DEBS, with respect to both air and water, to emissions "not credited" by Compliance Offset Protocols. We suggest that such a restriction is inconsistent with the expansive statutory and proposed regulatory language defining DEBS as, "the reduction or avoidance of emissions of *any* air pollutant in the state or the reduction or avoidance of *any* pollutant that could have an adverse impact on waters of the state" (emphasis added). The legislative record contains no indication that credited GHG reductions were not to be among the "any" pollutants that qualify. The qualifier "not credited" should be deleted.<sup>1</sup>

Furthermore, ACR recommends deletion of the phrase "supporting a claim that the offset project or offset project type results in this type of reduction or avoidance of any pollutant in the State" that appears at

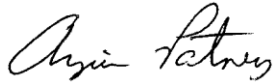
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<sup>1</sup> ACR has elaborated more extensively in our letter dated Oct. 22, 2018.

the end of Sections 95989(b)(1), 95989(b)(2), and 95989(b)(3). Inclusion of this language is an imprecise and unnecessary repetition of requirements in section 95989(b), resulting in potential for confusion and inconsistency.

We appreciate the opportunity to provide these comments, and we look forward to continued engagement. If you would like to further discuss our thoughts, please feel free to get in touch.

Respectfully,

A handwritten signature in black ink that reads "Arjun Patney". The signature is written in a cursive, flowing style.

Arjun Patney  
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an enterprise of Winrock International  
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