



May 10, 2018

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The Verified Emission Reduction Association, or VERA, offers the following comments on the continued direction staff has discussed related to amending the Cap and Trade Regulation, and the implementation of Assembly Bill (AB) 398 and Board Resolution 17-21. We appreciate the opportunity to provide additional comments and look forward to working with you and your staff in the upcoming months to finalize this critically important rulemaking to ensure success of the Cap and Trade Program, both now and into the future.

VERA is made up of 11 individual companies with vast experience in achieving real greenhouse gas (GHG) reductions for the cost-effective use in California's landmark Cap and Trade Program. VERA strongly supports California's efforts to reduce statewide GHG emissions through a market-based program, including the use of high-quality carbon offsets. We are pleased that AB 398 codified the use of offsets in California's Cap and Trade Program and continue to support CARB working to maximize the benefits of offsets' ability to contain costs and support the development of new innovative projects and technologies on a scale not achievable through command and control regulations alone. An effective way to accomplish the Programs' lofty goals is to maximize offset usage under the new AB 398 parameters.

Maximizing offsets will have a direct positive benefit within California, including within designated disadvantaged communities, by promoting economic development associated with new and expanding offset projects within the state, and mitigating the cost impacts of the program. There is also an advantage to smaller businesses to manage costs most effectively. VERA members are fully committed to the fundamentals of environmental integrity, ensuring that offsets *by definition* are real, quantifiable, permanent, verifiable, and enforceable GHG reductions.

VERA, along with many other Cap and Trade stakeholders, view offsets as critical in achieving the statutory GHG emission reductions at the lowest cost possible – as mandated under California's authorizing climate legislation (AB 32, SB 32, AB 398) ¹.

¹ <https://www.arb.ca.gov/lispub/comm2/bccommlog.php?listname=ct-3-2-18-wkshp-ws>; Comments-5, 7, 8, 11, 12, 13, 15, 16, 20, 25, 28, 30, 32, 35, 37, 38, 40, 41, 42, and 44

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Fully utilizing the new statutorily authorized limits will benefit the Program, California's environment and economy, including both rural and urban areas throughout the state. Although the April 26, 2018, workshop only focused on one aspect of the offset program (direct environmental benefits, or DEBS), VERA has continued to work with other stakeholders and within our membership to think about ways to implement AB 398 and improve the existing administrative and regulatory superstructure surrounding offsets.

We remain supportive of several key policy statements contained within in the Preliminary Discussion Draft (PDD) of the Cap and Trade Regulation,² including:

- The construction of § 95854(b)—Quantitative Usage Limit on Designated Compliance Instruments—Including Offset Credits.
- Timing associated with implementation of these new limits as depicted in slide 25 of the staff workshop presentation.³

VERA's updated recommendations are provided below.

Implementation of Direct Environmental Benefit Provision of AB 398

VERA continues to support CARB's straightforward acceptance that any project which can show a direct reduction of an air pollutant, or which benefits waters of the state, has a direct environmental benefit to the state (DEBS). Our previous comments provide significant detail on this issue. VERA remains committed to those comments.⁴

However, VERA has serious concerns about CARB's proposal to retroactively evaluate over 90 million previously issued offsets. These compliance instruments are already in the marketplace, have value, and represent early actions and investment by both the offset developer and the offsets' current owner. In addition, having to wait until the end of 2021 to learn if these assets have changed in value will cause significant disruption in the offset marketplace.

Furthermore, we would like to reiterate that retroactively looking at all issued offsets would cause all stakeholders, including CARB, to incur significant costs. Therefore, VERA recommends that all offset projects that were or are listed prior to the finalization of this rulemaking not be subject to the DEBS evaluation process and instead be categorized in a way that does not subject them to the new DEBS usage limitations imposed for offsets post 2020.

It should be recognized that California has long adhered to the basic rule that statutes operate prospectively unless the Legislature has clearly indicated it intended retroactive or retrospective application.⁵ Absent an

² https://www.arb.ca.gov/cc/capandtrade/meetings/20180302/ct_pdd_02232018.pdf

³ https://www.arb.ca.gov/cc/capandtrade/meetings/20180302/ct_workshop_3-1-18.pdf

⁴ <https://www.arb.ca.gov/lists/com-attach/35-ct-3-2-18-wkshp-ws-UWIGLVJiA2YLIAMy.pdf>

⁵ Evangelatos v. Superior Court (1988) 44 Cal. 3d 1188, 1207

express retroactivity provision, a statute will not be applied retroactively unless it is clear from extrinsic sources, such as legislative history, that the Legislature intended that effect.⁶ The presumption against retroactivity applies with particular force to laws creating new obligations, imposing new duties, or exacting new penalties because of past transactions.⁷ In AB 398, there is no such express statement that it applies retroactively. In addition, applying AB 398 to existing projects would create new obligations to classify projects with issued credits as DEBS, which would be prohibited as a matter of law. Applying AB 398 to projects that would not qualify as DEBS could also be construed as a penalty, as it would significantly undermine the value of the issued credits for such projects retroactively.

Additionally, there is also fundamental policy truth to the way California's Cap and Trade Regulation is set up which supports the idea that issued offsets have indeed already benefitted the state. It is better for the environment to produce a GHG reduction today than tomorrow. All issued offsets that remain "unsurrendered" have and continue to provide California benefits through the reduction of a determined air pollutant, namely GHGs. Therefore, we strongly encourage CARB to reconsider its approach in this important area.

Update to the Invalidation Provisions under the Current Cap and Trade Rulemaking

Because this is such a critical issue, please note that our previous comments are updated and modified below. VERA believes the time is right for more substantial changes to the invalidation provisions of the Regulation. California offsets have proven to be highly reliable sources of real, additional, quantifiable, permanent, verifiable and enforceable GHG emission reductions. The current invalidation framework of buyer liability limits offset usage for all but the largest entities. Given the renewed push for new in-state offset protocols, updating these provisions can be an important consideration in increasing demand for such new developments.

California should update the framework for invalidation such that it follows the province of Ontario's model in which invalidations are covered either by seller liability in limited defined circumstances, or are covered by an Environmental Integrity Account, as outlined below. The idea of a "buffer pool" has some regulatory precedent within CARB's existing regulatory structure-existing forestry protocol and the newly proposed Low Carbon Fuel Standard (LCFS) Regulation. California has previously endorsed Ontario's improved approach. In preparing for linkage, the Governor's Transmittal Response to CARB on Findings under SB 1018 wrote

"While Ontario uses a different mechanism to correct any failure or invalidation of an offset, the approach is equally effective...both protect the program in the event that an offset is invalidated."⁸

Adopting this improved invalidation framework removes the majority of the price risk of invalidation from the market and provides greater incentive to both produce and purchase offsets while at the same time protecting

⁶ 44 Cal. 3d at pp. 1209-1210

⁷ In re Marriage of Reuling (1994) 23 Cal. App. 4th 1428, 1439; see Wienholz v. Kaiser Foundation Hospitals (1989) 217 Cal. App. 3d 1501, 1505, 267 Cal. Rptr. 1

⁸ https://www.arb.ca.gov/cc/capandtrade/linkage/response_to_sb_1018_request.pdf

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the integrity of the program. Though VERA understands that many details of this proposal would need to be worked out with stakeholders before finalizing it, we present these core ideas as a recommendation:

- VERA recommends that seller liability be limited to replace any credits associated with double selling (as defined by the current regulatory language as credits which “CARB determines have been issued in any other voluntary or mandatory program within the same offset project boundary and for the same reporting period in which CARB offset credits were issued”). If at any point a liable seller is not able to replace invalidated credits, the Environmental Integrity Account would be called upon to make the system whole.
- VERA recommends the creation of an “Environmental Integrity Account” for use to replace invalidated credits for all other causes of invalidation. This would require all offset projects to surrender into an Environmental Integrity Account 3 percent of issued credits (set to reflect the Ontario approach and provide more than adequate coverage based on the historical rate of credit invalidation)⁹. This Environmental Integrity Account would be managed similar to the existing Forest Buffer Account. If offsets are later invalidated for causes of material overstatement or regulatory nonconformance (as defined by the current regulatory language as credits which “ARB determines the Offset Project Data Report (OPDR) contains errors that overstate the amount of GHG reductions or GHG removal enhancements by more than 5.00 percent” and “the offset project activity and implementation of the offset project was not in accordance with all local, state, or national environmental health and safety regulations”), invalidated credits would be replaced from the Environmental Integrity Account.

Under the Cap and Trade Regulation, as well as through the attestations provided in the listing, OPDR and Request for Issuance of CARB Offset Credits forms, CARB retains the ability to separately punish bad actors committing fraud or perjury. In addition to these new provisions around invalidation, CARB would, of course, retain its ability to enforce these additional damages. In these cases, an offset would already have been replaced by the Environmental Integrity Account, so the environmental integrity of the mechanism would not be dependent upon that enforcement.

Having a clear and simple mechanism to mitigate risks associated with invalidation should make it easier for stakeholders to participate in the offset market stimulating the development of new offsets projects inside and outside of California and removing an obstacle to access the cost containment benefits provided by emissions reduction projects.

⁹ Of the 87.6 million issued to date, less than 0.1 percent have been invalidated, and those were for non-GHG protocol related events. Moreover, the very limited credits that have been invalidated were associated with an early action reporting period. Therefore, *zero* credits associated with compliance offset protocols have been invalidated.

Update to Regulatory Compliance Requirements under the Current Cap and Trade Rulemaking

The current requirements for regulatory compliance require projects to fulfill all local, regional, state and national requirements on national environmental health and safety laws and regulations. While limiting the temporal scope of regulatory compliance requirements for some project types in its last rulemaking, CARB also included language in Appendix E¹⁰ that projects "must be in compliance with all requirements that have a bearing on the integrity of the offsets." No specific standard, however, is set for what requirements have a bearing on the integrity of the offsets. VERA recommends that CARB should use this rulemaking to further narrow the scope of these requirements to reduce the broad regulatory compliance risk posed and therefore increase the available financing for GHG reduction projects, including those in California.

VERA believes that only those requirements that have an impact on the GHG emissions reductions associated with a project have a bearing on the integrity of the offsets and therefore fall under the regulatory compliance requirements. If an entity that operates a project is out of compliance for issues that do not impact the project's ability to reduce GHG emissions – see examples below -- the actual GHG reductions of a project are not affected. Similarly, compliance issues that arise irrespective of the project's implementation need not be automatically labeled as project activities. Project owners will still be required to go through the enforcement action associated with the violation from the proper regulator, and therefore have every incentive to avoid violations.

This is particularly true in California's rigorous regulatory environment. CARB need not be the cross-media enforcer of potential non-GHG violations. The threat of invalidation due to violations of regulatory compliance in particular hinders offset project development in California. California has one of the strictest set of environmental regulations in the world. Because of this, lenders and investors see offset projects in California as more exposed to the risk of violating one of these strict regulations and therefore potentially having credits invalidated. Changing the invalidation rules so that enforcement is left up to the agency overseeing enforcement under the regulations (like the air districts and Cal-OSHA), rather than additionally punishing an offset project with both an enforcement case and a loss of its offsets, would increase the availability of financing for California offset projects.

VERA members have observed that noncompliance inquiries result in a significant number of hours spent by the OPO/APD, the Verifier, and CARB staff to investigate. These efforts generally include information gathering, document review, communications with local jurisdictions, making a case for why an alleged noncompliance might or might not be project related, and demonstrating evidential start and end dates for the issue in question.

It is our collective opinion that the Regulatory Conformance and Invalidation Guidance of February 2015 did little to streamline the process or to simplify the evaluation of regulatory conformance. We believe CARB can in fact streamline the process by incorporating the following principals into the criteria and process:

¹⁰ https://www.arb.ca.gov/cc/capandtrade/capandtrade/unofficial_ct_100217.pdf

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1. By considering a project out of regulatory compliance only if the project activities were subject to enforcement action by a regulatory oversight body

The 2017-revised language in §95973(b) directs CARB to make its own determination on whether a facility is out of conformance with its local laws and regulations, even when the local regulatory agency has not made a determination of noncompliance. This not only undermines the authority of the local agencies, it also places a responsibility on CARB staff to further investigate issues that the local regulators have not subjected to enforcement action. Some VERA members have spent hundreds of hours responding to CARB staff's compliance inquiries even in the absence of any noncompliance determination by applicable jurisdictions.

Recommendation: Revise the Regulatory Compliance language in §95973(b) to rely upon the local and federal jurisdictions and not overburden the Cap and Trade Program with such investigations. Strike from language in the first paragraph: "although whether such enforcement action has occurred is not the only consideration CARB may use in determining whether a project is out of regulatory compliance."

2. By placing the initial burden of regulatory compliance review upon the verification bodies which are already directed to make such confirmations according to §95977.1(b)(3)(D)2.f

Verification bodies are the most well-suited entities to be making inquiries into regulatory compliance. In addition to collecting and reviewing all project information, they have a broad insight into the offset project itself including the equipment and processes that fall within the project boundary. The verifier visits the facility or project area and obtains an enhanced understanding of the project through visual observation, they interview key personnel involved in the offset project, and they have much more than 45 days to spend collecting evidence as needed to make an appropriate determination. When in doubt, it is already standard practice for verifiers to contact CARB if they have any questions on the scope of their review.

If verifiers find sufficient evidence to conclude regulatory compliance or specific periods of noncompliance, CARB need not duplicate efforts or expand the investigation by placing new inquiries into the local regulatory agencies. Just like for livestock projects when there is a question on herd data CARB does not contact the herd manager for details, CARB should not be directly evaluating regulatory compliance by contacting the farmer's local agencies. It can be problematic when CARB staff makes direct contact with other jurisdictions to inquire about compliance, because:

- CARB staff may not have the full context of the operation and the alleged issue to make such inquiries,
- Some issues are complex and may have long histories – CARB staff may receive incomplete or conflicting information from junior staff or those newer to the jurisdiction,
- Inquiries made directly by CARB staff circumvents the offset project operator (OPO) / authorized project designee (APD) and might be considered an inappropriate course of action, particularly when it relates to sensitive situations or when the OPO is actively working with the regulator on the issue. Furthermore, this presents a challenge for OPO/APD to assuage concerns raised by CARB when they were not included in the communication.

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Recommendation: CARB should rely on verifier judgement for initial review of Regulatory Compliance through §95977.1(b)(3)(D)2.f. Any additional questions should be treated like all the other CARB review findings and passed back through the verification body or the OPO/APD to be sure the project adheres to the Regulation.

3. By avoiding investigation into immaterial issues that have no bearing on the integrity of offsets and focusing only on enforcement actions that:
 - a. Result in an overstatement of GHG reductions or GHG removal enhancements by more than 5%
 - b. Are not resolved through the relevant enforcement action procedures of the regulatory agency

While we appreciate CARB's efforts to avoid crediting projects that violate applicable regulations, we have concerns that the scope of Regulatory Compliance assessment has become too broad. More often than not an issue will be wholly unrelated and offset project. Due to the broadness of the current regulation, these types of errors, paperwork errors and other small issues irrelevant or immaterial to the projects should not be considered for regulatory conformance assessments.

Non-compliances that are administrative in nature, for example, have no bearing on the integrity of a project's emission reductions, yet we have seen such issues stand in the way of offset credit issuance.

General Example 1: Tardy submission of a routine annual report to the local regulator does not necessarily reflect poorly on the integrity of the generated offsets.

General Example 2: Failing to have an adequate number of fire tools onsite for a timber harvest does not affect GHG reductions or GHG removal enhancements within the project area and can be resolved with the relevant regulatory agency.

General Example 3: A violation involving simply the labeling of non-related equipment could jeopardize an offset project's validity.

Where an Environmental Health and Safety (EHS) violation directly affects GHG reductions or GHG removal enhancements, there should be a *de minimis* threshold below which a violation does not warrant invalidation. Such a standard would be consistent with the treatment of offset overstatements under Section 95985(c)(1)(A), which provides that "ARB may determine that an ARB offset credit is invalid... if the Offset Project Data Report contains errors that overstate the amount of GHG reductions or GHG removal enhancements by more than 5.00 percent..." This provision recognizes the potential for inadvertent, good faith errors or mistakes in the development of an offset project that may occur despite rigorous third-party verification and registry review, and is an implicit acknowledgement that an overstatement of less than 5% does not impair the integrity of the generated offsets.

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If a project is subject to enforcement action by a regulatory oversight body, the project should have the opportunity to resolve the issue by complying fully with the enforcement action procedures already established by the regulatory agency. Most regulatory agencies have established procedures for identifying, administering and enforcing rules associated with their areas of jurisdiction. In many instances, corrective mitigation measures are available to address the impacts and project owners are not allowed to proceed, or are subject to steep penalties until the issues have been resolved. It is not necessary for CARB to duplicate the efforts of other regulatory agencies and create their own system of enforcement actions when sufficient systems are already in place. CARB should only consider non-conformance in instances where violations are not able to be resolved through the relevant enforcement action procedures of the regulatory agency. The relationship between regulatory compliance issues and the offset project ought to be more connected to causation: Did the existence or operation of the offset project cause a noncompliance? Whereas causation can be difficult to prove or deny in a regulatory setting, it is with causation in mind that we relate the following categorical issues that should be excluded from the CARB Regulatory Conformance and Invalidation Scope.

Below, we offer recommendations on issues immaterial to offset projects as they relate to specific protocols, based on a non-exhaustive list of real-life scenarios and project experiences:

Livestock Projects

The scope of regulatory compliance for Livestock Projects has become conflated with crop farming operations, simply because crops are irrigated with manure. A farm's extensive crop nutrient management plan, and its ability to maintain absolute compliance is unchanged by – and certainly not worsened by – the implementation of a digester.

The discharge of effluent from an anaerobic digester into a long-term storage basin (i.e., lagoon, pit, or concrete tank) — where it may be loaded with other organic material such as agricultural storm water, milk waste, or raw animal waste not processed through the digester — is a nearly universal form of disposal for digester effluent. The existence and use of such storage basins is part of the business-as-usual scenario that predates the implementation of the anaerobic digester. As a result, the eventual irrigation activities that draw from the storage basins is unchanged by and unaffected by the existence and operation of anaerobic digesters. Crop irrigation activities are not directly applicable to or even associated with a livestock offset project. Furthermore, personnel involved with operation of the anaerobic digester and related equipment generally have no operational control or visibility into the crop farming and irrigation practices.

Recommendation: Change the Regulatory Conformance and Invalidation Guidance by modifying the following language: “Project related activities to begin at waste collection and end at onsite biogas usage and the disposal of associated digester effluents into a storage basin.”

Subsequent use of the storage basin to meet irrigation needs is not a project-related activity. By contrast, any laws or regulations that make it unlawful to dump effluents from an anaerobic digester directly into a landfill

or discharge those effluents directly into a waterway are clearly directly applicable to the livestock offset project.

Forestry Projects

The existing language in Appendix E: Offset Project Activities Within the Scope of Regulatory Compliance Evaluation includes for forest projects, “all project activities within the project area that directly affect carbon stocks.” Therefore, if violations occur outside of the project area, or do not directly affect carbon stocks within the project area, then they would not have a bearing on the integrity of the generated offsets. In addition, we encourage CARB to apply a 5% de minimus threshold for violations impacting carbon stocks, and to rely on the enforcement action procedures already established by other regulatory agencies. For instance, accidentally harvesting a few trees outside of the designated harvest area would have a negligible effect on GHG reductions or removal enhancements (far less than 5%) and can be mitigated by setting aside additional reserve trees if required by the relevant agency.

Recommendation: Add to the existing guidance that activities resulting in less than 5% overstatement of GHG reductions or those mitigated through the enforcement action procedures of the relevant agencies are not subject to regulatory compliance evaluation.

Mine Methane Projects

Mine methane projects are often located on sites where other mine operations equipment (unrelated to the project) is located. Examples would be the electrical substation used to power a bleeder shaft fan or a storage unit for maintenance equipment. This mine operations equipment is subject to the jurisdiction of the Mine Safety and Health Administration (MSHA); it is inspected by MSHA personnel and all issues reported to mine safety personnel for remediation. If the issues are deemed severe enough, the mine could be subject to further action beyond the initial notification.

Even though this mine operations equipment is unrelated to the offset project, verifiers and CARB have requested to review all of the mine’s documentation related to these site-specific MSHA notifications and to speak with MSHA inspectors directly. This process consumes a great deal of time to evaluate mine activities unrelated to the project and also discourages mines from wanting to pursue additional projects.

Recommendation: Change the following Regulatory Conformance and Invalidation Guidance language:

“Installation and operation of mine safety or mine operations equipment (that is co-located at the project site but unrelated to the project and not owned or operated by the OPO), such as a ventilation system at an active underground mine, is also excluded from the scope of determining regulatory conformance and the scope of invalidation.”

ODS Projects

Regulatory issues may exist with ODS destruction facilities that have nothing to do with actual ODS destruction. Often times they may pertain to the destruction of other hazardous waste, which is a highly regulated activity. More importantly, it is usually after the destruction run is finished that the OPO, and sometimes the destruction facility itself, finds out that something was amiss during an ODS destruction event which could potentially put the facility out of compliance. Therefore, there is often no way to ensure that no violations have occurred during a destruction event before the destruction even begins, posing a very high risk to developers and discouraging these high quality emission reductions.

Administrative Efficiency Improvement Recommendations

VERA remains committed to the issues we highlighted in our previous letter. We believe there are a number of steps CARB can take to make the offset program less costly, more efficient and transparent. To that end, we offer the following program suggestions for your consideration (details in previous letter)¹¹:

Review Process Transparency

- Need for Additional Staff Resources
- Duplication of Verifier and OPR Functions
- Eliminate Compliance Inquiries from CARB Staff
- Review Process Transparency
- Publishing Guidance

Implementation Issues Related to *Current Invalidation Procedures*

Materiality

A lack of materiality threshold for reporting period reviews, as well as regulatory language such as, “any correctable error must be corrected,” prohibit excusing truly insignificant errors. If an error is not something that affects a project’s applicability or materially alters the volume of a reporting period, VERA believes CARB should consider such errors to be immaterial and therefore excused. The current stance toward immaterial errors results in extra staff time spent on reviews and adds to delays in review cycles. It also tends to conflict with the standard to which verification bodies are held, which has a 5 percent materiality threshold for reasonable assurance. VERA believes the current regulatory amendment process should be used to address language preventing CARB staff from applying common thresholds for materiality in its assessments. *Specifically, VERA recommends implementing a materiality threshold that limits errors that must be corrected to those in excess of 5 percent, yet not to exceed a predetermined level in magnitude.*

Implementing such an approach would save material staff time spent on reviews, reduce delays in review cycles and synchronize ARB’s reviews with the reasonable assurance standard to which verification bodies are held of 5%. VERA looks forward to working through this issue with CARB staff and establishing a “not to exceed” numerical limit.

¹¹ <https://www.arb.ca.gov/lists/com-attach/35-ct-3-2-18-wkshp-ws-UWIGLVJiA2YLIAMy.pdf>

VERA proposes the following language modifications to achieve this process efficiency:

- Section 95977.1(b)(3)(M) requires that the OPO or APD “must make any possible improvements and fix any correctable errors to the submitted Offset Project Data Report.” VERA recommends this language (and other references to “possible improvements” and “correctable errors” in this section) be modified accordingly:
 - ... the OPO or APD “must make any possible improvements and fix any correctable errors to the submitted Offset Project Data Report if such improvements or errors would result in a change to the number of ARB offset credits to be issued to a Reporting Period of either (a) greater than 5% of the total, or (b) # ARB offset credits.”
- In the guidance document, *Technical Guidance for Offset Verifiers* from October 2013, the final paragraph of Section 5.6 similarly states, “In all cases where a fixable error is identified the OPO or APD must fix the error and resubmit the Offset Project Data Report to the Offset Project Registry.” VERA recommends this be modified accordingly:
 - “In all cases where a fixable error is identified the OPO or APD must fix the error and resubmit the Offset Project Data Report to the Offset Project Registry if such fixable error would result in a change to the number of ARB offset credits to be issued to a Reporting Period of either (a) greater than 5% of the total, or (b) # ARB offset credits.”
- Later in the same section (page 67), the guidance document reads that ARB “requires that all fixable errors be corrected whether or not they result in an offset material misstatement. In this example all errors are fixable, and therefore, must be corrected.” VERA recommends this be modified accordingly:
 - “... requires that all fixable errors be corrected ~~whether or not they result in an offset material misstatement. In this example all errors are fixable, and therefore, must be corrected~~ if such fixable errors would result in a change to the number of ARB offset credits to be issued to a Reporting Period of either (a) greater than 5% of the total, or (b) C ARB offset credits.”

Amendments to Existing Protocols

VERA understands that CARB is working to establish the new Offset Task Force outlined in AB 398. Likewise, the Task Force is directed to give CARB guidance on new protocols that can increase in-state offset development. This could be a drawn-out process to get to actual recommendations. Though VERA supports the creation of the Task Force, we also know that the existing set of approved offset protocols can be improved. These improvements can themselves lead to greater in-state GHG reductions. Therefore, we recommend CARB immediately begin the process of reviewing and updating existing protocols, and believe that opening up the protocols can be independent of the Task Force and its specific mission to promote new in-state protocols.

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Conclusion

VERA is committed to a robust offsets market and our members are available to answer questions on these recommendations. We look forward to working with CARB on these important regulatory changes. VERA can be reached through Jon Costantino at Tradesman Advisors, at: 916-716-3455, or via email at jon@tradesmanadvisors.com.