



## Union of Concerned Scientists

Citizens and Scientists for Environmental Solutions

Steven Cliff, Chief  
Climate Change Program Evaluation Branch

Rajinder Sahota, Manager  
Climate Change Program Monitoring Section

California Air Resources Board (CARB)  
1001 I Street, Sacramento, CA 95812

April 23, 2013

### **RE: Comments on the development of two new compliance offset protocols for the cap-and-trade regulation**

Dear Mr. Cliff and Ms. Sahota,

Thank you for the opportunity to comment on CARB's consideration of rice cultivation and coal mine methane offsets protocols. As mentioned in your March 28 presentation, offsets credits must meet the same accuracy requirements as emissions under the cap, which means comparable levels of additionality, verifiability, and the treatment of measurement uncertainty. I appreciated CARB's statements at the March 28 public meeting that even though CARB was not yet able to fully answer questions about the level of additionality, verifiability, and conservativeness of its proposed protocols, CARB plans to perform these analyses as part of the process of developing these protocols and before making the decision to bring these protocols to the Board for adoption.

Below are some of the questions asked at the March 28 meeting related to additionality, verification, and conservativeness in slightly elaborated form, for further analysis during the protocol assessment process. These questions apply to both protocols.

On additionality:

- To what extent are the credited activities already occurring without offsets crediting? Why are they being performed? How are conditions changing that may cause implementation rates to increase or decrease in the near future without carbon offsets?
- Is the expected income from offsets credits large enough to incentivize an increase in the credited activities several times more than without-offsets implementation rates, taking into account monitoring and verification costs and the costs and risks to participating farmers/coal mine owners?
- In other words, what indications do you have that the protocols will effectively change activity implementation rates and avoid crediting more than a small proportion of credits from activities that would happen without the offsets program?



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On verifiability:

- For the rice cultivation protocol, how are the changed timing of flooding and drainage, baling of straw and fertilizer use verified?
- For both protocols, are the values used to estimate project emissions reductions adequately verifiable by a verifier?

On “perverse incentives” and emissions measurement uncertainty:

- Might a coal mine methane offsets protocol increase the profitability of coal production and thus incentivize an increase in coal production, counter to the goals of AB 32?
- Where are the largest uncertainties in measuring changes in emissions from the credited practices?
- How large are the uncertainties when considered together?
- How does the protocol address those uncertainties in a conservative manner?

Thank you again for the opportunity to comment and raise questions.

Sincerely,

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