



Shell
ENERGY

Shell Energy North America
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December 15, 2022

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Via Upload to www.arb.ca.gov

RE: U.S. Forest Projects Compliance Offset Protocol

To the Air Resources Board:

Shell Energy North America (US), L.P. (“Shell Energy”) markets and trades natural gas, power and environmental products and provides risk management support to wholesale and retail customers throughout North America. Shell Energy welcomes the opportunity to comment on the workshop held November 30 on the U.S. Forest Projects Compliance Offset Protocol.

Shell Energy has long supported the greenhouse gas (GHG) reduction goals established by Assembly Bill 32 (Statutes of 2006) and as amended by Assembly Bill 398 (Statutes of 2017). These bills led to the creation of the State’s Cap-and-Trade program, which has not only been proven to help reduce emissions but has been a model of ambition for other jurisdictions. Shell Energy agrees with Staff’s recognition in its Presentation that offsets play an important role in the program and that the design of the protocols have been found consistent with state law. Indeed, offsets are a critical tool in responding to volatility and are a more cost-effective means of managing compliance with carbon programs. The use of offset credits encourages voluntary GHG emission reduction programs, promotes innovation, and can help reduce emissions in all sectors of the economy, not just those industries or sectors covered by a carbon pricing system.

Shell Energy also agrees that all updates to any of the Compliance Offset Protocols, including the Forest Offset Protocol, should be informed by science and data and that the protocols should be updated over time to incorporate new technology and improvements. As Staff’s Presentation acknowledges, updates to this particular Protocol have been the subject of periodic rulemaking. Shell Energy agrees that future updates to this Protocol, as well as others, should be conducted consistent with administrative procedure as required by regulation, including public workshops, stakeholder interaction, and Board adoption.

Offsets remain a key tool in the suite of options to help meet the State’s goals for reducing GHG emissions. Shell Energy appreciates the effort by the Board and Staff to ensure the Protocols are continuously updated and, to the extent revisions are contemplated, marshalled through the appropriate rulemakings.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'Christa Lim'.

Christa Lim
Regulatory Affairs – West
Shell Energy North America (US), L.P.