

July 7, 2023

Ms. Rajinder Sahota
Deputy Executive Office
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Electronic Submittal: [Workshop Docket](#)

Re: *Anew comments in response to June 14th, 2023 CARB Public Cap and Trade Workshop*

As an active participant in the California Cap-and-Trade Program (the “Program”), Anew Climate (“Anew”) appreciates CARB hosting the joint WCI workshop on the potential Cap-and-Trade regulatory package on June 14, 2023. We appreciate the opportunity to provide CARB with comments in strong support of the Program, including the ongoing inclusion of offsets, CARB’s plan to continue to accelerate the Program’s ambition, and extending the Program beyond 2030.

Anew Climate (Anew) was formed through the merger of Bluesource and Element Markets in February 2022, making it one of the largest climate solutions companies in North America. Through its legacy companies, Anew has a successful track record within the markets for voluntary and compliance carbon credits, renewable natural gas, low carbon fuels, electric vehicle credits, emission reduction credits, and renewable energy credits. Both legacy companies have been active participants in the California’s Cap-and-Trade Program since its inception, with Bluesource being particularly active in forestry. To date, we have developed 18 compliance forest projects, which have generated over 18.4 million credits to date across 882,000 acres, making us one of the most active forest carbon project developers.

Anew is a strong proponent of market-based mechanisms and programs like California’s Cap-and-Trade Program, and we believe the continued inclusion of high-quality carbon offsets are a crucial and effective component of the Program. They are also critical for achieving California’s ambitious carbon neutrality by 2045 target more broadly. Carbon offsets help ensure emission reductions in the Program are cost effective, while also incentivizing emission reductions or sequestration outside of the Program’s cap. Anew strongly believes that “high quality” offsets in a compliance program must be real, quantifiable, permanent, verifiable, additional, and enforceable, and we believe that offsets in the Program meet these criteria as required by state law.

The continued inclusion of offsets as a GHG reduction policy option, both in statute and regulation, recognizes the myriad of social, environmental, and economic co-benefits to California in all areas of the state, including tribal, rural, and urban communities. Anew supports CARB’s recognition that many of the approved offset projects provide direct environmental benefits to California. We believe it is important to note that out-of-state offset projects also enable California to magnify its climate ambition and leadership through climate action in other jurisdictions as well.

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We strongly support CARB’s plan to continue to increase the Program’s ambition, and as such, in our view, the Cap-and-Trade Program should serve as California’s workhorse for achieving reductions in GHG emissions. We therefore support improvements to the Program that would allow it to achieve an increasing share of the reductions required to meet California’s climate target by 2030 and carbon neutrality target by 2045.

First and foremost, we believe the Program should be extended through at least 2045 with caps declining to net-zero emissions. The ambiguity over whether the Program extends beyond 2030 is impacting the carbon market today. Extension would strengthen the carbon market, which in turn would bolster revenue to California’s Climate Investments program and provide the certainty project developers like Anew and the landowners we work with need to continue registering new carbon offset projects. According to the Independent Emissions Market Advisory Committee, once “investors know a carbon price will exist they can evaluate low-carbon technologies [however] the market will not effectively drive investor behavior if the market’s future is uncertain”.ⁱ Recent legal analysis by IETAⁱⁱ suggests a strong case for CARB’s authority to extend the program beyond 2030 through regulation, and Anew believes that CARB should exercise its regulatory authority absent legislative action.

In addition, the Program should continue to incentivize high-quality carbon offsets and removals to progress toward the 2045 carbon neutrality goal. Compliance offsets are important and beneficial to the overall goals of the state, and we are supportive of ongoing updates to elements of the offset program as well.

While the Workshop only briefly touched on the continued role of offsets, Anew supports planned scientific-based updates to the robust compliance offset protocols in place today. While we are disappointed the timing of potential updates to the Forestry Protocol will likely “trail” the upcoming rulemaking due to state contracting timelines, we support CARB incorporating the results of the contracted assessment on forest wildfire and disease risks into these updates. We also support any efforts to update other offset protocols, including for livestock projects and projects around ozone-depleting substances, as well as considering new protocols and project types, and are happy to assist with any updates. We welcome discussions related to implementation streamlining and improvement as well.

Anew appreciates CARB’s efforts to maintain the rigor and high level of integrity of the Program and achieve California’s ambitious climate goals. We appreciate the opportunity to provide comments today and look forward to offering further support to CARB in the coming months.

Should you have any questions pertaining to Anew and our statements here, please do not hesitate to reach out. Any correspondence can be directed to Teresa Lang, Senior Director of Advisory and Policy (tlang@anewclimate.com).

ⁱ Independent Emissions Market Advisory Committee. 2022 Annual Report.

ⁱⁱ IETA. 2022. Legal Memorandum on California Cap-and-Trade Program Beyond 2030. Submitted to the Independent Emissions Market Advisory Committee. Link available [here](#).