



Important Process Information Regarding the California Air Resources Board Compliance Offset Investigation of Livestock Methane Destruction Project

Issued November 10, 2022

The California Air Resources Board (CARB) has initiated an investigation into whether compliance offset credits issued for livestock methane destruction events that took place at the Central Sands Dairy, LLC in Nekoosa, Wisconsin may have been generated while the facility was not in compliance with the State of Wisconsin’s Pollutant Discharge Elimination System (WPDES) permit requirements. CARB has contacted the parties affected by this investigation to give them the opportunity to provide additional information that will allow CARB to make a final determination as to whether the compliance offset credits should be invalidated.

The table provides issuance details of the offset credits under investigation.

ARB Project ID # by Reporting Period	Reporting Period Start Date	Reporting Period End Date	Vintage Year	ARB Offset Credits Issued	Date of ARB Issuance	Invalidation Timeframe	Start of Invalidation Timeframe
CALS5123-E	4/1/2020	3/31/2021	2021	13,040	2/22/2022	8 years	3/31/2021

CARB notified all parties affected by this investigation on November 10, 2022. All affected parties have 25 calendar days from that date to provide additional information to assist CARB in the investigation. CARB may also request any additional information that may aid in the investigation. CARB’s Executive Officer has 30 calendar days from the day that all the information is received to make a final determination whether to invalidate any compliance offset credits under investigation. The release of the final determination will be noticed in advance to ensure all market participants receive the information simultaneously.

All offset credits subject to invalidation are in CARB’s Issuance Account and do need to be suspended or blocked from transfer pursuant to section 95985 of the Cap-and-Trade Regulation. Once CARB makes the final determination publicly available, CARB will allow trade to resume for offset credits that are determined to be valid.

Additional Information

Additional information about this investigation can be found in this FAQ:

https://ww2.arb.ca.gov/sites/default/files/2022-11/nc-central_sands_dairy_offset_investigation_faq_1.pdf

If you have questions or comments, contact Amy Ng, Manager of the Market Monitoring Section, at 279-208-7171 or via email at amy.ng@arb.ca.gov.