



Frequently Asked Questions on AB 1757

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Question: What is AB 1757?

Answer: AB 1757 (C. Garcia, Stats. 2022, ch. 341) is a bill signed into law in 2022 and goes into effect January 1, 2023. It calls for the Natural Resources Agency, in collaboration with specified entities including CARB and an expert advisory committee, to determine on or before January 1, 2024, an ambitious range of targets for natural carbon sequestration, and for nature-based climate solutions, that reduce greenhouse gas emissions for 2030, 2038, and 2045 to support State goals to achieve carbon neutrality and foster climate adaptation and resilience. The bill would require these targets to be integrated into the AB 32 Climate Change Scoping Plan and other State policies.

Question: What economic sectors does AB 1757 apply to?

Answer: AB 1757 only applies to the natural and working lands sector.

Question: What are paragraphs (b)(3)(A) and (B) of Health and Safety Code section 38561.5?

Answer: The exact paragraphs are:

(3) (A) The state board shall ensure that all emissions reductions from projects and actions developed to achieve the targets established pursuant to paragraph (1) shall be accounted for in a manner that does not result in double counting of emissions reductions.

(B) Notwithstanding any other law, emissions reduction projects and actions that receive state funding are not eligible to generate credits under any market-based compliance mechanism.

Question: What is the intention of subpart (3)(A)?

Answer: Subpart(3)(A) is intended to ensure that any reductions achieved from projects and actions specifically identified to meet the NWL targets are not double counted in the tracking towards the State's climate targets. Progress toward meeting the natural and working lands targets will be tracked based on a top-down approach established by CARB, so the effects of any land-based actions, whether offset projects or other types of projects, are captured over time. Because of this, there will be no double counting.

Question: What is the intention of subpart (3)(B)?

Answer: The State's market-based compliance mechanism is the Cap-and-Trade Program. This provision is intended to ensure that there is no "double payment" for stored carbon or

avoided emissions from NWL projects or actions that are identified to help achieve the State's NWL targets under this legislation. That means any project or action on NWL can either get financial recognition for stored carbon or avoided emissions as an offset project completed under a CARB approved compliance offset protocol or receive other State funding with the primary purpose being to help the State achieve its climate targets developed pursuant to AB 1757.

Question: What does (3)(B) mean for State funding such as sustainable forest management practices or conservation easements?

Answer: A project receiving compliance offset credits in the Cap-and-Trade Program can still receive State funding for actions that do not have as their primary purpose climate mitigation and increases in quantified stored carbon or avoided GHG emissions.

Question: Does section 38561.5(b)(3)(A) and (B) apply retroactively?

Answer: AB 1757 becomes effective after December 31, 2022. A double-counting prohibition generally has always applied to all projects to ensure environmental integrity in the State's accounting towards achieving its climate targets. In that sense, section 38561.5(b)(3)(A) does not introduce anything new or different. CARB will not double count emission reductions that result from NWL actions and projects in the tracking of progress towards NWL targets. Section 38561.5 (b)(3)(B) applies to compliance offset projects after December 31, 2022. If a project listed after December 31, 2022 receives State funding specifically for actions for increases in quantified stored carbon or avoided GHG emissions after December 31, 2022, compliance credits will not be issued for that quantified stored carbon or avoided GHG emissions.

Question: How will CARB implement section 38561.5(b)(3)(B)?

Answer: CARB will work with the offset project registries and third-party verifiers to ensure that after December 31, 2022, projects, are in compliance with section 38561.5(b)(3)(B) prior to the issuance of ARB offset credits under the project.