

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

Issued June 5, 2020

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 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 below provides issuance details of the offsets 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-D	4/1/2017	3/31/2018	2018	15,002	10/23/2018	8 years	3/31/2018

CARB notified all parties affected by this investigation on June 5, 2020. 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 ahead of time to ensure all market participants receive the information simultaneously.

CARB has suspended trading of the compliance offsets currently under investigation. Some of the offset credits under investigation were previously used for compliance and are located in the Retirement Account. Once CARB makes the final determination publicly available, CARB will allow trade to resume for offsets determined to be valid.

Additional Information

Additional information about this investigation can be found in this FAQ: https://ww3.arb.ca.gov/cc/capandtrade/offsets/central_sands_dairy_offset_investigation_faq.pdf

If you have questions or comments, contact Amy Ng, Manager, Climate Change Market Monitoring Section at (916) 445-3865 or via email at Amy.Ng@arb.ca.gov.