

May 8, 2024

Mark Sippola, Chief  
Cap-and-Trade Program  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

**Subject: Comments on Potential Cap-and-Trade Program Amendments**

Dear Mr. Sippola:

Having served as a CARB-approved Offset Project Registry for the Compliance Offset Program for the last twelve years, ACR has significant experience with the CARB Compliance Offset Protocols and Cap-and-Trade Regulation and appreciate the opportunity to provide comments on the initial concepts presented by CARB during the April 23, 2024 workshop. These comments are organized thematically below. We look forward to continuing to partner with your branch throughout the regulatory amendment process.

Sincerely,



Jessica Bede  
ACR Managing Director

### **Cap-and-Trade Regulation (General)**

ACR supports an update to 95975(j) to tie the Crediting Period renewal window to a fixed date and may provide further comments after seeing the specific updates proposed. ACR anticipates that, by eliminating the variable renewal window, previous CARB guidance to Offset Project Registries (OPRs) to not approve listing submissions for a Renewed Crediting Period and not move the project to "Proposed Renewal" until offset verification services are complete and ARB Offset Credits have been issued for the final Reporting Period of an Initial Crediting Period would be rescinded and that 95975(g) and 95975(k) would apply to Renewed Crediting Periods. ACR supports this approach as it provides the Offset Project Operator (OPO)/Authorized Project Designee (APD) with certainty prior to the start of the Renewed Crediting Period. ACR also requests additional related regulatory amendments as follows:

1. Define Renewed Crediting Period.
2. Update section 95975 so that the review requirements consistently reference completeness and accuracy. See potential inconsistencies in (f), (g), (l), (k).
3. Change "...has reviewed the offset project listing information for completeness..." in 95975(i) and 95975(k) to "...has reviewed the offset project listing information and determined it to be complete and accurate..." for clarity and consistency.
4. Clarify in the Regulation, protocols, or listing forms whether, for a Renewed Crediting Period, the "First Reporting Period Start Date" and "First Reporting Period End Date" reported in the listing form should reference the Reporting Period dates for the initial or renewed Crediting Period.

ACR supports an update to 95977.1(b)(3)(R)(6) to codify existing guidance on the Offset Project Data Report (OPDR) petition process and suggests that the updated language make clear that OPRs do not have a role in the petition process to resolve a disagreement between the OPO/APD and VB other than consulting with CARB at their request and receiving notification of CARB's determination as to the verifiability of the submitted OPDR.

ACR generally supports clarifying the role of OPRs in project reviews when credits are not issued. Specific to the proposed update to require OPRs to notify CARB of any missed deadlines for active projects, we suggest that this be limited to missed deadlines related to OPDR and Offset Verification Statement (OVS) submission deadlines.

### **Cap-and-Trade Regulation (Forestry Protocol)**

ACR generally supports adding and clarifying definitions. While presented in the context of forestry projects, some terms for which CARB is considering adding definitions appear to have wider application to other project types (e.g., correctable error, and conservative) and we encourage CARB to present definitions in a sufficiently general way to ensure they are fit for purpose with their use in the Regulation.

To the extent that CARB introduces new provisions relevant to forest offset project land transfers, ACR encourages CARB to be explicit about what information needs to be made public or kept confidential

and, to minimize the risk of disclosure of sensitive information, avoid circumstances where those classes of information are presented together in a single document requiring redaction. We also encourage CARB to consider and align with data privacy rules in California and other jurisdictions when establishing the requirements so that the Regulation does not require an OPR to host information in a way that would be in conflict with applicable law.

### **ODS Protocol**

ACR supports the expansion of the list of ODS refrigerants that are eligible for destruction to include additional CFCs and HCFCs, which are banned from production and import into the United States.

ACR supports the initial concepts of updating parameters for refrigerants and foams in Appendix B and may advise further after seeing the specific updates proposed.

ACR supports the initial concept to revisit the point-of-origin determination threshold and, based on our understanding of the original intent of this language, advise that any such revisions apply to refrigerants that are prohibited from being manufactured and imported.

We welcome incorporation of the foam handling procedures from ACR's ODS Methodology v2.0. CARB staff also referred to ACR's ODS Methodology during the workshop when discussing the baseline update concept. ACR can provide additional context on the sources consulted and findings related to the updates that we implemented as you consider incorporating other updates included in our ODS Methodology.

### **Mine Methane Capture Protocol**

ACR supports the initial concepts for potential updates to the Mine Methane Capture Protocol presented at the workshop and can advise further to suggest specific text edits based on our experience with implementation to date.

### **Livestock Protocol**

ACR supports the initial concepts for potential updates to the Livestock Protocol presented at the workshop and can advise further to suggest specific text edits based on our experience with implementation to date.

### **General to All Compliance Offset Protocols**

ACR recommends incorporating clarifying content from CARB's protocol-specific FAQs into the applicable protocol text.