

July 10, 2020

Gavin McCabe  
Chair  
Compliance Offset Task Force  
California Air Resources Board (CARB)  
OffsetTaskForce@arb.ca.gov

**Re: Comments regarding suggested changes to CARB's Compliance Offset Protocol for U.S. Forest Projects**

Dear Chair McCabe and Compliance Offset Task Force Members,

The California Forest Carbon Coalition (CFCC) appreciates the opportunity to recommend potential improvements to CARB's U.S. Forest Projects Protocol (Forest Protocol). We applaud your work to improve the existing Forest Protocol as well as your consideration of new offset project types that would expand California's offset program.

As you know, the Forest Protocol was first approved in November 2014 and was last updated in June 2015. The Forest Protocol was developed by CARB using conservative principles and rigorous science to ensure projects provide additional greenhouse gas reductions in sectors not covered by California's Cap & Trade program. Since then, forest offset projects across the program have reduced over 180 MMT CO<sub>2</sub>e.

The CFCC represents a diverse array of California forest landowners, including Native American tribes, conservation groups and industrial timberland managers. Together, these groups have committed thousands of working hours developing and managing projects representing nearly 20 MMT of sequestered CO<sub>2</sub>e over more than 900,000 acres of California and California-adjacent land. Based on these efforts, the CFCC has outlined a list of potential improvements to the existing Forest Protocol, which will provide increased accuracy and accessibility without jeopardizing the protocol's environmental integrity. They are outlined below.

1. **Develop more reasonable and transparent invalidation guidance:** The Forest Protocol's current invalidation language is inconsistent, causing unnecessary risk of invalidation based on interpretation rather than negligence. To encourage California forest offset project development and level the playing field with jurisdictions with less extensive timber harvest regulations compared to California, CARB should clarify its guidance on EHS violations. CARB should limit offset invalidation to infractions that occur *on the project site*, have an *environmental impact* and, in such cases, apply a remedy that is *proportional to the violation's direct effect on carbon stocks* and sufficient to ensure the project's compliance with environmental regulations.

2. Improve how sequential sampling test plots are conducted: Sequential sampling, in which the verifier aims to confirm agreement with project operator measurements, is intended to be efficient. However, sequential sampling is one of the most uncertain and costly components of a verification (sometimes comprising half or more of total verification costs). There is no fixed sample size; instead stopping rules indicate either agreement or potential bias. Despite this, the CARB Protocol verification method for “paired” and “unpaired” sequential sampling tests is not consistent with leading references on sequential sampling methodology<sup>1</sup>. Furthermore, it drastically increases the burden of proof for a project that is subject to verification.
3. Allow for project area changes: The Forest Protocol does not allow forest area to be added or subtracted from a project once the project is registered. However, over the course of a 100+ year project life, situations are inevitably going to arise that require either 1) splitting up land and removing it from a carbon project without terminating the entire project, or 2) adding area to a carbon project, either from another existing carbon project, or from nearby parcels (e.g. through land acquisition, mergers, etc.). The protocol should be amended to allow for sensible addition and subtraction of land to carbon projects.
4. Reduce offset verification costs to allow broader participation in the program: Verification costs continue to be prohibitive for many offset projects. Streamlining and reducing verification costs without sacrificing offset integrity is a high priority to reduce barriers to entry and encourage greater participation in the program from a wider variety of forest landowners. It is also important for reducing the long-term burden of maintaining carbon offset projects over 100+ years.
5. Improve how Reforestation baseline calculations are developed: The protocol currently does a poor job of allowing reforestation projects flexibility in their baseline calculations. The baseline calculation for reforestation projects needs to be standardized; the standardization should reflect the ecological succession that would occur with and without active reforestation. One method would be to develop criteria for establishing a baseline carbon stock condition for forestland that has experienced fire and is not intentionally reforested.

California’s offset program is the only one of its kind that is encouraging investment in rural and working landscapes at scale. It has the potential to deliver even greater environmental benefits through expansion and improvement going forward. We look forward to working with the Task Force and CARB to build on this groundbreaking program that is a model for the rest of the country and the world.

Again, thank you again for the opportunity to provide you with our recommendations on this vitally important issue. Please contact Tony Brunello, the CFCC Director, at [tbrunello@calstrat.com](mailto:tbrunello@calstrat.com) if there are questions concerning our list of recommendations.

Sincerely,

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<sup>1</sup> Nitish Mukhopadhyay and Basil M. DeSilva, CRC Press, 2008, pp. 63-66

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