

Compliance Offsets Protocol Task Force Meeting #2

MEETING SUMMARY

November 13th, 2020

Virtual Meeting

Welcome, Establishment of Quorum, and Agenda Review

Gavin McCabe, Chair, opened the second meeting of the California Air Resources Board (CARB) Compliance Offsets Protocol Task Force (Task Force). Mr. McCabe thanked everyone for their participation and hard work. When these meetings were first planned there were only two scheduled, but it was decided at the first meeting to have an additional meeting. This is the second of three planned meetings. The Task Force members worked in their subgroups but were unable to have a discussion as a group due to open meeting rules. This meeting is an opportunity for that group discussion. Mr. McCabe acknowledged that there were public comments regarding some of the subgroup products going beyond the scope of the Task Force charge. These initial reports were only draft thoughts of each of the subgroups and the Task Force will strive to stay within its scope and follow all applicable rules. In this meeting today, Task Force members will be able to discuss for the first time the initial subgroup reports. There will also be time to hear more input from members of the public. The goal of the meeting today is to reach a consensus direction on the report.

Clarifying Question from the Task Force

Question: What is the timeline for completing our report?

Answer: We are still hopeful of achieving the March 2nd deadline.

Paul Cheng of CARB called the roll to establish quorum. With Task Force member Timothy Hayden arriving just after the roll call, all members were present. For a list of Task Force members and the meeting's presentation slides, please refer to the [Task Force webpage](#).

The Task Force can be contacted via its email address at OffsetTaskForce@arb.ca.gov.

Bagley-Keene Open Meeting Act and Public Records Act

Nick Rabinowitsh from CARB's Legal Office gave a brief overview of Bagley-Keene Open Meeting Act requirements designed to ensure that the Task Force deliberates in public, except for allowed informal subgroups. He reviewed Task Force documents, which are available for public review on the [Task Force webpage](#).

Mr. McCabe reviewed the mandate of the Task Force to provide guidance on new offset protocols, as specified by AB 398 and AB 293. He reemphasized the limited scope of the Task Force to advise CARB on identifying potential new compliance offset protocols, not to review the Cap-and-Trade Program.

Clarifying Questions from the Task Force

Q: Some public commenters suggested Task Force Members should disclose their financial interest in offsets or offset projects. Can CARB provide guidance?

A: CARB is not aware of any legal requirement for Task Force members disclose any interests in offsets. The Legislature contemplated having various stakeholders with interest in the process, from all sides involved. Accordingly, the Task Force includes members recruited from industry, environmental, environmental justice, science, and other perspectives. Task Force members are not required to follow State disclosure and conflict of interest rules governing State employees or consultants. They are members of an independent advisory group, not a decision-making body, or CARB employees, or consultants involved in decision-making. The Task Force members could disclose any information if they chose.

Task Force Discussion: Conflicts of Interest and Interests

The Task Force had an extensive discussion on whether there might be value in conveying some information about individual Task Force member interests, financial and/or otherwise. The Task Force discussed CARB developing content for the report's executive summary that describes how the group was established as a multi-stakeholder advisory body, and how members were selected; and also discussed developing a simple per-member discussion of interests for the report's appendix. There were differing opinions on whether to include financial information and if so, how to develop or frame it, or whether instead to refer to information online. The Task Force returned to this topic later in the meeting, but for the purpose of organizing the meeting summary, all comments related to this topic are included in this section of the summary.

During discussion, Task Force members made the following points:

- Task Force member affiliations are listed, so it may be evident if members' jobs might involve offsets.
- There is an issue about the balance of Task Force membership, as a majority work with offset project developers. Commenters are concerned that that has weighted the recommendations in the direction of increased openness to protocols. The commenters talk about financial interests in promoting offsets.
- Concerns are about the Task Force's process moving forward to finalize the report and how it will reflect consensus of diverse perspectives or dissenting views. The Task Force should state outright what interests are and how that has guided how we come to a recommendation.
- There is a delicate balance between self-interest and expertise. We are a diverse group of people with deep knowledge in certain areas, who have developed a lot of projects, worked in a detailed way on protocols, and thus give us some richness of what is possible and what the challenges are. If someone was completely disconnected from that process, they might not know where all of the challenges are.
- Multiple members echoed CARB staff's point that the group is an advisory body, not a decision-making body, designed to include a range of stakeholders with interests. The Legislature set this up to have representatives of different interest

groups. CARB may not act on Task Force recommendations, but if they do, they would hold a full process including workshops and an ISOR.

- In the forestry subgroup, members were not able to reach consensus on all recommendations discussed, and identified several where no consensus could be achieved, but we were transparent and included those recommendations in the report.
- Not all subgroups had a full range of views, as two subgroups did not have full participation from all members.
- It was proposed that members develop one-paragraph explanations of their affiliations, perspectives and interests, including what their organization does and what their position entails, to help the public understand where each member is coming from.
- Members said they had no problem sharing information, as they submitted large volumes of background during the application process, and information on their work is on LinkedIn.
- I would push back on conflict of interest – I don't believe it is possible to have a conflict of interest in this setting. We were specifically invited because we have an interest in this issue. I would be careful about using the conflict of interest phrasing, but I am more than happy to disclose anything about it.
- I am bristling a little at the idea that this is a conflict of interest. People are experts in certain areas and are asked to serve.
- This document is very technical. We need to keep in mind who the audience is. Include in the executive summary how we were appointed, what the process was, in the introduction to set the context.
- I want to be clear: conflict of interest is a shorthand, not meant to cast aspersions or imply ulterior motives. In all my interactions with the Task Force, that was not the dynamic I have seen, they have all been very open conversations, very open to the outside.
- I appreciate that clarity, saying this is "what is your financial interest." Some would literally get paid to be an offset project developer or a verifier of a protocol. I represent industries – it is a benefit to industries in agriculture to have additional offsets available to them. I don't directly financially benefit, but you could say I benefit. You could say someone has a financial interest who is being paid to oppose offsets.
- I confess I was one of those not able to participate by virtue of time, the pandemic, and working from home, and I severely underestimated the time commitment involved. Part of the financial interest is one piece; another is simply that I am not getting paid to attend; I am doing this on volunteer time. Those of us who are being paid for this are getting financial support for this. If CARB wanted a balanced multi-stakeholder group that includes all the perspectives, it has to include funding. Right now it is a self-selection process as far as who can actually participate. It would be useful to identify it at an individual level, as simply as others have suggested – and that we have some framing language, this is people representing sectors, primarily financial interests. The environmental justice community does not have an interest in participating as a

developer or recipient of offset protocols. Their interest is in the programmatic aspects of this.

- I brought this issue up because several commenters raised it, and I thought it would be helpful for us to grapple with it. I don't want to wave away the concern. If there is a perception of lack of transparency, if a person doesn't understand what an affiliation means, it would be helpful to provide clarification.
- The most important thing is for readers of the report and the interested public to know how we were selected, how it fits with the statute and who we are. We don't need to get extensively into the financial information. I am being paid to be here because I am an employee of an organization that represents a carbon project for somebody else. It is not the same money that enables me to participate in this. How it represents the conservation community, people can draw their own conclusions. When I read the comments, I thought maybe people don't know how this group was selected.
- A simple paragraph, for example, this organization has a financial interest in offset project development, etc. For some people, their organization does not have such an interest, so they could be silent. Or say I have no financial interests. Or potential or actual interest.
- I am happy to share my affiliations in this document but I think going beyond that isn't necessary from my perspective or contributing to those recommendations.

The Task Force agreed to the following approach:

- CARB will include in the executive summary a discussion on how the Legislature and CARB recruited Task Force members and how they envisioned interests being represented.
- A further discussion in an appendix; CARB will develop a template or set of questions for each Task Force member to develop simple (possibly one paragraph) write-up on their interests and why they are involved in the Task Force and with this issue.

Initial Draft Recommendations Report Format

Paul Cheng of CARB introduced the Initial Draft Recommendations report, noting it is available on the [Task Force webpage](#).

Mr. Cheng proposed that the final report include an executive summary listing Task Force recommendations, and that appendices be included in the back of the report, rather than at the end of each relevant chapter.

He also presented two proposals for formatting the final report. While CARB had provided a simple template to guide the subgroups in organizing their work, each of the subgroups developed its chapter independently from the others, in differing formats that reflected the members' thinking and approach to content. Therefore, the Task Force needed to determine which of two potential approaches to take to refining chapters into the final report:

- Proposal 1: Keep the report as is as far as the unique framing of each chapter.

- Proposal 2: Reformat the initial draft report to have more consistency across chapters.

Task Force members reiterated that they had developed their respective chapters independently, and were first able to see other chapters at the same time as the public was. Task Force members discussed how various subgroups reached decisions on how to organize their work. Chairs of two subgroups shared that their subgroups had felt the need to diverge from the template based on the needs of their content, and had communicated with CARB staff before taking that step. As an example, the Forestry Chapter 3 considered revisions to an existing protocol, and so was able to take a more granular approach.

During discussion, Task Force members preferred a blend of the two formatting proposals listed above: there should be increased consistency across chapters, but not standardization. CARB staff urged the Task Force to provide them with more direction rather than less to ensure the document is reflective of the Task Force's efforts and desires.

Decision: Report Format

- The final report will include an executive summary.
 - CARB will prepare and publish a template for the executive summary.
 - CARB will share its draft discussion of each chapter with chairs of each subgroup for review.
 - The executive summary will include:
 - AB 398 and AB 293 mandate
 - Task Force member solicitation and selection process
 - Overview of Task Force process
 - Summary of recommendations; indicating that the recommendations within the report do not represent an endorsement by any individual Task Force member
 - CARB process for proceeding with any new protocols or modifications to existing protocols
 - Reference to an appendix listing Task Force members with an optional description on affiliation and statement on financial interest
- The final report will place appendices at the report's end.
- References will be placed at the end of chapter in which they are used.
- CARB should seek to achieve some consistency across chapters, such as consistent terminology and section headings.
- CARB was asked to produce a list of consistency changes made for the Task Force to review.
- Each chapter will start with a summary at-a-glance table or section with relevant information such as project type and statistics such as estimated emissions from the source, potential reduction from the product type, trade-offs, etc. Subgroup chairs, who comprise less than a quorum, can coordinate to create an outline for

this section, but to comply with open meeting rules, they can only coordinate on structure, not on substance.

Proposed Schedule

Mr. Cheng reviewed a proposed schedule for completing the Task Force's work:

- Revisions to CARB: early January
- Begin 15-day public comment: late January
- End 15-day public comment: early February
- Final meeting: mid-February
- Final report due: early March.

The Task Force is required to complete its work within one year of its first meeting on March 2, 2020.

In discussion, Task Force members expressed concern that the timeline would not give them sufficient time to meet and discuss public comments, and potential changes to the report based on public input, prior to the final meeting. CARB staff agreed that the final meeting could be held in early March, to give the Task Force members more time to digest public comments; Task Force members could then direct CARB during the final meeting to make any changes. CARB administrative duties could be done after the March 2, 2021, deadline, if helpful.

Some Task Force members expressed disappointment that there were not more public comments, and a higher level of detail in the comments, and guessed that current circumstances have lowered participation. They encouraged members of the public to provide feedback moving forward. There was not the level of review from academics and other parties that was hoped for. One subgroup attempted a large degree of outreach and found it was difficult to get comment on their work. In an effort to receive more feedback from experts and academics, Task Force members inquired into the possibility of holding informal public webinars. CARB legal staff said such webinars would meet open meeting rules, as long as the number of attending Task Force members was less than a quorum, and that no CARB resources are used for the webinars. CARB staff also invited the public to contact them at the Task Force email address if they would like to reach a member of the Task Force, and the staff can facilitate that.

Decision: Meeting #3 Timing

It was agreed that CARB will schedule Meeting #3 for March 1st or 2nd, 2021, in order to allow sufficient time for subgroups to meet to discuss and integrate February 2021 public comments.

Chapter 1: Analysis and Recommendations on Overarching/Programmatic Considerations

Emily Warms, Chair of the Overarching/Programmatic subgroup, described the group as focused on crosscutting issues. They looked to develop an introductory section with general background on offsets, a summary of the offset market to date, and crosscutting recommendations on the offset market, tribal and disadvantaged communities and prioritization of new protocols and amendments (see [Meeting Presentation slides](#) for a summary of recommendations). Ms. Warms responded to a written public comment raising the question of whether this section was an independent review of the Carbon Offsets Program; she clarified that the chapter only represents the viewpoints of its members and should not be construed as an independent formal review that assesses the program. Ms. Warms expressed, on behalf of the subgroup, a willingness to make edits to make that more clear.

Task Force Discussion: Overarching/Programmatic Considerations

During discussion, points raised by Task Force members included:

- Reaffirmation that there was no intent by the subgroup to be promotional, but rather to be informative and give a setting of supply and demand of offsets with the intent to help CARB as they consider new protocols.
- The chapter was very well written.
- The chapter describes farms of less than 1,000 acres as small. However, that would be quite large; the average size of most family farms is 500 acres or less.
- Support removing retrospective language that appears to analyze the existing program and could be taken out of context.
- It was stated that there are more offsets in the system than can be used. There was interest in tackling the issue of no demand for offsets – by exploring ways to increase demand by suggesting lowering the cap or reducing allowances offered.
- The Task Force can endorse and incorporate Environmental Justice Advisory Committee 2017 recommendations by referral rather than going into specifics. It is important to clarify that the Task Force is not evaluating or analyzing those recommendations or CARB's response to them.
- A suggestion that the discussion of disadvantaged communities and tribal groups be included in the overarching and programmatic part of the report. Other chapters could retain some elements of the topic as needed while reducing redundancy.
- The discussion on the status of the program is helpful for orienting readers; perhaps it could be placed in the introduction, framed as factual rather than promotional or analytical.

Public Comments

Tony Brunello, California Forest Carbon Coalition

- Forest offsets are really key in economically depressed areas across California. Over 50% of offsets in ownership now are on tribal lands as well as non-profit conservation groups. We need to look at improvements in the exceptionally rigorous rules and we encourage CARB to open up the forest carbon offsets

protocol to make changes. We strongly encourage greater inclusion of tribes and disadvantaged communities. There needs to be some revisions, for example, the discussion about reforestation projects involving clearing land and planting seeds. Regarding some of the public comments, we respect the integrity of the members of this group.

Neena Mohan, California Environmental Justice Alliance

- Trying to expand the offsets program will continue to harm EJ communities and circumvent investment in direct emissions reductions. Expansion should be done only after genuine and independent quality assessment of existing offsets – because that hasn't been done, there are false assumptions in the recommendations. The Task Force does not represent the diversity of California or communities most impacted by climate change. Some members stand to financially benefit from increased offsets, causing a fundamental bias. I call on CARB to suspend the offsets program and first start with an independent program analysis, including its ability to reduce greenhouse gases and impacts to communities.

Danny Cullenward, CarbonPlan

- I ask the Task Force to be clear, to say in the report that it is not doing a retrospective evaluation of the offsets program, and to disclose clearly which Task Force members are directly involved in offsets or through employers and thus have a financial interest. It is not important where those financial disclosures are included but that they are clearly included.

Christie Pollet-Young, SES Global Services

- We want to assure that streamlining the process does not affect our ability to perform high-quality verification. We have training and accreditation costs and technical requirements. Regarding the reduction in the invalidation period from 8 to 3 years, the current system is working well and if it ain't broke, don't fix it. If you reduce the period, it should match a full verification. People need to be aware of any changes and incorporate them. Current trends may not continue and there may be more disagreement in carbon stock values. We would like to make sure there is the need to have full verification if there is change of ownership or management. We have seen a decline in quality of verification in other programs and don't want to see a similar trend in this program.

Matt Lithgow, Carbon Pulse

- Q: 1. Would a reduction in the invalidation period from 8 to 3 years be retroactive? 2. Regarding the recommendation about entities being able to trade their unused offset quota, would that be on an absolute or percentage basis?
- A: The subgroup has not discussed those issues, but will take them into consideration.

Barbara Haya, UC Berkeley

- Seconding Danny Cullenward's comments. Thank the Task Force for its work and appreciate members' expertise. Disclosing financial conflict of interest is standard practice in academic publications and does not discredit conclusions, it just puts that interest up front; I would strongly recommend those be disclosed. I strongly suggest taking out the statements judging the quality of the offsets in the program, as doing so is an involved analysis. I would recommend removing wording describing the offsets program as "small" as the offsets program is a substantial proportion of the reductions required under the Cap-and -Trade Program.

Kevin Townsend, Bluesource

- I support the recommendations that would allow smaller emitters to join the program.

Continued Task Force Discussion: Overarching/Programmatic Considerations

The Task Force discussed how to handle direct environmental benefits to California (DEBs) and ways to address concerns raised by environmental justice groups. The Task Force spent some time gaining better understanding of those concerns and potential ways to address them. Key points made during that discussion include:

- To be responsive to public comments, we should recommend a way of comparing or assessing benefit or impact in those communities where emissions occur, to show that we are not just moving reductions and associated reductions in co-pollutants from the disadvantaged communities and the highly polluted areas to the places where these projects are. That DEBs be refined or restricted to include qualification, quantification, or analysis any time a new protocol is brought forward.
- This screening approach could use geographic criteria or air basin criteria to analyze how the dispersed reductions provided by the offset might compare to the more site-specific emissions being offset. Or an offset could be given a limited geographic tag so it can only be used by a covered entity within a certain radius, or if it has similar co-benefits.
- The Task Force can look at the 2017 recommendations of CARB's Environmental Justice Advisory Committee. The overriding priority for EJ communities is that offsets not interfere with the greenhouse gas and co-pollutant reductions that are to be expected from the cap and trade program overall in those communities. One of the proposals, for example, was to ensure that offsets be used within a limited geographic area so that we do not have DEBs in one part of the state that are being used to compensate for pollution in another part of the state.
- A lack of allowances might otherwise force an emitter to reduce its emissions, or not increase emissions.
- The bigger issue is that the communities thought they were promised they would see reductions in the pollutants and co-pollutants in their areas as a result of cap and trade. Are they seeing the full benefits they could be and that they feel they were promised? What is the justification for taking away co-pollutants and

putting it into DEBs elsewhere? I think the acceptance of any new proposals is going to be dependent on us adequately responding to that question.

- The approach could be an analysis that determines that a particular protocol would not exacerbate the local disparity, or a comparison of potential offsets: would there be some protocols that would tend to “offshore” the pollutants more so than others?
- Those credits will be banked into a registry, and we have no idea who is going to buy or use those credits – how you can evaluate a project based on where the credits might be used?
- Fenceline communities are exposed to very high levels of co-pollutants, and a whole set of toxic compounds that tend to be emitted along with those co-pollutants. Those communities are expecting under a declining cap that those sources are going to be reduced. When we introduce new offsets into the system, we weaken the price signal that forces those reductions. So we are more likely to see a reduction in forestry activities than see those major polluters reduce emissions. That is where the rub is. It is a challenge to the offset program: can we do offsets in a way that does not limit the beneficial impacts of a declining cap?
- To reduce greenhouse gas emissions, a refinery might have to change the way it emits or control its emissions in a way that would also reduce co-pollutants. We are being asked to take into consideration whether a protocol would lead to the failure to reduce co-pollutants.
- It was noted that part of the reason California chose a cap-and-trade system is because it caps total emissions, versus a carbon tax, in which an emitter can emit as much GHG as it is willing to pay for.

The Subgroup, with the help of its environmental and environmental justice members, agreed to develop a recommendation based on the discussion and include a discussion of the range of views within the Task Force.

Chapter 2: Analysis and Recommendations on Blue Carbon and Wetlands

Timothy Hayden, Chair of the Blue Carbon/Wetlands subgroup, introduced the subgroup’s work. The subgroup undertook research and outreach, and reached out to the American Carbon Registry, Verra, and the Climate Action Reserve and found that there was not a standardized methodology that could be broadly applied across California. He noted that the methodologies seem to be per wetland type (i.e. mangrove, tidal marsh, etc.), and one stood out for California, the Restoration of California Deltaic and Coastal Wetlands Methodology. (see [Meeting Presentation slides](#) for a summary of recommendations).

Task Force Discussion: Blue Carbon and Wetlands

During discussion, points raised by Task Force members included:

- The reason the group focused on the Delta methodology was the tremendous volume of emissions from the Delta, from oxidation of peat lands. It also has

high DEBs and EJ benefits, and environmental co-benefits for sea level rise protection and habitat.

- I am skeptical of the carbon calculations involved; there is much debate among scientists around soil carbon cycling and storage rates and the science is evolving very quickly. It would not be a good idea to develop a protocol in an area with so much scientific uncertainty, as there is a danger of overcrediting. I would suggest scientific review as the next step rather than a stakeholder group.
- In the overall report, how will we address that not all of us have expertise in all topic areas? There was a request that the report list which Task Force member suggested which protocol.
- Because this is a huge emissions area, it deserves more investigation, as the subgroup is recommending. A stakeholder process could include scientific engagement.
- When we look at all the recommendations, do we want to consider whether some are higher priority for CARB to consider than others?

Public Comment

Jon Costantino, VERA

- Offsets are developed in a conservative manner and in general have a 2:1 or 3:1 ratio.

Chapter 3: Analysis and Recommendations on Forestry

Subgroup chair David Ford thanked subgroup members and the many members of the public who submitted comments. The group spent significant time discussing a potential wildfire protocol but was not able to reach consensus (see [Meeting Presentation slides](#) for a summary of recommendations). Mr. Ford recommended that aggregation and invalidation sections be moved to the Overarching/Programmatic chapter while recommendations more specific to forestry stay in this chapter.

Task Force Discussion: Forestry

During discussion, points raised by Task Force members included:

- Almost all of the proposals go to benefitting smaller entities, disadvantaged communities and tribes. The subgroup focused on unintended consequences of the protocol and cutting red tape that leads to disincentivizing the program.
- The subgroup did not review or assess the existing protocol; these were standalone proposals that were considered to be positive and it was not concluded that they would make the protocol better overall. A review of the program is critical before moving forward. The subgroup will want to think through how to respond to public comments.
- Four items in this chapter could go into the overarching section:
 - Aggregation
 - Regular guidance on verification;
 - Reduction in invalidation from 8 to 3 years
 - Verifying projects of less than 10,000 tons over a longer period of time.

- Whether as a protocol or not, addressing wild fire risk at the scale we've seen this year is critically important.
- The extent of the recommendations would warrant a new version of the protocol, given how often that had occurred in the past. More technical changes could be implemented in the short term. Common practice values need to be updated from the FIA outside of rule-making.
- There were comments from the scientific community, including a former co-chair of the IPCC, that this is not rigorous and these are not sufficient approaches, and recommending against proceeding with these recommendations.
- Of the 17 comments, a preponderance was favorable to the recommendations, although we did have some divergence. The subgroup needs to look at the comments and evaluate the preponderance of the comments we received.

In response to a question, CARB staff confirmed that it is within the scope of the Task Force to make recommendations on updates to existing protocols. That does not mean the Task Force is tasked with undertaking a historical assessment of this protocol or of the full Cap-and-Trade Program.

Public Comments

Gary Hughes, Biofuel Watch

- I have heard California project developers wanting to pursue the CORSIA global aviation scheme for carbon trading. On page 20 there is mention of airline emissions and the CORSIA scheme, but no analysis of it. This reflects a narrow perspective of many Task Force members. The scheme has no cap and assumes that any emissions growth beyond a baseline is carbon neutral because of offsetting. It is now known that the warming from aviation is three times that from the carbon emissions. This demonstrates the deficiencies in the draft recommendations. This endeavor is questionable when it comes to California designing adequate and effective climate action.

Misti Schmidt, California Council of Land Trusts

- We submitted a detailed letter at the initial meeting and thank the subgroup for including some of our recommendations on liability for carbon reversals and the buffer pool process in the report.

Tony Brunello, California Forest Carbon Coalition

- Regarding scientists not supporting the protocol, I wanted to address that Letter 16 from Chris Field et al. was specifically referencing the buffer pool concept. This is a complicated process and the protocols have a lot of detail. It will be great if this group can refine the recommendations and eventually open up the protocols to go line-by-line. This probably needs to reference closer Letter 16 and not make broad statements about scientific support or lack of support for the protocol.

Jon Constantino, VERA

- An updated protocol is a new protocol – the Forest 15 protocol will still be there if you adopt the new protocol. Offsets provide additional co-benefits – air, water, ozone, biosphere – they get to hard-to-reduce sectors, add other folks in the mix, and the Legislature recognized the benefits of offsets when they created this group.

David Ford said the subgroup will talk through the public comments and he looks forward to full participation from the subgroup members.

Chapter 4: Analysis and Recommendations on Livestock, Agriculture and Rangeland

Robert Parkhurst reviewed the work of the Ag, Livestock, Crops, Rangeland subgroup, noting the group held 17 meetings and met with scientists and commodity groups. It focused on two angles, looking at current protocols, credits and projects, and the latest science (see [Meeting Presentation slides](#) for a summary of recommendations). Co-chair J.P. Cativiela emphasized the importance of having a protocol for enteric fermentation, as more than half of California’s methane production comes from agriculture, primarily livestock. The feed additives are showing great promise, and adopting a protocol in the near term will provide economic incentives and avoid lag time after additives come to market. There is an opportunity to reduce three million metric tons of carbon dioxide equivalent of cattle emissions. This could be one of the largest, likely to be realistic, successful and widely implementable in the next three years.

Task Force Discussion: Agriculture

During discussion, points raised by Task Force members included:

- This group did a wonderful job.
- This again raises the issue of Task Force members not all having expertise in this topic, and how the group will handle endorsing areas outside some members’ areas of expertise.
- In response to a question about whether the subgroup considered biochar, which had been listed as being in its purview but was not discussed in the chapter, subgroup members said they couldn’t find data or published information. Biochar is a very interesting area, but from talking to scientists and reviewing the literature, there is an opportunity to sequester carbon, but it is very variable and hard to quantify and there are substantial issues with permanence, particularly in tilled systems. The subgroup thinks this is an opportunity for climate change, but there is not enough information to support a protocol in a single cropping system. More research needs to be done.
- Subgroup members urged anyone with information or data to supply it. There are some promising applications, such as applying compost to rangeland, but it looks cost prohibitive. And there is literature on biochar but not specific information on cost and feasibility assessment. If you have any information in those areas, please submit it, so the subgroup can expand its analysis.

Public Comment

Michael Siminitus, Waste Busters, Inc.

- It is important to focus on carbon sequestration and benefits of using composting on rangeland to accomplish that – we really need to sink carbon into the ground to reach a lower climate stabilization point. New requirements on cities to buy compost will change the economics for rangeland. Data on composting is out of date, with lower prices now from subsidized compost from cities.

Chapter 5: Analysis and Recommendations on Urban Forestry, High GWP (ODS), and Mine Methane Capture

Mr. McCabe explained that this subgroup divided up the three sections; Ms. Warms focused on Urban Forestry; Bruce Springsteen focused on ODS; and Mr. McCabe focused on Mine Methane (see [Meeting Presentation slides](#) for a summary of recommendations). While mine methane capture does not have DEBs potential in California, releases account for 1% of US GHG emissions and no regulations prohibit venting so it is worth considering removing barriers. Ms. Warms said urban forests have co-benefits, including promoting human health and well-being, and disadvantaged communities tend to have fewer trees and parks, so there are opportunities for urban offsets in impacted communities. Cost is a barrier. She hopes to receive more public comments on this area.

Task Force Discussion: Urban Forestry, High GWP (ODS), and Mine Methane Capture

During discussion, points raised by Task Force members included:

- We have been trying to make the urban forestry protocol work for a long time, but costs are too high for communities. The mechanism is so cumbersome, perhaps we should recommend they receive Greenhouse Gas Reduction Fund (GGRF) funding through the California Climate Investment Program.
- The new version of urban forestry needs more economic analysis.
- Are we starting to see a tailing off of ODS offsets? The recommendation to expand makes sense.
- GGRF funding might be a good mechanism for urban forestry, composting and even some forestry programs. That would alleviate the burden of needing to quantify emissions reductions we know exist and the impact on EJ communities.

Public Comment

There was no public comment.

Discussion of Areas Flagged in Initial Draft Recommendations for Further Task Force Deliberation

CARB and facilitators combined the subgroup products into the Initial Draft Recommendations report and, as directed by the Task Force, flagged overlapping content or substantive or potentially contradictory themes to bring to the attention of the Task Force for review and decision at the meeting. The flags are shown in yellow highlight. The Task Force quickly reviewed these flags, many of which had been discussed earlier in the meeting. Below is a full list of the flagged items and a brief

summary of the Task Force’s decision for that item. All of the flags except for two relate to overlaps in content. The Task Force decided all overlapped content be incorporated into Chapter 1, Overarching/ Programmatic Considerations, with any more specific content remaining in the topic-specific chapter. In addition, the Task Force agreed to look at incorporating additional items from Chapter 3 Forestry into Chapter 1, as shown below in the list of Action Items.

Decisions: Flagged Items

#	Page	Flag	Chapter	Action
1	13	<p>FLAG: Major conclusion for Task Force review and consensus</p> <p>A sentence on the offset program reached a conclusion that not all Task Force members might agree with and might give the impression that the subgroup undertook a retrospective program review.</p>	Chapter 1. Overarching/ Programmatic Considerations	Subgroup will remove or edit the language, and will add clarification that the Task Force’s work is not an independent review. In addition, language will be added to the executive summary that the Task Force did not undertake a comprehensive review.
2	18	<p>OVERLAP: Forestry Chapter 3, Recommendation 5</p> <p>Topic: Invalidation</p>	Chapter 1. Overarching/ Programmatic Considerations	Consolidate in Chapter 1; any discussion of topic-specific aspects to remain in topic chapter
3	21	<p>NOTE: This section overlaps with content in the Blue Carbon/Wetlands Subgroup report [Chapter 2, P. 35] and Livestock, Agriculture and Rangeland [Chapter 4, P. 150]...</p> <p>Topic: Benefits and impacts to disadvantaged communities, Native American or tribal lands and rural and agricultural regions</p>	Chapter 1. Overarching/ Programmatic Considerations	Consolidate in Chapter 1; any discussion of topic-specific aspects to remain in topic chapter
4	23	<p>FLAG: Overlap also with Forestry Chapter Recommendation 13 on Aggregation of Projects</p>	Chapter 1. Overarching/ Programmatic	Consolidate in Chapter 1; any discussion of topic-specific aspects to remain in topic chapter

		Topic: Aggregation	Considerations	
5	23	FLAG: Overlap also with Forestry Chapter Recommendation 6 on Verification Guidance Topic: Verification	Chapter 1. Overarching/ Programmatic Considerations	Consolidate in Chapter 1; any discussion of topic-specific aspects to remain in topic chapter
6	24	NOTE: We recommend that report compilers expand this section as appropriate...	Chapter 1. Overarching/ Programmatic Considerations	No action needed
7	25	FLAG: Overlap with Forestry Chapter Recommendation 13 on Aggregation of Projects. Topic: Aggregation	Chapter 1. Overarching/ Programmatic Considerations	Consolidate in Chapter 1; any discussion of topic-specific aspects to remain in topic chapter
8	26	FLAG: Major conclusion for Task Force review and consensus. A sentence on the offset program reached a conclusion that not all Task Force members might agree with regarding: wanting to ensure that CARB continues its tradition of setting high standards for credits and their enforcement; recommending CARB consider staff capacity in developing a new Protocol, and the potential scale and quality of credits generated, market demand, potential use, and cost-effectiveness.	Chapter 1. Overarching/ Programmatic Considerations	Task Force reviewed and approved the section.
9	35	FLAG: Overlap with Overarching/ Programmatic Chapter Recommendation Section III. B.	Chapter 2. Blue Carbon and Wetlands	Consolidate in Chapter 1; any discussion of topic-specific aspects to remain in topic chapter

		Topic: Benefits and impacts to disadvantaged communities, Native American or tribal lands and rural and agricultural regions		
10	37	Flag: Previous sentence is repeated on next page, may or may not serve a different purpose.	Chapter 2. Blue Carbon and Wetlands	No action needed; minor issue for subgroup to consider.
11	37	Flag: Previous sentence is repeated on previous page, may or may not serve a different purpose.	Chapter 2. Blue Carbon and Wetlands	No action needed; minor issue for subgroup to consider.
12	62	OVERLAP: Programmatic Chapter recommendation B. ii. Topic: Invalidation	Chapter 3. Forestry	Consolidate in Chapter 1; any discussion of topic-specific aspects to remain in topic chapter
13	79	FLAG: Overlap with Programmatic Chapter Recommendations B. ii. 2 and C. iii. Topic: Aggregation	Chapter 3. Forestry	Consolidate in Chapter 1; any discussion of topic-specific aspects to remain in topic chapter
14	112	FLAG: Overlapping theme of aggregation; see Programmatic Recommendations (III. C. iii.), Forestry Recommendation 13; Subgroup E's Urban Forestry New Project Proposal (II. C)	Chapter 4. Livestock, Agriculture and Rangeland	Consolidate in Chapter 1; any discussion of topic-specific aspects to remain in topic chapter
15	150	FLAG: Overlap with Programmatic Chapter Recommendation Section III. B. Topic: Benefits and impacts to disadvantaged communities, Native American or tribal lands and rural and agricultural regions	Chapter 4. Livestock, Agriculture and Rangeland	Consolidate in Chapter 1; any discussion of topic-specific aspects to remain in topic chapter

Decisions: Other General Report Items

In addition, Task Force members reached decisions on how to proceed with other report-related items:

- CARB legal staff agreed that subgroups could hold informal online public workshops in an attempt to gather more comments from experts, academics and the public, as long as they involve less than a quorum of members (subgroup members only), and do not use CARB resources in the process.
- The Task Force agreed that each subgroup will work to prioritize its recommendations. The following suggestions were made for approaches to this task:
 - The Forestry subgroup separated out simple, non-controversial technical fixes, and then identified priorities among the rest of its items.
 - The Agriculture subgroup established three levels:
 - Those items that should be developed into a protocol
 - Those items that could be developed into protocol, but there are significant economic or scientific barriers, so they are not a priority
 - We don't know – items that lacked sufficient data and information to assess
 - A further suggestion was that subgroups identify those proposals that have strong benefits but are perhaps better achieved through another route than a protocol, and be financed through other another program
- In response to concerns by at least one member raising a concern about endorsing recommendations without sufficient expertise to be able to evaluate them, the Task Force agreed that the report executive summary will include language on the varying expertise of Task Force members. CARB staff offered wording that the recommendations do not necessarily reflect the perspectives of any individual Task Force member.
 - It was agreed that subgroups will include discussion of dissenting opinions regarding recommendations.
 - It was also discussed that each subgroup can develop wording for their chapter describing their process and outcomes, as some subgroups spent time working to achieve consensus across interests, which changed the recommendations. Other subgroups had not yet had full participation in order to achieve consensus.
 - There was a suggestion that the report list which Task Force member suggested which protocol.
 - There were differing perspectives on the issue of expertise among Task Force members. One shared that none of the Task Force members has sufficient expertise to sign off on all the recommendations, but the group was intended not as an expert panel, but as a range of stakeholders who are pre-screening items for CARB to consider.

Public Comment

Kathleen McAfee, San Francisco State University

- There is a tremendous amount of literature on the real world effects of offsets that was never considered by this process. Your intentions are impeccable, but

some Task Force members were not even aware that the use of offsets can have the effect of increased emissions and not reductions, and that is already happening in California, because of who the major offsets users are, their location, and where the toxic co-pollutants end up, in frontline communities. How is that going to be addressed? Until this group and CARB takes on a more honest approach, you're going to continue to get suspicion and skepticism. It's no wonder the majority of comments were in favor, as it is seen as an in-group thing. How will the process unfold that can include more consideration of the actual real world experience of offsetting in general and specifically in California.

Task Force members urged members of the public to continue to submit further comments. CARB staff will identify if the comment portal could be reopened.

There was discussion by Task Force members who voiced a concern that the report will be viewed as an endorsement of all of the recommendations in the report by them. They noted that they did not have expertise around a certain areas discussed in the report to even have an opinion on them.

CARB staff will include language in the report of "Recommendations do not represent endorsement by any individual Task Force members." There was agreement that sections may vary by subgroup and that subgroups may want to have their own language in their particular chapters.

Wrap Up and Next Steps

Mr. McCabe thanked all for the really hard work that went into the draft report. He noted the Task Force has a lot more work ahead, but thinks it accomplished a really great first step. There are a lot of issues up in the air and topics that are subject to debate, but he appreciates everyone's good faith efforts to engage with one another on challenging topics. He thanked members of the public who made comments that gave him pause and caused him to think about things, and that we all should consider as we go forward.

Shelby Livingston introduced herself as the new manager of the offsets section. She thanked Task Force members for all their work to date, and said she looks forward to helping the Task Force finish their work and seeing the final recommendations.

Next Steps and Action Items

- CARB will schedule the third Task Force meeting for March 1st or 2nd, 2021, to allow sufficient time for subgroups to meet to discuss/integrate February 2021 public comments.
- CARB will develop a draft executive summary for the report; place appendices at the end of the report; ensure consistency of terminology, including chapter sections (i.e. "Introduction" vs. "Summary" section headings, etc.); and place references/footnotes at the end of each chapter.
- CARB will seek to achieve some consistency across chapters, such as consistent terminology and section headings.

- CARB and facilitators will develop a 1-2 page outline of the consistency changes made to the draft report for Task Force review.
- CARB will develop a template for the executive summary and share it publicly.
- CARB will share the executive summary draft discussion of each chapter with the relevant subgroup chair for review.
- The Executive Summary will include:
 - AB 398 and AB 293 mandate
 - Task Force member solicitation and selection process
 - Overview of Task Force process
 - Summary of recommendations; recommendations within the report do not represent an endorsement by any individual Task Force member
 - CARB's process for proceeding with any new protocols or modifications to existing protocols based on Task Force recommendations
 - Reference to an appendix listing Task Force members including an optional description on affiliation and statement on financial interest
- Subgroups may hold informal online workshops, without CARB resources, to gather input and recommendations from the public and experts, as long as the number of Task Force members participating remains under a quorum (i.e. members of one subgroup).
- Each chapter will start with a summary at-a-glance table or section with relevant information such as project type and statistics such as estimated emissions from the source, potential reduction from the product type, trade-offs, etc.
- Subgroup chairs (who number less than a quorum) can coordinate to create an outline for the at-a-glance section, but will only discuss structure, not substance.
- CARB will fix the error on P.166 identifying Gavin McCabe as affiliated with the Yurok Tribe.
- Subgroups (particularly the Overarching/Programmatic subgroup) will remove any content that evaluates the existing offsets program, which could be misconstrued that the Task Force did a full independent review and analysis of the program.
- Beyond the listed decisions regarding yellow-highlighted flagged items in the Initial Draft Recommendations report, the Overarching/Programmatic Chapter will incorporate the following content from other chapters:
 - Chapter 3 – Routine regulatory guidance.
 - Chapter 3 – Verifying any project generating small volumes (less than 10,000 tons regarding Forestry) over a longer period of time.
- The Overarching/Programmatic subgroup will consider developing language regarding environmental justice issues. Potential approaches include a filter or screen to qualify/quantify/demonstrate whether a new protocol could impact reductions in co-pollutants in an air basin, transferring those benefits to other basins.
- Subgroups will establish priorities among their recommendations. The Task Force suggested the following approaches to prioritization:
 - Separate simple, non-controversial technical fixes.
 - Priority recommendations – protocols that should be developed.

- Non-priority recommendations:
 - Protocols that could be developed, but have scientific, economic, or other barriers.
 - Do not know: areas where there is insufficient information and/or data available to identify a protocol approach or quantification of its effectiveness.
- Of the above, ideas or areas that should be or might be better supported by other funding/programs rather than offsets.