



March 9, 2026

Ms. Rajinder Sahota
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California Air Resources Board
1001 I Street
Sacramento, CA 95864

Re: Proposed 2026 Amendments to the Cap-and-Invest Regulation

Ms. Sahota:

The California Forest Carbon Coalition (CFCC) appreciates the opportunity to provide comments on potential changes to the California Cap-and-Invest (C&I) Program. CFCC Members are California and Sovereign Tribal landowners who own, support, or operate forest carbon projects listed with the California Air Resources Board's (CARB) forest offset program. We submit these comments with a specific focus on forestry offset implementation. We appreciate CARB's effort to clarify program mechanics and reduce uncertainty. At the same time, several changes, as drafted, may unintentionally create avoidable termination risk, documentation asymmetries, and perverse incentives that could discourage responsible forest management.

We write with a narrow objective: align the program regulation with practical, science-consistent forestry implementation improvements identified by CFCC, to the extent such improvements are in scope for this rulemaking.

Executive Summary

CARB's proposed amendments include meaningful offset-program updates, especially around (1) ownership transfer disclosures, (2) monitoring period obligations, (3) verification schedules, and (4) reversal accounting for wildfire response and salvage harvest.¹ These changes, however, appear to lean heavily toward procedural strictness and evidentiary conservatism, sometimes without an explicit "safety valve" for good-faith operators who are trying to do the right thing in complex real-world conditions.

CFCC's recommended protocol improvements discussed in this letter emphasize: transparent and widely accessible technical guidance, a predictable CARB review process, proportional treatment of Notices of Violation (NOVs), modernization of growth-and-yield model eligibility, and a bounded "negative

¹ California Air Resources Board. (2026). *Appendix A-1: Proposed Regulation Order – Proposed Amendments to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms*

carryover” concept to avoid treating short-term management-driven carbon fluctuations as intentional reversals.

In this letter we propose targeted regulatory adjustments, organized section-by-section, which preserve CARB’s core integrity objectives but reduce implementation friction:

1. **Create a formal public technical guidance repository and reliance framework**, so important guidance is shared consistently.
2. **Add cure periods** (limited and conditional) before automatic project termination for certain procedural lapses, including ownership transfer notices and monitoring period reporting.²
3. **Add proportionality language** so CARB can scope crediting suspensions and corrective actions to the affected area and period when feasible, consistent with environmental harm and carbon integrity risk.
4. **Refine salvage harvest and wildfire response reversal provisions** to explicitly allow verifiable alternative evidence when site visits cannot capture pre-salvage stocks, reducing incentives for inaction or delayed recovery management.³
5. **Add enabling language** that supports protocol modernization (e.g., updated growth-and-yield models) through transparent processes, consistent with CARB’s own recognition of evolving implementation needs.⁴

Background

The current implementation environment is challenging and at times inconsistent. This includes “ad hoc” technical guidance requests, uneven access to interpretive clarity, and an extended review period with limited visibility into status where ARB Offset Credits (ARBOC) may take months without meaningful status communication.

Meanwhile, CARB’s ISOR indicates several proposed amendments are intended to clarify evidence and documentation requirements and improve administrative alignment between CARB, registries, and offset project operators (OPO).⁵ For example, CARB describes a need to “clarify what evidence is needed” for reversal determinations in prescribed fire and wildfire response scenarios.⁶

Both perspectives can be true at the same time: CARB is trying to tighten integrity, and project operators are feeling the operational friction. The opportunity here is to fix that mismatch while improving the program.

² California Air Resources Board. (2026). *Appendix A-1: Proposed Regulation Order*, p. 328

³ California Air Resources Board. (2026). *Initial Statement of Reasons*, p. 263

⁴ California Air Resources Board. (2026). *Appendix A-1: Proposed Regulation Order*, p. 328

⁵ *ibid*

⁶ California Air Resources Board. (2026). *Initial Statement of Reasons*, p. 263

Implementation of Offsets Under the Cap

CFCC appreciates CARB's effort to clarify how offsets will be implemented within the allowance budget under AB 1207 (Irwin, Chapter 117, Statutes 2025). In general, the proposed framework appears to improve administrative clarity and reduce uncertainty regarding how offset use will interact with the cap. Offsets have long served as a cost-containment mechanism within the program, and a transparent and predictable approach to integrating offset use into the allowance budget is important for maintaining confidence in both the offset program and the broader market.

The approach described in the Initial Statement of Reasons, which removes allowances corresponding to offset use rather than allowing offset utilization to translate into additional emissions within the cap, appears to align with the statutory intent of AB 1207. By tying offset use to allowance removals from the cap, CARB preserves the overall emissions trajectory while maintaining the compliance flexibility that offsets provide. This structure also appears to reduce the potential for year-to-year variability in auction volumes that could otherwise arise if offset use fluctuates significantly. A predictable treatment of offset use can help stabilize market expectations for both compliance entities and offset project developers.

From an implementation standpoint, the proposal also appears to simplify the relationship between offset use and the allowance budget. Establishing a clear and consistent accounting treatment reduces ambiguity about how offsets affect the cap and should make it easier for market participants to understand how offset utilization translates into allowance supply over time. Greater transparency in this area may also help address some longstanding misunderstandings about the role offsets play in the program.

At the same time, CFCC encourages CARB to ensure that the implementation framework continues to recognize the operational realities of the offset program. Offset project development and credit issuance often occur on timelines that differ from compliance-year dynamics, particularly for forestry projects where verification cycles, measurement intervals, and credit issuance processes can span multiple reporting periods. Ensuring that the allowance removal mechanism accommodates these timing differences will help avoid unintended administrative complications and maintain the efficiency of existing project development practices.

Overall, CFCC believes the proposed approach represents a constructive step toward integrating offsets more transparently within the cap structure. Clarifying the treatment of offsets under AB 1207 should help smooth program implementation, improve market understanding, and preserve the role of offsets as a cost-containment tool while maintaining the integrity of the cap.

CFCC looks forward to working with CARB as these provisions are finalized to ensure that the allowance removal mechanism operates in a predictable manner that supports both program integrity and efficient implementation.

Section-by-Section Comments and Suggested Amendments

§ 95802. Definitions.

The current definition of Forest Owner in the Regulation is overly broad and creates joint and several liability for project compliance and intentional reversals for all entities (potentially including conservation easement holders, road easement holder, water right holders, and preceding owners), in addition to the current fee title owner and timber rights holders. This ambiguity leaves open the possibility that a preceding Forest Owner could be subject to enforcement action on account of the failures of a successor owner, notwithstanding the language elsewhere in the Regulation to the effect that a successor Forest Owner is liable for all the obligations of a predecessor Forest Owner. The Regulation should define and use the term Forest Owner so that responsibility and liability for offset projects is assigned to parties that have current, direct title to, or control of property, its forest and land management, as it relates to a forest carbon offset project and its integrity. We also propose to exclude all conservation easement holders (i.e., “third party beneficiaries of conservation easements”), as it should not be limited to “government agency” easement holders, but rather any valid easement conservation easement holder under California Civil Code section 815.3 (including 501(c)(3)s, government entities, and California Native American tribes).

Proposed Redline

“Forest Owner” means the current owner of any interest in the real (as opposed to personal) property involved in a forest offset project, excluding ~~government agency~~ third party beneficiaries of conservation easements. Generally, a Forest Owner is the owner in fee of the real property involved in a forest offset project. In some cases, one entity may be the owner in fee while another entity may have an interest in the trees or the timber on the property, in which case all entities or individuals with interest in the real property are collectively considered the Forest Owners, however, a single Forest Owner must be identified as the Offset Project Operator.

§ 95973 – Compliance Offset Program Requirements

Uneven guidance and “black box” review dynamics

Currently, important guidance is shared inconsistently throughout the offset stakeholder community, and the process makes it hard to manage credit contracts because of prolonged periods with little to no communication. This may suggest a reliance problem: project operators can follow what they believe is the correct approach, only to learn that the scope of review is changing in later verifications.

Section 95973 establishes general offset program requirements but does not expressly require CARB to maintain a public repository of technical interpretations or specify how interpretive updates apply over time.

CARB's 2026 package is, in part, responding to implementation ambiguity. The ISOR repeatedly frames changes as clarifications to evidence standards, timing, and documentation.⁷ That is a signal guidance is needed. Still, if interpretive clarity only arrives through one-off staff interactions or late-stage review comments, it invites uneven access and unpredictable compliance costs. That dynamic may create uneven access to interpretive clarity across project operators.

A modest regulatory framework for published guidance and prospective application does not constrain CARB's ability to address fraud or gaming. It simply anchors expectations and reduces scope creep surprises.

Conclusion / Requested Change. Add public technical guidance and reliance subsection.

Proposed redline (add to § 95973):

(h) Technical Guidance and Reliance. The Executive Officer ~~may~~ *shall* maintain a publicly accessible technical guidance repository for Compliance Offset Protocol implementation.

(1) The repository shall include interpretive clarifications that materially affect offset project design, monitoring, reporting, verification, reversal accounting, invalidation exposure, listing, ownership transfer compliance, or issuance review.

(2) Each guidance document shall identify its effective date and whether it is mandatory or advisory.

(3) *Unless necessary to address fraud, intentional misrepresentation, or an imminent threat to program integrity, CARB shall apply new mandatory guidance prospectively to Offset Project Data Reports submitted after the guidance effective date.*

This directly addresses CFCC's desire for widely accessible protocol technical guidance.

§ 95975 – Offset Project Listing

Timing for Offset Project Listing in an Initial Crediting Period

Section 95975(h) requires that listing information be submitted within one year of Offset Project Commencement or within one year of meeting the requirements of §95975(l). Projects that fail to meet this deadline become permanently ineligible for listing and cannot receive registry offset credits or ARB Offset Credits.

This requirement unintentionally excludes reforestation projects that commenced prior to the 2017 regulatory amendment establishing the one-year listing deadline. Before that change, reforestation projects could be listed at any time after commencement. For wildfire-driven reforestation, commencement occurs when planting begins following a fire event. These projects were initiated under a regulatory framework that did not impose a one-year listing requirement.

⁷ California Air Resources Board. (2026). *Appendix A-1: Proposed Regulation Order*

Section 95975(h) currently states that projects failing to submit listing information within one year of commencement “will be ineligible to be listed under a Compliance Offset Protocol and will not be issued registry offset credits and ARB offset credits.”

Applying this deadline to projects initiated before the 2017 rule change creates a retroactive eligibility barrier unrelated to carbon integrity. Reforestation projects are particularly well suited to verification even years after commencement. CalFire maintains detailed wildfire perimeter records, and verification bodies can confirm whether planted areas coincide with documented fire footprints. In addition, the reforestation protocol credits only the carbon attributable to newly planted trees, which remain identifiable in the field.

The protocol itself recognizes the biological timeline of forests by allowing deferral of the second verification cycle for up to twelve Reporting Periods for reforestation and urban forest projects (§ 95977(c)). Applying a strict one-year listing deadline retroactively to earlier projects is inconsistent with that design and may exclude legitimate carbon sequestration efforts undertaken following wildfire recovery.

Allowing a limited exemption for reforestation projects commenced prior to the 2017 amendment would not weaken program integrity. Those projects would still be subject to full protocol eligibility, verification, and crediting requirements.

Conclusion / Requested Change: To address this unintended consequence, we recommend a narrow grandfathering provision allowing reforestation projects commenced prior to the 2017 amendment to be listed within a defined transition window.

Proposed redline (add the following sentence to § 95975(h)):

Notwithstanding the above, Reforestation Projects with an Offset Project Commencement occurring between January 1, 2001 and January 1, 2018 may be listed under a Compliance Offset Protocol provided that the Offset Project Operator submits listing information pursuant to section 95975(e) within three (3) years of the effective date of this subsection and the project otherwise meets all applicable protocol eligibility and verification requirements.

This modification preserves the one-year listing requirement for future projects while ensuring that legitimate reforestation efforts initiated under the pre-2017 regulatory framework remain eligible to participate in the offset program.

“Stuck” listings and lack of a clean withdrawal pathway

The U.S. Forest Projects Compliance Offset Protocol prohibits projects from taking place on land that was part of a previously listed compliance offset forest project, unless termination occurred due to an unintentional reversal or an early action transition.

This anti-double-counting safeguard is appropriate once credits have been issued. However, the rule applies even where a project lists but never proceeds to verification, quantification, or issuance of ARB offset credits.

As a result, listings that never generate credits can effectively “lock” acreage from future participation, despite no carbon accounting having occurred. The Regulation provides no clear mechanism for an Offset Project Operator (OPO) to voluntarily withdraw a listing prior to issuance. This creates unnecessary administrative backlog and discourages project development.

Where no ARB offset credits have been issued, there is no double-counting risk. A limited withdrawal pathway would preserve program integrity while improving administrative efficiency.

Conclusion / Requested Change. Add a voluntary withdrawal subsection.

Proposed redline (add to § 95975):

(p) Voluntary Withdrawal of Listing. An Offset Project Operator may withdraw an offset project listing prior to issuance of any ARB offset credits by submitting a withdrawal request to the Offset Project Registry, provided that:

(1) no ARB offset credits have been issued for the project; and

(2) the Offset Project Operator attests under penalty of perjury that no registry offset credits have been issued.

(3) Withdrawal pursuant to this subsection shall not preclude future listing of a new offset project on the same project area, subject to applicable protocol requirements.

This is a low-risk administrative improvement that makes the program more workable.

Project Area Adjustments

CFCC notes that the current regulation does not provide a mechanism to add or subtract land from an offset project once the project has been registered. While this approach may simplify administration at the time of listing, it does not fully reflect the realities of long-duration forest projects. Forestry offset projects typically have crediting and monitoring periods extending 100 years or more, and over that timeframe changes in land ownership, infrastructure development, or boundary conditions are likely to occur.

In practice, situations may arise where it is appropriate to remove small portions of land from a project without terminating the entire project. Examples include eminent domain actions, utility rights-of-way, transportation infrastructure development, or encroachment along property boundaries. Conversely, landowners may acquire adjacent parcels or inholdings that are managed as part of the same forest management unit and could reasonably be incorporated into an existing project.

The current regulation does not provide a pathway for these types of adjustments. As a result, relatively minor boundary changes could require disproportionate responses, including potential project termination or the creation of entirely new projects.

CFCC encourages CARB to consider establishing a limited mechanism allowing modest additions or subtractions of project area, subject to appropriate safeguards such as updated inventories, verification, and registry documentation. Providing such a pathway would improve the practical administration of long-duration forestry projects while maintaining the environmental integrity of the offset program.

§ 95975.1 – Notice and Disclosures for Offset Project Ownership Transfer

Termination risk for procedural missteps in real-world escrows

CARB has added a major new ownership transfer disclosure framework. CFCC does not dispute disclosure value, but the current text creates a hard termination trigger that may be disproportionate in common escrow scenarios.

CARB requires pre-transfer disclosures (e.g., “current market price of one ARB offset credit,” and “deadlines... over the next 15 years”).⁸ The section also requires CARB notice and attestations.⁹ The proposed regulation states: if a transfer occurs “prior to CARB receiving notification” meeting criteria, “the project will terminate and the Offset Project Operator will be responsible for compensation.”¹⁰

The ISOR confirms this intent and explains the section’s purpose and termination logic.¹¹

The disclosure list is comprehensive and likely helpful. It forces a “CARB-aware closing checklist,” which may be good discipline. Still, the termination trigger is blunt. Escrows can fail, recordation can be delayed, ownership can change through inheritance or entity restructuring, and the operator may be acting in good faith but miss a step.

A short cure period would preserve CARB’s leverage while preventing unnecessary project failure. It also reduces harm to buyers, who may otherwise inherit an immediate termination situation due to paperwork timing rather than carbon risk.

A separate termination trigger also applies where the new Offset Project Operator fails to update listing information within 60 days of the title transfer date (§ 95975.1(d)(3)).

Conclusion / Requested Change. Add (1) a cure period, and (2) definitional clarity on “transfer of title.”

Proposed redline (revise § 95975.1(a)(3)):

If a sale or transfer of any real property interest containing an offset project boundary occurs ~~prior to CARB receiving notification that all of the criteria of section 95975.1(a)(1) and (2)~~ *without the Offset Project Operator first satisfying the notice requirements of this section*, ~~the project will terminate~~ CARB

⁸ California Air Resources Board. (2026). *Appendix A-1: Proposed Regulation Order*, p. 327

⁹ California Air Resources Board. (2026). *Appendix A-1: Proposed Regulation Order*, p. 328

¹⁰ *ibid*

¹¹ California Air Resources Board. (2026). *Initial Statement of Reasons*, p. 233–237

shall provide written notice and allow a cure period of thirty (30) calendar days to submit compliant notice and attestations.

If the Offset Project Operator fails to cure within 30 days, the project shall terminate and the Offset Project Operator shall be responsible for compensation.

Proposed redline (add definition, in § 95802 or § 95975.1):

“Transfer of title” means a recorded conveyance of a real property interest. *Unexercised options, unrecorded purchase agreements, or failed escrows shall not constitute a transfer of title.*

This refinement keeps CARB’s substantive protections intact while reducing accidental “death by paperwork.”

§ 95976 – Monitoring, Reporting, and Record Retention Requirements

CFCC understands that CARB proposes to remove the reference to remote sensing for forestry in § 95976(g) because staff have concluded such methods are currently infeasible for compliance use. CFCC nevertheless encourages CARB to preserve a clear pathway for future consideration of validated remote sensing methods as technical feasibility evolves. At minimum, CARB should clarify the evaluation criteria and transition expectations for projects that have invested in remote-sensing-based inventory development, pilot work, or related methodological advancement.

Remote sensing technologies, particularly LiDAR calibrated with field plots, have advanced significantly since the alternate methods framework was established. CARB’s proposed direction contrasts with the broader carbon market, where leading standards and integrity bodies, including Verra, American Carbon Registry, and the Integrity Council for the Voluntary Carbon Market, have integrated remote sensing into recently approved forest carbon methodologies. These developments reflect a growing consensus that validated remote sensing enhances, rather than compromises, environmental integrity.

Eliminating this pathway risks increasing compliance costs, particularly for small and mid-sized landowners, family forests, tribal nations, and community organizations. Validated remote sensing approaches have demonstrated per-acre cost reductions of 40–60% while maintaining or improving precision, and their exclusion may reduce participation and geographic diversity.^{12,13} The Proposed Amendments also create regulatory asymmetry by relying on remote sensing to determine reversal discovery dates under § 95983, while deeming the same technologies unsuitable for measurement and monitoring. Additionally, the absence of transition language creates uncertainty for projects that have invested in remote-sensing-based inventory development or related methodological work in anticipation of future approval pathways.

¹² Lister, A. J., et al. (2020). Use of remote sensing data to improve the efficiency of national forest inventories: A case study from the United States National Forest Inventory. *Forests*, 11(12), 1364. <https://doi.org/10.3390/f11121364>.

¹³ Goodbody, T. R. H., et al. (2023). sgsR: A structurally guided sampling toolbox for LiDAR-based forest inventories. *Forestry*, 96(4), 411-424. <https://doi.org/10.1093/forestry/cpac055>.

Conclusion / Requested Change. (1) Retain a technology-neutral alternate methods pathway in § 95976(g); (2) establish standardized evaluation criteria, including calibration and accuracy requirements; (3) provide explicit transition or grandfathering provisions for projects with previously approved LiDAR-based inventories; and (4) consider structured pilot programs to allow controlled evaluation of emerging technologies while maintaining regulatory oversight.

Monitoring period termination risk for administrative lapses, not carbon loss

CFCC emphasizes that some compliance failures are procedural and localized, yet consequences can become project-wide and severe. The monitoring period is a pressure point, because it extends long after credit issuance.

CARB clarifies that sequestration projects must continue monitoring and reporting obligations in the monitoring period, and failure to submit OPDRs can lead to termination and compensation.

It is not hard to see why CARB wants clear obligations. Still, it is worth separating (a) a missed filing deadline from (b) concealment of carbon loss. When a monitoring period report is late, CARB can require submission and restrict certain actions without immediately terminating a 100-year obligation.

A cure mechanism with escalation authority for repeated or willful failure strikes a more reasonable balance. It also acknowledges verifier and registry capacity constraints, which we note as a practical bottleneck.

Conclusion / Requested Change. Add a notice-and-cure mechanism to monitoring-period OPDR failures, with escalation when risk is real.

Proposed redline (add to § 95976(h) monitoring provisions):

If the Offset Project Operator fails to submit an Offset Project Data Report, ~~the offset project shall terminate~~ *CARB shall provide written notice and allow a cure period of sixty (60) calendar days to submit the required report.*

If cured within 60 days, the project shall not terminate.

If not cured, or if CARB determines the failure materially obscured evidence of carbon stock loss, the project shall terminate and compensation shall be required.

This preserves CARB's ability to act decisively when permanence risk is implicated.

§ 95977 – Verification of GHG Emission Reductions and Removal Enhancements

Verification schedule rigidity and capacity constraints

The pool of accredited forestry verifiers is relatively small, and scheduling constraints can create delays that are largely unrelated to project risk or data quality. In that context, CFCC recommends that CARB consider expedited review timelines for established projects, particularly during subsequent verification cycles where the project presents lower apparent integrity risk. The point is not to weaken verification standards. Rather, it is to align the depth and timing of review with the actual risk profile of the project.

Projects with long compliance histories, stable forest conditions, and repeated positive verification outcomes appear to present lower integrity risk than newly listed projects or those undergoing significant operational changes. A verification approach that recognizes those differences, especially during subsequent verification cycles where the project presents lower apparent integrity risk, would allow CARB and verification bodies to focus resources where they matter most while reducing unnecessary administrative delays for projects that have consistently demonstrated reliable reporting and carbon performance.

CARB's proposed regulation revises verification timing and replaces "years" with "Reporting Periods." For sequestration projects, verification must be performed following the first Reporting Period, then "at least once every six... Reporting Periods," with limited deferrals for certain project types.¹⁴

The transition to "Reporting Periods" is a sensible clarity improvement. But the schedule is still structurally rigid. If verifier capacity is constrained, a project can be in technical noncompliance due to market scarcity rather than project risk. That dynamic is corrosive. It makes the program feel like a compliance trap.

CARB already acknowledges risk-based approaches in verifier guidance, and external verification manuals describe "risk-based review" and sampling plans as standard practice.¹⁵¹⁶ CARB can incorporate a narrow extension authority tied to documented good-faith efforts, without creating a loophole.

Conclusion / Requested Change. Add narrow discretion for extensions where verifier availability is the cause, not nonconformance.

Proposed redline (add to § 95977(e) timing provisions):

OPOs may petition CARB for a reasonable extension of the OVS submission deadline if the OPO can demonstrate (1) good-faith efforts to obtain verification services within eleven months after the end of the applicable Reporting Period, and (2) that any delays are attributable to verifier availability constraints rather than project nonconformance. Supporting documentation may include, but is not limited to, one or more of the following: timestamped communications (e.g., email or text messages), an affidavit, or a letter on official letterhead from either the OPO or the OVB.

This is a small clause that can prevent disproportionate harm.

¹⁴ California Air Resources Board. (2026). *Appendix A-1: Proposed Regulation Order*, p. 340

¹⁵ California Air Resources Board. (n.d.). *Technical Guidance for Offset Verifiers: Verification of Offset Project Data Reports*

¹⁶ Climate Action Reserve. (2021, February). *Verification Program Manual* (describing "risk-based review" and sampling approaches).

§ 95977 / § 95977.1 – Subsequent review cycle scope creep and risk-based tiers

Unpredictable scope changes and lack of a tiered approach for established projects

The regulation allows verification bodies to adjust the scope of review when new information or potential inconsistencies are identified, which is an appropriate safeguard for program integrity. However, the regulation does not clearly describe how or when the scope of review may expand once the verification approach has been established. Nor does it require documentation explaining the basis for such changes when they occur.

Because verification planning is typically developed at the outset of a verification cycle, greater clarity around how scope adjustments are triggered would improve predictability for both project operators and verification bodies. Clear expectations regarding scope stability, together with documentation when the scope is expanded based on identified risk indicators, would reinforce CARB’s risk-based verification framework while preserving the ability to investigate potential issues where warranted.

This approach would align with CARB’s verifier guidance, which emphasizes verification planning and risk-based review as a means of directing scrutiny toward areas with the greatest likelihood of material misstatement.

CARB must retain escalation authority. But it should be tied to specific triggers and be communicated clearly. That approach benefits all parties by creating a record of why CARB expanded scope, which helps defensibility if challenged.

Risk-based review tiers are common in verification systems. Climate Action Reserve’s verification manual explicitly references “risk-based review” and “rigorous data sampling.”¹⁷ CARB’s own offset verifier guidance is designed to provide “recommended practices” and administrative detail for compliance with verification provisions.¹⁸ The program’s logic already assumes differentiation by risk. The regulation should reflect it.

Conclusion / Requested Change. Add (1) scope stability with written escalation basis, and (2) a tiered risk-based review framework.

Proposed redline (add to § 95977 as new subsection):

(f) Scope Stability for Verification Reviews. Where the verification scope has been established at the outset of a verification cycle, the scope of required documentation shall be limited to that identified at commencement of the review.

CARB may expand the scope if it identifies specific risk indicators, material inconsistencies, or evidence of potential misstatement, and shall provide written notice describing the basis for the expanded scope.

¹⁷ Climate Action Reserve. (2021, February). *Verification Program Manual* (describing “risk-based review” and sampling approaches).

¹⁸ California Air Resources Board. (n.d.). *Technical Guidance for Offset Verifiers: Verification of Offset Project Data Reports*

Proposed redline (add to § 95977.1):

Risk-Based Review Tiers. CARB shall establish review tiers for offset projects based on objective risk indicators (e.g., maturity, prior verification outcomes, reversal history, material misstatement history). CARB may provide expedited review for lower-risk projects, subject to escalation where new risk factors are identified.

This directly implements “expedited review” for established projects.

§ 95983 – Forestry Offset Reversals (Wildfire response, prescribed fire, salvage harvest)

Evidence tightening may unintentionally discourage responsible recovery actions

CFCC asks for clearer guidance on prescribed fire liability and intent classification (“intentional or unintentional?”) and proposes a “negative carryover” approach so short-term management-driven carbon dips are not treated as intentional reversals.

The proposed regulation states that a properly documented wildfire response “will be treated as an unintentional reversal,” while “undocumented or unauthorized” response actions “will be treated as an intentional reversal.”¹⁹ The proposed regulation also requires salvage harvest logs delivered to mills be included in wood product storage accounting, and places the burden of verifiability of pre-treatment stocks on the operator. If pre-salvage stocks “cannot be verified,” the losses are treated as an intentional reversal and deducted from the total unintentional reversal estimate — reclassifying only the salvage-affected footprint, not the entire reversal event.²⁰

The ISOR explains the salvage change: if pre-salvage losses “cannot be verified,” stocks “will be treated as an intentional reversal and deducted from the total unintentional reversal estimate.”²¹ It also indicates changes were needed to clarify evidence requirements in these scenarios.²²

CARB’s objective is integrity. Still, the salvage default is harsh. In a real wildfire footprint, salvage decisions often occur quickly for safety and economics. If the rule effectively requires “wait for a verifier site visit” as the safest path, it may discourage timely salvage that could finance reforestation, hazard reduction, and long-term carbon recovery.

The wildfire response language also creates an “authorization/documentation” hinge. That makes sense, but it may be too binary when documentation exists in multiple forms (WFDSS outputs, CAL FIRE

¹⁹ California Air Resources Board. (2026). *Appendix A-1: Proposed Regulation Order*, p. 390 (wildfire response authorization: properly documented treated as unintentional; undocumented/unauthorized treated as intentional).

²⁰ California Air Resources Board. (2026). *Appendix A-1: Proposed Regulation Order*, p. 390 (salvage harvest: logs accounted; operator responsible for verifiability; unverifiable pre-salvage stocks treated as intentional reversal).

²¹ California Air Resources Board. (2026). *Initial Statement of Reasons* (p. 264) (salvage harvest rationale: if pre-salvage losses “cannot be verified,” treated as intentional reversal).

²² California Air Resources Board. (2026). *Initial Statement of Reasons* (p. 263) (explaining need to “clarify what evidence is needed” for prescribed fire / wildfire response scenarios).

communications, county fire logs, incident action plans). CARB can preserve the distinction while clarifying that alternative verifiable documentation is acceptable.

For prescribed fire, the literature increasingly suggests prescribed burning can reduce subsequent wildfire severity and net smoke impacts. A Stanford-led study summarized that prescribed burns reduced wildfire severity by an average of 16% and net smoke pollution by 14% in the western U.S.²³ That's not a reason to excuse negligence, but it is a reason to avoid strict-liability "intent" classification when prescribed fire was conducted pursuant to approved plans.

Conclusion / Requested Change. Refine salvage and prescribed fire treatment while maintaining CARB's integrity safeguards.

Salvage harvest: allow verifiable alternative evidence (not just post-harvest site visit)

Proposed redline (revise salvage paragraph in § 95983):

(b)(3) The harvested area's onsite carbon stock losses must be treated as an intentional reversal... ~~if pre-salvage harvest onsite carbon stocks cannot be verified with reasonable assurance at a site visit occurring after salvage harvests~~ only where the Offset Project Operator fails to provide verifiable alternative evidence of pre-salvage carbon stocks, including remotely sensed data, pre-disturbance inventories, harvest records, incident reports, or burn severity assessments.

This keeps CARB's safeguard but avoids forcing impractical delays.

Prescribed fire safe harbor tied to gross negligence (not outcome)

Proposed redline (add new subsection under § 95983):

***Prescribed Fire Safe Harbor.** A reversal resulting from a prescribed fire conducted pursuant to an approved burn plan and in compliance with applicable state and local requirements shall not be classified as an intentional reversal unless CARB determines the Offset Project Operator engaged in gross negligence, or willful misconduct.*

This clarifies the "intentional vs unintentional" question.

Negative carryover: bounded flexibility to avoid buffer draw when recovery is credible

CFCC describes "negative carryover" as a temporary harvest above annual growth that will "re-grow... in a short time period (say 6–10 years)." They give concrete examples: a landowner who enters "only once every ten years," and fuel breaks needed to reduce wildfire risk.

²³ Stanford News. (2025, June 26). *Controlled burns shown to reduce wildfire intensity and smoke pollution* (reporting prescribed burns reduced severity 16% and net smoke pollution 14%). See also Kelp, M., et al. (2025). *Effect of Recent Prescribed Burning and Land Management on Wildfire Burn Severity and Smoke Emissions in the Western United States*. *AGU Advances*. <https://doi.org/10.1029/2025AV001682>.

Proposed redline (add definition to § 95802 and new subsection to § 95983):

Definition (add to § 95802):

*“**Negative Carryover** means a temporary reduction in onsite carbon stocks below the applicable baseline or required carbon stock level attributable to protocol-consistent forest management activities, where the Offset Project Operator demonstrates a credible plan to restore carbon stocks within a defined recovery period.”*

Mechanism (add to § 95983):

A decrease in onsite carbon stocks that would otherwise constitute an intentional reversal may be treated as Negative Carryover if:

(1) it results from protocol-consistent management activities;

(2) a recovery plan is submitted and approved; and

(3) carbon stocks are restored within ten (10) years from the end of the reporting period.

If carbon stocks are not restored within the recovery period, the remaining deficit shall be treated as an intentional reversal as of the end of that period.

This reduces unnecessary buffer pool use and aligns incentives with responsible management, while preserving a firm backstop.

Notice of Violation (NOV) proportionality (cross-cutting)

Project-wide consequences for localized noncompliance

CFCC is concerned that, absent an explicit proportionality principle, localized nonconformance may in practice result in project-wide crediting consequences even where the affected area and carbon impact are limited. We also note that only official communications are accepted to mark the beginning and end of noncompliance.

The regulatory agency responsible for evaluating and closing out a NOV or other nonconformance may not treat timely closure as a priority, particularly if CARB has not communicated this urgency to that agency. In many cases, the OPO has limited, if any, ability to influence the agency’s internal process (e.g., CalFire), as these agencies operate according to their own schedules and staffing constraints. As a result, the official close-out date may occur well after the nonconformance has been addressed or corrected in the field. In such cases, CFCC believes the OPO should not be penalized for delays that are solely attributable to the agency’s administrative processing and/or scheduling of site inspections.

The 2026 package does not clearly add proportionality language governing the scope of crediting impacts when a violation is localized.

If this is occurring as an implementation practice, a proportionality principle would improve fairness and environmental accuracy. CARB would still be free to treat systemic violations as project wide. The difference is that CARB would be required to articulate the causal link, rather than defaulting to whole-project penalties.

Conclusion / Requested Change. Add proportionality language.

Proposed redline (add to § 95976 or § 95983):

Proportionality of Corrective Actions. Where CARB identifies nonconformance with a Compliance Offset Protocol, CARB shall, to the extent feasible, scope any corrective action, crediting suspension, or compensation requirement to the geographic area, reporting period, and quantity of GHG reductions or removals affected, based on the causal relationship between the nonconformance and credited carbon.

If the relevant local, state, or federal regulatory oversight body does not provide a written determination regarding the date the offset project returned to regulatory compliance within a reasonable timeframe, or if obtaining such a determination is delayed for reasons outside the Offset Project Operator's (OPO's) control, the OPO or Authorized Project Designee may submit alternative evidentiary documentation to support that the non-conformance has been fully remediated and closed out. Acceptable alternative evidence may include, singly or in combination, the following:

- Affidavit or attestation from a Registered Professional Forester (RPF) or the applicable area forester (or equivalent qualified professional according to the appropriate authority having jurisdiction),
- Timestamped photographic evidence (or other date-stamped media) demonstrating completion of corrective actions and/or removal of the condition(s) that rendered the project out of compliance,
- Timestamped close-out communications documenting completion and acceptance of corrective actions, including correspondence between the OPO and the responsible operator/contractor/land manager (e.g., email, text message, work order close-out confirmation)

Where alternative evidence is provided, the proposed "return to compliance" date should be the earliest date that the submitted documentation collectively demonstrates the condition(s) were remedied and any required corrective actions were completed (including any required follow-up actions). The OPO should also document good-faith efforts to obtain the regulatory oversight body's determination (e.g., dated request(s) and follow-ups), and provide any subsequent agency determination to ARB promptly upon receipt.

Growth-and-yield model modernization (protocol-regulation interface)

2015 model eligibility freeze undermines best available science

CFCC believes the protocol restricts growth and yield models to those available as of 2015, excluding updated models with recent data and software improvements.

CARB's regulation references protocols, and the ISOR indicates this rulemaking does not update protocols directly.

This is mostly a protocol issue, but the regulation can still create an enabling structure: a transparent pathway for CARB to evaluate and approve method updates. That would reduce case-by-case confusion and align with CFCC's request for accessible technical guidance.

Conclusion / Requested Change. Add a procedural on ramp in regulation.

Proposed redline (add to § 95973):

Technical Method Updates. CARB shall maintain a transparent process for reviewing and approving updates to technical methods referenced in Compliance Offset Protocols, including forest growth-and-yield models, consistent with best available science. Such updates may be implemented through protocol amendments or published technical guidance, as appropriate.

§ 95985 (b) – Defining the start of the invalidation timeframe

Bottlenecks Extend Invalidation Risk and Depress Credit Value

Under the current regulation, the invalidation timeframe begins at the end of the Reporting Period associated with the ARB offset credits. The proposed amendment would instead define invalidation windows from the date ARB offset credits are issued.

This change would have its greatest effect on projects that bundle verification, a common approach used by OPOs to reduce verification costs. If the clock starts at issuance, bundling would effectively become less viable and could require more frequent verification cycles, increasing costs for OPOs. In addition, maintaining the existing reporting-period anchor supports administrative efficiency. Bundled verification allows third-party verifiers to evaluate multiple reporting periods within a single verification engagement, reducing redundant site visits, sampling, and documentation review. It also allows CARB staff to evaluate larger, more complete issuance packages rather than processing multiple smaller issuance requests over time. Preserving this structure therefore improves efficiency for both verification bodies and CARB reviewers while maintaining the integrity of the review process.

Even for projects that already verify annually, the proposed change would still extend exposure by adding roughly 1-2 years to the effective invalidation period (depending on issuance timing).

This matters because credit value is sensitive to invalidation risk: credits with a shorter remaining invalidation window, or those further progressed through the eight-year period, typically carry greater market value and reduced transaction friction.

A key concern is that issuance timing is increasingly outside an OPO's control. Delays are currently being driven by verifier shortages, and these delays are further exacerbated by ARB's own processing timelines. We are experiencing 8–12 month delays between when OPOs submit issuance requests and when ARB issues credits. OPOs should not be penalized with a longer invalidation period due to capacity constraints and administrative delays that are not attributable to the project.

Proposed redline options:

Option 1: Remove the clause/amendment and preserve the existing regulatory anchor (end of Reporting Period).

Option 2: If ARB will not remove the amendment, add clarifying language that the invalidation timeframe begins no later than:

- the date the ROCs/ERTs are issued, or
- the date the issuance request is submitted to ARB (i.e., the issuance package submittal date), so that ARB processing times do not extend the invalidation window.

§ 95989 — Direct Environmental Benefits

CARB proposes adding § 95989(e) to require that projects with Direct Environmental Benefits (DEBs) “based on planned activities” have those planned activities verified at each full verification and provide documentation of planned and completed activities to maintain DEB status. While § 95989(b)(1)–(3) describes the types of supporting materials ARB may consider (peer-reviewed science, governmental reports, and monitoring/analytical data), the proposed amendment introduces the new concept of “planned activities” without defining it. In the context of forestry projects, it is unclear what qualifies as a “planned activity” and what evidence would be sufficient for verification.

Proposed redline (add to 95989(b)):

Add language to § 95989(b) defining “planned activities” and providing sector-specific examples (including forestry) to clarify expectations for OPOs, authorized project designees, and verification bodies.

Conclusion

We encourage the Board and Staff to:

1. Publish and maintain the technical guidance repository discussed above, including a versioned set of interpretations on reversal evidence, salvage documentation, and prescribed fire treatment.
2. Develop model forms (checklists) for § 95975.1 ownership transfer disclosures to reduce transactional errors.
3. Implement a risk-based tiering approach for established projects to reduce backlog pressure while maintaining escalation authority.

As CARB finalizes these provisions, CFCC requests additional clarity regarding implementation timing, particularly for offset credits already in the approval pipeline. Many forestry projects currently have credits that have been submitted for issuance or are in various stages of verification and registry review. Clarifying whether the allowance-removal framework will apply prospectively, and how CARB intends to treat credits already submitted or under review, would provide important certainty to project operators and market participants while maintaining the integrity of the program.

Thank you for considering our comments. We look forward to continued collaboration to ensure the integrity and success of forest carbon offset projects.

Sincerely,

/s/

Mikhael Skvarla
California Forest Carbon Coalition