

March 9, 2026

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

Subject: Comments on Proposed Cap-and-Trade Program Amendments

Dear Dr. Sippola:

As a CARB-approved Offset Project Registry for the Compliance Offset Program for the last fourteen years, ACR has significant experience with the compliance offsets portions of the Cap-and-Trade Regulation (Regulation), and we appreciate the opportunity to provide comments on the proposed 45-day changes to the Regulation as released on January 20, 2026. These comments are organized by Regulation section below. We look forward to continuing to partner with your branch throughout the amendment process and beyond.

Sincerely,



Jessica Bede
ACR Managing Director

§ 95802. Definitions.

ACR supports the addition of a definition for “correctable error” to the Regulation, but notes that the wording of the definition *vis a vis* the wording in section 95977.1(b)(3)(M) adds confusion on if/when errors with up to 3% overstatement must be corrected. We suggest that a cross-reference to section 95977.1(b)(3)(M) within the definition would minimize confusion, for instance:

“Correctable error’ means, in the context of offset projects, an error or omission identified by the verification team in the offset project data report, including its supporting files, being verified by the verification team that contributes to a non-conservative estimate of GHG emissions reductions or GHG removal enhancements. A correctable error resulting from a nonconformance with this article, a Compliance Offset Protocol, or any underlying documented technical procedure(s), such as inventory, modeling, or calculation methods, relevant to the given quantification method must be corrected except as allowed for in section 95977.1(b)(3)(M) before the verification team submits an Offset Verification Statement.”

§ 95975. Listing of Offset Projects Using ARB Compliance Offset Protocols.

ACR supports the amendments in section 95975(j) that provide direction on how to apply for a crediting period renewal. We suggest the following further amendments to provide a fixed deadline (often aligned with the revised timeline proposed by CARB), as some projects will have a final reporting period that exceeds 12 months:

The Offset Project Operator or Authorized Project Designee must submit the information in section 95975(e) for a renewed crediting period to CARB or an Offset Project Registry no earlier than 18 months when the Offset Project Data Report is submitted for the penultimate reporting period of the current crediting period and no later than 939 months before conclusion of the after the start of the last reporting period of the current crediting period.

We also request that the following part of the second full sentence in section 95975(j) be separated into a separate sentence and re-phrased, as the current wording in such a long sentence is unclear:

“and any missed Offset Project Data Report submittal deadlines pursuant to section 95976(d)(2) for reporting periods in the renewed crediting period, through December 31, 2026, will not terminate the project.”

§ 95975.1. Notice and Disclosures for Offset Project Ownership Transfer.

The Initial Statement of Reasons states that section 95975.1 (“Notice and Disclosures for Offset Project Ownership Transfer”) is for sequestration projects only, but the formatting and wording of this section of the Regulation does not always make this clear. For example, section 95975.1(a) explicitly mentions sequestration projects, but section 95975.1(b), (c), and (d) do not specify that they’re specific to sequestration projects. Updating the section title to “Notice and Disclosures for Sequestration Offset Project Ownership Transfer” would reduce possible confusion.

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

Finally, we observe and draw your attention to a reference to the “Cap-and-Trade Regulation” present in newly added text.

§ 95977.1. Requirements for Offset Verification Services.

We appreciate CARB’s changes from the term “year” when intended to mean “Reporting Period”. We understand from past guidance that this change would also apply to the use of “years” in 95977.1(a)(2).

“An Offset Project Operator or Authorized Project Designee that has deferred the second verification for 6 to 12 ~~years~~ Reporting Periods may have up to 13 Offset Project Data Reports verified by the same verification body and offset verification team member(s). If an Offset Project Operator or Authorized Project Designee has not deferred the second verification for more than 6 ~~years~~ Reporting Periods, the requirements in section 95977.1(a) for rotation of verification bodies and offset verification team member(s) shall apply.”

The amendments to section 95977.1(b)(1) remove the ability of Offset Project Registries (OPRs) as an auditing entity to approve site visits less than 40 calendar days after the Notice for Offset Verification submittal and only grant the authority to CARB to approve earlier site visits. Since OPRs also attend site visits as part audits, ACR requests the following 15-day change to add a sentence to 95977.1(b)(1):

“An earlier site visit at least 15 calendar days after the Notice of Offset Verification Services submittal may be conducted if CARB approves in writing the earlier site visit date. Approval may instead be provided by an Offset Project Registry, if applicable, if CARB does not intend to audit the verification.”

The changes to 95977.1(b)(3)(M) specify that correctable errors (as now defined by the Regulation) within the 3% overstatement of greenhouse gas emission reductions or removal enhancements must be fixed in the subsequent reporting period. ACR requests clarification on how to deal with correctable errors within the 3% overstatement on projects carried out under the Ozone Depleting Substances Protocol, as these projects only have one reporting period. CARB may consider adding applicability:

“Errors subject to the three percent exception still constitute errors for purposes of this Regulation and they must be fixed in the subsequent reporting period, if applicable, and the Offset Project Operator and Authorized Project Designee, if applicable, are still subject to the requirements of sections 96013 and 96014(d).”

§ 95980.1 Process for Issuance of Registry Offset Credits.

ACR recommends a correction to 95980.1(d)(2), which currently contains a reference to itself instead of, presumably, 95980.1(d)(1).

§ 95987. Offset Project Registry Requirements.

ACR supports the additional specificity from the language added to 95987(b)(2). We are currently interpreting the new text as being applicable to the Offset Project Registry's determinations of second verifications to reduce the invalidation timeframe or other reviews of verification reports in which zero emission reductions are claimed. ACR suggests making that explicit to avoid confusion and suggests looking at the full text in the context of a determination to deny issuance of Registry Offset Credits (i.e., negative determination). A negative determination may be followed by a petition and review process, and documents may not be final within 10 working days. We do not think an Offset Project Registry should make such documents public until the conclusion of a petition and review process.