

PROPOSED

State of California AIR RESOURCES BOARD

Resolution 10-22

February 25, 2010

Agenda Item No.: 10-2-9

WHEREAS, the California Global Warming Solutions Act of 2006 (AB 32) made findings that global warming poses a serious threat to the economic well-being, public health, natural resources, and the environment of California;

WHEREAS, AB 32 creates a comprehensive multi-year program to reduce greenhouse gas (GHG) emissions to 1990 levels by 2020, and designates the Air Resources Board (ARB or Board) as the State agency charged with monitoring and regulating sources of GHG emissions that cause global warming;

WHEREAS, AB 32 directs ARB to identify opportunities for emission reduction measures from voluntary actions, including, but not limited to, carbon sequestration and best management practices;

WHEREAS, AB 32 requires ARB to ensure that entities that have voluntarily reduced their greenhouse gas emissions prior to the implementation of regulations receive appropriate credit for early voluntary reductions;

WHEREAS, the Board has adopted the Climate Action Reserve's Forest Project Protocols versions 2.1 and 3.0, the Livestock Project Reporting Protocol version 2.1, and the Urban Forest Project Reporting Protocol version 1.0 as non-regulatory quantification methodologies for the purposes of voluntary greenhouse gas accounting and to encourage early emission reductions;

WHEREAS, the quantification methodologies in these Board-adopted protocols are technically sound and are designed to ensure that registered emission reductions are real, additional, permanent, quantifiable, and verifiable;

WHEREAS, registered emission reductions from projects developed in accordance with these a Board adopted [voluntary protocols] will be considered for potential compliance use as part of the cap-and-trade rule development process;

WHEREAS, all such protocols are updated from time to time to reflect new information, best practices, updated science, and improved clarity;

WHEREAS, the Board adopted Livestock Project Reporting Protocol version 2.1 has therefore since been updated by the Climate Action Reserve's version 2.2;

WHEREAS, the Board adopted Forest Project Protocol version 2.1 has also been updated by the Climate Action Reserve's version 3.0, which has been further updated by version 3.1;

WHEREAS, Forest Project Protocol version 3.1 is currently undergoing further revision by the Climate Action Reserve;

WHEREAS, Health and Safety Code section 38571 requires ARB to adopt regulations for the verification and enforcement of any voluntary greenhouse gas emission reductions used to comply with greenhouse gas emission limits;

WHEREAS, ARB staff is in the process of developing a proposed regulation for a California cap-and-trade program, including criteria for verification and enforcement of emissions reductions that may be used for compliance and general provisions for compliance offset protocols; and

WHEREAS, the protocols adopted by the Board must be updated to reflect changes made since adoption and be evaluated for determining applicability in a compliance program.

NOW, THEREFORE, BE IT RESOLVED that the Board hereby withdraws its adoption of the Climate Action Reserve's Forest Project Protocols version 2.1 and version 3.0, the Livestock Project Reporting Protocol version 2.1, and the Urban Forest Project Reporting Protocol version 1.0.

BE IT FURTHER RESOLVED that the Board directs ARB staff to evaluate these protocols, prepare an environmental analysis, and propose for Board consideration of greenhouse gas emission reduction protocols for compliance purposes in ARB's cap-and-trade program.

BE IT FURTHER RESOLVED that the Board directs ARB staff to hold public workshops on the evaluation of the greenhouse gas offset project protocols prior to proposing Board adoption of protocols for compliance purposes.

BE IT FURTHER RESOLVED that the Board directs ARB staff to evaluate these protocols to identify any verification and enforcement requirements that would be needed to accept for compliance purposes voluntary offset credits that were generated using these protocols prior to the Board adoption of protocols for the compliance offset system.