



Independent Emissions Market Advisory Committee  
California Environmental Protection Agency  
1001 I Street  
Sacramento, CA 95814

**Subject: IEMAC's 2024 Draft Report on Offsets**

Dear Chair Fowlie and Members of the Independent Emissions Market Advisory Committee,

The California Forest Carbon Coalition (CFCC) appreciates the opportunity to respond to the Independent Emissions Market Advisory Committee's (IEMAC) 2024 draft report. The CFCC is comprised of a diverse array of California forest stakeholders - including conservation groups, Native American Tribes, and industrial timberland managers - representing a sizable portion of California's forestland that have come together with a unified voice to support California's offset program. Our members develop and maintain California Air Resources Board (CARB)-approved offset projects that provide lasting climate benefits while also supporting ecological restoration and economic development.

Unfortunately, the IEMAC's discussion of offsets mischaracterizes their role in California's Cap-and-Trade Program and provides policy recommendations based on flawed premises, incorrect legal and regulatory interpretations, and selective use of academic literature. This letter addresses the report's policy design assumptions, program performance critiques, alternative policy recommendations, and recommendations on offset limits, highlighting both factual errors and omitted context.

**Policy Design Purposes: Offsets Are Not "Above the Cap" and Do Not Shift Emissions**

IEMAC's assertion that offsets allow for additional emissions within the cap-and-trade system is regulatorily, legally, and scientifically false.

- **Offsets are under the cap and were accounted for in the cap-setting process.** The 2010 Cap-and-Trade rulemaking (Appendix E) explicitly states that the cap includes allowances and offsets, meaning that offsets do not expand emissions beyond the program's limit.<sup>1</sup>
- **Offsets do not shift emissions—they reduce them globally.** Greenhouse gases (GHGs) are global pollutants, meaning that reductions achieved through offsets — whether in forests, grasslands, or methane capture projects—are equivalent to reductions at capped facilities. The IEMAC's failure to recognize this fundamental scientific reality results in misleading policy conclusions.
- **Offsets provide direct environmental benefits (DEBs).** While GHG reductions are global, California's forestry offsets, developed by CFCC members, deliver substantial local environmental and economic co-benefits, including wildfire mitigation, watershed protection, and tribal land

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<sup>1</sup> [CARB, Initial Statement of Reasons, Volume III, Appendix E: Setting the Program Emission Cap](#)

restoration. The Yurok and Round Valley Tribes have used offset revenue to reacquire ancestral lands, demonstrating that the program has both climate and equity benefits. Additionally, the forested land managed under offsets on private lands in California contribute heartily to maintenance and continuity of biodiversity, wildlife habitat, and general conservation of all public trust resources. Offsets incentivize landowners to maintain more inventory and therefore more carbon stocks for one hundred years. This places a real conservation encumbrance on their land that would not otherwise take place.

***IEMAC's claim that offsets exist "above the cap" is demonstrably incorrect and contradicts both legal and regulatory history.***

#### **Program Performance: Flawed Analysis and Failure to Address Legal Precedents**

The IEMAC report selectively critiques the performance of California's offset program but omits key legal and regulatory findings that uphold its integrity.

- **The legality of California's offset program has been fully litigated.** The California Supreme Court upheld CARB's offset program as compliant with AB 32's statutory requirements, affirming that offsets are *real, additional, permanent, quantifiable, verifiable, and enforceable*.<sup>2</sup>
- **The report ignores independent validation of offset protocols.** The Cook-Patton et al. (2020) study in *Nature* presents novel approaches to quantifying forest carbon sequestration, reinforcing that improved scientific methodologies continue to strengthen offset integrity. The IEMAC does not cite this or similar studies that demonstrate how CARB's program evolves based on the best available science.
- **The citations used in the IEMAC report are circular and stem from a tight-knit group of offset and carbon market opponents.** A review of the references cited shows heavy reliance on studies produced by the same network of authors — many of whom have consistently opposed offsets for ideological reasons rather than empirical ones. A truly independent assessment would have included a broader literature review which includes perspectives and research from registered foresters.

IEMAC's failure to acknowledge legal rulings and evolving scientific methods results in an incomplete and misleading evaluation of California's offset program.

#### **Alternative Policy Options: Offsets Are the Most Reliable and Scalable GHG Reduction Tool**

The IEMAC's alternative policy suggestions fail to recognize the fundamental role offsets play in ensuring cost-effective and reliable emissions reductions.

- **Offsets provide essential funding for forest conservation and wildfire resilience.** The suggestion that California's Greenhouse Gas Reduction Fund (GGRF) alone could replace offsets is **both inaccurate and impractical** — appropriations fluctuate based on state budgets and are often diverted to other priorities.

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<sup>2</sup> Our Children's Earth Foundation v. CARB, 2017

- **Land trusts, private landowners, and tribes play a critical role.** The IEMAC report omits the significant contributions of non-governmental landowners, who use offset revenues for forest restoration, carbon sequestration, and wildfire mitigation. **Private sector participation is crucial for achieving large-scale improved forestry management and reforestation goals.**
- **Wildfires underscore the need for expanded forestry offsets.** Given California's catastrophic wildfire trends now is the time to **expand offsets for forestry, natural, and working lands** — not restrict them. Increased offset availability would enhance carbon sequestration while reducing fuel loads that drive wildfire risk.

The IEMAC's alternative policy proposals fail to account for the essential role offsets play in both funding and implementing large-scale climate mitigation projects.

### **Recommendations on Offset Limits: Ignoring AB 1279's Carbon Neutrality Mandate**

The IEMAC recommendation to **further limit offsets ignores the statutory requirements of AB 1279 (Muratsuchi, 2022):**

- **AB 1279 mandates an 85% direct emissions reduction and a 15% reliance on carbon removal.** The IEMAC fails to explain how California can meet its carbon neutrality by 2045 goal without expanding offset programs for carbon sequestration and mechanical removals.
- **"Offsets by any other name" will still be needed.** Whether labeled as "removals" or "nature-based solutions," the 15% removal requirement in AB 1279 will necessarily involve forestry and other carbon sequestration projects. **Since offsets are already under the cap, the most logical policy pathway is to expand their availability post-2030.**
- **Restricting offsets is inconsistent with California's carbon neutrality objectives.** If IEMAC's recommendation to limit offsets were adopted, CARB would be left scrambling to replace these reductions with higher-cost compliance options—contradicting the cost-containment goals of AB 32.

The IEMAC's offset limit recommendations are detached from statutory mandates and fail to present a viable alternative for achieving California's climate goals.

### **Conclusion**

The IEMAC's recommendations on offsets are based on **flawed regulatory interpretations, selective science, and an incomplete policy analysis.** A fact-based assessment leads to a different conclusion:

- Offsets are an essential cost-containment tool and should be expanded, not restricted.
- California's legal framework explicitly includes offsets under the cap, making claims of emissions shifting false.
- Scientific advancements continue to strengthen offset integrity, not weaken it.
- AB 1279 requires expanded offset usage post-2030 to meet carbon neutrality targets.

CFCC urges the IEMAC to correct its misrepresentations of offsets and reconsider its recommendations considering regulatory history, scientific evidence, and statutory obligations. Another alternative is to strike the chapter in its entirety. Thank you for your consideration of our comments. If you have any

questions contact [Alfredo Arredondo](#) and [I](#). We look forward to discussing them or answering any questions you may have at your convenience.

Sincerely,

/s/

Mikhael Skvarla  
Executive Director  
California Forest Carbon Coalition