

8 February 2021

Compliance Offset Protocol Task Force
California Air Resources Board
Sacramento, California

Dear Task Force Members and Staff:

I am writing to tender my resignation from the California Compliance Offset Protocol Task Force. After the release of the draft report and the second meeting of the task force, it has become clear that the task force is riven with conflicts of interest and charged with contradictory aims. The draft recommendations are a roadmap for expanding and deregulating the offset program, reflecting the desires of the majority of task force members, who have financial interests in the program. This agenda runs directly counter to the interests of the environmental and environmental justice communities: improving public health and maintaining the environmental integrity of the emissions cap. Despite assurances from ARB staff that the final report should reflect the views of all stakeholders, these aims are irreconcilable. The offset program can be expanded and weakened, or it can be strengthened and shrunk; it is not possible to expand and strengthen it. Given the composition of the task force, its final report should be understood as a wish list by project developers rather than the result of a multistakeholder process. Anyone interested in the views of the environmental justice community can refer to the 2017 recommendations by the Environmental Justice Advisory Committee, which have still not been implemented.

My greatest concern is the lack of attention to the intended beneficiaries of this task force's work: indigenous and environmental justice communities. As I understand it, the initial remit of this task force was to find ways to make the offset program serve these communities better. This must be understood in the context that offsets in general tend to harm environmental justice communities: these are the communities that bear the brunt of air and water pollution from major emitters. As such, they stand to benefit the most from reductions in greenhouse gas and co-pollutant emissions that are required under AB32 and subsequent legislation. When these reductions are deferred or shelved through the use of offsets, environmental justice communities continue to suffer. Modifications to the offset program thus need to clear a high bar to ensure that they serve, rather than further harm, these communities. Rather than taking these concerns into account, the task force has done precisely the opposite: safeguards of importance to the environmental justice community, such as those enumerated by the Environmental Justice Advisory Committee, were omitted from the list of recommendations.

I found there to be little appetite among the task force for creative thinking about offsets or meaningful restrictions on offset protocols. To my surprise, we were informed at the initial

meeting that we were not to undertake an evaluation of existing protocols, but only to focus on new protocols. The logic of expanding the program without first fixing its serious existing flaws is lost on me. In new protocols, I had hoped to see programs addressing the split incentive problem for weatherization, home appliance electrification, or rooftop solar in tenant-occupied residences; or that addressed air emissions from transportation corridors and ports; or that tackled persistent air and water quality issues in farming communities. True, such programs would have generated relatively few credits; to be economically viable, the overall quantity of offset credits would need to shrink. Put simply, to address the needs of California's most impacted communities, the offset program needs to be *reduced* and *refocused*.

Instead, the recommendations focus exclusively on how to expand the offset program, with little recognition of the impacts such expansion would have on frontline communities. Rather than proposing more stringent standards and programs that are directly tailored to environmental justice communities, the draft recommends large-scale expansion of the role of offsets, including the removal of existing safeguards. These safeguards were hard-won through the engagement of environmental justice organizations in previous years, and they are crucial to ensuring the quality of offsets in the program. It is thanks to these safeguards that the California offset program enjoys a relatively robust reputation internationally; but the eagerness to see more funds flow through the offset program has apparently overwhelmed any concerns about the quality of those offsets. It seems that little has been learned from the debacle of the United Nations' Clean Development Mechanism, which collapsed under developer demands for ever-increasing offset credits and lower standards.

In particular, the lack of attention to additionality stands out. Additionality remains the Achilles' heel of all offset programs. It is impossible to prove that credited emissions reductions are additional to what would have happened in the absence of the program simply because it is impossible to prove (and quantify) a counterfactual. Rather than acknowledging and addressing this fundamental problem, or at least proposing increased safeguards to limit damage from non-additional offset credits, the draft engages in a simple "box-checking" exercise against the minimum legal standard. The failure to grapple with the fundamental problem of additionality is, in my view, a fatal flaw in the program.

The failure of the task force to tackle its original objectives may be attributable in part to its composition. I was surprised to learn that a majority of task force members (or the organizations they represent) stand to benefit financially from the adoption of new offset protocols. This is a clear, direct conflict of interest, and I do not understand how it is legal for a public body with a quasi-regulatory function (offset protocols are a regulatory instrument) to consist primarily of individuals who stand to profit from the adoption of their own recommendations.

A far better arrangement would have been to convene a task force representing the indigenous and environmental justice communities meant to benefit from the task force's work, with scientists in a technical advisory capacity. The difficulty CARB faced in recruiting anyone to fill the single spot available for an environmental justice advocate indicates that such positions would need to be compensated. Indeed, the fact that the position was not compensated contributed to my personal inability to participate to the necessary degree, as I fear would be the case for any individual representing environmental justice communities. While project developers can afford to pay their staff to provide CARB with many hours of free, highly-skilled labor, environmental justice communities and their advocates are unable to do so. Of course, there is no need to reinvent the wheel; if CARB wants to take seriously the concerns of environmental justice communities, it can start by implementing the 2017 recommendations.

I am grateful for having had the opportunity to serve on the task force. I found our discussions fruitful and disagreements forthright but respectful -- qualities that are rare in these contentious times. I thank my fellow task force members and the CARB staff for their hard work and dedication under difficult circumstances.

I request that this letter be included as an appendix in the final report.

Sincerely,

A handwritten signature in cursive script that reads "Neil Tangri".

Neil Tangri, Ph.D.
Environmental justice representative
Compliance Offset Protocol Task Force

Cc: Mary Nichols, CARB Board Chair
Boardmembers of CARB