

# Carbon Market Notice

## California Air Resources Board Compliance Offset Investigation of Livestock Methane Destruction Project

Published on November 10, 2022

Québec’s cap-and-trade system for greenhouse gas (GHG) emission allowances (C&T system) has been linked with California’s since January 1, 2014, forming a single regional carbon market. Emission units and offset credits issued by either of the two government partners are fully fungible and can be transferred between entities registered with the Ministère de l’Environnement et de la Lutte contre les changements climatiques (MELCC) or the California Air Resources Board (CARB).

The purpose of this notice is to inform participants that CARB has initiated an investigation to determine whether the offset credits issued for a project carried out at the site of the Central Sands Dairy, LLC in Nekoosa, Wisconsin, according to protocol Livestock Methane destruction project, might have been issued while the installations were not in compliance with State of Wisconsin’s Department of natural resources regulations<sup>1</sup>.

The table below provides issuance details regarding the offset credits under investigation.

CARB project ID number	Reporting period start date	Reporting period end date	Vintage Year	Number of credits issued	Date of Issuance	Invalidation timeframe	Start of invalidation timeframe
CALS5123-E	2020-01-04	2021-03-31	2021	13 040	2022-02-22	8 years	2021-03-31

CARB has contacted the parties affected by this investigation and is gathering additional information that will allow CARB to determine if the offset credits under investigation should be invalidated.

The parties involved were notified on November 10, 2022. All affected parties have 25 days to provide additional information relevant to the investigation. Once all the additional information has been received, CARB will have 30 days to render a decision on the invalidation of the offset credits. The decision will be communicated simultaneously to all carbon market participants.

Until the investigation has been completed, transfers of the offset credits under investigation have been suspended.

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<sup>1</sup> State of Wisconsin’s Pollutant Discharge Elimination System (WPDES) permit requirements.

**If the offset credits are invalidated**, all affected parties will be notified and the invalidated offset credits will be permanently removed from the Compliance Instrument Tracking System Service (CITSS). It will no longer be possible to transfer the offset credits or use them for GHG emissions coverage purposes and credits already submitted for compliance would have to be replaced.

**If the offset credits are found to be valid**, all affected parties will be notified and the transfer ban will be lifted.

**For additional information concerning the investigation underway**

Link to the [CARB's Market Notice](#)

Link to the [CARB's FAQ](#)

Link to information on [Québec's offset credit program](#)

If you have questions or comments, please contact the Registrar of the Québec Carbon Market:

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