

Market Notice

The California Air Resources Board investigation of Livestock Methane Destruction Project

(Published November 18, 2019)

FINAL DETERMINATION

The California Air Resources Board has made its final determination regarding this investigation. Some offset credits under investigation have been invalidated.

CARB project ID number	Credits issued	Credits invalidated
CALS5040-C	20 421	18 867

Please note that all holders of the invalidated credits have been notified by CARB.

[CARB's Final determination](#)

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Québec's cap-and-trade system (C&T system) for greenhouse gas (GHG) emissions is linked with California's C&T system since January 1, 2014. Since then, emission units and offset credits issued by both governments are fully fungible and can therefore be transferred by entities registered with the ministère de l'Environnement et de la Lutte contre les changements climatiques or with the California Air Resources Board (CARB).

This notice intends is to inform market participants that the CARB has initiated an investigation into whether offset credits issued for livestock methane destruction events that took place at the Scenic View Dairy in Holland, Michigan may have been generated while the facility was not in compliance with the health and safety rules of the Michigan Department of Environment, Great Lakes, and Energy.

The table below provides issuance details of the offsets under investigation.

CARB Project ID number	Reporting Period Start Date	Reporting Period End Date	Vintage Year	CARB Offset Credits Issued	Date of Issuance	Invalidation Timeframe	Start of Invalidation Timeframe
CALS5040-C	2016-02-01	2017-01-31	2017	20,421	2017-06-13	3 years	2017-01-31
CALS5040-D	2017-02-01	2018-01-31	2018	15,697	2019-04-23	8 years	2018-01-31

The CARB has contacted the parties affected by this investigation to give them the opportunity to provide additional information that will allow CARB to make a final determination as to whether the offset credits should be invalidated.

CARB notified all parties affected by this investigation on November 18, 2019. All affected parties have 25 calendar days from that date to provide additional information. Once all information has been submitted, the CARB has 30 calendar days to make a final determination whether to invalidate any offset credits under investigation. The release of the final determination will be noticed ahead of time to ensure all market participants receive the information simultaneously.

Until the final determination is made, trading of the offsets credits currently under investigation is suspended. Some of the offset credits under investigation were previously used for compliance and are located in the Retirement Account.

Once CARB makes the final determination publicly available, transfers of offset credits determined to be valid will be allowed to resume.

If the offset credits under investigation are invalidated, all affected parties will be notified and the offset credits under investigation will be removed permanently from CITSS. These offset credits will no longer be valid and cannot be transferred to any other entity or used for compliance.

If the offset credits under investigation are found to be valid, all affected parties will be notified and the offset credits under investigation will be unblocked in the CITSS accounts of the affected parties.

For additional information

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

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

Link to [Québec's offset credits program](#).

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

Phone : 418 521-3868, ext. 7074, ou 1 800 561-1616, ext. 7074

Email : registraireqc-spede@environnement.gouv.qc.ca.