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Private Forests. Public Treasures.

# Improving CARB Offset Protocols

**SB 840 Offset Policy Briefing**

An opportunity to improve existing offset protocols and establish a new offset approach aligned with conservation & resilience goals.

August 13, 2026

Conserve Forests.  Advance Climate Solutions.  Protect Water Sources.  Save Wildlife Habitat.

# Our Mission

To sustain America's forests for their public benefits of wood, water, wildlife, and people's well-being, in cooperation with landowners and communities.

Since 1993, the Pacific Forest Trust has created economic incentives that reward private forest owners for conserving their lands and practicing sustainable forestry. We have helped shape regional and national forest conservation and climate policies, all in an effort to save wildlife and their habitats, create effective climate change solutions, conserve intact forested landscapes, and protect natural water sources.

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# Concerns with Existing Offset Program

- **Disturbances are increasing.** Wildfire, drought, and pest mortality are increasing, drawing down the forest buffer pool faster than it was designed to absorb.
- **Benefits flow out of state.** The majority of offset credits come from outside California – co-benefits and investment happen elsewhere.
- **Myopic about carbon.** Carbon is the commodity, but if land is managed only to maximize carbon we sacrifice ecological & fire resilience
- **Stale protocols.** Protocols have gone a decade without a science update.

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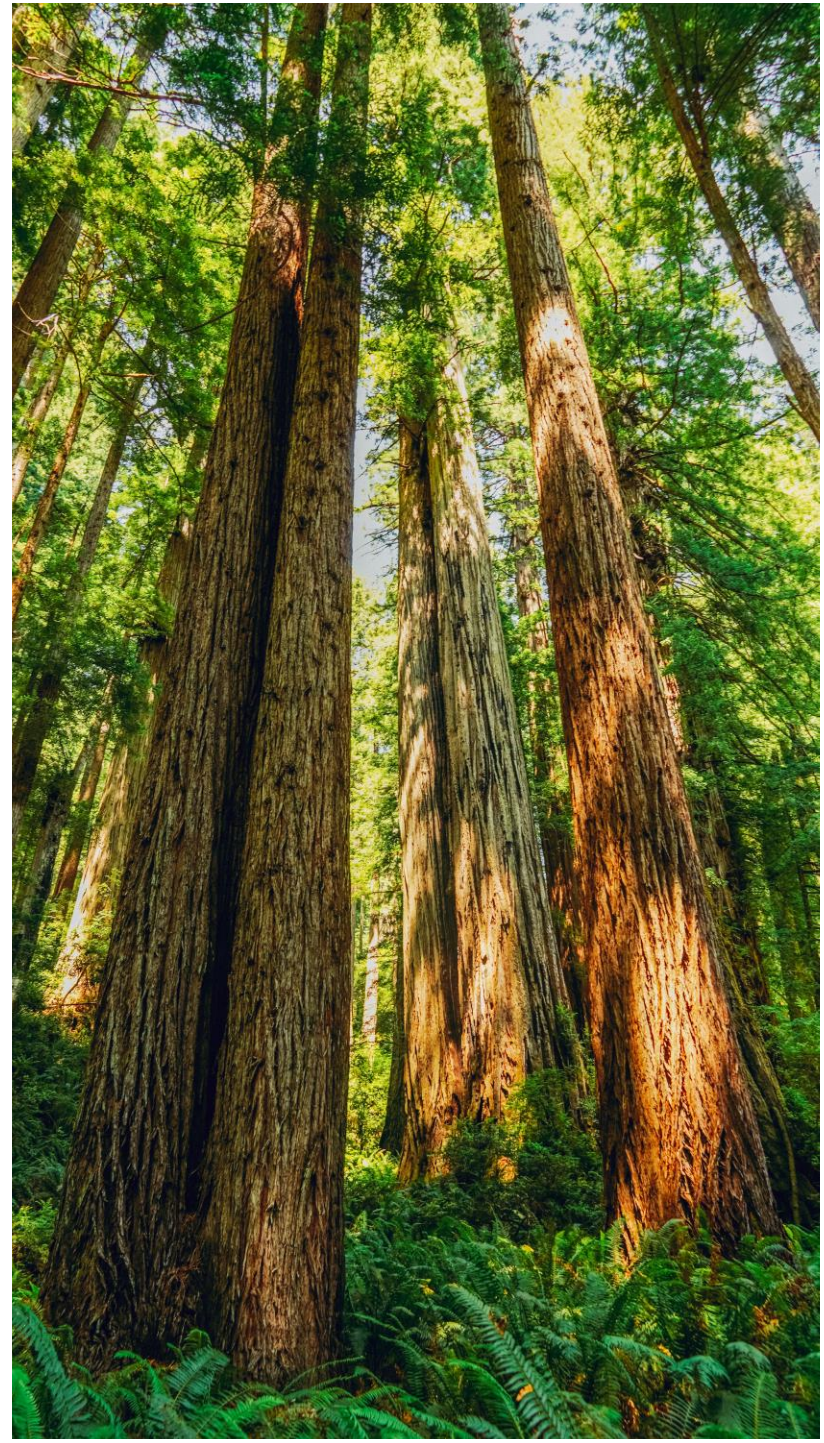
# An Opportunity to Improve Offsets: SB 840

Three deadlines for CARB on offsets:

- **Dec. 31, 2026 — Study and report to the Legislature:**
    - offsets' contribution to climate goals;
    - possible changes to "direct environmental benefits in the state";
    - how to make in-state projects more attractive; and
    - alternative valuation methods for in-state projects aligned with NBS Climate Targets & 30x30
- **Jan. 1, 2029 — Update all compliance offset protocols**
    - Update again in 2034 and every 5 years thereafter



# Proposal: A Different Approach to Offsets: Nature-Based Climate Credits

- Compliance-grade offset credits generated through permanent conservation easements on California's natural and working lands.
- Complement, not replace, the existing compliance offset program.
- Every credit must be real, quantifiable, verifiable, permanent, enforceable, and additional to what is required by law.
- Easements are a proven legal foundation durability with decades of precedent in California.
- Safeguards for durable monitoring, transparent governance, and independent verification.
- Accredited land trusts monitor compliance annually, in perpetuity.

# Benefits for California

- **State-selected projects.** Agencies and land trusts choose projects for the greatest combined carbon, adaptation, water, and community value — not market economics alone.
- **Permanent by design.** Conservation easements lock in climate benefits in perpetuity, not just for a fixed contract term.
- **Counts toward 30x30.**

  Every project advances California's commitment to conserve 30% of lands and coastal waters by 2030.
- **100% in California.**

  Every acre, and every co-benefit it produces — fire resilience, habitat, water, jobs — stays in the state.

# How an NBCC Project Would Move from Land to Ledger

1

## Identify priority land

Agencies and land trusts co-identify high-value forests, watersheds, and habitat: similar to how conservation projects are currently advanced

2

## Establish the easement

A willing landowner enters a permanent conservation easement for fair value

3

## Quantify & verify carbon

Gains are measured against easement terms using ARB methodologies similar to those for GGRF projects. Conditions monitored annually by land trusts

4

## Sell as compliance offsets

The state offers the resulting credits for use in the cap-and-invest program.

5

## Reinvest the proceeds

Sale revenue funds new easements, restarting the cycle — a revolving climate investment fund.

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# NBCCs as a Complement to Existing Offsets

| | Existing Offset Program | Nature-Based Climate Credits |
|---|---|---|
| **Who selects projects** | Private market actors, based on project economics | **The state, for maximum combined climate and public value** |
| **Project location** | Anywhere in USA | **100% of projects located in California** |
| **Monitoring basis** | Detailed accounting of every increment of carbon | **Leverages enforceable easement terms and annual compliance monitoring** |
| **Funding model** | Business to Business transaction, no role for the state | **Revolving fund — proceeds from NBCC sales finance the next round of easements** |
| **Co-benefits** | Not part of the decision criteria, sometimes mal-adapted projects | **Designed into terms of easement: water, fire resilience, habitat, 30x30, jobs** |

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# Why It Matters: Climate, Biodiversity & Water

1

## Climate Mitigation & Adaptation

- Durable carbon storage that advances landscape resilience to fire, drought, and a changing climate.

2

## Biodiversity & 30x30

- Strongholds, refugia, and habitat corridors conserved toward the state's 30x30 goals.

3

## Watershed & Water Security

- Protects the forests that supply much of California's water.

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# Support Healthy Landscapes & Rural Economies

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# Held to the Same Bar, More Flexible Management

## Same Legal Standards as Compliance Offsets

- ✓ Real
- ✓ Quantifiable
- ✓ Verifiable
- ✓ Permanent
- ✓ Enforceable
- ✓ Additional to what is required by law

## A Voluntary Partnership with Landowners

- ✓ Participation is voluntary — no landowner is required to join
- ✓ Willing landowners receive fair compensation through established state programs (WCB)
- ✓ Accredited land trusts handle monitoring and stewardship
- ✓ Compatible working uses continue, consistent with easement terms: supports management for wildfire resilience

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## Help shape the future of the offset program…

CARB will be working on the SB 840 report later this year, and updating protocols over the next two years

- Encourage CARB to develop this new type of offset.
- Broaden the call to have the offset program generate greater in-state benefits.
- Stay tuned for upcoming engagement opportunities

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