
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2023 - 2024 Regular Session

AB 2331 (Gabriel) - Voluntary carbon market disclosures

Version: June 20, 2024

Urgency: No

Hearing Date: August 15, 2024

Policy Vote: E.Q. 7 - 0, JUD. 11 - 0

Mandate: No

Consultant: Ashley Ames

Bill Summary: This bill would amend AB 1305 (Gabriel, Chapter 365, Statutes of 2023) to clarify that a voluntary carbon offset (VCO) does not include a renewable energy certificate (REC) or a low carbon fuel standard (LCFS) credit, and modify timelines for required offset disclosures.

***** **ANALYSIS ADDENDUM – SUSPENSE FILE** *****

The following information is revised to reflect amendments
adopted by the committee on August 15, 2024

Fiscal Impact:

- Unknown but likely minor and absorbable costs for the California Air Resources Board (ARB). The author’s amendments would clarify that a “voluntary carbon offset” does not include a registry offset credit that is under review for conversion to a compliance-based credit. ARB previously identified costs for the prior version of this bill to the extent that the number of voluntary offset credits converted into ARB early-action offset credits were reduced as a result. These amendments exclude early-action offsets as specified, and thereby the number converted should be unaffected, eliminating these ARB costs.

Author Amendments: These amendments would exempt VCO credits that are in the process of being converted to compliance-based credits. They would also modify disclosure requirements and allow businesses to comply by referencing material available on an offset registry’s website. Lastly, they would make technical and other changes.

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