

June 29, 2014

Ms. Mary Nichols
Board Chairman
California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

Submitted via web

Re: Environmental Defense Fund on the Proposed Revisions to the Compliance Offset Protocol for U.S. Forest Projects released June 20, 2014

Dear Ms. Nichols:

Please accept the following comments from Environmental Defense Fund (EDF) on the Proposed Revisions to the Compliance Offset Protocol for U.S. Forest Projects (Forest Protocol), released June 20.

EDF appreciate the updates and revisions the California Air Resources Board (ARB) has made to the Compliance Offset Protocol for U.S. Forest Projects. As of June 27 this protocol has generated 3,271,714 tons of compliance grade offset credits, more than any other compliance offset protocol. Offsets are a critical part of California's Cap-and-Trade program. They incent sectors outside the cap to reduce greenhouse gas (GHG) emissions and allow compliance entities the necessary time to reduce the GHG emissions from their operations.

The success of this protocol and the California offset market could be improved by expanding the geographic applicability of the protocol to include Alaska. There are approximately 1.5 million acres of private forest land in Alaska where the landowners have expressed a willingness to participate in California's carbon market.

When the original Forest Protocol was adopted by ARB in October 2011, Alaska was not eligible "due to lack of region-specific data." As stated at the June 20 workshop, ARB is considering the expansion of the protocol to include Alaska. We strongly support this consideration. The region specific data is currently available on the Climate Action Reserve's website at

<http://www.climateactionreserve.org/how/protocols/forest/assessment-area-data/>. We believe that all currently available region-specific data should be reviewed and considered in the context of including Alaska in the Forest Protocol. Should Alaska not be included in the current revisions to the Forest Protocol, the reasons for its exclusion should be clearly stated in the Initial Statement of Reasons sent to the Board as a part of the 45-day rulemaking package.

In addition to the revisions to the forest protocol and the approval of the Rice Cultivation Projects Compliance Offset Protocol, EDF encourages the ARB to continue its work developing additional offset protocols for agricultural practices. In particular, we recommend the development of a fertilizer management protocol. “Fertilizer application N₂O emission reductions” was one of the five protocols identified by Western Climate Initiative Partners in May of 2012. It is also worth noting that another of the protocols identified was “rice cultivation.”

A fertilizer protocol should be developed with an overarching methodology which covers requirements for the eligibility, boundary conditions, monitoring, reporting and verification. The specific quantification methodologies would be separated into modules with a separate module for each crop and geography. This approach enables expansion of the protocol to additional crops and geographies as calculation methodologies are developed by the agricultural research community. It also allows producers and project developers to understand the overall requirements to develop a fertilizer project. As an example of a crop and geography which would qualify for this protocol, the Almond Board of California has calibrated the DNDC model for California almonds and is in the process of soliciting funding to develop a fertilizer management methodology which could be added to an existing fertilizer management protocol, such as ACR’s *Methodology for N₂O Emission Reductions through Changes in Fertilizer Management*.

ARB has continuously shown their ability to provide thoughtful, balanced and technical rulemakings to reduce air pollution in California. ARB serves as a model for regulations in other states and at the national level. We thank ARB for this opportunity to offer comments. We look forward to continued collaboration with ARB and other stakeholders on the implementation of these changes to the Forest Protocol as well as the development of other land-based agricultural offset protocols.

Sincerely,



Robert Parkhurst
Director, Agriculture Greenhouse Gas Markets