



April 1, 2014

Ms. Yachun Chow  
Air Resources Engineer  
Rice Cultivation protocol Manager  
California Air Resources Board  
1001 "I" Street  
Sacramento, CA 95814

Dear Ms Chow:

I am writing in response to the CA Air Resource Board's (ARB) April 1, 2014 deadline for receipt of comments on the March 14, 2014 Informal Discussion Draft of the Compliance Offset Protocol for Rice Cultivation Projects (hereinafter referred to as the *Draft Rice Protocol*).

I respectfully submit this letter and the attached document on behalf of the Coalition on Agricultural Greenhouse Gases (C-AGG) as comments on the *Draft Rice Protocol*. C-AGG promotes voluntary opportunities for the agricultural sector to engage in GHG mitigation at a scale that matters, and in a timeframe that matters. C-AGG views the *Draft Rice Protocol* as a prototype for future compliance offset protocols that ARB may adopt on behalf of the sector, and to that end, we strongly encourage ARB to incorporate aggregation into the *Draft Rice Protocol*. Without aggregation, the agricultural sector will not be able to participate in agricultural offset protocols at a scale that matters. In the attached paper, we introduce the concept of aggregation within *Cooperative Offset Projects* which we feel are in alignment with ARB regulations (as cited in the paper) and which maintain a science-based and rigorous approach to offset credit generation.

Aggregation is essential to allow the agricultural sector to participate in carbon markets, including the CA Cap-and-Trade compliance market. Aggregators are critical to interpret protocols and to navigate the rules and requirements of participation on behalf of individual farmers who are largely unfamiliar with carbon markets and rigorous compliance markets in particular. Aggregators provide the necessary decision support tools (including business case scenarios), data management systems, monitoring and reporting requirements, and verification services required for agricultural producers to successfully participate in carbon markets. Perhaps most critically, aggregators perform the necessary function of combining (or aggregating) groups of individual farmers under single projects to enable cost-effective project development (and all that is required therein) and scale of GHG mitigation opportunities and credit generation required to create enough credits to attract buyers or investors in these essential projects. Without such aggregation, agricultural producers will not have opportunities to participate in the CA compliance offset market; the business case alone will not work without aggregation, due to high project costs and low relative rates of return per farm and per producer.

Within the proposed *Cooperative Offset Project* approach, we specify further that verification should allow aggregated projects to include data at the field and the aggregate level so that problems identified

on a specific field or farm would not lead to invalidation of an entire project. Further, verification requirements for aggregated projects should apply science-based randomized statistical and risk-based sampling requirements across aggregated projects. Protocol specific verification guidelines can address specific protocol risks.

We hope that the attached document provides enough details to further address the issue and the importance of *Cooperative Offset Project* approaches to enable the agricultural sector to effectively participate in the CA Offset Protocol Program, and will gladly meet to address any concerns or outstanding questions you may have regarding this approach.

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Regards,



Debbie Reed, Executive Director  
Coalition on Agricultural Greenhouse Gases (C-AGG)

[www.c-agg.org](http://www.c-agg.org)

1201 Connecticut Avenue, NW, Suite 300

Washington, DC 20036

(O) 571-312-6139

(M) 202-701-4298

[dreed@drdassociates.org](mailto:dreed@drdassociates.org)