Workshop on Proposed Compliance Offset Protocol for Rice Cultivation Projects and Update to Existing U.S. Forest Protocol

California Air Resources Board
February 20, 2015
Workshop Materials and Comments Submittal

- Presentation is posted at: http://www.arb.ca.gov/cc/capandtrade/meetings/meetings.htm

- Written comments may be submitted at: http://www.arb.ca.gov/lispub/comm2/bcsform.php?listname=feb20-offsets-ws&comm_period=1 by 5 p.m. March 6, 2015 (PDT)

- During the workshop, E-mail questions to: auditorium@calepa.ca.gov
Agenda

- Verification Training/Accreditation Update
- Staff recommendations for updates to the existing U.S. Forest Projects Protocol
- Staff recommendations for updates to the Proposed Rice Cultivation Protocol
- Timeline
Verifier Training Update

- Most recent training held first week of June 2014 included 24 participants in the MMC training
- Future trainings:
  - Planning July 2015 in Sacramento for the Rice Protocol
  - Will post more information as it becomes available at:
    http://www.arb.ca.gov/cc/capandtrade/offsets/verification/verification.htm
Verifier Accreditation Update

- 18 Verification Bodies accredited
- 94 Offset Verifiers accredited
  - 80 Lead verifiers
  - 43 Livestock project specialists
  - 37 US Forest project specialists
  - 34 ODS Destruction project specialists
  - 31 Urban Forest project specialists
  - 12 MMC project specialists

For more information, see:

http://www.arb.ca.gov/cc/capandtrade/offsets/verification/verification.htm
U.S. Forest Protocol Common Practice

- No changes from 45-day language presented at the December 2014 Board hearing
- Existing 45-day language is consistent with the regulatory requirements for a conservative business-as-usual baseline
  - 45-day language reflects the most current data
- Not able to look back further than most recent FIA data because older data may not use the same volume and biomass equations
  - Cannot average data using different equations
U.S. Forest Protocol Minimum Baseline

- No changes from 45-day language presented at the December 2014 Board hearing
- Consistent with voluntary programs
  - The existing 45-day language is consistent with the latest version (3.3) of the Climate Action Reserve's Forest Protocol
  - Equation 6.7 for the Standardized Adjusted Baseline for Above-Ground Live Carbon Stocks Where Initial Stocks Are Above Common Practice
U.S. Forest Protocol Even-Age Management

- Staff goal is 100% harmonization with the California Forest Practice Act
- Proposed updates (CA-FPRs Sec. 913.1 and 912.7)
  - Adjacency requirement - minimum of harvested stand area or 20 acres, whichever is less, and 300 feet in all directions
  - Five feet/Five year requirement – on a minimum of 150 points worth of trees
    - 1 point – countable tree up to 4 inches dbh
    - 3 point – countable tree between 4 and 12 inches dbh
    - 6 point – countable tree greater than 12 inches dbh
  - Rely on common definitions of even-age practices for trigger
U.S. Forest Protocol Alaska Wood Products

- Development of Mill Efficiency and Wood Product values consistent with approach used in the Lower 48

- Mill conversion efficiency
  - Softwood - Saw logs - 0.628
  - Softwood - Pulp wood - 0.582

- Default Wood Product Classes
  - 7.6% Softwood Lumber
  - 2.2% Paper
  - 90.2% Exported (China, Japan, South Korea)
Assumptions

- Exported logs are converted into wood products with the same efficiency as the U.S. average – 0.655
- All exported chips will be used for paper production; conversion efficiency to paper is the same as U.S. production weighted average for conversion of pulpwood - 0.582
  - Most conservative assumption
- Treat logs for log homes as lumber
- USFS and ARB are still evaluating Long-Term Carbon Storage factors for exported wood
  - Proposing to use IPCC default values
Questions?
Rice Protocol Early Action

- Update from 45-day language presented at the December 2014 Board hearing
- Early Action projects using American Carbon Registry’s Rice Protocol with modifications will be eligible
  - No offset credits for emission reductions due to soil organic carbon or N$_2$O
  - No offset credits for emission reductions from rice straw removal after harvest
  - No offset credits for energy efficiency
  - Must use a Field Specific Baseline
Rice Protocol Straw Removal (Baling)

- No changes from 45-day language presented at the December 2014 Board hearing
- Not addressed in the original Environmental Assessment
- No conclusive data indicating there would not be an adverse impact to bird population
- Continued commitment to review new data as it becomes available
- Open to considering in the future
Rice Protocol Additional Items

- Require the usage of the latest version of DNDC
  - No indication of bias in model
- Based on the latest structural uncertainty results set a fixed value of 0.052 metric tons/acre
  - Expect more than 5000 acres of participation
- Clarification to:
  - Language on early drainage
  - Baseline practices
  - Several definitions
  - Shared boundaries for late broods
  - Homogeneous fields
DNDC Independent Validation: 87 Methane datasets

\[ y = -2.7474 + 1.0859x \]
DNDC Structural Uncertainty Calculations

DNDC Structural Uncertainty
(tCO2eq/acre)

Program Acres

Uncertainty Deduction (tCO2eq/acre)
ARB Contract
Rice Quantification Tool

- Contractor: Michigan State University
  - Subcontractor: Applied GeoSolutions
- Expect completion before potential protocol effective date
- Easy compliance with record keeping and quantification requirements
- Simplify data input
- Project quantification calculator
- Project record keeping file
Verification Pilot Program

- First proposed compliance offset protocol to rely entirely on modeled calculations, not tied to direct measurement
- In collaboration with California Department of Food and Agriculture
- $200,000 available to support evaluation of alternative means of verification
Questions?
Protocol Timeline

- Unofficial Workshop comments until March 6 at 5pm
- Release 15-Day Comment protocols: May 2015
- Board consideration: June 2015
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