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March 05, 2015

Greg Mayeur  
California Air Resources Board  
1001 I Street  
P.O. Box 2815  
Sacramento, CA 95812-2815**Climate Wedge Comments on the February 20, 2015 Informal Workshop -  
ARB Compliance Offset Protocol for Rice Cultivation**

Dear Mr. Mayeur,

We are submitting comments on behalf of our client, Climate Wedge LLC, in response to the informal workshop you held on February 20, 2015. Though we are disappointed that California Air Resources Board (ARB) has not proposed inclusion of rice straw removal after harvest (also known as baling) as an eligible activity under this version of the proposed ARB Compliance Offset Protocol for Rice Cultivation (Protocol), we were encouraged to hear the openness and commitment of ARB to continue to pursue this issue.

As you know, Climate Wedge has been actively involved in the compliance protocol development process from the beginning. We strongly believe that including baling in the Protocol would: (i) materially improve its greenhouse gas benefits; (ii) make it easier to scale for purposes of attracting private sector investment; (iii) enhance the habitat for a number of waterbird species and result in no significant impact under CEQA; and (iv) result in a more sustainable utilization of scarce water resources in California.

We applaud ARB's continuing leadership in the development of this important Protocol. But, adopting the Protocol without the inclusion of baling as an eligible activity significantly hampers its ability to provide substantial reductions in methane emissions from the rice cultivation sector. Revisiting the protocol on the shortest possible timeframe should be an ARB goal so that it can truly be a model for others to follow. Without baling, we have serious reservations that the Protocol will be successful in achieving any of the goals outlined before the Board last December. As proposed, the Protocol foregoes potential significant in-State greenhouse gas emission reductions which could help reduce compliance costs, and is therefore less likely to attract meaningful investment from the private sector based on the smaller emission reductions achievable merely through dry rice seeding and/or early drainage activities alone. In addition, it

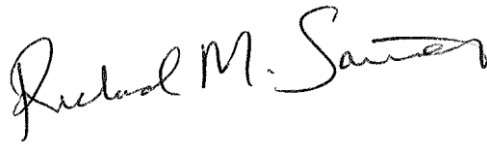
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misses a real opportunity to make an important contribution in more efficiently managing the State's already stressed water resources.

ARB has stated a concern about the *potential* impacts to migratory waterbirds that currently rely on winter flooding of rice fields for certain habitat needs. We believe that a further review of this issue based on the proposal put forth by Climate Wedge will show the increased benefits in habitat diversity, as well as other environmental benefits, for a broad range of waterbirds and their ecosystems. Climate Wedge encourages ARB to review not only currently available research and literature, but to actively pursue its own investigations. Getting the data needed to comfortably make this determination is a stated goal of the Board.

Climate Wedge remains committed to improving the viability of this Protocol, even after it is adopted later this year. Please do not hesitate to contact us moving forward. We look forward to the next steps in this continuing process.

Yours sincerely,

A handwritten signature in black ink, reading "Richard M. Saines". The signature is fluid and cursive, with the first name "Richard" and last name "Saines" clearly legible.

Richard M. Saines  
Partner

cc: Rajinder Sahota