

December 15, 2014

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

Submitted via web

Re: Rice Cultivation Projects Compliance Offset Protocol and staff report released October 28, 2014

Dear Ms. Nichols:

The Nature Conservancy (TNC) appreciates the opportunity to provide comments on the California Air Resources Board (ARB) Proposed Rice Cultivation Project Protocol. The Nature Conservancy supports the Rice Cultivation Projects Compliance Offset Protocol and recommends that the Air Resources Board approve the October 28, 2014 version at its next meeting.

With over fifteen years of experience developing offset projects, protocols, and policy internationally and domestically as well as significant experience with migratory bird conservation, especially in the agricultural landscape, TNC supports the inclusion of agriculture-based offsets in California's greenhouse gas (GHG) cap and trade program that support existing land uses and are environmentally and economically sound. We believe that projects consistent with the proposed rice cultivation-based offset protocol will provide cost-effective and meaningful GHG emission reductions and meet these other priorities. By enabling rice growers to generate offsets with modest changes in management practices and minimal impacts on expected yields, the rice cultivation protocol will result in actions that are compatible with human land uses, and economic and environmental priorities and ultimately be successful.

TNC shares ARB's goal of designing offset practices which avoid negative environmental impacts and generate meaningful co-benefits in addition to greenhouse gas reduction benefits. For the rice protocol, these co-benefits include maintenance of important wildlife habitat, especially for migratory and resident bird species, and continuing support for sustainable, local economies.

We commend ARB's significant investment of staff time and stakeholder engagement to ensure that this protocol does not materially affect migratory birds and other wildlife. In developing this protocol, the ARB held four Technical Working Group meetings and two Workshops, in addition to independent

consultations and presentations with technical experts. The process involved diverse stakeholders, including rice growers in California and the Mid-South, agricultural trade groups, conservation groups (including Ducks Unlimited, Point Blue, Audubon, Environmental Defense Fund), project developers, project registries (including the American Carbon Registry and Climate Action Reserve), and verification bodies. During this process, ARB sought input from these diverse stakeholders and used this information to make several substantial changes to the protocol's text which eliminate or mitigate negative impacts on wildlife. TNC believes this process can serve as a model for how ARB assesses non-GHG environmental impacts of future revisions of this protocol as well as new protocols.

The current version of the rice cultivation protocol includes numerous requirements which reflect safeguards against negative impacts on migratory birds. The rice-growing regions included in the protocol provide critical habitat for migratory birds along North America's two largest flyways. It is essential this habitat is not affected by the practices proposed in the protocol.

We concur with ARB's conclusions regarding the protocol's impacts on migratory water birds, which draw in part from a two-year study conducted by Point Blue Conservation Science. TNC supports the study's design, overall conclusions, and its use by ARB in drafting of this protocol.

TNC commends the excellent work of ARB staff as they developed this offset protocols and cap and the larger cap and trade system and appreciates this opportunity to offer our recommendation and support. We look forward to working with ARB and other stakeholders in the development of additional project protocol for agricultural practices that are also compatible with human land uses, and economic and environmental priorities.

Please feel free to contact us with any questions or comments.

Contact: Alex Leumer, Climate Change Policy Associate, The Nature Conservancy, aleumer@tnc.org