



SIERRA PACIFIC INDUSTRIES

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May 7, 2018

Rajinder Sahota,
Assistant Division Chief
California Air Resources Board
Industrial Strategies Division
P.O. Box 2815
Sacramento, CA 95812

Dear Mrs. Sahota,

Thank you for California Air Resources Board's continued leadership in implementing the cap-and-trade program. Sierra Pacific Industries owns substantial forest resources in California and are actively participating in the carbon offset program. The following letter is a request for changes to the Air Resources Board's California Cap and Trade Regulation relating to the circumstances a project is subject to invalidation. The criteria for determining when a violation of a local, state or national environmental, health or safety (EHS) regulation results in an invalidation are vague and the remedies are unclear. This uncertainty discourages the purchase of forest offsets by covered entities and the participation as an Offset Project Operator.

Sierra Pacific Industries is a member of the California Forest Carbon Coalition (www.caforestcarbon.com) and support their proposal for how to provide clarity regarding how CARB could address EHS violations in carbon offset projects. Providing clarity on these rules will allow offset developers like us to develop more offset projects in California that help reduce in-state emissions, provide more jobs in California and help us reach our collective state greenhouse gas emission reduction goals.

Thank you for the opportunity to provide our recommendations on this vitally important issue.

Sincerely,

A handwritten signature in blue ink that reads 'Cedric Twight'.

Cedric Twight
Sierra Pacific Industries
Manager of California Regulatory Affairs