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California Air Resources Board PO Box 2518 Sacramento, CA 95812

Re: Comments on Sectoral Crediting Workshop 10/28 and White Paper

The Nature Conservancy appreciates the opportunity to submit comments in response to the workshop on sector based crediting in AB 32 held on October 28., 2015 and the associated white paper. We thank the Air Resources Board (ARB) and its staff for producing a productive workshop and an excellent white paper to support it.

The workshop laid a strong and thoughtful foundation for a robust public process and future regulatory action that could help California address another significant source of global emissions, tropical deforestation and forest degradation. California’s regulatory cap and trade program could ultimately include reduced emissions from deforestation and forest degradation (REDD) to help meet its greenhouse gas reduction goals, thereby sending a strong signal to tropical forest jurisdictions to curtail emissions from forest loss.

The staff presentation and white paper effectively describe California’s historical engagement and support for reducing forest emissions in tropical jurisdictions. It also includes a clear statutory basis for addressing this issue pursuant to AB 32 and how reduced emissions from tropical deforestation are included in the related scoping plan.

As noted in the workshop presentation and white paper, incorporating emission reductions from tropical forests into the State’s cap and trade program would leverage climate benefits in California and around the world. We agree. Incorporating REDD into AB 32 would have many benefits, well articulated in Section IV of the white paper beginning on p. 8. For example,

* “The acceptance of REDD offset credits into California’s Cap-and-Trade Program would help in meeting the goals of AB 32 by reducing greenhouse gas emissions and by lowering the cost of compliance for entities subject to the Cap-and-Trade Regulation.”
* “Reducing emissions from tropical deforestation also reduces impacts of global climate change on California” and could be helpful in addressing California’s water supply issues including extended drought.
* Adding jurisdictional REDD to AB 32 would continue California’s global leadership on climate change and catalyze significant emission reductions from reduced deforestation in tropical forest jurisdictions around the globe and send a positive signal to the growing carbon market in California and globally.
* Including REDD credits in AB 32 would build resilience of tropical forest ecosystems to climate-driven changes like increasing temperature and produce many other important co-benefits including fostering poverty alleviation through low-carbon development and protecting biodiversity.

The white paper also describes the productive guidance of the REDD Offset Working group (ROW) and outlines several issues for further investigation. The Nature Conservancy encourages ARB to draw from the ROW recommendations as it addresses these issues in subsequent workshops and designs its proposed program. We suggest that the issues of enforcement and social and environmental safeguards be addressed in future workshops and offer our support.

Finally, the Nature Conservancy fully agrees with ARB staff that, “Given the importance of addressing tropical deforestation, the benefits described in this white paper to California and California’s program, and the current status of GCF partner jurisdiction efforts, ARB staff believes there is value in developing proposed regulatory amendments and pursuing a sector-based REDD linkage in time for the third compliance period of the Cap-and-Trade Program.” (white paper, p. 44) We believe that ARB can design and adopt a first-in-kind, compliance jurisdictional REDD crediting program that will diversify and strengthen AB 32 and inspire global action to combat climate change through protecting forests and the people that depend on them for their livelihood.

We look forward to working with ARB to the development and ultimate adoption of regulations to accomplish these important goals.

Sincerely

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Louis Blumberg, Director California Climate Change Program