

Native American Venture Fund

October 27, 2017

California Air Resources Board
1001 I Street
Sacramento, CA 95814

Re: Comments of Native American Venture Fund on the October 12, 2017 Workshop on Proposed Amendments to the Offsets Provisions of the California Cap-and-Trade Regulation

Dear Air Resources Board Staff:

The Native American Venture Fund (“NAVF”) appreciates the opportunity to submit the following comments on the October 12, 2017 workshop hosted by staff of the California Air Resources Board (“ARB”) on proposed amendments to the carbon offsets provisions of the California Cap-and-Trade Regulation (“Cap-and-Trade Program”). NAVF respectfully requests that carbon offsets from tribal lands remain eligible for all of the offset targets referenced in Assembly Bill (“AB”) 398. Offsets from tribal lands directly benefit disadvantaged Native American communities and result in lower greenhouse gas emissions nationwide.

The Native American Venture Fund is a venture fund company that promotes and develops carbon offset projects on tribal lands. NAVF finances all of the costs of such projects for Native American tribes, and the tribes receive the lion’s share of revenues from selling carbon credits that the ARB issues for such projects. NAVF has over 30 years of experience working with Native American and the First Nation Tribes on projects that promote economic development. NAVF works closely with leaders from Native American communities who promote reforestation, conservation, and economic development.

AB 398 states that half of the carbon credits from offset projects “may be sourced from projects that do not provide direct environmental benefits in the state.” The ARB has the authority to interpret the offset provisions of AB 398 consistent with controlling law.¹ Notably, AB 398 does not expressly exclude projects on tribal lands.

Accordingly, NAVF requests that ARB consider the disadvantaged Native American communities who rely on the revenues from carbon offsets for their basic needs. That is consistent with AB 398, which establishes a Compliance Offsets Protocol Task Force to provide guidance on new offset protocols under the Cap-and-Trade Program, “for the purposes of increasing offset projects with direct environmental benefits in the state while prioritizing disadvantaged communities, Native American or tribal lands, and rural and agricultural regions”

¹ See, e.g., Government Code section 11342.2.

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(emphasis added). As a matter of priority, the ARB should include offsets projects sourced from sovereign tribal lands as projects that directly benefit the environment in California.

Currently, the Cap-and-Trade Program enables disadvantaged Native American communities to provide jobs and essential services, such as schools, hospitals, fire stations, paved roads, electricity and heat. Limiting offsets projects to half of the eligible carbon offsets credits will discourage Native American participation and deprive their communities of revenues for such essential facilities.

Without the Program, many Native American communities would not otherwise have the funds or capital to fund conservation projects or other means of lowering greenhouse gas emissions. That impacts the air they share with California. Offsets projects on tribal lands will continue to lower emissions in areas surrounding California that would not ordinarily mitigate emissions.

In addition, carbon offsets credits from tribal lands directly benefit the State. Such offsets contain compliance costs for entities that comply with the Cap-and-Trade Program, which promotes continued participation in the Program. The State receives revenues from that continued participation.


Tribal lands will also remain an important source to mitigate greenhouse gas emissions in other jurisdictions that are linked or seek to link to the Cap-and-Trade Program, including First Nations in Ontario and Quebec, and Native American tribes in the New York and Oregon areas. It is logical for the Cap-and-Trade Program to continue to include such tribal lands, which will expand the areas that will lower greenhouse gas emissions.

NAVF applauds the State for its leadership in promoting a program that will provide economic benefits to disadvantaged communities. We believe the best way to benefit disadvantaged communities is to promote their participation in the Cap-and-Trade Program. That provides an economic incentive to provide cleaner air for everyone.

For all of these reasons, NAVF requests that the ARB allow entities to use the carbon credits sourced from tribal lands to comply with all of the offset targets (four percent and six percent) referenced in AB 398.

We welcome the opportunity to discuss these issues further with the ARB and interested stakeholders.

Sincerely,



W Brent Hill, Chief Financial Officer / Co-founder
Native American Venture Fund

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