

March 8, 2013

Ms. Mary Nichols, Chairman
California Air Resources Board
P.O. Box 2815
Sacramento, CA 95814

Re: Calforests Comments to Cap and Trade Auction Proceeds Investment Plan

Dear Chairman Nichols:

On behalf of the California Forestry Association (Calforests), I'd like to thank you for the opportunity to provide written comments on the development of the Cap and Trade Auction Proceeds Investment Plan. Calforests is the trade association that represents over four million acres of forest owners, producers of nearly 400 megawatts of renewable biomass energy, and over 90% of California's primary manufacturers of all types of forest products. Calforests' members are forestry professionals committed to the conservation of our forest resources, sustainable use of renewable resources, environmentally as well as economically sound forest policies and responsible forestry.

We would like to express our strong support for inclusion of forest fuels reduction and its use for biomass energy, forest improvement, and reforestation of forests lost to wildfire and other natural disturbances in its investment strategy for the State's cap and trade auction proceeds. Investments in these forest improvement activities are consistent with both the goals of AB 32 and California's climate mitigation strategy. Moreover, these activities will support disadvantaged rural communities by providing both the environmental benefits of reduced potential wildfire damages and their GHG emissions, while increased jobs and economic activity from renewable biomass energy and the concomitant forest improvement projects.

As you know, the Scoping Plan for implementation of AB 32 estimated that sustainable forest practices can, at a minimum, achieve five million metric tons of carbon reduction through forest sequestration, and potentially much more. Moreover, AB 1532 specifically authorizes utilization of revenues for GHG reduction associated with natural resource management and conservation and forestry.


We support the conclusion of the *Ad Hoc Forest Sector Cap and Trade Allowance Work Group* that, “Absent a significant and ongoing investment in protecting watersheds and making forests more resilient, our natural environment and increasing climate-stressed forests will be subject to insects, disease and unnaturally intense fires, jeopardizing California’s most critical source of water, eroding our timberland base, threatening the viability of the forest products industry and fragmenting wildlife habitat that supports numerous threatened species.”

To reiterate the results of a recent California Energy Commission funded life-cycle analysis of fuel-hazard reduction work in the Northern Sierras (<http://www.energy.ca.gov/2009publications/CEC-500-2009-080/CEC-500-2009-080.PDF>):

- Thinning forests resulted in a 22% reduction in the number of acres burned by wildfires. A dramatic drop in fire severity was also observed.
- Taxpayers saved \$246 million in avoided wildfire damage to assets and savings in avoided fire suppression costs.
- Thinning material could have produced \$1.58 billion in renewable energy.
- A substantial offset of fossil fuel was consumed to generate the same amount of potential renewable energy.
- Climate benefits included a 65% net reduction in greenhouse gas emissions.
- There were no significant adverse effects to water, wildlife, soil or other public trust resources.

In conclusion, we believe the combined benefits of reduced GHG emission, increased carbon sequestration and the benefits accrued to disadvantaged rural communities from investment in forest improvement projects is unmatched by any other potential investment.

Best regards,



David A. Bischel
President