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April 6, 2016

California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

RE: Comments on the Air Resources Board (ARB) Proposed Second Update to the Climate Change Scoping Plan: Natural and Working Lands Section

Dear ARB:

Thank you for this opportunity to provide comments on the ARB's proposed second update to the Scoping Plan. The Climate Action Reserve ("Reserve") is proud to have worked with the State of California for over a decade on climate policy, greenhouse gas accounting and standards, and as an accredited Offset Project Registry in the cap-and-trade program. The Reserve also participated in both the development of the original scoping plan and the first scoping plan update, and plans to be fully engaged in the current update as well. The Reserve respectfully submits the following comments on the Natural and Working Lands section of the Scoping Plan, in response to the recent discussion paper and workshop. The Reserve will also be submitting separate comments to support the Forest Climate Action Team's (FCAT's) Forest Carbon Plan and Sector-based offset credits processes.

The Climate Action Reserve commends the State of California and the direction the team have taken in updating the Natural and Working Lands section of the Scoping Plan. Conservation, protection, and enhancement of natural and working lands through thoughtful land management and innovative policy can and will reduce greenhouse gas (GHG) emissions, enhance carbon sequestration, and deliver a plethora of economic, social, and environmental co-benefits. It is refreshing for that possibility to be recognized and embraced as such an integral part of this Scoping Plan.

## **1. Quantitative Targets for the 2030 Scoping Plan Update**

### **Existing Mechanisms: Offsets**

In the discussion paper, comment was sought on new and existing implementation mechanisms which exist or are needed to advance draft scoping goals. Numerous quantification and implementation mechanisms exist today through carbon offset methodologies. While the California Air Resources Board has adopted forestry, urban forestry, livestock, and rice compliance offset protocols, more could be done both to increase uptake of existing protocols and to increase the number of land-



based protocols in the existing compliance program. The Climate Action Reserve has a number of additional land use based protocols it has developed for the voluntary carbon market, which could be implemented in California under the compliance offset program and/or used to inform accounting methods for other non-offset mechanisms. Relevant protocols include:

- Avoided Conversion of Grasslands
- Nitrogen Management
- Composting
- Organic Waste Digestion

Offsets are a great mechanism for implementing emission reduction projects. However, offsets are not necessarily the most ideal incentive mechanism for all sectors or for all activity types. Offset projects need to be able to estimate a return on investment; certain timescales for carbon accumulation are simply too long for that estimate, while in other cases, measurement costs are simply too high to make a project break even while meeting protocol requirements. For biological systems, the science is not always sufficiently advanced due to high variability between crops, practices, soils, etc. Just because the exact emission reduction potential of a project (due to inability to measure/model) is unknown should not prevent the implementation and encouragement of such greenhouse gas-reducing activities under the Scoping Plan, but it does prevent or discourage such activities from being candidates for offsets.

Finally, it is important to remember that quantifying emission reductions or carbon sequestration in land use based protocols is very different than measuring those reductions at point sources. Emission reductions are typically much smaller and spread out spatially, making it imperative that rules encourage the scalability of these project activities through aggregation of multiple project actors into a single project (something the current offset program in California limits). There is a need for creativity and innovation with regards to how we can build from voluntary protocols that allow for aggregation and the projects that have implemented them: they could provide valuable lessons learned from project implementation, robust frameworks for quantifying emission reductions, and potential monitoring requirements.

### **Existing Mechanisms: USDA NRCS's COMET-Farm, COMET-Planner, & EQIP**

There are numerous highly useful quantification tools and incentives out of USDA NRCS that could assist California's efforts. In particular, COMET-Farm<sup>1</sup> and COMET-Planner<sup>2</sup> are two tools developed by Colorado State University through NRCS funding that allow for quantification of GHG emissions and carbon

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<sup>1</sup> COMET-Farm is available at: <http://cometfarm.nrel.colostate.edu/>

<sup>2</sup> COMET-Planner is available at: <http://comet-planner.com/>

sequestration of various land-use and land-management decisions. COMET-Farm is a biogeochemical process model that requires many inputs but can accurately estimate those emissions and biogeochemical processes, while COMET-Planner allows for a quick estimate of how certain practices would impact emissions, yields, etc. Further, the Environmental Quality Incentives Program (EQIP) funding from NRCS can be applied to NRCS Conservation Practice Standards, which have synergies with many Climate Smart Agriculture practices, recognized by the state. The state could further leverage such EQIP funding by designating additional Greenhouse Gas Reduction Fund (GGRF) revenues for implementation of these practices, through the state's existing local NRCS field offices and program structure.

### **Clarification & Transparency in Accounting Methods**

There is a need to clarify and make more transparent accounting methods, as well as develop a means to track and monitor state-wide funds targeting climate change (e.g., potentially with a state-level registry for non-offset project accounting). This will help prevent double counting, ensure some sort of uniform monitoring and reporting requirements, and ease the burden of accounting by ensuring collection of data in a single repository. The creation of a registry could be especially useful for tracking funds from the GGRF and other such funds targeting climate change (e.g., EQIP), as well as the associated emission reductions achieved.

### **Spatial Scale for Scoping Plan Goals**

The discussion paper also sought comment on what is the appropriate spatial scale for GHG reduction targets, measurements of progress against those targets, and accounting generally. The appropriate scale is variable, and the state should consider mechanisms that allow for targets and accounting on a variety of scales most appropriate to a given activity, as well as accounting methods and goals that are able to capture the aggregate impact of these activities. While project level accounting is necessary for offsets in the current system, greater efficiencies can often be found at a larger scale. For example, county-scale would be more appropriate from a management perspective for implementation of many activities. GHG baselines and monitoring can be conducted across the natural and working landscape sectors at the county scale. One major reason is the larger scale would allow for lower uncertainty due to aggregating that uncertainty over a larger landscape.

## **2. Engaging Local Communities through Innovation**

The focus on engaging local communities is a commendable one, and important to long term success of Scoping Plan goals. Local stakeholders, including landowners, local government, non-profit groups, and fire-safety councils, typically have the best

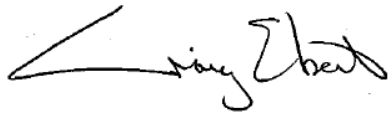
understanding of local environmental and resource management priorities. Local engagement is critical to ensure their priorities are included in local action. Resource Conservation Districts (RCD) may be particularly well-suited to play a leadership role within the counties they operate in and can serve to administer state programs. They have pre-existing relationships with land managers in their region and have a proven track record. Empowering local RCDs encourages better local engagement and uptake, and RCDs are well positioned to coordinate across multiple funding streams, including federal funding streams.

### **3. Land Use Valuation and Co-Benefits**

Encouraging the valuation and accounting for co-benefits, as well as encouraging the impact co-benefits and climate smart efforts will have on land-use valuation, is essential for maximizing incentives (both existing and future) towards achieving these goals. Developing better frameworks to account for and measure progress towards goals around social, environmental, and economic co-benefits are critical. However, efforts to simply better acknowledge co-benefits (even if just anecdotally) and creatively thinking about how to measure co-benefits in existing projects and programs is a critical first step. In this sense, it is important that we do not let the perfect be the enemy of the good. We must recognize that we have to start somewhere, set ambitious co-benefit goals, and then plan in advance how to refine them and improving upon methods to track progress against these goals, as the science and the accounting methods catch up.

We appreciate this opportunity to comment and look forward to our continued partnership in addressing the serious threat of global climate change. We thank the State of California for its leadership in developing a new low-carbon economy.

Warm regards,

A handwritten signature in black ink, appearing to read "Craig Ebert". The signature is fluid and cursive, with a long horizontal stroke at the beginning.

Craig Ebert  
Vice President, Policy