

4/25/13

Nadine Petersen

13-5-4



April 24, 2013

Ms. Shelby Livingston
Chief, Climate Change Program Planning and Management Branch
Air Resources Board
Sacramento, CA 95814

RE: Comments on Draft Cap-and-Trade Auction Proceeds Investment Plan: Fiscal Years 2013-14 through 2015-16

Dear Ms. Livingston:

We are writing to express support for the California Air Resources Board's Draft Cap-and-Trade Auction Proceeds Investment Plan (Investment Plan) and to recommend a specific amendment. ARB is to be commended for including natural resources and sustainable communities as some of the key sectors to provide significant opportunities for achieving the legislative goals with auction proceeds. We support the goal of directing investments to projects that support reduction of greenhouse gas emissions while delivering multiple co-benefits and we commend the ARB for targeting existing grant programs that can delivery projects quickly. We recommend that the California Coastal Conservancy (Conservancy) and its Climate Ready <http://scc.ca.gov/category/climate-change/> program be added to the Investment Plan's list of state agencies that have existing grant programs for these types of projects.

The Conservancy is the non-regulatory arm of the State's coastal management program and it has successfully completed thousands of multi-objective projects for over the past thirty years. The Conservancy has been at the forefront helping communities to assess and address impacts of climate change, adopting climate change project selection criteria, supporting development of climate change vulnerability assessments and project designs, and implementing projects such as the first managed retreat project on the California coast. In 2012, we adopted a strategic plan containing goals and objectives providing for the Conservancy to enhance the resiliency of coastal communities and ecosystems to the impacts of climate change. The Conservancy has been a leader in funding large-scale forest projects that sequester carbon. In partnership with many agencies and organizations, the Conservancy has restored thousands of acres of coastal wetlands and supported planning of tens of thousands of acres of additional restoration projects that could be constructed within the next few years. The Conservancy has funded many agricultural conservation projects to prevent sprawl, including a number of projects in Marin County that are now being evaluated for their ability to sequester carbon, and has supported urban forestry projects as well. We are actively engaged in many of the disadvantaged communities identified in your investment plan and have existing grant programs that could direct auction proceeds to the natural resource and agricultural conservation priorities identified in the plan.

California's human and natural resources along the coast are expected to bear some of the most significant impacts associated with a changing climate. At the same time, the coast supports a vast

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amount of wetlands, forests and other working lands that require protection from conversion as temperatures warm and human populations shift to the cooler coastal region. Assistance will also be needed to improve the air, water and health of large populations of disadvantaged persons in urban communities, particularly within Southern California and the San Francisco Bay. The Conservancy's experience and track record are very much in line with what is needed to expeditiously implement strategies in the coastal region to protect carbon rich coastal ecosystems, forest and working lands, and to maximize urban greening and other projects that benefit disadvantaged communities.

Our concern with the Draft Investment Plan is that it would result in a disproportionately low allocation of revenues to the coastal and San Francisco Bay regions relative to the significant benefits that can be achieved by acting now to protect wetlands, working lands and other natural resources that sequester carbon while providing multiple co-benefits to humans and wildlife. Tidal wetlands sequester carbon while mitigating the impacts of sea level rise by buffering development and dissipating storm surge and wave energy associated with storm events. Restoring and protecting these wetlands and adjacent buffer lands now will increase their resilience and longevity with a rising sea level. These projects can take decades to complete, but Conservancy-supported planning is nearing completion for many critical sites, such as at the South Bay Salt Ponds, the Bel Marin Key's wetland, Dutch Slough, and Ormond Beach. Auction revenues are needed to complete these projects to deliver benefits in the short and longer term. In addition to helping to meet AB 32's carbon reduction goals, these and other projects in various stages of planning or implementation, will provide co-benefits of flood protection, endangered species habitat, and public recreational opportunities near urban populations.

The Investment Plan identifies other statewide agency programs that could potentially support implementation of high priority emission reduction strategies within the coastal region. However the combination of high coastal land costs and the Conservancy's track record of accomplishments within the coastal region have sometimes resulted in other agencies focusing their resources within other geographic regions that are underserved. The Conservancy has the programmatic authority, a strategic plan, a Climate Ready program, and a track record of implementing climate smart strategies that are needed to assure that with auction revenues it will be instrumental in helping achieve the 2020 reduction limits and well as the 2050 goals.

Thank you for your consideration,

Sincerely,

A handwritten signature in dark ink, appearing to read 'Sam Schuchat', with a stylized flourish at the end.

Sam Schuchat
Executive Officer