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Russell Henly



**DEPARTMENT OF FORESTRY AND FIRE PROTECTION**

P.O. Box 944246  
SACRAMENTO, CA 94244-2460  
(916) 653-4298  
Website: [www.fire.ca.gov](http://www.fire.ca.gov)



April 24, 2013

Ms. Mary Nichols, Chairman  
California Air Resources Board  
1001 "I" Street  
Sacramento, CA 95814

Dear Chairman Nichols:

**State of California**

Department of Forestry and Fire Protection

**CAL FIRE**

1416 Ninth Street  
Mail: P.O. Box 944246  
Sacramento, CA 94244-2460  
[www.fire.ca.gov](http://www.fire.ca.gov)



**Russell K. Henly, PhD**

Assistant Deputy Director  
Resource Protection &  
Improvement

(916) 653-9447  
Cell (916) 214-4868  
Pager (916) 423-0377  
Fax (916) 653-8957  
[russ.henly@fire.ca.gov](mailto:russ.henly@fire.ca.gov)

I am pleased to have an opportunity to comment on the Draft Cap-and-Trade Auction Proceeds Investment Plan (Plan) as part of the April 25, 2013, public hearing. The Department has been actively engaged in the development of the Plan, and I appreciate the increased emphasis that the current draft outlines a number of areas central to CAL FIRE's mission: forest management, restoration, conservation easements, fuels reduction treatment, urban forestry, and biomass energy production. CAL FIRE stands ready to play a very active role in program actions under the final Investment Plan, which is a critical next step in the process of implementing the California Global Warming Solutions Act of 2006 (Assembly Bill 32). Furthermore, CAL FIRE's broad range of forestry programs is well suited to delivering project activities and project benefits to disadvantaged communities, as directed by Senate Bill 535, in both rural and urban areas.

With over 31 million acres of forestland in California, there is ample opportunity for work to reduce or avoid Greenhouse Gas (GHG) emissions across forest lands of all ownerships. CAL FIRE has direct responsibilities and authorities on the 14.3 million acres of nonfederal forestland in the State. Our policy body, the Board of Forestry and Fire Protection, has policy responsibilities across all forestlands in the State. The third major forestry institution in the State is the Pacific Southwest Region of the U.S. Forest Service, which manages 20 million acres of National Forest Lands. Both public and private forestlands in the State should be eligible for investment of cap-and-trade auction proceeds to reduce or avoid carbon emissions and to increase carbon storage.

The existing CAL FIRE programs identified in the Draft Investment Plan have immediate capacity to begin putting additional funding to work, via grants and direct project implementation, to address GHG mitigation opportunities in the natural resources area. Because these programs are scalable, we also have the ability to rapidly expand them. Expanded implementation can be accomplished, in part, through our well-established

partnerships with other agencies working in these program areas, such as the Sierra Nevada Conservancy, Strategic Growth Council, California Energy Commission, and U.S. Forest Service. Given their mission and programs, I recommend that the Sierra Nevada Conservancy be added as an implementing state agency for the Forests and Ecosystem Management area.

Forest biomass for energy production can be sourced from a wide range of forest management activities on both wildland and urban forests. Many of the CAL FIRE program activities identified in the Draft Investment Plan have the potential to generate woody biofuels. When excess forest materials are pile burned, which is a standard disposal method, they release far more GHGs and criteria air pollutants than when they are burned in bioenergy facilities. Thus, I recommend the consideration of using cap-and-trade auction proceeds to provide transportation incentives to move forest biomass from the source to appropriate bioenergy facilities. Also, cap-and-trade auction proceeds could provide very appropriate and much needed startup funding for community-scale bioenergy facilities established under the direction of Senate Bill 1122.

As noted in the AB 32 Climate Change Scoping Plan and elsewhere, sustainable management of our forests (both wildland and urban), also provides other significant co-benefits in addition to sequestering carbon:

- Reducing wildland fire hazard, damages, losses, and air quality impacts;
- Increasing the resilience of forests to respond to climate-change effects such as drought, insects, and fire;
- Protecting watersheds and water quality;
- Providing quality habitat for fish and wildlife;
- Creating jobs in rural and urban areas;
- Reducing conversion of forestland to developed uses;
- Enhancing health in urban areas by reducing air pollutants and heat island effects; providing more attractive areas for walking, bicycling, and outdoor recreation, resulting in greater physical activity;
- Supplying a sustainable source of wood products that continue to sequester carbon while in use.

The updated CalEnviroScreen maps for identifying disadvantaged communities to guide compliance with SB 535 were posted on the Air Resources Board website this week. The concerns of my March 8, 2013 comments still hold: This approach tends to not identify rural, forested areas as disadvantaged. As demonstrated in the March 8, 2013 comments prepared by the Sierra Institute for Community and Environment, many of California's rural communities face significant economic and social disadvantages.

Forestry in California has very significant potential to contribute to GHG reduction goals. As the Investment Plan is finalized and fiscal year 2013-14 budget recommendations are developed as part of the State Budget May Revision process, CAL FIRE looks forward to the opportunity to work with the Air Resources Board and the Department of Finance to

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submit more specific program budget proposals to support the goals of AB 32 and implementing legislation AB 1532 and SB 535. If you have any questions about potential CAL FIRE program delivery under the Investment Plan, please contact Assistant Deputy Director Russ Henly at (916) 653-9447; [russ.henly@fire.ca.gov](mailto:russ.henly@fire.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Pimlott". The signature is stylized with a large, looped "K" and "P".

KEN PIMLOTT  
Director