Gary Ryuea vsou
17-2-5

GREEN DIAMOND RESOURCE COMPANY

February 15, 2017

Mary D. Nichols, Chair

California Air Resources Board
1001 "I" Street
Sacramento, CA 95814

RE: Agenda Item 17-2-5 "Proposed 2030 Target Scoping Plan"

Dear Chair Nichols and Board Members:

Thank you for the opportunity to comment on the 2030 Target Scooping Plan. Green Diamond Resource Company owns 380,000 acres of timberlands in Humboldt and Del Norte Counties and has been involved in the development of the forestry offset protocols since the passage of AB 32. Our comments will focus on the Natural Resource Working Lands sections in the main report and Appendix G.

First I would like to a request an extension of the "close of public period" beyond March 6. The Forest Climate Action Team's "Forest Carbon Plan" report was presented to the Board of Forestry and Fire Protection (BOF) at January 25th meeting. The Board plans to review report and take public comment at the March 8th BOF meeting. The FCAT has extended the close of comment on the FCAP report until March 17 to receive comments from the BOF and the public. The 2030 Scoping Plan may be further informed by these comments.

We support the following statement at page 19 regarding forests and natural resource lands: *"These lands support clean air, wildlife and pollinator habitat, and rural economies, and are critical components of California's water infrastructure. Keeping these lands and waters intact and at high levels of ecological function (including resilient carbon sequestration) is necessary for the well-being and security of Californians in 2030, 2050, and beyond. Forests, rangelands,*

farms, wetlands, riparian areas, deserts, coastal areas, and the ocean store substantial carbon in biomass and soils. Natural and working lands are a key sector in the State's climate change strategy. Substantially storing carbon in trees, other vegetation, soils, and aquatic sediment is the most effective way to remove carbon dioxide from the atmosphere."

The report at pages 108/109 focuses the goals by stating: *"Policy in this sector must balance carbon sequestration with other co-benefits. California's climate objective for natural and working lands is to maintain them as a carbon sink (i.e., net zero or even negative GHG emissions) and minimize the net GHG and black carbon emissions associated with management, biomass utilization, and wildfire events."*

California's timberlands are currently a carbon sink. While wildfires and unprecedented tree mortality are sources of carbon releases, the most recent field data collected by the US Forest Service indicates there both public and private timberlands have net increase in tree volume. The US Forest Service "Forest Inventory and Analysis (FIA)" program has installed over 5,500 permanent sample plots across California that are re-measured at regular intervals to track changes in forest conditions. The national forest timberlands (over a ten year period) and both corporate and non-corporate (over a 20 year period) all had positive net changes in tree volume and biomass. (See Attachment 1)

We believe the greatest opportunity for maintaining California's timberlands as a carbon sink (with all of the added co-benefits) is to: 1) Conduct active management to improve forest heath and increase resilience to insects, disease and wildfire; 2) Maintain cost-effective regulatory programs to encourage continued timberland management; 3) Develop incentive programs to support ongoing timberland ownership; 4) Support programs that maintain current and create opportunities for new manufacturing infrastructure ; 5) Support biomass-based energy (current and new).

This Board can make the best decisions regarding the Scoping Plan if all available information is received and considered in the development of the plan. That is why we have concerns about Graphs at pages 20 and 21 in Appendix G (see Attachment 2). Both of these graphs show a substantial drop in forest "landscape carbon" (page 20) and "wood carbon" (page 21) starting in 2017. The cause of this substantial drop associated with forest carbon below the baseline is not well explained in the document. This drop is also inconsistent with data from private timberlands that are currently being managed for timber prodcution.

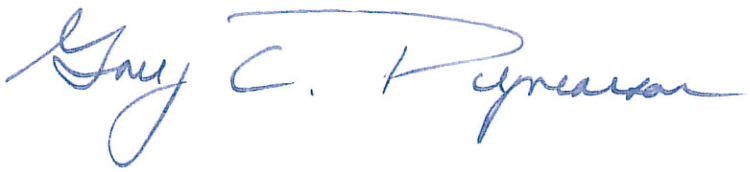
Attachment 3 includes long-term sustained yield information for Green Diamond Resource Company (380,000 acres), Humboldt Redwood Company (209,000 acres) and Mendocino redwood Company (229,000 acres). All major timberland owners (>50,000 acres) are required under the Forest Practice Rules to demonstrate how they will maximize sustained yield and balance harvest and growth over a 100 planning horizon. The graph for Green Diamond and the charts for the Humboldt and Mendocino all demonstrate increasing net timber inventories

(growth minus timber harvest) for the 100 year planning horizon. A review of other major timberland holdings would show similar trends.

Given the disparity in the drop in forest carbon presented in the graphs at Appendix G pages 20 and 21 compared to the increases in timber inventory shown by the three major timberland owners in Cal Fire reviewed and approved long-term plans, we respectfully request further review and explanation of this information.

Thank you for the opportunity to review and comment on the Proposed 2030 Target Scoping Plan.

Sincerely,



Gary C. Rynearson, RPF 2117

Manager, Forest Policy and Communications

Attachment 1

California's Forest Resources: Forest Inventory and Analysis, 2001–2010

Glenn A. Christensen,
Karen L. Waddell,
Sharon M. Stanton,
Olaf Kuegler,
Technical Editors

U.S. Department of Agriculture
Forest Service
Pacific Northwest Research Station
Portland, Oregon
General Technical Report PNW-GTR-913
February 2016

FIA Field Measured Plots in California

5,575 plots measured on 32.8 million acres of forest land between 2001 and 2010

2011 started remeasurement of all 5,575 plots

2016 field season – 6th year of remeasurement, completed 60% of all plots

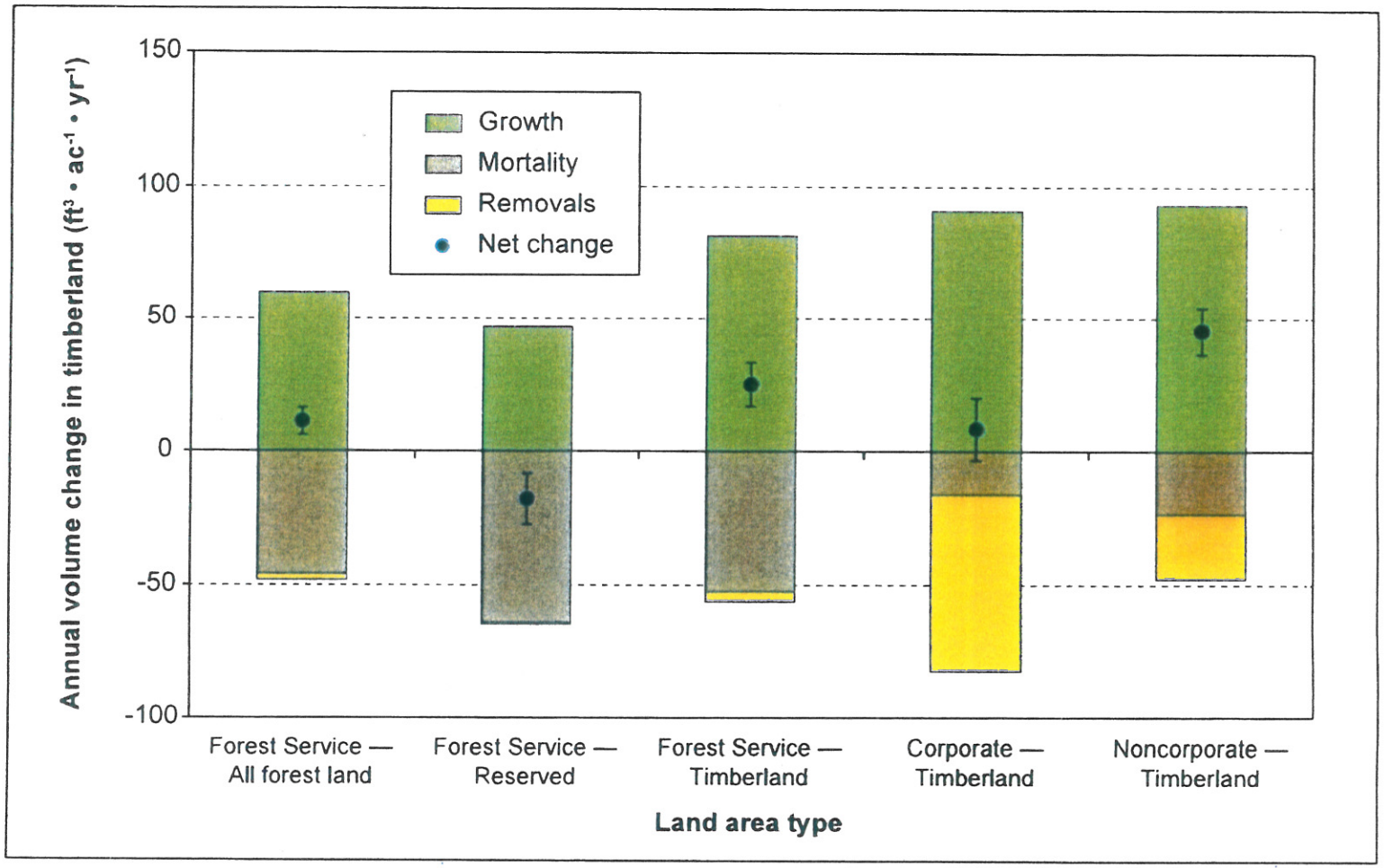


Figure 34—Combined average annual change in volume (cubic feet) growth, removals, and mortality per acre per year on national forest land between 2001–2006 and 2006–2010 by land status compared to privately owned timberland between 1991–1994 and 2007–2010 in California (error bars represent sampling error). Although volume changes are on an annual per-acre basis, it is important to note that Forest Service estimates of change cover a different timeframe than private timberland.

Table 4—Average annual biomass (tons) growth, removals, and mortality per year on non-national forest timberland between 1991–1994 and 2007–2010 in California

	Other federal		State and local		Private					
					Corporate		Noncorporate		Total private	
	Total	SE	Total	SE	Total	SE	Total	SE	Total	SE
	Thousand short tons per year									
Growth	250	125	120	80	7,990	608	6,033	572	14,023	776
Mortality	57	32	4	3	1,552	281	1,609	241	3,161	360
Removals	21	23	—	—	5,689	757	1,520	270	7,209	792
Change	172	113	116	77	749	1,030	2,903[a]	552	3,653[a]	1,159

— = not available.

[a] Estimate is significant, different from zero at the 95 percent significance level.

Table 8—Average annual biomass (tons) growth, removals, and mortality per year on National Forest System land between 2001–2006 and 2006–2010.

	Forest land		Timberland		Reserved forest land		Low-productivity forest land	
	Total	SE	Total	SE	Total	SE	Total	SE
	Thousand short tons per year							
Growth	17,576	788	13,456	779	3,258	306	1,215	155
Mortality	15,051	1,433	9,594	1,229	4,870	750	977	329
Removals	698	247	669	246	29	34	—	—
Change	1,827	1,631	3,193[a]	1,419	-1,642[a]	725	238	362

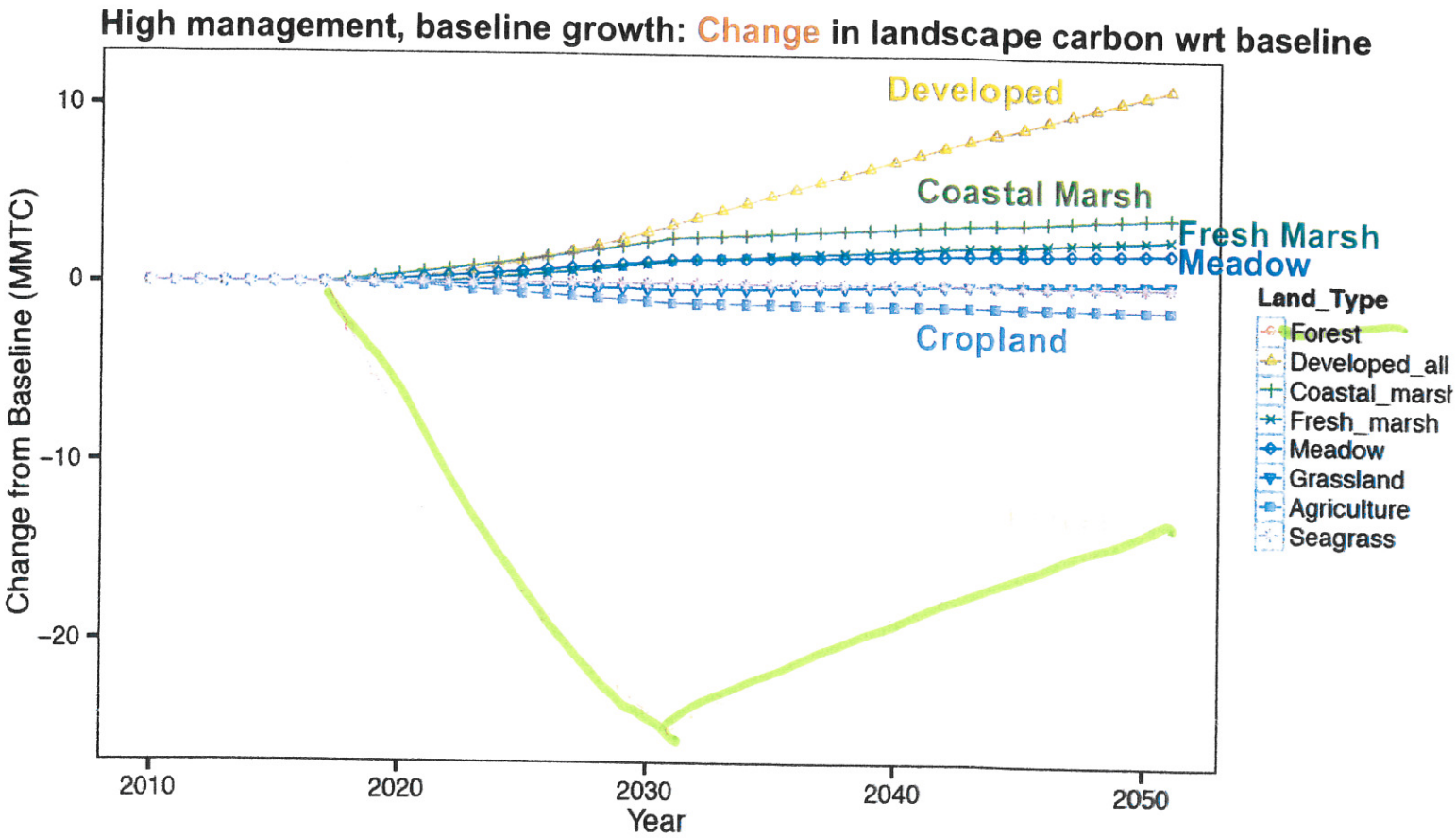
— = not available.

[a] Estimate is significant, different from zero at the 95 percent significance level.

Attachment 2

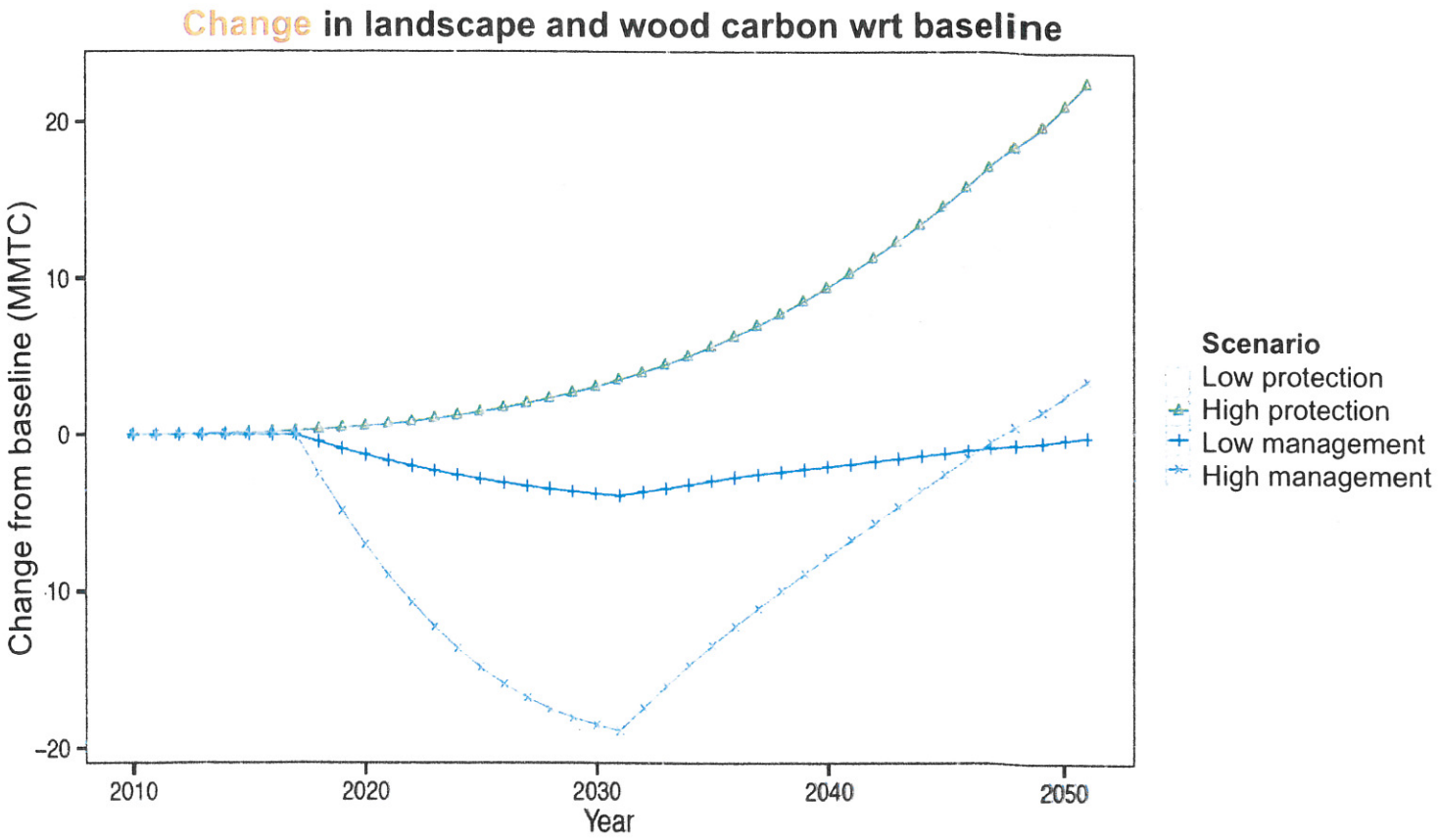
20

Management has definite impacts on carbon



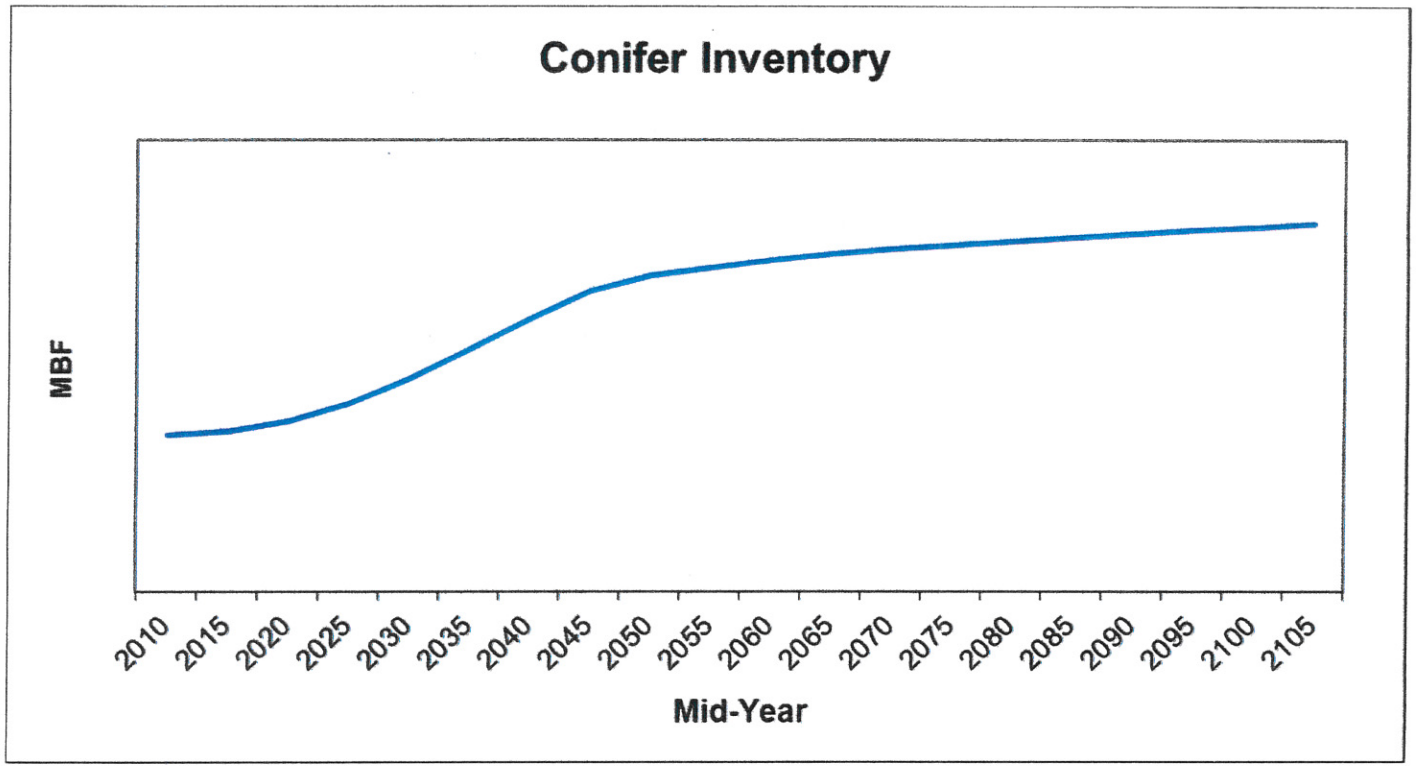
21

Scenarios vary considerably



Attachment 3

Green Diamond Resource Company
Projected Net Conifer Timber Inventory
2012-2105
(Adjusted for annual timber harvest and mortality)



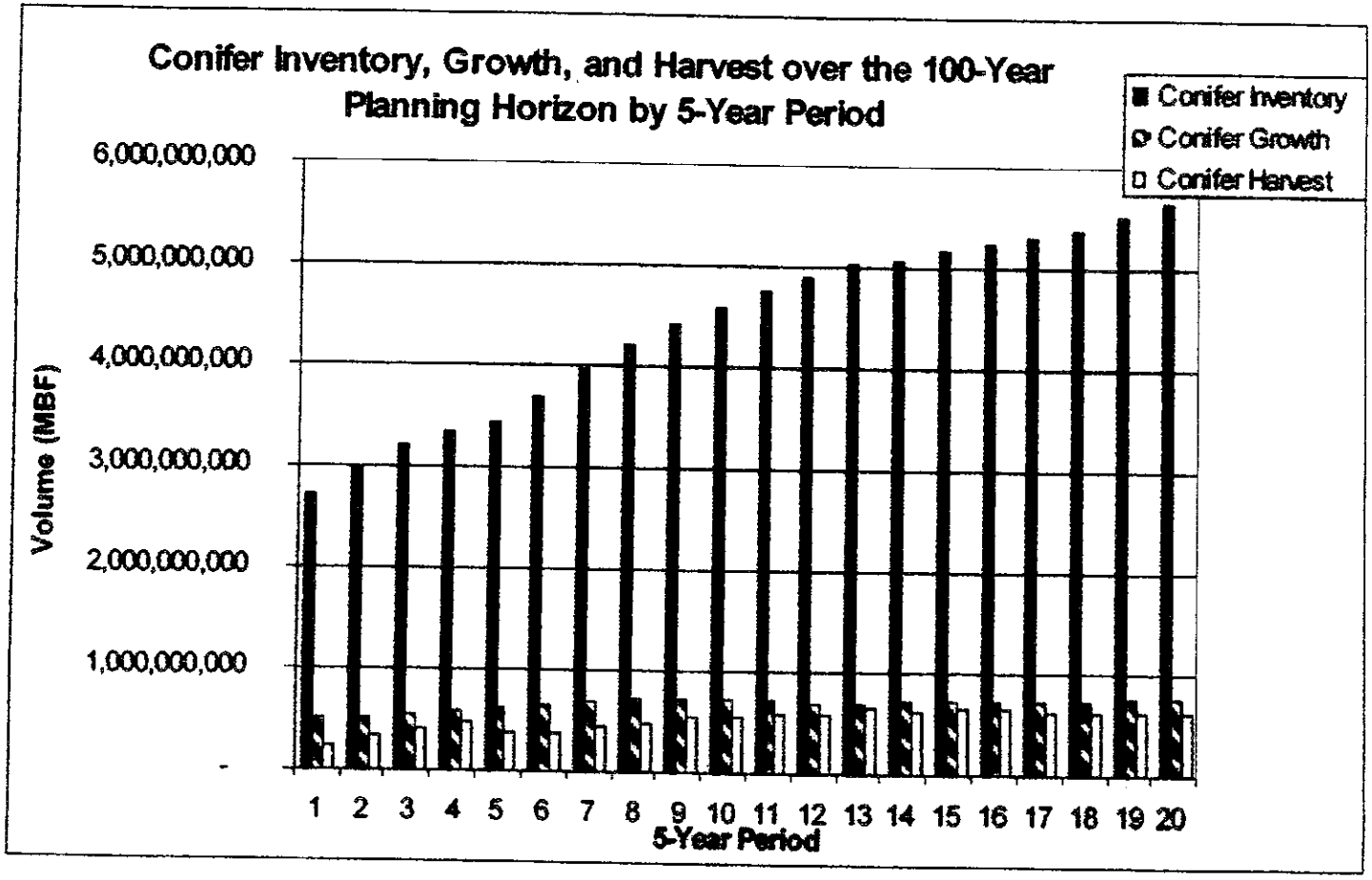


Chart 1: Modeled Conifer Inventory, Growth, and Harvest by 5-Year Period
This chart displays the trend of increasing inventory levels and the relationship between growth and harvest over the 100-year planning period.

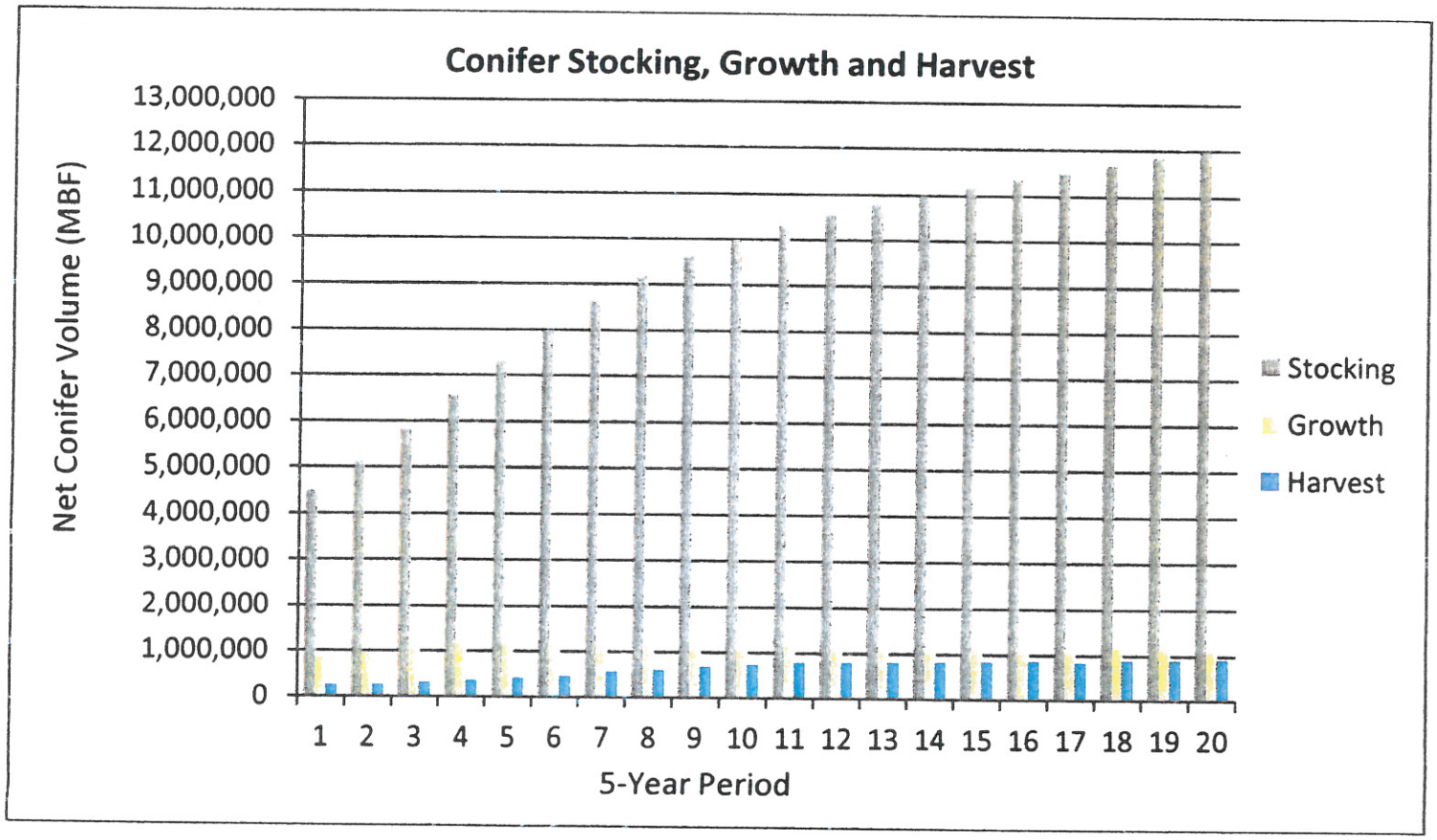


Figure 3. Stocking, Growth and Harvest