



PACIFIC FOREST TRUST

Private Forests. Public Treasures.

March 16, 2018

Re: Preliminary Discussion Draft of Potential Changes to the Regulation for the California Cap on Greenhouse Gas Emissions and Market-Based Compliance Mechanisms

Dear Chair Nichols, Board Members, and Staff:

Thank you for this opportunity to comment on the preliminary discussion draft of potential changes to the cap-and-trade regulations. We urge that the new requirements for Direct Environmental Benefits of offset projects to California are applied fairly and do not change the viability of offsets that have already been issued or of projects that were already under development when as guidance is finalized. We suggest that the new criteria around direct environmental benefits be applied only to offset credits generated by new projects going forward from the new requirements as they are adopted, not retroactively to the credits that have already been generated, or to projects currently under development under the existing rules.

Family forest owners, tribal groups, community forests, and many others around the nation have developed offset projects in good faith—requiring years of time and significant investments—under the existing offset protocols. The millions of acres of forest carbon offsets in 30 states is a mark of California’s leadership across the nation in the fight against climate change. Requiring the credits that have already been generated or projects which have already incurred significant costs to meet the new legislative requirement represents a “moving of the goalposts” that is unfair to those who have already committed significant personal and financial resources in the offset program.

The repercussions of changing the playing field for existing offset projects could have implications far beyond California’s borders. As neighboring states and regional partners such as Oregon and potentially Washington seek to develop their own cap-and-trade or cap and invest programs, it will likely be much harder to build support if landowners with projects already under development for California’s system are left with stranded assets and negative perceptions of cap-and-trade. If other states don’t follow California’s example in regulating emissions then the impact on our air and waters will be much worse than with this new policy.

We support ARB’s proposal to stipulate that forest offset projects in watersheds

that flow into California meet the DEB requirement. We would also suggest that benefits to migratory wildlife be considered. As other project types and locations are evaluated, we encourage ARB to recognize that improved forest management and other offset actions do benefit California by reducing the levels of this global gas, even if those actions are not undertaken in areas directly adjacent to the state.

We appreciate your taking these comments under consideration. If you would like to discuss them further, I can be reached at 415-561-0700 ext. 14 or lwayburn@pacificforest.org.

Sincerely,

A handwritten signature in black ink that reads "Laurie A. Wayburn" with a long horizontal flourish extending to the right.

Laurie Wayburn
President