

Friday, March 6, 2015

Chairman Mary Nichols and ARB Staff  
Air Resources Board, California Environmental Protection Agency  
1001 I Street  
Sacramento, CA 95812

RE: Workshop on Proposed Compliance Offset Protocol for Rice Cultivation Projects and Update to Existing U.S. Forest Protocol

Dear Chairman Nichols:

Finite Carbon is an active participant in the California compliance offset market. We are currently developing 15 improved forest management projects projected to deliver over 10 million offsets by 2020 – more than 5 percent of the anticipated offset supply needed by the program.

We have enclosed several comments which directly address the limited information provided to stakeholders at the February 20<sup>th</sup> workshop.

We thank you for your consideration and would be happy to answer any questions you may have.

Sincerely,



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## Comments on Workshop Presentation for the Compliance Offset Protocol – U.S. Forest Projects

### Common Practice Values

Air Resources Board staff has proposed to make no changes to the 45-day language presented at the January Board hearing.

**We would like to request that ARB staff present the methodology for determining the proposed common practice values. As stakeholders and members of the public, we are unable to determine if these values are appropriate. The raw data is publicly available from the US Forest Service, but we have been unable to reproduce the values calculated by Air Resources Board Staff.**

**Our request is that the Air Resources Board publicly release a detailed methodology that enables project developers to repeat the determination of common practice independently. This will allow us to provide useful feedback on the methodology itself instead of the results of an opaque process.**

**Once this information is made publicly available, we encourage ARB to assemble a working group of stakeholders made up of accredited foresters to ensure the methodology represents the best possible approach and to submit the feedback of the working group to the Board in addition to staff recommendations.**

### Minimum Baseline Requirements

Air Resources Board staff has proposed to make no changes to the 45-day language presented at the January Board hearing.

**We disagree with staff's determination. This amendment to the Minimum Baseline Level calculation amounts to a restriction on forests with widely varying stocking levels that will severely limit the ability to utilize carbon as a conservation tool in many areas.**

**One such example is the identification of High Conservation Value Forests (HCVF) within a holding. While a forest may cover tens of thousands of acres, often a small subset may have unique characteristics that will qualify it as a HCVF. Forest certification standards such as the Forest Stewardship Council encourage landowners to identify these areas in order to provide special management consideration.**

**We believe carbon is an excellent tool to incentivize the identification of unique forest areas within a larger ownership and this should be encouraged by the Air Resources Board. We propose two alternatives:**

- 1. Remove Equation 5.5.**

- 2. Amend the definition of Logical Management Unit to explicitly state that areas identified by landowners as High Conservation Value Forests qualify as distinct Logical Management Units. The current definition of Logical Management Unit will likely exclude this option.**

### **Even-aged Management**

Air Resources Board staff has proposed a modification to the even-age management language of the protocol. While we believe a modification was necessary, no specific language has been released and the information provided at the workshop was insufficient to allow for appropriate comment.

**Staff has expressed a desire to align the even-age management language of the protocol with the California Forest Practice Act. We encourage the Board to study the environmental impact of this decision in the other 48 states where the protocol is eligible for use. While the California Forest Practice Act was carefully developed over a long period of time by forestry experts, the application of these rules to states outside of California with different region-specific regulations and ecology may result in a variety of negative impacts which could be environmentally detrimental and run counter to the intention of the protocol. While we are not necessarily against the existing proposal, we believe this requirement should be subject to further study on lands outside the state.**

**Once again, a working group of accredited foresters with diverse experience within and outside of California would be very beneficial to prevent the ARB from promoting arbitrary and untested policy with potentially negative environmental impacts outside of the state.**