



April 1, 2014

Dear Air Resources Board,

Carbon Credit Solutions, Inc. supports carbon offsets as a way of encouraging changes in the behavior of people and organizations that result in real greenhouse gas (GHG) emission reductions. Offsets are a critical market mechanism for a successful cap-and-trade program. Agricultural producers can be encouraged to adopt more sustainable farming practices that reduce GHG emission by being able to generate and sell emission offsets that result from the changes that are implemented. However this will only occur if the offsets can be generated in an efficient and cost effective manner. In order to generate agricultural offsets in a cost effective manner, the California Air Resources Board (ARB) must allow for aggregated project development.

Currently, the "Discussion Draft of the Rice Cultivation Projects Compliance Offsets Protocol" and AB 32 regulations do not support the type of aggregation that is necessary to make the rice protocol economically viable for growers to adopt. Aggregation mechanisms must allow multiple growers to be registered under a single project that is managed by a project developer.

At this time the Draft of the Rice Cultivation Protocol does not support aggregation. Unless aggregation is allowed it is highly unlikely that this protocol will ever be used to generate offsets. It simply won't be economically feasible to generate emission offsets from this protocol without aggregation.

Carbon Credit Solutions has been developing offsets from agricultural sector in Alberta since 2009. We have been involved in the Alberta market since 2006 and can assure you that aggregation works and reduces the risks of credit invalidation. To date we have generated 1.7 million tons of offsets from over 3.6 million acres of land that are managed by over a 1000 farmers. Alberta was the first subnational government to implement offsets from agriculture. Stakeholders of the Alberta market would be happy to share these lessons with the ARB so the state of California can implement a framework that supports the development of aggregated projects. California has implemented similar lessons from experience gained from the EU ETS and RGGI.

I encourage the ARB to invest its time and resources in developing a framework that will allow for aggregated project development rather than in protocols that will never be used. Once aggregation is allowed, the development of the rice protocol and other agricultural protocols will make sense. And those protocols once implemented will deliver valuable offsets to the state of California and help it reach its 2020 goal.

Sincerely

A handwritten signature in black ink, appearing to read "Alastair Handley", is written over a large, faint, diagonal watermark that says "DRAFT".

Alastair Handley  
President Carbon Credit Solutions