



April 1, 2014

California Air Resources Board
1001 I Street
Sacramento, CA 95812

Dear Air Resources Board,

Thank you for the opportunity to comment on the *Informal Discussion Draft of the Rice Cultivation Projects Compliance Offset Protocol* (the "Protocol"). While the 15-day window for public comment does not allow enough time for SCS to provide meticulous comments and suggestions, the broader issues identified below will need to be addressed before this Protocol will be adopted by the agricultural community.

1. *Aggregation of farms & fields* –the resounding theme in discussions has been the need for aggregation and ease of use for farmers in order for them to be able to participate,. In its current form, the Protocol fails to incentivize a farmer to use it, since they would most likely lose money after they had paid to implement the project, hired a technical consultant to run the model and write the documentation, undergo verification, and paid credit issuance fees. The Coalition on Agricultural Greenhouse Gases (C-AGG) has submitted a proposal on aggregation (April 1, 2014) which works within the structure of the existing Regulation. The proposed aggregation framework allows farmers to elect on their behalf, for any given project, an APD which will be responsible for handling all of the steps from listing through registration. With aggregation, multiple farmers could share the cost burden and therefore absorb the monetary benefit of their efforts, encouraging future participation. Additionally, from a verifier's perspective, this aggregation framework is an improvement since it is important to have one point of contact who understands the dynamics of the project and the offset process.
2. *Verification guidance* – in future drafts of this Protocol, the verification requirements will need to be expanded in order to create a level playing field between verification bodies. While SCS doesn't believe that designating a percentage of fields for a site visit may be the best route, there has to be some direction as to ARB's expectations of the audit team. We encourage you to explore the verification requirements in both the Climate Action Reserve and American Carbon Registry's approved rice protocols.
3. *Verification team* – in the proposed Protocol, section 8(d) requires that each verification team must include either an agronomist or a local/state agricultural cooperative rice farming advisor. In what capacity will the expert be allowed to serve on the audit team? Will they be allowed to conduct field visits? In section 95978(e) of the proposed Regulation amendments dated March 21, 2014, it defines "Direct supervision" of a technical expert as "daily, on-site close contact with

an ARB-accredited verifier acting as a supervisor who is able to respond to the needs of the technical expert. The supervisor must be physically present, or within 4 hours travel time and available to respond to the needs of the technical expert". If an ARB-accredited verifier must be on-site or within 4 hours of the expert, then having them conduct field visits is a moot point as this will also increase verification costs as it increases the total assessment time we will need to spend on the verification.

The agricultural community is looking to the development of this Protocol as the bellwether for future agricultural protocols. If this one proven unsuccessful, it will make future stakeholder buy in on potential protocols that much harder. SCS looks forward to working with the Air Resources Board on the further development of this Protocol.

Thank you,

A handwritten signature in black ink that reads "Rori Cowan". The signature is written in a cursive, flowing style.

Rori Cowan
Manager, Greenhouse Gas Verification
SCS Global Services