



June 4, 2015

Mary Nichols  
Chairman  
California Air Resources Board  
1001 I Street  
Sacramento, CA 95814

Subject: Proposed Compliance Offset Protocol for Rice Cultivations Projects

Dear Chairman Nichols:

We are writing to provide comments regarding the Air Resources Board's current draft of the Compliance Offset Protocol for Rice Cultivation Projects (Rice Protocol) headed for Board consideration on June 25, 2015. The California Rice Commission (CRC) has been working with the Air Resources Board (ARB) and other environmental groups on a proactive voluntary strategy for several years to help deliver much-needed greenhouse gas (GHG) reductions as part of a comprehensive solution to AB 32's statutory goals and objectives.

Looking through CRC's previous comment letter dated December 15, 2015, we believe that a good amount of progress has been made resulting in improvements in a number of areas. I applaud the work of your staff in working to have an improved product coming before the Board again for its consideration. In that letter I brought up issues of complexity, excessive data requirements, offset verification processes, consolidated reporting and importance of bringing in the early adopters to help sell this program to their peers. It is this final issue related to early adopters that I'm still losing some sleep over.

In my December 15, 2014 letter I wrote:

"We cannot understate the importance of farmers who try new methods to serve as spokespersons in the tractor dealerships and coffee shops in these farm communities. If allowed to participate, they become the advocates for new methods and the programs that support them. We have had success in our wildlife habitat programs by using these early pioneers to advertise their positive experiences with the Natural Resources Conservation Service, for example, to implement certain beneficial practices. Some new programs tend to eliminate participation by this important group of growers and miss out on the trusted voices they can have in convincing fellow growers to head down a new path. We are very encouraged to see that "early action" is being considered. We are hopeful, however, that the stringency of past recordkeeping rules (not available to them in previous years), will not prevent them from qualifying. Flexibility will be key in this area."

This issue of including early adopters is crucial to me because I will be leading the effort to promote this Rice Protocol to the 2500 growers that CRC represents. My job will be infinitely harder if I don't have at least the small set of four pilot producers that have worked with us for the last several years to help get us where we are today. They will be the growers that I will invite to CRC workshops to promote participation in the program. If they stand up amongst their peers and describe how the process actually worked and that they were issued marketable offsets, I give myself better odds of success. Without these growers, I predict that achieving significant uptake of this Rice Protocol here in California will be tough.

It is my understanding that the current Early Action proposal would require this small set of pilot project growers to have field-specific data going back several years in order to be issued offset credits--data that they could not possibly have known would be required even though they were performing the practices as far back as 2007. Analysis I've seen indicates that this could eliminate the possibility of the majority of these Early Action offsets being issued even though the total potential credit for these pilot producers is quite small compared to the total reductions called for by AB 32. The offsets would be less than 6,000 tons. ARB needs something like 174 million tons. It can quickly be seen that these 6,000 tons are quite small, representing about 0.003 percent of the 2020 reduction objective.

#### Specific Recommendation

CRC believes that ARB should find an innovative way to issue this relative small amount of offset credit to these pilot producers with a unique approach that does not penalize them for a lack of sufficient data. Average baseline conditions can easily be ascertained 500,000 acres of rice farming in the Sacramento Valley and used to calculate the final offset credits. More rigid field-specific data requirements can then be used for Rice Protocol participants moving forward who are fully aware of data requirements of the program.

We appreciate your Board's consideration of these comments on the Rice Protocol and look forward to working with the ARB to help promote this first agricultural crop GHG protocol. Please feel free to contact me at (916) 206-5340 if you have any questions.

Sincerely,



Manager of Environmental Affairs

c: Richard Corey, Executive Officer, ARB