



C A L I F O R N I A R I C E C O M M I S S I O N

August 1, 2008

Mary Nichols, Chairwoman
c/o Clerk of the Board
California Air Resources Board
1001 I Street
Sacramento, CA 95814

Subject: June 2008 Discussion Draft of the Climate Change Scoping Plan

Dear Ms. Nichols:

We are writing to provide comments on the June 2008 Discussion Draft of the Climate Change Scoping Plan (Scoping Plan). These comments are submitted on behalf of the 2,500 California rice growers that produce premium-quality rice on approximately 500,000 acres. About 95 percent of these acres are located in the Sacramento Valley. In addition to rice production, our fields provide critical habitat used by 235 species of wildlife, including millions of migrating waterfowl and shorebirds along the Pacific Flyway.

The California Rice Commission (CRC) appreciates the opportunity to work with your staff during the development of this Scoping Plan. Consistent with CRC's current research and development activities on greenhouse gas (GHG) emissions, our comments will focus primarily on references to offset trading provisions. CRC, in collaboration with the Environmental Defense Fund (EDF), is working to develop a viable program for our growers to provide compliance offsets generated from the application of voluntary practices in rice fields.

As background, we would like to provide a brief overview of our cooperative efforts with EDF. With funding from the Natural Resources Conservation Service Conservation Innovation Grants program, CRC and EDF are cooperatively working to identify, refine, and develop innovative practices and technologies that reduce greenhouse gas (GHG) emissions or otherwise sequester carbon on rice farms in California. Through this project, a model-based accounting tool is being developed and calibrated for California rice systems. Field measurements of rice yields, fertilizer use, water management and greenhouse gas emissions are being collected and will be used to test the accuracy of the model tool. The model will then be used to quantify how changes in field management practices may impact GHG emissions and crop yields. This project offers the potential to test both voluntary on-the-ground GHG emission reduction strategies and the associated emissions accounting systems that would facilitate the rice industry's participation in any future offset trading programs.

With the specific goal of CRC's current project to integrate seamlessly with the implementation of ARB's Scoping Plan, CRC provides the following comments:

1. Role and Definition of Offsets (page 16, paragraph 3)

CRC supports ARB's current definition of offsets as being reductions achieved outside of the cap and being available as cost-effective alternatives for mandatory reduction requirements. CRC requests to be involved in all stakeholder discussions regarding the *stringent criteria and verification procedures* that will be developed.

2. Limiting the Use of Offsets (page 19, paragraph 5)

CRC does not support ARB's suggestion that the use of offsets should be limited by some arbitrary number such as 10 percent. Based largely on the fact the emissions from the uncapped sectors are significantly lower than the capped sectors, we believe the supply of compliance offsets will be self-limiting, making a limit unnecessary.

3. Verification of Offsets (page 44, paragraph 1)

CRC supports reasonable requirements to *verify* offsets used for compliance purposes. However, we believe it is important to clarify that verification can be achieved through computer modeling demonstrated to adequately estimate reductions resulting from performance-based practices in the field. This is exceptionally important in many agricultural settings where the amount of reductions per acre will be relatively small, thus making ongoing verification through intensive sampling and instrumentation cost-prohibitive.

We appreciate your consideration of our comments and respectfully request them to be fully incorporated into the next version of the Scoping Plan. Please feel free to contact me at (916) 387-2264 if you have any questions.

Sincerely,

A handwritten signature in dark ink, reading "Paul Buttner". The signature is fluid and cursive, with a long horizontal stroke extending from the end.

Paul Buttner
Manager, Environmental Affairs