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Environmental Defense Statement on CARB's proposal to adopt the CCAR Forestry Protocols

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Good morning. My name is Eric Holst. I'm a forest ecologist with Environmental Defense. Environmental Defense strongly supports the staff report on the CCAR forestry protocols and urges the board to adopt these protocols for voluntary early action projects.

Forests can and should play an important role in meeting California's 2020 and 2050 emission reduction targets. California forests have the potential to sequester significant amount of CO2 mitigating climate change and providing a suite of additional environmental benefits associated with enhanced wildlife habitat, improved water quality, and expanded recreational opportunities. That said, if improperly managed, forests can serve as a source of emissions due to catastrophic wildfire, decline in forest health, conversion, and unsustainable levels of harvest.

The topic of today's discussion, forestry protocols, should be viewed in the context of an overall strategic plan for treatment of forests under AB32. Environmental Defense has submitted detailed scoping plan comments with recommendations on strategy in the forest sector. Briefly, we recommend the following:

1. The state should set an emission reduction target for the forest sector. The target should be based on a detailed inventory and ecological assessment of forests by subregion and forest type. Some forests are amenable to additional carbon sequestration and others are not (i.e., overstocked forests subject to catastrophic fire risk and insect/disease damage). The inventory and assessment would provide a scientific basis for setting a reasonable net emission reduction target for the forest sector.

2. Environmental Defense supports the creation of opportunities to generate GHG emission reduction offsets in the forest sector as part of a multi-sector cap and trade program. An offset program should be built upon strong measurement and verification protocols and on a strong scientific understanding of forest dynamics. I'll say more about forest offsets under a cap and trade program in one moment.

3. Environmental Defense supports implementation of a suite of incentive-based programs to encourage private landowners to engage in forest management that sequesters carbon and enhances forests ecological integrity. Specifically, we recommend that programs such as the California Forest Improvement Program (CalFire) that provide technical and financial assistance to private landowners be greatly enhanced and funded at substantially higher levels. Incentive programs at the state level should be coupled with federal incentive programs (e.g., Farm Bill conservation programs) to the greatest extent possible.

4. CARB, in collaboration with the Resources Agency and CalFire, must work closely with US Forest Service, Bureau of Land Management, and National Park Service to improve the ecological integrity of forest land in federal ownership in California. Nearly half of California's 30 million acres of forestland is in federal ownership. In particular, it is essential that federal forests, particularly in the Sierra Nevada, be managed to increase their resilience to wildfire and reduce the frequency of catastrophic events.

In addition to these measures, we believe that the board should encourage voluntary early action in the forest sector on the part of private forestland owners. Toward that end, we support the staff recommendation to adopt the CCAR Forestry Protocols and believe that this will be a positive first step in carving out a role for forests. The forestry protocols are well-balanced and provide comprehensive reporting, monitoring and verification guidance. They were developed through an extensive and open public process and have been reviewed by outside forest and conservation scientists. The protocols account for multiple conservation benefits including the protection and enhancement of water quality, wildlife habitat, and local timber economies.

We also support the staff suggestion to work with other state agencies to examine the need for other forest carbon accounting methods or additional forestry protocols to address the special needs of different types of forest land holdings and for different policy instruments. For example, as I mentioned before, Environmental Defense supports the creation of a multi-sector cap and trade program as the most cost effective means of meeting AB32's ambitious emission reduction targets. As a part of a cap and trade program, we support creating opportunities for generating carbon sequestration offsets in the forest sector. We believe that some modifications to our forestry protocols, including changes to address leakage, baseline and additionality provisions, will be necessary to ensure optimal outcomes in a regulated offset market.

As CARB begins this next phase of policy development related to forests, we commend to your attention a new manual, entitled *Harnessing Farms and Forests in the Low Carbon Economy*, for private landowners the farm and forest sector seeking to benefit the climate through emission reductions and carbon sequestration. It was developed by an eminent team of scientists organized under the auspices of the School of the Environment and Earth Sciences at Duke University and edited by staff at Environmental Defense. The so-called "Duke Standard" includes a wealth of information and recommendations that are particularly relevant to the application of forestry projects as offsets in a cap and trade program.

Environmental Defense looks forward to working with the CARB, Cal EPA, and the Resources Agency to develop strategies to address this and other important programs in the forest sector.