



**To: California Air Resources Board**  
**From: Debbie Reed, Executive Director**  
**Coalition on Agricultural Greenhouse Gases (C-AGG)**  
**Subject: C-AGG Comments on ARB Informal Discussion Draft of the Rice Cultivation Protocol Dated 06/20/2014**  
**Date: Friday, June 27, 2014**

**Background:**

C-AGG is a multi-stakeholder coalition of agricultural producers, scientists, methodology experts and developers, carbon investors, environmental ngo's, and project developers that fosters a fact-based discourse on the development and adoption of policies, programs, methodologies, protocols and tools for GHG emissions reductions and carbon sequestration from the agricultural sector. C-AGGs' primary objective is to incentivize voluntary GHG emissions reductions opportunities for agricultural producers that enhance productivity and income generation opportunities while benefiting society.

**Comments:**

Offsets are an important part of a well-functioning cap-and-trade program. C-AGG applauds the California Air Resources Board's (ARB) commitment to develop agricultural protocols that will engage the agricultural sector in voluntary opportunities to contribute to California's cap-and-trade program. C-AGG has been following with great interest ARB's work to develop a Rice Cultivation Offset Protocol, and we believe that the Protocol will provide important precedents for other agricultural offset protocols developed and approved by ARB in the near future.

C-AGG applauds the incorporation in the current draft of the provision allowing Authorized Project Designees (APD) to group together multiple projects for economy of scale, as a means to attain cost-effectiveness and economic viability of projects that will enable and encourage the participation of the agricultural sector. This provision is perhaps the most important factor in the development of agricultural offset projects that are cost-effective and that will allow for the engagement of the agricultural sector in voluntary GHG mitigation efforts at a scale that matters. Additionally, C-AGG considers ARB's proposal to allow alternative methods to simplify quantification of primary emission reductions to be a positive aspect of the draft, as well as ARB's commitment to contract to develop a tool to simplify reporting and use of the DNDC model. We agree that the latter provision will ease record-keeping and quantification requirement compliance; and simplify data input and record-keeping for projects and project developers [including for Offset Project Operators (OPO) and Authorized Project Designees (APDR)].

Also significantly, C-AGG applauds ARBs continued commitment to utilize modeled calculations to verify GHG emissions reductions achieved by the sector, as outlined in this discussion draft. As communicated by C-AGG over the past several years, we continue to believe this is the most cost-effective way to allow the agricultural sector to participate in offset programs in a cost-effective yet scientifically rigorous manner. Just as significantly, the measures taken to include the use of process models as described in



this draft represent a programmatic investment in models that will allow for increasing rigor over time, while also balancing necessary simplicity and ease of use to not create too onerous or burdensome requirements for agricultural producers.

### **Additional C-AGG Comments and Recommendations for Consideration Pursuant to the ARB Discussion Draft**

- While Section 1.2 Definitions, number (28) defines a project area as a rice field or a group of rice fields on which project activities take place, Section 3.1, General Eligibility Requirements, number (3) states that offset projects must employ homogeneous water, fertilizer, and crop residue management across each individual, participating rice field area within each reporting period. Combined, these requirements would seem to greatly restrict the ability of a Project Developer (whether it is an APDR or an OPO) to in fact group together multiple projects to achieve economies of scale. Instead, C-AGG suggests that ARB allow any eligible project activities to be employed on fields, as long as all other reporting requirements are met by the APDR and OPO. In other words, different fields within a project should be allowed to have different baselines and employ different (eligible) emission reduction management practices.
- Within Chapter 6. Monitoring – Quantification Methodology, Section 6.2, General Document Retention, C-AGG applauds the requirement that the OPO or APD retain all documentation and information required for compliance with the protocol, since in many cases it will be the APD who develops and maintains a data management system, which eases the burden and requirements on individual producers, and which provides additional assurances of proper project management and documentation.
- Also within Chapter 6, as indicated in Sections 6.2.1, 6.2.2, and 6.2.3 requiring Documentation for Project Activities, C-AGG applauds the use of appropriate remote sensing data for documentation purposes – in this case, time-stamped digital photographs with geo-tagging features. C-AGG hopes that ARB will continue to be open to the use of additional appropriate and cost-effective documentation methodologies in the future, including remote sensing and satellite imagery documentation.
- As C-AGG has indicated in the past, confidentiality is a significant concern for agricultural producers, and we applaud ARB’s approach to Offset Project Data Reports (OPDR) that exclude sensitive or confidential business information. However, we remain concerned about the requirement that every field’s latitudinal and longitudinal coordinates be reported, along with CITTS information for every OPO and APD, since that effectively means that every participating producer (and his/her name, phone number, mailing address, physical address, and email address, and specific field coordinates) must be identified in the OPDR, which is a public document. C-AGG feels that this data can be maintained by the APDR and/or OPO, and confirmed by the verifier, but need not be made publicly available.
- In Chapter 8. Verification Requirements, Section 8.1, item (f), we again applaud ARB for requiring verification teams to include agronomic experts, since they are critical to a proper understanding of agricultural issues within the context of offset protocols.



- In Chapter 8. Verification Requirements, Section 8.2 item (a), the requirement is for two thirds of the fields or two fields, whichever is greater, and fifty percent of the total project area to be selected for data checks for each verification. While C-AGG agrees (and has previously commented to that effect) that a combination of risk-based and randomized sampling of farms within a project, in a scientifically sound manner, is the most cost-effective and accurate means of verification, the requirement as written does not indicate whether these data checks are requirements for site visits or desk audits.
  - If the former, the expense associated with these requirements is simply too high, and will likely make these projects financially not viable. In this case, C-AGG again encourages ARB to consider the use of scientifically valid, risk-based and randomized sampling procedures across each project that will yield rigorous compliance with the regulation, without requiring costly site visits that will add no additional data to increase the accuracy of verification outcomes.
  - If the latter, then C-AGG concurs with this approach. However, we suggest adding more specifics regarding sampling requirements across the entire project, e.g. 25% risk-based sampling and 25% randomized sampling of project data for each reporting period.
- C-AGG strongly encourages ARB to consider comparative verification approaches during the first three years of use of the protocol, such that sampling methods based on risk-based and randomized verification approaches are compared to more labor-intensive and costly approaches that ARB might be considering. Such a comparative analysis would be a valuable and worthwhile endeavor, and would provide for sound information on which to base the development of updates to the Rice Cultivation Protocol, as well as the development of additional agricultural protocols.
- Invalidation of offset credits is a valid concern, and reasons for invalidation are laid out in ARB's regulations. However, C-AGG believes it is important that invalidation of credits from a single farm or field within a project should not invalidate the entire project. Project-wide invalidation should only occur if the APD has acted in a fraudulent or negligent manner or there is a systemic error across all fields in the project. Otherwise, the risk for project developers is too great, and there is likely to be very limited uptake of this protocol by project developers.